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INSIDE AFRICA

Now is the time to invest in Africa

EAGLESTONE

CONTENTS

BRIEFS

Angola

- IMF available to provide financial assistance to Angola
- World Bank supports the 2018 Angolan state budget
- National Bank of Angola should make banking sector comply with international standards
- Angola is main supplier of independent refineries in China in October
- Italian group ENI wants to increase oil production in Angola
- Angolan cement producers buy fuel directly from the Luanda refinery
- New Luanda international airport in Angola expected to start operating in 2019/2020

Cabo Verde

- Cabo Verde takes on loan from AfDB to finance the State Budget
- Vinci/ANA-Aeroportos de Portugal hired by Cabo Verde to designan airport management model

Guinea-Bissau

- Chinese technicians complete geological surveys for construction of fishing port

Kenya

- AfDB approves US$ 100 million Line of Credit to Kenya Commercial Bank
- Kenya signs agreement for crude oil pipeline study
- Coca-Cola to invest up to $90 mln in Kenya to broaden product range

Mozambique

- Portugal signs new Strategic Cooperation Programme with Mozambique
- Mozambique needs IMF, open to new probe on hidden loans - finmin
- Partners approve entry of the ExxonMobil group in the natural gas business in Mozambique
- Construction of new bridge over Save River in Mozambique, starts in 2018
- Zimbabwe chromium and iron exported through Mozambique's ports
- Process of granting mining licenses in Mozambique to be revised to prevent corruption
- Yara Group announces investment of US$2 billion in Mozambique

South Africa

- IMF urges South Africa to launch reform plan to boost economy
- South Africa's economy faces major challenges: central bank head
- S.Africa working to preserve fiscal discipline after IMF visit: Treasury
- AfDB approves $172 mln financing for South Africa's Nedbank
- Ford to invest $211 million in South Africa to boost output

In-depth:
Is Africa Still Rising?

Growth across Sub-Saharan Africa has weakened since 2015, and the poor outlook for commodity prices has cast doubt on the region's economic promise, leading critics to conclude that Africa's economic heyday is over. Yet the gains that African economies have made are real, and will not be easily reversed.

Between 2000 and 2014, Africa grew at a strong clip, fueling belief in the narrative of an "Africa rising." But, since 2015, growth across Sub-Saharan Africa has weakened, and the poor outlook for commodity prices has cast doubt on Africa's economic promise, leading many to question the "Africa rising" narrative – and some to pronounce it dead.

Such skepticism is, to some extent, understandable. The 2014 oil-price shock hit several African economies especially hard, and played a role in pushing aggregate growth down from 5-6% in 2004-2014 to just 2.5% in 2015-2017 – a rate that barely keeps up with population growth.

Moreover, the continent's three largest economies – Angola, Nigeria, and South Africa – have experienced major declines in performance. Last year, Angola and South Africa's economies stagnated, while the Nigerian economy actually contracted for the first time since 1991. The latest projections suggest that these economies will experience tepid recoveries in the coming years.

But Africa's skeptics have overlooked a number of important factors. For starters, when one sets the three largest economies aside, Sub-Saharan Africa's aggregate-growth rate for this year rises from 2.5% to almost 4%. That is faster than the 3.5% rate at which the global economy is currently growing. In fact, five of the ten fastest-growing economies in the world are in Africa. And over the next five years, around half of all Sub-Saharan economies will expand at an average rate similar to or higher than that which prevailed during the "Africa rising" heyday.

Furthermore, high commodity prices were just one factor in the region's strong economic performance between 2000 and 2014. Many African countries have made vast improvements to macroeconomic management, governance, and the business environment, and entrepreneurship is on the rise. Even with lower commodity prices, these developments will continue to bolster many African economies.

Today's skepticism may reflect lasting memories from a darker period, and fears that Africa's progress has not been sufficiently consolidated. From the 1970s to the mid-1990s, dictators ruled in many African countries, and the institutions necessary for sustaining strong economic growth were fragile at best. With civil wars constantly shredding the social fabric in many countries, the continent experienced decades of tepid economic growth. By 2000, it had been reduced to what The Economist called "Hopeless Africa."

But those days are gone. Policymakers across the continent have sustained the 1990s-era reforms that set the stage for the subsequent period of high growth. Although there is still much work to be done, the economic and business environment in many African countries has continued to improve, and institutions and governance have grown stronger.

Owing to new information and communication technologies, Africans, particularly young Africans, are better informed, more engaged in civil and political discourse, and increasingly capable of holding their leaders accountable. ICTs have also unleashed a wave of innovation and entrepreneurship across the continent.

These positive trends are not likely to be reversed, and will continue to improve the economic conditions in Africa, even if commodity prices do not rebound. After all, the region's economic growth averaged 5.6% between 2000 and 2004, before commodity prices had begun their rapid ascent.

But that is not to say Africa will be spared from daunting challenges in the years ahead. Globally, the economic environment will become less favorable for African economies. In the major advanced economies, interest rates will soon rise, and the political backlash against globalization may force governments to abandon their past commitments to development assistance.

In light of all this uncertainty, African policymakers should look inward, by focusing on policies to mobilize national resources and finance their economic agendas. Those agendas should include a number of key priorities. African countries need to diversify their economies to withstand future shocks better, while also accelerating the pace of industrialization across the continent. Governments will have to find a way to create decent jobs for the 11 million people now entering the region's labor force every year. And they will need to enact policies to reduce poverty, and ensure that prosperity is shared across all cohorts of society.

These are particularly important goals for Angola, Nigeria, and South Africa. Angola and Nigeria need to become far less reliant on oil; and South Africa still needs to implement far-reaching reforms to address structural problems that have plagued it since the apartheid era. Seeing these projects through will require competent political leaders who are committed to the principles of good governance. Failure could result in an extended period of low growth.

But even if Africa's three largest economies do end up in the doldrums, it will not necessarily seal the fate of the "Africa rising" story. After all, "Africa rising" need not mean "all" of Africa. From the 1960s to the 1990s, the "Asian Tigers" narrative referred only to Hong Kong, Singapore, South Korea, and Taiwan, excluding other developing countries in Asia, such as China. Similarly, African economies are increasingly differentiating themselves, and should thus be evaluated individually, on the merits of their respective economic policies. (Project Syndicate)

By Brahima Coulibaly, a senior fellow and director of the Africa Growth Initiative at the Brookings Institution, was chief economist and head of the emerging market and developing economies group at the Board of Governors of the US Federal Reserve System.

Banking on African Infrastructure

Africa faces a yawning gap between its infrastructure needs and its ability to attract the foreign investment required to finance projects. The continent's leaders must recommit to creating a more favorable investment climate, one that can attract capital while limiting investors' risk exposure.

As the US Federal Reserve embarks on the "great unwinding" of the stimulus program it began nearly a decade ago, emerging economies are growing anxious that a stronger dollar will adversely affect their ability to service dollar-denominated debt. This is a particular concern for Africa, where, since the Seychelles issued its debut Eurobond in 2006, the total value of outstanding Eurobonds has grown to nearly $35 billion.

But if the Fed's ongoing withdrawal of stimulus has frayed African nerves, it has also spurred recognition that there are smarter ways to finance development than borrowing in dollars. Of the available options, one specific asset class stands out: infrastructure.

Africa, which by 2050 will be home to an estimated 2.6 billion people, is in dire need of funds to build and maintain roads, ports, power grids, and so on. According to the World Bank, Africa must spend a staggering $93 billion annually to upgrade its current infrastructure; the vast majority of these funds – some 87% – are needed for improvements to basic services like energy, water, sanitation, and transportation.

Yet, if the recent past is any guide, the capital needed will be difficult to secure. Between 2004 and 2013, African states closed just 158 financing deals for infrastructure or industrial projects, valued at $59 billion – just 5% of the total needed. Given this track record, how will Africa fund even a fraction of the World Bank's projected requirements?

The obvious source is institutional and foreign investment. But, to date, many factors, including poor profit projections and political uncertainty, have limited such financing for infrastructure projects on the continent. Investment in African infrastructure is perceived as simply being too risky.

Fortunately, with work, this perception can be overcome, as some investors – such as the African Development Bank, the Development Bank of Southern Africa, and the Trade & Development Bank – have already demonstrated. Companies from the private sector are also profitably financing projects on the continent. For example, Black Rhino, a fund set up by Blackstone, one of the

world's largest multinational private equity firms, focuses on the development and acquisition of energy projects, such as fuel storage, pipelines, and transmission networks.
But these are the exceptions, not the rule. Fully funding Africa's infrastructure shortfall will require attracting many more investors – and swiftly.
To succeed, Africa must develop a more coherent and coordinated approach to courting capital, while at the same time working to mitigate investors' risk exposure. Public-private sector collaborations are one possibility. For example, in the energy sector, independent power producers are working with governments to provide electricity to 620 million Africans living off the grid. Privately funded but government regulated, these producers operate through power purchase agreements, whereby public utilities and regulators agree to purchase electricity at a predetermined price. There are approximately 130 such producers in Sub-Saharan Africa, valued at more than $8 billion. In South Africa alone, 47 projects are underway, accounting for 7,000 megawatts of additional power production.
Similar private-public partnerships are emerging in other sectors, too, such as transportation. Among the most promising are toll roads built with private money, a model that began in South Africa. Not only are these projects, which are slowly appearing elsewhere on the continent, more profitable than most financial market investments; they are also literally paving the way for future growth.
Clearly, Africa needs more of these ventures to overcome its infrastructure challenges. That is why I, along with other African business leaders and policymakers, have called on Africa's institutional investors to commit 5% of their funds to local infrastructure. We believe that with the right incentives, infrastructure can be an innovative and attractive asset class for those with long-term liabilities. One sector that could lead the way on this commitment is the continent's pension funds, which, together, possess a balance sheet of about $3 trillion.
The 5% Agenda campaign, launched in New York last month, underscores the belief that only a collaborative public-private approach can redress Africa's infrastructure shortfall. For years, a lack of bankable projects deterred international financing. But in 2012, the African Union adopted the Program for Infrastructure Development in Africa, which kick-started more than 400 energy, transportation, water, and communications projects. It was a solid start – one that the 5% Agenda seeks to build upon.
But some key reforms will be needed. A high priority of the 5% Agenda is to assist in updating the national and regional regulatory frameworks that guide institutional investment in Africa. Similarly, new financial products must be developed to give asset owners the ability to allocate capital directly to infrastructure projects.
Unlocking new pools of capital will help create jobs, encourage regional integration, and ensure that Africa has the facilities to accommodate the needs of future generations. But all of this depends on persuading investors to put their money into African projects. As business leaders and policymakers, we must ensure that the conditions for profitability and social impact are not mutually exclusive. When development goals and profits align, everyone wins. (Project Syndicate)
By Ibrahim Assane Mayaki, a former Prime Minister of Niger, is CEO of the New Partnership for Africa's Development (NEPAD) Planning and Coordinating Agency.

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

IMF available to provide financial assistance to Angola

The International Monetary Fund (IMF) is available to provide financial assistance to Angola provided there is a request in this regard, "something that has not occurred to date," said the Brazilian economist Ricardo Velloso, quoted in the Angolan press.
Velloso, head of an IMF mission, said at the end of the preliminary meeting with the Angolan government's economic team was analysing the macroeconomic forecasts and the assumptions

underlying the Policy and Action Mid-Term Plan year to March 2018), to improve the country's economic and social situation.

The head of the International Monetary Fund (IMF) mission to Angola considered it positive that the Angolan government intends to introduce Value Added Tax (VAT) in 2019, a longstanding suggestion made by the IMF, and announced a trip to Angola in late November by a mission of the IMF's Public Finance department to provide technical support in this area.

Regarding the Interim Plan, approved on 10 October, at the first meeting of the Council of Ministers chaired by the new Angolan head of State, João Lourenço, to improve the country's economic and social situation, the head of the IMF mission to Angola said that, a provisional analysis, shows "a lot of positive things." "Our assessment is starting, the plan is very detailed, there are many measures, our provisional assessment is that there are a lot of positive things, as mentioned, the creation of VAT is a very positive aspect, another aspect that we consider positive is the intention to move to the more flexible foreign exchange system," Velloso said.

The IMF provides assistance to Angola through annual consultations under Article 4 and the technical assistance programme covering various areas, such as tax policies, forecasts of macroeconomic data of the country, among others.

The delegation of the International Monetary Fund will remain in Angola from 5 to 15 November, to make a more in-depth diagnosis of the country and strengthen cooperation in order to find the best joint solutions to improve the macroeconomic situation. (Macauhub)

World Bank supports the 2018 Angolan state budget

The World Bank will support the 2018 Angolan general state budget, which should be assessed later this month by the Council of Ministers and approved by the National Assembly by December, the World Bank vice president for Africa Makhtar Diop said.

Diop visited Angola from 31 October to 2 November, as part of the strategic review of regional integration within the framework of the priorities for 2017. He was given an audience with President João Lourenço with whom he looked into the issue of support for the State Budget.

Cited by Angolan press, Diop said he was studying the possibility of budget support in the areas of education, health, energy and water resources and agriculture, but declined to give a value for that support for the first of five terms of the new Angolan President.

As a result of negotiations between Angola and the World Bank, the parties believe there is a need to increase the financial package to support important projects in the social sector, notably the electricity and sanitation sectors, taking into account the financing needs of the country over the next few years.

Before the audience with the President of the Republic, Diop met with the Minister of Finance, with the governor of the National Bank of Angola, with the Ministers of Economy and Planning, Energy and Water and Health as well as with the State Secretaries of Agriculture, Education and the Budget.

The Minister of Finance, Archer Mangueira, said the State Budget for 2018 is already being drawn up and that there is a timetable approved by the Council of Ministers which sets its consideration for later this month. (Macauhub)

Cabo Verde takes on loan from AfDB to finance the State Budget

The African Development Bank (AfDB) has granted a loan of 20 million euros to Cabo Verde (Cape Verde) to support the State Budget, and the loan agreement was signed in Abidjan, Ivory Coast, the AfDB said.

The loan agreement, intended to support the reform of state-owned enterprises and public investments, was signed by the ambassador of Cabo Verde in Dakar, Ignatius Rosa de Carvalho, and by the director general of the AfDB for West Africa, Janvier Litsé.

The loan, approved in October by the Board of Directors of the AfDB, aims to support the reform of state-owned enterprises and public investments as well as modernisation of the legislative and

regulatory framework for public-private partnerships, improvement of the business environment, in addition to the promotion of entrepreneurial initiatives and the formalisation of the informal sector.
The AfDB’s portfolio in Cabo Verde on 31 October had 13 active projects in a total investment of US$114 million, including a public-private partnership with renewable energy company Cabeólica, valued at 15 million euros, expansion of Praia airport and the technological park project.
The African Development Bank, of which Cabo Verde is a member, is one of the country’s major financing partners and, since 1977, it has supported 66 projects, with loans and donations, with an estimated value of US$533 million. (Macauhub)

Cameroon makes significant strides in social services and infrastructure, new AfDB report shows
As the most robust economy in Central Africa, Cameroon, has in the past decade taken steps to further boost growth, making major advances in providing health, education, and clean water, and launching an ambitious infrastructure investment programme to become a middle-income country by 2035, according to the AfDB’s Cameroon Country Brief released on 2 November 2017.
The report highlights the country’s efforts towards achieving this objective, with the Bank’s support, by aligning its development actions to AfDB **High 5** strategic pillars.
“Progress has been impressive, but a big leap in business competitiveness is required, to create a more diverse, inclusive, regional economy,” said Simon Mizrahi, Director of the Delivery, Performance Management and results.
Here are a few highlights and insights from the report:

- **Light Up and Power Cameroon**: With abundant sun, rivers, and natural gas reserves, Cameroon could potentially be an electricity exporter to the Central African Economic and Monetary Community (CEMAC). But for now, the country must address domestic power shortages, strong annual demand growth of 8%, and low electricity access in rural areas. As of next year, however, 2.7 million Cameroonians will have better electricity access, due to a national plan to expand production and transmission with AfDB’s support.
- **Feed Cameroon**: To fulfill its potential in agriculture, which accounts for 40% of GDP, , the AfDB has helped Cameroon double agriculture output, which has lifted the livelihoods of 4.6 million farmers by 15%, including promoting small holders agribusiness, better nutrition, and strengthening food security.
- **Industrialise Cameroon**: The economy rebounded to 5.7% growth in 2015, boosted by agribusiness and construction, and the time to start a business shrank to 15 days from 45. However, the country should cut red tape and make it easier for businesses to get loans. Internet use rose 10-fold but stands at 11%, although that will grow: the Central African Backbone will install 1,000 km of fiber optic cables with AfDB financing.
- **Integrate Cameroon**: Intra-Africa trade tripled in the past decade, but a big investment gap remains to build transport, energy, and information and communications infrastructure to underpin further growth. Recent trade growth was boosted by an AfDB-backed road, the 535 km corridor in the fertile zone from Bamenda in Cameroon to Enugu in Nigeria, which cut travel time to hours instead of days, and lifted the incomes of traders and farmers.
- **Improve the Quality of Life for Cameroonians**: Despite investing heavily in health centers, schools, and clean water – only three-quarters of the population currently have clean drinking water - Cameroon must create more jobs, especially for its youth.

To better serve Cameroon, AfDB has recently expanded its Yaounde office, striking new partnerships to leverage more financing, and raising its investment to $2.8 billion.
Looking forward, Cameroon has several ambitious endeavours in its bid to narrow the investment gap in trade, energy, and transport, and to further expand its position as the largest regional trading partner in Central Africa, though projects, such as the AfDB-funded study on the Cameroon-Chad electricity Interconnection Line, one of the largest projects in the Economic community of Central African States (ECCAS).

AfDB Group approves €98m loans and €17m partial risk guarantee for Air Côte d'Ivoire program to boost regional aviation industry and open up new markets

A €253m Public-private partnership program for aircraft purchase, jobs and training

The AfDB Group's Board of Directors has approved a total AfDB loan of €98.06 million to finance a program of the regional airline, Air Côte d'Ivoire (ACI) to modernize and expand its operations. The loan consists of a €51.16 million sovereign loan, a €42.64 million private sector loan, and an African Development Fund (ADF) loan of €4.26 million.

The deal also includes an African Development Fund Partial Risk Guarantee of €17.06 million in the public-private partnership project. The project focuses on improving air connectivity in the West and Central Africa region. The partial risk guarantee had the effect of crowding in participating commercial banks to the tune of €95.09 million. Air Côte d'Ivoire is contributing €42.77 million equity, raising the total investment to €253 million.

The program will result in the Abidjan-based airline introducing new routes to Nouakchott, Bangui and Luanda.

Despite recent growth, the aviation market in the West and central Africa region is the most disadvantaged on the continent and has huge suppressed demand – a situation that has hampered regional growth and integration. The program is a mix of financing, knowledge, and policy solutions to deal with this aviation market failure in the region.

The program includes the acquisition of five Airbus 320 series aircraft, the partial risk guarantee and a Technical Assistance Package for aviation industry capacity development. This includes the training of pilots and aviation technicians and a business plan to establish an aviation training center of excellence. It also includes support for improving the aviation business climate with regard to tax, fees, and charges, which can act as a brake on growth. The transaction is the first of its kind to use the leveraging power of the partial risk guarantee for the transport sector in Africa.

The project will promote job creation, trade, tourism, and private sector development. It will support air connectivity and economic activities in seven national economic centers, improve air connections to 23 regional locations, increase cargo freight by 35% and passenger traffic from 719,972 in 2016 to more than 1.2 million by 2030. The project will create 684 direct jobs for cabin, air, ground crew and other operational staff by 2020, and some 5,000 indirect jobs in tourism and parts of the private sector by 2029. The project will also include the training of 77 new pilots and 120 aviation technicians. Thirty-five per cent of the latter are targeted for women.

These improvements will contribute to three of the AfDB's High 5 strategic priorities. One is 'Integrate Africa' by increasing air connectivity and intra-regional trade, in land-locked countries and fragile states. It will also contribute to the 'Industrialize Africa' and 'Improving the quality of life of the people of Africa' priorities through tourism, job creation and private sector development.

INVESTMENTS

Macau investment creates expectations in Cabo Verde

Macau businessman David Chow plans to expand his interests in Cabo Verde (Cape Verde), building up the expectations of the government and the local business community that these investments will have positive repercussions on the Cape Verdean economy.

The Africa Monitor Intelligence newsletter reported that Chow, who is already involved in the construction of the largest hotel enterprise in the Cape Verdean capital, is now buying up agricultural properties in the interior of the island of Santiago, to supply of food to the hotels in the country and also for export.

According to Africa Monitor, citing business sources, the businessman plans to purchase of an area of about 1,500 hectares, which would make his company the largest agricultural producer in Cabo Verde, a country which is largely dependent on imports.

The expectation in business circles is that the agricultural project will boost the sector and bring in new investments, particularly international, complementary or competing investments.

The construction of the businessman's "anchor" project, a complex on the islet of Santa Maria, promoted by Macau Legend Development Ltd and built by a Chinese company, is underway and four floors of the resort's office building have already been erected. The hotel, after changes to the initial design, will be 14 stories high.
The Africa Monitor also wrote that the Government of Cabo Verde has created exceptional conditions for the development of Chow's projects, notably the appointment of a coordinator of the Cape Verdean committee monitoring the works of the hotel project.
This coordinator, Alberto Melo, was a councilman responsible for urbanism at Praia City Hall until September 2016 and is currently president of the capital-s Municipal Assembly as well as being responsible for Tourism Development Zones and non-executive director of the Tourism Fund.
The financial sector is also in Chow's sights as in May he signed a memorandum of understanding with the government for the creation, in Cabo Verde, of the Banco Sino-Atlântico bank, through which the entrepreneur intends to attract Chinese capital, give support to small and medium-sized enterprises in the country and facilitate local and international payments, in line with the economic policy set by the government.
The deadline set for the submission of the project to the Bank of Cabo Verde, the central bank, is six months, and developments in the project are therefore expected in November. (Macauhub)

Portugal signs new Strategic Cooperation Programme with Mozambique
The new Strategic Cooperation Programme between Portugal and Mozambique signed in Maputo for the 2017/2021 period has a financial package of 202.5 million euros, with about half offered as credit on preferential terms. The Portuguese Secretary of State for Foreign Affairs and Cooperation, Teresa Ribeiro, said that special attention will be given to "investment and trade," as well as support for traditional sectors such as education and health. Nyeleti Mondlane, the Mozambican deputy minister of Foreign Affairs, said after the signing of the document that 102.5 million euros will be offered as credit on preferential terms, granted through the Portuguese Cooperation Business Fund and the Portuguese Support Fund for Investment in Mozambique.
The credit offers more favourable conditions than those of the general market in terms of interest, grace periods and amortization. The signing of the new Strategic Cooperation Programme comes after the donor group to the Mozambican State Budget – including Portugal – suspended aid in 2016 following the hidden debt scandal.
Secretary of State Teresa Ribeiro said that this did not interfere with the preparation of the programme signed, adding that the right support for the State Budget is a separate issue that is "being considered" by a group of donors. (Macauhub)

Sweden to invest US$115 million in Mozambique
Sweden announced yesterday that it would invest $ 115 million in Mozambique in the areas of energy production, agriculture, social projects and initiatives related to human rights.
The announcement was made by the Secretary of State for International Cooperation and Development of the Kingdom of Sweden, Eva Maria Modéer, who is visiting the country. Modéer said that in the framework of bilateral cooperation, Sweden had been talking to the Mozambican government in order to overcome the financial challenges the country is currently facing. "We have a longstanding relationship and we will continue to work with Mozambique. We have had further discussions about the financial challenges facing the country and the importance of re-entering the International Monetary Fund (IMF) funding programs," Modéer said.
Nyeleti Mondlane, Deputy Minister of Foreign Affairs and Cooperation, said that Modéer's intervention would boost and strengthen the existing bilateral relationship between the parties. "We will continue to cooperate and we are very grateful because Sweden is a country that invests not only in infrastructure development projects but also in social areas which are crucial for the human development of our country," the Mozambican official said.

The meeting between the two officials also served to review the history of cooperation in relation to public and private partnerships developed by the countries. The electrification of Mozambique, the development of agriculture, democracy and the promotion of human rights are some of the areas in which Mozambique has enjoyed support from the Swedish government. In June 2015, the Swedish government approved a new development cooperation strategy between Sweden and Mozambique for the 2015-2020 period.

The visit of the Secretary of State for International Cooperation and Development of the Kingdom of Sweden to the country falls within the scope of the evaluation of the diplomatic relations between the two countries.

Sweden reiterates that it will not support state budget

Sweden reiterated yesterday that it would not support the state budget directly as long as Mozambique has not clarified the case of “hidden debts.” Sweden’s Secretary of State for International Development and Development, Eva Maria Modéer, said Sweden had funded the Kroll audit, but the country needed to do its part to regain trust from the partners.

At a press conference following a lecture on democracy at Eduardo Mondlane University, Modéer said that the Swedish government expected openness from the Mozambican authorities in investigations into public debt. The State Secretary for International Cooperation and Development of the country that financed the audit of public debts also said that it was up to Mozambique to comply with the recommendations of the IMF and so regain confidence and consequent support to the general state budget. (Club of Mozambique)

Bayer opens in Mozambique

Global healthcare and crop science innovation company, Bayer, is cementing its presence in Africa following its formal announcement of the opening of a new local office in Maputo, Mozambique. The move demonstrates the company’s commitment to its growing business interests in Africa. While Bayer will initially have a large focus on the local agricultural sector through its Crop Science Division, it is already present in the country through the distribution of some of its pharmaceuticals, animal health products and anti-malaria programmes.

Mozambique’s Honourable José Condugua Pacheco, Minister of Agriculture and Food Security welcomed Bayer’s investment into the country. Minister Pachecho has previously gone on record indicating that his biggest expectation is to attract more investment into the country. Bayer intends on engaging with the Minister as the company’s presence is cemented in Mozambique. “We believe that we have synergies with the aspirations of the Mozambican government. This is especially true of our Crop Science Division that is introducing solutions that meets the unique requirements of the region, which is endowed with a range of climatic, soil and water conditions opportune for a diverse range of agricultural production. Bayer has a lot to offer Mozambique with our strong focus on initiatives that can help shape the future of the local agricultural sector that can enable a sustainable, nutritious food supply,” says Dr Klaus Eckstein, Bayer’s CEO and Head of Crop Science in Southern Africa.

In addition, Bayer has already committed to Mozambique through its partnership with Goodbye Malaria and has been on the frontline of the fight against malaria for some years. Malaria remains the most common cause of death in Mozambique.

Current reports indicate that the Mozambican economy is showing signs of recovery after a difficult 2016 with the first quarter GDP growth in 2017 more than double the growth rate of the preceding quarter. In addition, the output of the agricultural sector in Mozambique is expected to register growth of 6.5 % this year. “With the promising economic trends pointing upwards, we believe that we are coming into Mozambique at the right time to make our contribution in the region, drawing from over 100 years of experience of operating of in the African continent.” concludes Eckstein.

The new Bayer regional office will be based in the capital city, Maputo, and will include sales support from our Crop Science Division, and has an operational team on the ground in different parts of the country. (Club of Mozambique)

U.S. signs $524.7 million investment compact with Ivory Coast

The Millennium Challenge Corporation, the U.S. government's main development fund, said it had signed a $524.7 million investment compact with Ivory Coast to build schools and improve roads around the busy port in the commercial capital Abidjan. The five-year compact was signed at the State Department between Ivory Coast President Alassane Ouattara and Jonathan Nash, the MCC's acting chief executive. MCC investments are aimed at showcasing countries with good policies and the body's seal of approval is meant to attract foreign investors. Split from 2002 to 2011 between rebels in the north and government forces in the south, Ivory Coast has since become one of the world's fastest growing economies and is regularly cited as a model of post-conflict renewal. The MCC said its grant funding would help build 84 secondary schools and train teachers to boost education in a country where roughly 40 % of the population is under 14. It said its investments in the Abidjan Transport Project will help rebuild the road network around Abidjan's port, among the busiest in sub-Saharan African, and reduce transport costs. (By Lesley Wroughton, Reuters)

BANKING

Banks

UK's Aldermore agrees $1.3 bln takeover by FirstRand

South African lender FirstRand has agreed a 1.1 billion pound ($1.3 billion) takeover of British banking newcomer Aldermore Group to boost its business in developed markets. The 313 pence per share offer represents a 22.3 % premium to Aldermore's closing price of 245 pence on Oct. 12, the day before the companies announced they were in talks. Aldermore is one of a group of so-called challenger banks that emerged after the financial crisis to fill a gap in small business lending and capitalise on problems at bigger lenders such as Royal Bank of Scotland and Lloyds.

However, they have been seen as ripe for takeovers recently after a prolonged period of low interest rates and sluggish British economic growth squeezed earnings, while the pound's fall has made them cheaper for foreign buyers. FirstRand has been looking to return to developed markets following a rethink of its strategy prompted by slowing growth and rising risks elsewhere in Africa. It already runs MotoNovo, a vehicle financing business, in Britain.

African markets have been depressed by a slump in oil and other commodity prices - export mainstays of many economies - leading companies to scale back operations.

Aldermore was founded in 2009 by a former Barclays executive with backing from private equity firm AnaCap. AnaCap said in an email statement that it welcomes the news of the takeover. Analysts at Canaccord Genuity, who rate Aldermore as "hold", called the offer reasonable.

Broadening the base

FirstRand said that further growth could be unlocked in Britain through cross-selling the current product range across MotoNovo and Aldermore's customer bases."It (Aldermore) will allow the FirstRand to allocate more financial resources to our operations in Africa, whilst diversifying earnings in the UK," FirstRand CEO Johan Burger said.

Aldermore has been one of the better performing UK challenger banks. It released its third-quarter earnings, reporting higher nine-month new lending at 2.4 billion pounds thanks to strong demand from small and medium sized businesses, homeowners and landlords.

Once the deal -- which will be put to a vote by Aldermore's shareholders -- completes, FirstRand's UK retail and SME operations will be joined with Aldermore, the African lender said. Aldermore's CEO Phillip Monks will head the new combined UK business. "We've developed into a multiproduct diversified lender, and having spoken to FirstRand we can expand and accelerate that strategy in the UK," Monks told Reuters. "I am personally attracted to continuing in my role," he said. JPMorgan, RBC Capital Markets and Lazard are advising the British company. Credit Suisse and Rand Merchant Bank are acting as financial advisers to FirstRand. ($1 = 0.7645 pounds) (By Lawrence White, Noor Zainab Hussain, Reuters)

Nigeria's Senate approves report exonerating MTN Nigeria over forex transfers

Nigeria's Senate approved a report largely exonerating South African telecoms company MTN Group Ltd's Nigerian unit, after the business was accused of illegally repatriating $14 billion to its parent. But the Senate report also asked Nigeria's central bank to sanction Stanbic IBTC Bank "for improper documentations in respect of capital repatriation and loan repayments" on behalf of MTN. Parliament's upper house agreed in September last year to investigate whether Africa's biggest telecoms firm unlawfully repatriated $13.92 billion from Nigeria - its most lucrative market which generates a third of its revenue - between 2006 and 2016. A spokesman for MTN said: "We welcome the report. We will study it in more detail. As we've placed on record previously, we have always insisted that our actions have been compliant with the law in this regard." Stanbic IBTC did not immediately respond to an email requesting comment. The senate investigation did not receive proof of collusion to contravene Nigeria's foreign exchange laws, according to the report. "There was evidence of massive capital outflow but that fact alone is not conclusive that a crime has been committed," the report said.

As for the Central Bank of Nigeria, the senate committee said its failure to properly regulate foreign exchange should be condemned. The bank should propose amendments to current regulation to foster economic growth and improve Nigeria's foreign currency inflows, said the report. In July the Senate had rejected an earlier version of the report, asking for further work to be undertaken. (By Paul Carsten, Chijioke Ohuocha and Tiisetso Motsoeneng, Reuters)

National Bank of Angola should make banking sector comply with international standards

The new Governor of the National Bank of Angola (BNA), José de Lima Massano, is responsible for ensuring that the Angolan banking sector complies with the standards required by the international banking and financial institutions, said the President of Angola
in Luanda.

President João Lourenço, during the inauguration ceremony of the new governor of the Angolan central bank, said that the choice of Massano was because of the confidence he had in his capacity to improve the level and the proper functioning of the National Bank of Angola as well as the country's banking system. The new governor said he would work to strengthen the stability of the financial system in Angola, a strategy that also involves improving the internal capacity of the institution, and added he would "take great pride in being able to once again serve Angola in this function." Massano said that the agenda of the BNA is defined, either by virtue of its statutes, and its political guidelines, which were publicly outlined by the President of the Republic in his speech on the state of the nation, on 16 October. President João Lourenço, dismissed Walter Filipe Duarte da Silva, at his request, from the office of governor of the National Bank of Angola. (Macauhub)

BNA develops strategies for family budget management

The National Reserve Bank of Angola (BNA) will continue developing strategies that contribute to a more efficient family budget management and to the reduction of financial resources in the informal sector, said in Luanda the BNA's vice governor, Suzana Monteiro

Speaking at the opening of the Savings Week, which is running from the October 30 to November 5, she said that the implementation of this action requires a more efficient and effective financial education of the economic agents, avoiding the provision of unregulated and unsupervised financial services and therefore less secure.

According to her, families, by transferring part of their present consumption into the future, that is to say, by making savings, are desiring a better future, an important attitude that benefits individually and collectively and can contribute to the reduction of poverty rate and improving the living conditions, ensuring access to better education, medical and medicinal care, as well as contributing to the economic growth and development of the country.

To the manager, the primary function of financial intermediation is to capture deposits of economic agents with surplus revenues and place them at the disposal of the deficit agents, who need the

financial resources to make investments. "The savings habit demonstrates the individuals' responsibility to their objectives, allowing them to plan, develop projects and prevent unexpected events, as well as providing greater discipline, tranquility and stability in the present and future of families", she said.
The Savings Week, under the motto "Saving and investing safely", is part of the World Savings Day celebrations, marked on October 31, as well as the celebration of the 41st anniversary of the BNA, to be celebrated on November 5. For seven days, the Central Bank and commercial banks are displaying their main services and products. The festivities include banks BCI, BNI, Banco Keve, BPC, Banco Sol, BIC, Bai, among others. (Angop)

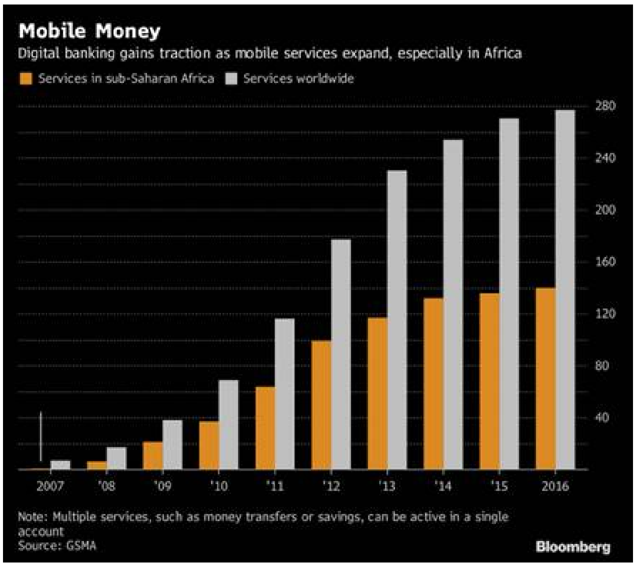
New BPC Board bets on portfolio, credit restructuring process
The new Board of Banco de Poupança e Crédito (BPC) has vowed to launch restructuring process of credit portfolio and reduction of operational cost of the financial institution. The pledge was confirmed by the CEO of BPC, Alcides Safeca. Speaking on the sidelines of the swearing in of BPC's executive manager, Fernando Heitor, the CEO stressed the institution's engagement in working on the measures to increase the bank's operational capacity. Alcides Safeca also said that the institution is reviewing and discussing with the respective creditors the processes of credit granted to the customers, aimed at their recovery. "We are negotiating with the debtors and at the end we will take stock", assured the manager, stressing that the process is running as planned.
The process will influence the resumption of the credit grant to the bank's clients, expecting to start in the first quarter of 2018, stressed the CEO, without disclosing the figures on the current value of the bad credit portfolio. He also said that in July this year the bad credit portfolio stood at 231 billion Kwanzas.
According to him, the BPC had planned to sell to Recredit, under the plan of recapitalisation of the financial institution. The swearing in ceremony of the executive manager Fernando Heitor was chaired by minister of Finanças Archer Mangueira. BPC is represented in the country's 18 provinces with 444 branches. (Angop)

AfDB approves US$ 172 million financial package to Nedbank
The Board of Directors of the African Development Bank Group (AfDB) has approved a US$ 172-million financial package to Nedbank Group Limited of South Africa, to finance local and continental businesses. The package comprises of a ZAR 2-billion subordinated loan and a US$ 30 million unfunded Risk Participating Agreement (RPA) facility to benefit African issuing banks in 20 Regional Member Countries (RMCs). The sub-debt will strengthen Nedbank's Balance sheet and contribute towards the realization of its strategy to finance among other sectors, infrastructure, SMEs; digital banking and affordable housing. Specifically, the Risk Participation Agreement will cover part of Nedbank's default risk arising from underwriting trade-related transactions originated by various African financial institutions. Given the Bank's 'AAA' rating, the Risk Participating Agreement would help Nedbank to reduce its risk capital charge for the guaranteed transactions, thereby freeing up scarce capital to underwrite more business. The facility is therefore quite timely, as it will enable Nedbank to grow its asset book as well as increase its visibility as a credible confirming bank for African trade transactions. The financial package is in alignment with the Bank's Ten Year Strategy and High 5 priorities in terms of jobs creation, improving the business environment and the living condition of the people through infrastructure development, support to SMEs and providing affordable housing, respectively. (AfDB)

MTN Takes on Vodacom to Become Africa's Biggest Digital Bank
- South African company sees banking driving digital growth
- CEO says local content could boost growth of mobile music

MTN Group Ltd. is seeking to challenge rival Vodacom Group Ltd. as Africa's biggest digital bank by tripling its customer numbers within three years.

Already the continent's biggest mobile-phone company by subscribers, Johannesburg-based MTN is adding about 500,000 active banking customers a month, Chief Executive Officer Rob Shuter, 50, said. About 20 million people use MTN's mobile banking now, he said in an interview at Bloomberg's office in the South African city.
MTN, Vodacom and other competitors are using more affordable and faster internet to offer banking to people in countries where traditional financial services are scarce. Mobile-money accounts allow users to deposit and withdraw funds via their phones and pay for everything from groceries to haircuts. "We really are at that early-adoption stage of mobile internet" in Africa, said Shuter, who joined MTN from Vodacom parent Vodafone Group Plc in March. In many of these markets, there isn't sufficient fixed-line internet that would be needed for mobile banking or even other banking options, he said. Vodacom owns about 35 % of Nairobi-based Safaricom Ltd., whose fast-growing M-Pesa banking service has made it Kenya's biggest company. Together they have about 32 million banking customers in Africa. CEO Shameel Joosub said last week that Vodacom was the "biggest bank in Africa," having moved about $100 billion through M-Pesa in the last year.
The number of mobile-money customers in the region is growing rapidly, having surpassed the amount of traditional bank accounts in 2015 to reach 277 million by the end of last year, according to GSMA. Orange SA and Bharti Airtel Ltd. also provide the service on the continent.
Globally, $269 billion was moved through mobile money transactions in 2016, up from $1.2 billion in 2006, according to GSMA. In Africa, the 3G networks needed for mobile-banking cover only 50 % of the population, compared with the global average of 78 %, indicating that there's potential for the market to grow much further. MTN has operations in 17 countries across Africa, ranging from its largest market of Nigeria to Guinea Bissau, the smallest. Vodacom and Safaricom have networks in six African nations. MTN's mobile-money growth is dependent on the company's ability to invest in and develop the digital technology needed to harness the service, Shuter said. Even in the carrier's more mature markets, digital services only contribute about 20 % of revenue. MTN also sees its number of active data customers, at about 30 % of the total, as a relatively low level that could be improved.



Further growth opportunities could come in the form of delivery of entertainment to mobile devices. Spotify, the world's largest online music service, hasn't entered Nigeria or South Africa partly because it doesn't carry any local content or have banking connections, Shuter said. MTN shares rose 0.3 % to 125.46 rand as of 12:29 p.m. in Johannesburg, paring its drop this year to 0.6%. Vodacom has advanced 2.1 % this year. "In the right markets there is no reason why an MTN version of Spotify, where we collect the money from the pre-paid wallet or mobile-money account and we arrange the local content, can't be successful," said Shuter, who held executive roles at Vodafone in Europe before joining MTN. (By Janice Kew and Loni Prinsloo, Bloomberg)

Markets

Ghana Misses $816 Million Bond Target After Extended Bidding

- West African nation sells 10-year debt at 19.5% yield
- Debt sold through SPV, wasn't backed by sovereign guarantee

Ghana missed its target to sell 3.6 billion cedis ($816 million) of non-sovereign bonds to settle the debt of energy utilities as demand for the securities fell short even after the offer was extended by a week.

The West African nation placed 2.3 billion cedis of the 10-year bonds at 19.5 % after receiving 2.8 billion cedis in bids demanding a yield of as much as 20 %, joint deal advisers Fidelity Bank Ghana and the local unit of Standard Chartered Plc said in an emailed statement. The debt was offered separately to a tender for 2.4 billion cedis of seven-year securities that were fully subscribed on Oct. 27, when the bookrunners extended the sale for the 10-year bonds.
The government wasn't prepared to pay more to sell the debt, Sam Aidoo, head of treasury at Fidelity, said by phone. "We will come back to issue the rest any time market conditions are ripe," he said. The sale is part of a 10 billion-cedis issuance program. The bonds were sold through a special-purpose vehicle that will be funded with the proceeds of energy-sector levies.
Five major energy utilities in Ghana had 10.8 billion cedis of payable loans at the end of June last year, according to the International Monetary Fund. The 10-month old government of President Nana Akufo-Addo sold the bonds after vowing to boost banks' ability to lend and restructure the debt-laden energy sector.
Future issuance will continue until all the sector's legacy debts have been settled, E.S.L.A. Plc, as the special-purpose vehicle is known, said in an emailed statement. "Because it was not considered a sovereign bond by a lot of financial institutions, some people didn't buy," Michael Nana Sarfo, chief executive officer of Bora Capital Advisors Ltd. in the capital, Accra, said by phone. "They can always come back to raise the rest." (By Moses Mozart Dzawu, Reuters)

U.S. Investigates Credit Suisse, VTB and BNP Paribas for Roles in Selling Mozambique Debt
FBI probes whether banks facilitated corruption; Justice Department has met with investors
The U.S. Justice Department and Federal Bureau of Investigation are investigating three international banks for their roles in selling about $2 billion of debt for Mozambique, opening a new phase in the global inquiry into the bond deals, people familiar with the matter said.
Swiss lender Credit Suisse Group AG CS -1.28%, Russian bank VTB Group and French bank BNP Paribas SA BNPQY -0.98% are focuses of the U.S. probes, the people said. The FBI is looking into whether the banks facilitated corruption by enabling Mozambican officials to take money raised in the debt sales, the people said.
Financial regulators in the U.S., the U.K. and Switzerland began probes into potential securities-law violations by the banks last year, after The Wall Street Journal reported the existence of irregularities in the Mozambican transactions. The newer U.S. inquiries widen the scope of the probes to include potential corruption and raise the possibility of criminal prosecution.
Credit Suisse has been trying to rehabilitate its international image for more than a year and recently restructured the investment banking unit that handled the Mozambican deals. Credit Suisse's CEO Tidjane Thiam has been pushing to change the bank's culture of risk taking for several years with some success—the bank settled a longstanding lawsuit from the financial crisis in 2016 and reported a sharp rise in third quarter profits this year as it focused more on wealth management.
When informed of the investigations by the Journal, Alex Vines, head of U.K. international-policy think tank Chatham House's Africa division, said they were "an important step toward greater transparency on how these undisclosed loans were negotiated. It is important for Mozambique's leadership to learn from past mistakes and will have international implications." Spokeswomen for Credit Suisse, VTB and BNP declined to comment. Two Mozambican government spokesmen didn't reply to requests for comment. The FBI began looking into the soured bonds around June 2016, when a small team of agents visited Maputo, the capital of Mozambique, according to people familiar with the situation. The securities-fraud unit of the FBI's New York field office has been investigating whether the banks facilitated improper payments to senior Mozambican officials, a person familiar with the matter said. Attorneys from the Justice Department's Washington, D.C., division specializing in money laundering and asset recovery met this summer with investors who had been sold the Mozambican bonds and requested they provide all documents and communications from the banks, according to the people familiar with the matter.

Justice officials also have met with Credit Suisse and VTB bankers and lawyers based in London, where the deals were originated, to discuss the transactions and follow-up dealings with investors and Mozambique, the people familiar with the matter said.

Credit Suisse became involved in the deals in 2012, when the lender began discussions with defense contractor Iskandar Safa, who negotiated a deal to supply Mozambique with military and surveillance equipment through his company Privinvest Group. Mr. Safa asked Credit Suisse to help Mozambique borrow money to pay for the contracts.

From 2013 to 2014, the Swiss bank, VTB and BNP raised $2 billion in bonds and loans for companies owned by Mozambique's Defense Ministry, which contracted to buy equipment and services from Privinvest. About $1.2 billion of the debt wasn't publicly disclosed and, in an unusual twist, proceeds from the deals went straight from the banks to Privinvest rather than going first to the state-owned companies that borrowed the money, people involved in the transactions said.

After the Journal reported on the deals in 2016, donors including the International Monetary Fund suspended hundreds of millions of dollars in direct aid to the impoverished country, citing concerns about how the money had been spent. The aid freeze triggered a currency crisis and worsened food shortages in Mozambique, which ranks 181st out of 188 countries on the United Nations' Human Development Index, a composite statistic including life expectancy, education and income.

The IMF commissioned investigations firm Kroll to audit the deals, and Kroll found that the prices of equipment to be provided by Privinvest exceeded what they should have cost by about $700 million, while an additional $500 million of the loan proceeds was unaccounted for. "It is our view that, had Kroll assessed the pricing of the projects properly, using the correct assumptions and methodology, they would have found no discrepancy between the contract prices and value delivered," a Privinvest spokesman said. He also said the goods and services provided weren't military in nature and declined to comment on the Justice Department and FBI inquiries.

Revelations of the debts and the allegedly missing cash have sparked anger in Mozambique at the government and at the banks it hired. "Clearly there was nothing to do with borrowing money—at least the traditional way of borrowing money—for development," said Adriano Nuvunga, program director for Mozambique's Center for Public Integrity, a watchdog group, speaking at a conference at Johns Hopkins University in March. "This, for us, is clearly an international corruption scandal."

The Justice Department is also examining whether the banks helped Mozambican officials borrow more debt than the country's economy could reasonably repay, said one of the people familiar with the matter. The deals increased Mozambique's national debt by 25% in 2013, and the country defaulted on its loans and bonds last year.

Mozambique's ruling Frelimo party has close ties to the military and former veterans and Defense Ministry officials, including current President Filipe Nyusi and former President Armando Guebuza, who hold or have held many top government posts, analysts say. The Mozambican government has denied any wrongdoing or corruption in the raising and spending of the funds through the disputed bonds.

The government's intelligence service and Defense Ministry created the companies that borrowed the debt, while the finance ministry provided government guarantees for the deal without obtaining the parliamentary approval required by law, according to public findings by Mozambique's parliament. (By Matt Wirz and Rebecca Davis O'Brien in New York and Jenny Strasburg in London, Wall Street Journal)

ENERGY

SEFA to support the development of a Biomass-to-Power plant in South Africa

The Sustainable Energy Fund for Africa (SEFA) has approved US$990,000 to eThala Management Services, to support the development of a 10-MW Biomass-to-Power plant to be located in Harding, 200 km south of Durban in the KwaZulu Natal Province of South Africa.

The project will enable further diversification of South Africa's power generation mix away from coal dominance by adding renewable energy generation from biomass. The viability of the project will have a significant demonstration effect with regards to bioEnergy and showcase Corporate Power Purchase Agreements as an anchor for renewable energy generation. It is expected to deliver economic empowerment and boost the socio-economic development of Harding community. The project's source of biomass is agricultural, forestry and timber processing waste which, coupled with the gasification technology presents significant CO_2 emissions reductions benefits.

"With the sponsor being a women-led business, the project is aligned with the Bank's Affirmative Finance Action for Women in Africa and can have a significant demonstration effect," says Ousseynou Nakoulima, AfDB's Renewable Energy and Energy Efficiency Director. The SEFA funding will be instrumental in supporting the development of the project towards financial close by detailed engineering designs, a full environmental and social impact assessment (ESIA), as well as legal and financial/transaction advisory services.

The Project is consistent with the Bank's 10-Year Strategy on inclusive/green growth through the delivery of energy access; the Bank's Private Sector Development Strategy (2013-2017) through leveraging of private sector financing, the Energy Sector Policy 2012 and the New Deal on Energy for Africa. It is also aligned with the Bank's Country Strategy Paper for South Africa, 2013–2017, which emphasizes supporting "pilot testing cutting-edge clean energy and energy efficiency technologies," in the country. (AfDB)

Sudan in talks with Norway's Scatec Solar to build solar farm

Sudan is in talks with Norway's Scatec Solar to build its largest solar power farm, investment minister Mubarak Al-Fadil told Reuters, following the lifting of U.S. trade sanctions in October.

A Sudanese delegation led by Al-Fadil met with Scatec Solar executives last week during a business summit in Oslo, where the potential for a solar farm with a minimum 400 megawatt (MW) capacity was discussed, the minister said in an interview. "We invited them to come to discuss a power-sharing agreement. We told them that we are not on for small projects. They said their initial start could be 400 MW," Al-Fadil said.

Sudan's power production capacity, which is just above 3,000 megawatts (MW), is insufficient to satisfy the country's demand, reaching only about 40 % of its population and the country wants to produce more, said Al-Fadil. "Given the growth on demand, we need at least 5,000 new megawatts to build in the country. Renewable is preferable for us," he said.

If realised, a 400 MW solar farm could cost about $450 million and Sudan is prepared to hand Scatec Solar the power purchase agreement, hoping to have the plant up and running within a year of striking a deal, he added. Scatec Solar's chief executive Raymond Carlsen declined to comment on the firm's discussions with Sudan. Last month, finance minister Othman Rukabi said Sudan's economy was headed for a gradual recovery after the U.S. lifted its 20-year-old economic sanctions, opening the way for critical economic reforms and badly needed investment.

Sudan is one of Africa's biggest but poorest countries, having been ravaged by a multi-year war that ended in the south's secession in 2011, which stripped the north of three quarters of its oil resources.

The country's only sizeable renewable source of energy is hydropower, representing more than half of Sudan's power production, World Energy Council data shows.

Sudan is also looking to develop wind power, the minister said. "We had Danish companies discussing wind before I came, I met them and they are coming with Sudanese investors. They have the idea to start with 280 MW with wind," he said.

Gas-fueled power is an alternative, the minister added, as Sudan strives to secure more electricity for its agriculture and industry that aim to boost production and benefit from the, now sanctions-free, international trade. "The other choice for us is gas. We need finance. The need is high, we need to move fast because this is affecting industry and agriculture. We need to bring new energy," he said. (By Alexander Smith, Reuters)

INFRASTRUCTURE

Construction of new bridge over Save River in Mozambique, starts in 2018

Works for the construction of a new bridge over the Save River, linking the southern and central regions of Mozambique, will begin in 2018, the Minister of Public Works, Housing and Water Resources announced on Radio Mocambique. Minister Carlos Bonete also told the state-owned broadcasting station that the current bridge, built more than 50 years ago, no longer offers safe crossing conditions, and is "its current state is a concern." The bridge over the Save River was designed in the early 1960's by the late Portuguese engineer Edgar Cardoso and inaugurated on 16 September, 1972. It is a pre-reinforced suspension bridge, with three spans of 210 metres and two of 110 metres, for a total length of 810 metres, with a road that is 7.20 metres wide. The bridge has average daily traffic of 240 to 300 vehicles, mostly heavy vehicles. (Macauhub)

Mozambique, Zimbabwe ink rails transportation deal

State Mozambique Ports and Railways company, CFM, the National Railways of Zimbabwe (NRZ) and the Zimbabwean ferrochrome producer ZIMASCO have signed a Service Level Agreement that should guarantee the movement of large amounts of chrome and of iron ingots to the ports of Beira and Maputo along the Mozambican rail network.According to the agreement, which came into force on 1 November and is valid until December 2018, ferro chrome and iron ingots would transported through the Machipanda and Limpopo lines, respectively. State-controlled Radio Mozambique reported that during that period it envisages the rail transport of about a million tonnes of these minerals for export, or around 70,000 tonnes a month.

With the signing of this agreement the amount of freight using the Limpopo line next year should rise to about a million tonnes, a figure never reached before. To achieve these figures, CFM and NRZ are mobilizing the necessary locomotives and wagons. The agreement was formalised late on by the chairperson of the CFM board, Miguel Matabel, and by the company's executive director for operations, Agostinho Langa while the managing director of NRZ, Lewis Mukwada, signed for his company, as did the Chief Executive Office of ZIMASCO, John Musekiwa. Zimbabwe's ferrochrome production is expected to double to 300,000 tonnes this year after the government allocated chrome concessions to small mining companies as part of efforts to boost output. Zimbabwe holds the world's second largest deposits of chrome, which is smelted to produce ferrochrome. Raw chrome exports are expected to reach 550,000 tonnes from 285,000 tonnes. (Club of Mozambique)

Pemba Logistics Base; Construction works resume in November

Construction works on the Pemba Logistics Base serving gas exploration projects in the Rovuma Basin in Cabo Delgado province resume in November. The President of the Board of Directors of Empresa Nacional de Hidrocarbonetos, Omar Mithá, said that the base would handle cargo for the oil companies operating in Palma. Mithá said that work, which had come to a halt due to adverse factors, could be completed next year. "We will give an unequivocal signal that the logistics base will, indeed, provide and let us not forget also that the logistics base has the exclusivity of three hundred miles from the Rovuma, the Rovuma interior, below Pemba, and that this exclusivity has to be respected because it was approved by the laws here in Mozambique," Mithá said. Mitha was speaking on the sidelines of the Mozambique oil and gas sector local content conference in Pemba. (Club of Mozambique)

China Hyway group makes final delivery of Moçâmedes Railroad

The China Hyway Group has made the final delivery of the rail infrastructure of the Moçâmedes Railroad to the president of the company, Daniel Quipaxe, at a ceremony held in the city of Lubango, in Angola's Huila province. Angolan state news agency Angop reported the works that began in 2006 were completed in 2012, and the final delivery has only now taken place because of the need to finish some work in order to make rail traffic safer.

The work consisted of laying 967 kilometres of rails, from Namibe to Kwando Kubango, passing through Huila, the replacement of wooden sleepers with concrete ones and construction of a 105-kilometre branch line between Dongo and Tchamutete (municipality of Jamba) to ensure iron ore transport.
The project also included building 57 stations along the line, as well as the installation of a new and modern optic fibre telecommunications system and complete signalling, as well as building a new professional training centre, which is now being equipped. The Minister of Transport, Augusto da Silva Tomás, who attended the ceremony, said the act marks the beginning of a new cycle in the history of the Moçâmedes Railroad, which first began to be built in 1905, was opened to traffic in 1910, and continued to be increased until it reached Menongue (formerly Serpa Pinto) in December 1961. (Macauhub)

Huíla: CFM railway infrastructure handed over to authorities
The Moçamedes Railway (CMF)?s infrastructure fully repaired by China Hai Wayway Lda company was formally handed over to the firm?s CEO, Daniel Quipaxe. This was during a ceremony held in Lubango, southern Huíla province, presided over by the Transport minister, Augusto da Silva Tomás. The works went from 2006 to 2012, but some arrangements to ensure safer travels delayed the hand-over of the 967 kilometres railway from southwestern Namibe province to southeastern Cuando Cubango, across Huíla. The works included the replacement of wood railway sleepers with concrete ones and construction of a 105-kilometre railroad branch linking the Dongo and Tchamutete stations to secure the transportation of iron ore. The project included the construction of 57 stations and installation of a fibre optic telecommunication system and a professional training centre. (Angop)

New Luanda international airport in Angola expected to start operating in 2019/2020
The new Luanda International Airport, under construction since 2004 by Chinese contractors on the outskirts of the Angolan capital, should only start operating in 2019, a two-year delay compared to the previous forecast, said the Minister of Transport. Minister Augusto Tomás said at the end of a visit to the project by the new President of Angola, João Lourenço, that the cost of the construction of the airport, including access roads, already exceeds US$6 billion.
The new airport is under construction in the municipality of Icolo e Bengo, 30 kilometres from the capital, with its inauguration initially announced for the first half of 2017. The Minister of Transport, justifying the delay based on financial difficulties, said that just over half of the work had so far been completed and the airport should start operating at the end of 2019.
The construction of the airport is the responsibility of the China International Fund (CIF), hired by the Angolan government for US$3.8 billion and the equipment was awarded to the China National Aero-Technology International Engineering Corporation for US$1.4 billion. The consortium of China Hyway Group Limited was chosen in 2015 to build the rail access to the airport, costing US$255 million.
Additionally, the construction of the railroad branch line from the current Baía Station of the Luanda Railroad (CFL) to the new Luanda international airport (a total of 15 kilometres), will cost US$162.4 million and the access roads to the new airport will cost US$692.7 million, also involving Chinese companies. The project is financed by the credit line opened by China for the reconstruction of Angola, after three decades of civil war. (Macauhub)

Chinese technicians complete geological surveys for construction of fishing port in Guinea-Bissau
A team of technicians from China, that since October have been carrying out geological prospecting work as part of the project for construction of the second phase of the fishing port of Alto Bandim in Bissau, Guinea-Bissau, concluded its work recently, the administrative director of the port said.Hugo Nosoline Vieira said that the Chinese team drilled a total 24 holes on land and at sea next

to the port and said that the samples collected will now be sent to a specialised laboratory in China, one of the conditions to finalise the project. If the results are positive, the construction of the second phase of the fishing port, whose project is financed entirely, in the form of a donation, by the People's Republic of China in the amount of US$26 million, is scheduled to begin in January 2018, he added.

The agreement for this donation was signed in August 2001, and since then, three teams of Chinese technicians have been sent by Beijing to present the project to the Guinea-Bissau authorities, as well as to conduct topographical and geological prospecting on land and at sea near the fishing port. The project includes construction of a floating bridge of 50 metres along the existing ramp, the paving and construction of drainage ditches, a water reservoir with a capacity of 1,000 cubic metres and clearing of debris around the new infrastructures, along with an anti-erosion system, stairways to land fish and dykes for protection of ships.

The first phase of the construction of the fishing port of Alto Bandim was financed by the African Development Bank with US$4 million and included the construction of a pier, a fish auction and administrative building. The government expects the facility to provide the conditions to carry out inspections and observe the recommended hygiene requirements before domestic consumption and export of fish. (Macauhub)

MINING

Mozambique: Graphite factory will not damage irrigation – AIM

The Balama district government, in the northern Mozambican province of Cabo Delgado, has claimed that the water needs of the graphite processing factory of the Australian company Syrah resources, will not pose any threat to the water consumption of local communities. Balama's main source of water is the Chipembe dam. Cited by the Maputo daily "Noticias", the Balama district administrator, Eusebia Celestino, pointed out that the dam can store 25 million cubic metres of water, but the graphite factory's requirements are only two million cubic metres a year. The dam was built in the 1980s, but its retention capacity was reduced by damage to its floodgate. This is now being corrected by repairs to the dam. "So we say there are no grounds for alarm. Rain water will be stored naturally as always happened", stressed Celestino. "We will not have a problem with water losses because the floodgate is being rehabilitated. That's why we are saying that two million cubic metres can be used for other purposes, in this case the factory. It's a question of making use of the resource".

Diverting water from the Chipembe dam to the graphite processing plant has come under criticism from some environmentalists and civil society organisations, who fear that the factory will drain the dam of water needed for irrigation.

They point out that irrigation is the primary purpose of the dam. It was built essentially to provide water for rice production. The chairperson of the Cabo Delgado Provincial Assembly, Jose Mugala, has expressed the same concern and has promised that the Assembly will follow the situation closely. Celestino said that the Chipembe irrigation scheme has been rehabilitated, and a company named DD, using funds provided by Syrah Resources, is preparing an area of 80 hectares for rice and maize production. The total area that will eventually be irrigated by the dam is 200 hectares.

She added that this should prove to critics that the government is serious about reactivating the irrigation scheme. "Those who think that channelling water though a pipe to the factory will kill off the irrigation are mistaken", declared Celestino. "We aren't doing things without observing the technical aspects. It is also important to note that in all this work job opportunities are being opened for many people". (Club of Mozambique)

Ireland's Kenmare Resources to explore new heavy sand deposit in Mozambique

Kenmare Moma Mining, a subsidiary of Ireland's Kenmare Resources, is planning five public sessions in Mozambique this month on the need to relocate people to expand its heavy sands

exploration, according to Mozambican daily newspaper Noticias. The company said in a statement issued recently that the resettlement plan, "is being developed to address the issues of households in the communities directly affected by the project to start operating a new heavy sands deposit."
The purpose of this public consultation, which is the responsibility of Coastal & Environmental Services Mozambique Lda (CES), is to inform stakeholders about the objectives, relevance and the impacts of the process. The plan for expansion of Kenmare Moma Mining comes at a time when Kenmare Resources has reported an increase of production at the Moma mine, both of processed material and of minerals extracted for export. In the third quarter, the company processed 7.788 million tonnes of material, against 7.160 million a year before and extracted 277,800 tonnes of ores, compared with 265,700 tonnes in the same period of 2016. The company also said ore exports fell 26% to 208,400 tonnes, as a result of scheduled stoppage for maintenance of the main vessel that carries out the trans-shipment of products. (Macauhub)

Zimbabwe chromium and iron exported through Mozambique's ports

A million tonnes of chromium and iron ingots from Zimbabwe will be transported annually through the ports of Maputo and Beira along the Limpopo and Machipanda railroads, under a three-way agreement signed recently, the Mozambican press reported. The agreement, valid from 1 November until December 2018, was signed by Mozambican state port and railway company CFM, its Zimbabwean counterpart, National Railways of Zimbabwe and the mining company Zimbabwe Mining and Smelting Company (Zimasco). The Limpopo railroad is the largest in southern Mozambique and is 522 kilometres long and has 12 stations and 19 secondary stops.
For its part, the Machipanda line is 317 kilometres long and was was handed over as a concession between 2004 and 2010, together with the 454 kilometres of the Siena line, to the now defunct Companhia de Caminhos de Ferro da Beira (CCFB), a company whose shareholders were Rites Limited, which held 26% of the shares, Ircon International Limited, with 25% and CFM with the remaining 49%. The Zimbabwe Mining and Smelting Company (Zimasco), which is currently in receivership due to high liabilities, is one of the largest producers of ferro-chrome in the country. (Macauhub)

Process of granting mining licenses in Mozambique to be revised to prevent corruption

The Ministry of Mineral Resources and Energy of Mozambique may revise its mining licensing process in order to minimise or even eliminate possible corruption practices, according to decisions adopted at the Third Coordinating Council held in the city of Matola, on the outskirts of the capital Maputo. The minister responsible, Leticia Klemens, expressed concern about evidence of corruption in the granting of mining licenses, and called on staff to set up preventive measures and name anyone involved, in order to apply administrative and/or criminal penalties, Mozambican daily newspaper Noticias reported. The spokesman for the Coordinating Council, Afonso Mabica, told the newspaper that this issue had been discussed "fairly in-depth and we found that, in fact, there is a need to improve the way we serve the public, so as to facilitate the licensing process."
Mabica also said the meeting was positive, because the majority of the objectives proposed in the Economic and Social Plan for 2017 and the Government's Five Year Programme for the sector are being achieved. The spokesman for the Coordinating Council added that a representative of Italian group ENI had made a presentation on the evolution of the project for exploration of natural gas deposits in the Rovuma basin. (Macauhub)

President highlights diamonds in country's growth

President João Lourenço in Luanda highlighted the importance of diamonds in the growth of the mining industry and the country's economy. João Lourenço was speaking at the inauguration ceremony of the new board of directors of Sodiam-EP, the Angola Diamond Trading Company. At the ceremony held at the Presidential Palace, the head of State highlighted the trust in the members of the new Sodiam board, saying they are capable of organising the trade of diamonds to the benefit of the country. During the ceremony witnessed by the Angolan vice president, Bornito de Sousa, the head of State swore in Eugénio Pereira Bravo da Rosa as Sodiam CEO, Fernando Teixeira da Fonseca Amaral and José das Neves Gonçalves Silva as directors. (Angop)

Sodiam focused on diamonds trade

The improvement of the country's diamonds trade system is one of the priorities of the new board of the Angolan Diamonds Society (Sodiam), sworn by the Angolan President, João Lourenço**.** Speaking to the press, in the end of the swearing-in ceremony, the new C.E.O of Sodiam, Eugénio Bravo da Rosa, stated that the measure will enable a better structuring of the sector and boost the levels of diamonds production. To achieve such goals, Eugénio da Rosa advocated the implementation of good rules in the diamonds trade market, at the same time that he hopes that the sector can improve its fiscal contribution. At the ceremony held at the Presidential Palace, the Head of State highlighted the trust in the members of the new Sodiam board, saying they are capable of organising the trade of diamonds to the benefit of the country. During the ceremony witnessed by the Angolan vice president, Bornito de Sousa, the head of State swore in Eugénio Pereira Bravo da Rosa as Sodiam CEO, Fernando Teixeira da Fonseca Amaral and José das Neves Gonçalves Silva as directors. (Angop)

OIL & GAS

Fertiliser maker Yara may build $2 bln Mozambique gas-fired plant

Norwegian fertiliser maker Yara International is considering building a $2 billion plant in Mozambique and may seek partners to share the cost, the chief executive said.

Mozambique awarded Yara a project in January to make ammonia and urea from the country’s gas output, saying the firm could produce up to 1.3 million metric tons of fertilisers annually.

The fertiliser project has seen limited progress so far and has no construction timeframe but discussions on a development programme were continuing, Yara CEO Svein Tore Holsether told Reuters in an interview at a business summit in Oslo. “The value of the project, if I use industry benchmarks, will be about $2 billion investment,” he said, adding that it was too early to say if Yara would develop the project alone. “We are working on it and time will tell what the structure will be,” Holsether said.

If developed, Yara would be able to use between 80 million and 90 million cubic feet of natural gas per day to produce ammonia and urea. In addition to making fertilisers, the site would have a power plant with capacity of 50 megawatts (MW).

Mozambique wants to reduce fertiliser imports, which are now vital for its agricultural industry, and replace them with local products made from its natural gas resources. Yara, which is seeking acquisitions outside Europe, has been considering assets in Africa, Holsether said without giving a timeframe for any purchase. “Africa is going to be our largest market at some point. I am just looking at the fundamentals -- land availability, climate, water -- tick all the boxes on that. I do believe the fundamentals are in place,” he said.

Yara International already produces fertilisers in Libya and is building a terminal in Tanzania, according to its website. The company is also assessing the viability of a potash mining facility in Ethiopia, it said. (By Terje Solsvik and Edmund Blair, Reuters)

Partners approve entry of the ExxonMobil group in the natural gas business in Mozambique

Mozambican state oil andgas company ENH, Italian group ENI, South Korea’s Kogas and Portugal’s Galp Energia, the concession holders on the Area 4 natural gas block in the Rovuma basin, Mozambique, in Maputo, approved the entry in the consortium of US group Exxon Mobil, according to Mozambican daily newspaper Noticias.

In March of this year the ExxonMobil group acquired a stake of 35.7% in ENI East Africa, a company that acts as operator of the Area 4 block, whose partners are Italian group ENI (35.7%) and the China National Petroleum Corporation (28.6%).
The government of Mozambique authorised the transaction in September changing the stakes in the Area 4 block and ENI and ExxonMobil now have 25% each, the CNPC group has 20% group and Galp Energia, Kogas and Mozambican state oil and gas group ENH have 10% each.
The permission for ExxonMobil's entry into the project was regarded as essential for the Mozambican state to raise around US$354.4 million from capital gains tax charge to ENI on the transaction. (Macauhub)

Italian group ENI wants to increase oil production in Angola
Italian group ENI intends to increase investments in Angola in order to produce an additional 50,000 barrels of oil in addition to the 150,000 its already produces at Block 15/06, said the group's chief executive, Claudio Descalzi, after an audience granted by the Angolan President, João Lourenço. Block 15/06 is operated by ENI Angola, which has a share of 36.84% in the contracting group, in which Sonangol (36.84%) is the concessionaire and which also has the participation of SSI Fifteen Limited (26.32%). The Italian group has invested around US$4.5 billion in the block, which is its share of a total investment of US$11 billion. Descalzi also told the new President that the group intends to invest in natural gas, and mentioned the Angola LNG project was operating at full capacity. ENI has a 13.6% stake in Angola LNG and its partners are Sonangol, with 22.8%, US group Chevron, with 36.4% and the BP group with 13.6%.
Angola LNG collects, processes and distributes approximately 5.2 million tons of natural gas per year (including supplies of natural gas to the domestic market) and liquid gas (propane, butane and condensate), from its factory in Soyo, and has a fleet of ships.
Angola is the second largest oil producer in Africa, with more than 1.7 million barrels of oil per day and has only one refinery in operation, in Luanda, built in 1955, with a capacity to deal with 65,000 barrels of oil per day, which operates at 70% of its capacity with production costs higher than those of imported fuels. (Macauhub)

Algeria invests $2 billion into Hassi Rmel gas field
Algeria's state energy firm Sonatrach started $2 billion of new investments into the Hassi Rmel gas field to keep production stable at the country's biggest gas field. "The objective is to maintain the 190 million cubic metre output for the next 10 years," Chief Executive Abdelmoumene Ould Kaddour told reporters at the site.
Hassi Rmel gas field represents 60 % of Algeria's total gas output. It produces between 190 and 210 million cubic metre per day but Sonatrach needed to invest into the field's compression facilities to maintain output, Kaddour said. "This is a strategic project for us, we need to make sure it will come online 2020. Delays are unacceptable," he added. Japanese firm JGC has been put in charge of the project. OPEC member Algeria has been hit hard by the slump in world oil prices and has struggled to attract energy investment to help develop new fields and increase existing production. (By Lamine Chikhi, Reuters)

China Poly Sees Ethiopia Gas Exports by 2019, Minister Says

- Gas exports planned along pipelinee to port in Djibouti
- Ethiopian gas deposits estimated at 4.5 trillion cubic feet

China Poly Group plans to start exporting natural gas from Ethiopia's eastern Ogaden basin by mid-2019 as it continues to explore near the border with Somalia, Petroleum Minister Motuma Mekassa said.
Shipments from the Calub and Hilala fields will be exported along a 700-kilometer (435-mile) pipeline to a port complex being built in neighboring Djibouti, Motuma said in an interview in the capital, Addis Ababa. "They want to export the gas to Asia," Motuma said.

Ethiopia is developing gas finds to diversify its $72.3 billion economy, the fastest-growing in Africa over the past decade. The Horn of Africa nation plans to increase natural resources' contribution to gross domestic product to 10 % from 1.5 % by 2025, when it expects to become a middle-income country with gross national income per capita of $1,045 to $12,736.

POLY-GCL Petroleum Group, a partnership between China Poly and closely held Hong Kong-based Golden Concord Group, signed five production-sharing agreements with Ethiopia's Mines Ministry in 2013 to explore a 117,151 square-kilometer area in the Ogaden basin, according to Motuma.

The project is being financed by the China Development Bank, according to Motuma, who declined to provide a cost estimate, citing continuing work by POLY-GCL and its sub-contractors. At least 4.5 trillion cubic feet of gas has so far been discovered in the fields, he said, citing an analysis by POLY-GCL.

Troops Deployed

Ethiopian soldiers are providing security around the five blocks owned by POLY-GCL, Motuma said. In April 2007, an Ethiopian rebel group, the Ogaden National Liberation Front, attacked a site operated by China's Zhongyuan Petroleum Exploration Bureau, killing nine Chinese workers and 65 Ethiopians.

A tripartite agreement on the pipeline is expected to be signed by representatives of Djibouti, Ethiopia and POLY-GCL "in the coming weeks," Djibouti Ports & Free Zones Authority Chairman Aboubaker Omar Hadi said by phone from Tokyo.

POLY-GCL's first exports of 3 million cubic meters of LNG per year are planned to start within 30 months when the new port in Djibouti is expected to be operational, he said. The shipments are expected to increase to 6 million cubic meters in the port's second year of operations, Hadi said. The port will include a gas liquefaction plant.

Financing Secured

Djibouti has secured $4 billion in finance "from different sources" that will enable work on the project to start in Damerjog, north of the country's border with Somalia, he said. Jacqueline Chang, assistant to the general manager of POLY-GCL's Ethiopia branch, didn't respond to two emailed requests for comment for the company.

SouthWest Energy Ltd. of Ethiopia, Vancouver-based Africa Oil Corp., and GBP Global Resources, a unit of Russia's state-owned Gazprombank Group, are all exploring for oil and gas in Ethiopia, with feasibility studies underway in some areas, according to Motuma. He didn't provide details. Spokesmen for the three companies didn't respond to emails seeking comment.

Gas reserves were first discovered in the Ogaden basin in 1972 by a U.S. company, Tenneco, which was expelled from the country five years later by a Marxist military junta known as the Derg, according to the government. Soviet Petroleum Exploration and Expedition began exploring the reserves after Tenneco's expulsion, before its contract was terminated in 1994, after the Derg was toppled by the Ethiopian People's Revolutionary Democratic Front, which has remained in power since then.

The government wants to increase foreign-exchange earnings from sales of minerals, oil and gas to $2 billion a year by 2020 from $344 million in 2015. (By Nizar Manek, Bloomberg)

Angola is main supplier of independent refineries in China in October

Angola overtook Russia in October to become the main supplier of crude oil to independent refineries in China, according to S&P Global Platts, which added that the United States was in the list of top ten suppliers for the first time. S&P Global platts also said that the 10 main independent refineries in China imported 1.493 million tonness (365.000 million bbl/day) from Angola in October, a monthly increase of 7.5%, whereas Russia supplied 1.491 million tonnes.

The Shandong Jincheng Petrochemical and Shandong Qingyuan Group Co refineries were, according to S&PGlobal Platts, the main importers of Angolan oil in October.

From January to October Russia was the main supplier to independent refineries, with 15 million tonnes, an increase of 124% on year, with total imports amounting to 78.44 million tonnes.
Overall, in September Russia was the main supplier of crude oil to China, with a market share of 13%, followed by Angola with 12% and Saudi Arabia with 11%, according to the monthly report on the oil market for October released by the Organization of Petroleum Exporting Countries (OPEC).
In September Angola was the second-largest oil producer in Africa, both based on secondary sources and direct communication, and Nigeria remained in first place. Based on secondary sources Angolan production in September fell by 2,900 barrels per day to 1.641 million, while Nigeria increased by 50,800 barrels per day to 1.855 million. Angolan production fell by 23,000 barrels per day to 1.657 million based on direct communication, and in this case no figures were provided by Nigeria. (Macauhub)

AGRIBUSINESS

Sumol-Compal Boane plant up there with the world's best

Sumol-Compal Mozambique, SA, which produces the Compal juice brand, has earned two of the most important international quality certifications, reinforcing the company's commitment to the quality of its products and placing the company's Boane industrial unit among the most advanced in the world.
The certifications – ISO 9001: 2015 and BRC – were obtained after an external audit by accredited independent entities confirmed the standards that the group already has in the other industrial units.
ISO 9001 certification is an international standard for Quality Management Systems which ensures a company's products and services are created in a standardised and consistent manner, in compliance with the approved specifications. The adoption of these standards brings several advantages to the company, certifying the organisation, productivity and credibility, elements easily identifiable by customers and consumers, increasing their competitiveness in the national and international markets.
The BRC standard, published by the British Retail Consortium (BRC), is binding on all retailers in the United Kingdom, but has been adopted on the various continents by the largest retailers with the highest quality requirements in the world. This certification guarantees that Sumol-Compal Mozambique fulfils quality, safety and operational standardisation criteria, and complies with its legal obligations, rules of relationship with stakeholders and protection of the final consumer.
The BRC standard is focused on: ensuring the commitment and of top management; food safety programs with critical point analysis (HACCP); quality management system; audits of the manufacturing process; auditing of complaints and traceability; anti-fraud guarantee systems; assurance of audit consistency and independence; promoting transparency and security in relation to all stakeholders; and guaranteeing the existence of processes of continuous improvement and innovation that ensure the continuity and success of the company.
Managing Director of Sumol-Compal Mozambique Fernando Oliveira says: "This double certification is a huge source of pride for the company and its 103 employees. We took up the challenge of meeting the world's most demanding quality standards only four years after the start of our Boane plant. This result was only achieved with the commitment of all employees and because quality is, in fact, Sumol-Compal's first priority." "Because we believe in our people and in continuous improvement, we decided to set the bar high, and independent entities confirm that we are a company that meets the most demanding international standards. It is a source of pride that we share with customers and consumers, who give us their confidence and who choose Compal on a daily basis," he concluded.
As early as 2016, Sumol-Compal Mozambique had passed a food safety audit with distinction, allowing its products to be sold in the main South African retail chains.

The Compal brand is produced in Boane, Mozambique, and sold nationwide. It is exported throughout the SADC region (South Africa, Botswana, Malawi, Madagascar, Zambia and Zimbabwe), contributing to the country's objectives of increasing production and exports.
Sumol-Compal Mozambique directly employs 103 people and is proudly one of the leading industrial units in the Boane District, Maputo Province. (Club of Mozambique)

UPCOMING EVENTS

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

Workshop on Sustainable Rural Biofuel Strategy in Africa 2018 - Workshop to be held at 21st Session of the African Forestry and Wildlife Commission, in early 2018 (TBC) - In cooperation with the World Agroforestry Center (ICRAF) and Japan International Research Center for Agricultural Sciences (JIRCAS)

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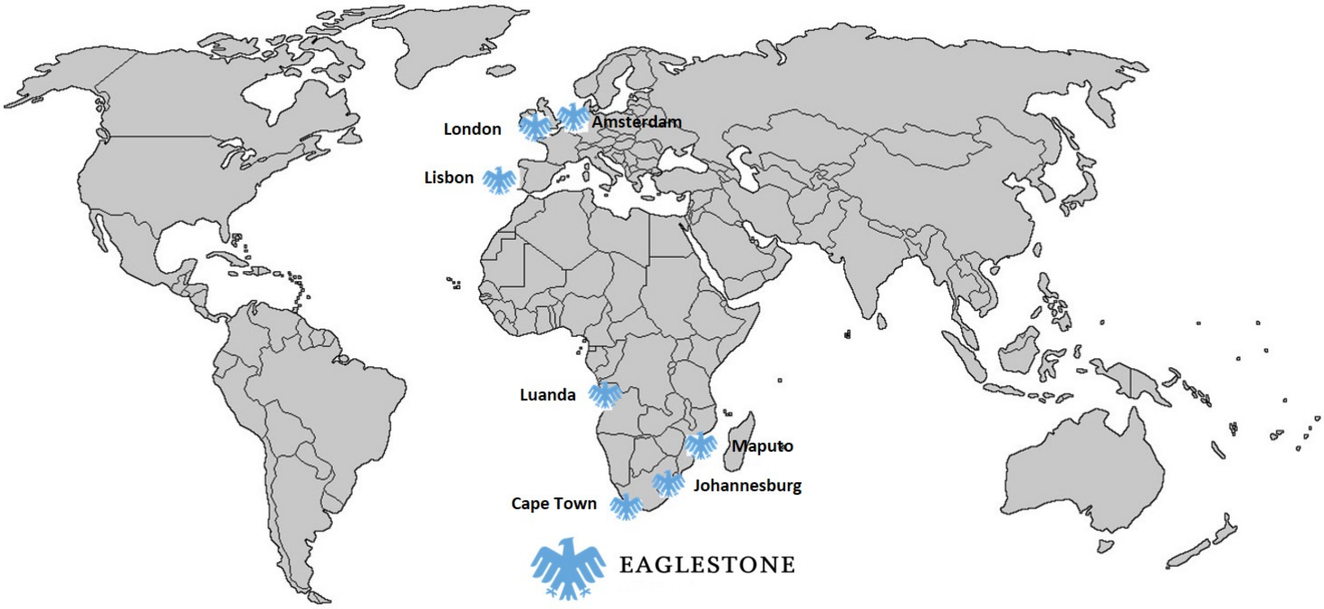

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Disclosures

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

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

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

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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