INSIDE AFRICA

Now is the time to invest in Africa

28 July 2017

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In-depth:

Unpacking renewable energy in Africa

The African Development Bank (AfDB) president, Akinwumi Adesina, describes energy as “the lifeblood of any society and the passport to economic transformation”. As such, energy is at the top of the bank’s “High 5” priorities – 1) light up and power Africa, 2) feed Africa, 3) industrialise Africa, 4) integrate Africa, and 5) improve the quality of life for Africans.

Access to electricity is important for improving everything from education and agricultural productivity to employment. Even though Africa is endowed with inexhaustible raw energy potential, over 640 million people do not have access to electricity. Electrification of Africa will also help its people get rid of indoor pollution associated with kerosene lamps, which is a leading cause of respiratory diseases. Some 600,000 people in sub-Saharan Africa die every year from indoor pollution.

According to the AfDB, the rural electrification rate in sub-Saharan Africa is the lowest in the world, at less than 20%. The electrification of rural areas face challenges such as the high costs of capital, low revenue collection rates, and insufficient generation capacity (infrastructure), amongst others. For example, Tanzania’s national electricity coverage is estimated at just over 20%, with the transmission grid covering a minor part of the country and leaving out most of the territory. Access is even lower for the rural population at 7%; thus nearly 30 million Tanzanians lack a connection to the electricity grid. The vastness of the country, coupled with low population densities, makes grid extension too expensive. This is typical of most African countries.

In addition to the lack of energy infrastructure, Africa also has an inefficient generation, transmission and distribution system, which leads to increasing costs. For example, the average efficiency of the fleet of gas-fired power plants was 38% in 2012. Had the average efficiency been equal to that of gas-fired power plants in India (46%), the unused fuel could have generated 8 TWh (21%) more electricity.

Transmission and distribution (T&D) losses also reduce the supply ultimately available to end user sectors by more than 20% in some countries in sub-Saharan Africa. Such high-loss rates reduce the reliability of the power supply, which is already insufficient to meet demand in most countries. In addition, high losses increase the cost of the power actually delivered, by as much as US$25 per MWh consumed. All these additional costs, including the T&D infrastructure and retail costs, can add $50-$80 per MWh to the average cost of the consumer.

A positive phenomenon is that installed grid-based power generation capacity in Africa has been steadily increasing in recent years and reached 158 gigawatts (GW) in 2012. Grid-based power generation capacity in sub-Saharan Africa has increased from around 68 GW in 2000 to 90 GW in 2012, with South Africa alone accounting for about half of the total. Coal-fired generation capacity is 45% of the sub-Saharan total, followed by hydropower (22%), oil-fired (17%), gas-fired (14%), nuclear (2%) and other renewables (less than 1%).

In September 2015, the AFDB articulated a “New Deal on Energy for Africa” and launched a “Transformative Partnership on Energy for Africa” to add 160 GW of new generation capacity through the existing grid, and deliver 130 million new grid and 75 million off-grid connections, bringing electricity to 900 million people. It believes this will play a catalytic role in accelerating the pace of structural transformation in the energy sector. It would also enhance inclusive green growth in Africa, and unlock the potential for industrialisation and wealth creation. It will drive agricultural transformation and regional power pooling to integrate Africa, create jobs and ultimately improve the quality of life for Africans. The inclusion of energy in the UN Sustainable Development Goals in 2015 emphasises the importance of energy to society.

RENEWABLE ENERGY POTENTIAL

Adesina believes that Africa is blessed with limitless potential for solar, wind, hydropower and geothermal energy resources. Africa therefore needs to unlock its energy potential – both conventional and renewable. Global improvements in the development of renewable energy technology have brought down costs and made it easier to install renewable energy grids. The importance of renewable energy for Africa is reflected by the fact that the AU’s Agenda 2063 has also identified renewable energy as a priority area for the first 10 years.

Africa has a vast growth potential in renewable energy, i.e. 11 terrawatts of solar power, 350 gigawatts (GW) of hydropower, 110 GW of wind power, and 15 GW of geothermal power. By 2040, it is forecast that renewables could provide more than 40% of all power generation capacity.

Africa’s governments are quite aware of the potential of renewable energy, and have been seen to actively tap into these opportunities. Utilities are upgrading and expanding dilapidated power grids so they can carry the electricity generated by the growing number of new producers.

South Africa

In South Africa, only about 4% of its 43,000 MW of generating capacity comes from renewable sources. This is despite the wind potential in the Western Cape and the solar potential in the Northern Cape. The government wants to triple the total to some 6,000 MW by 2020. This will be an important contribution as economic growth has stalled while Eskom is modernising aging power plants and transmission lines whose frequent breakdowns are regularly leaving the country in the dark. To get its grid up to speed, Eskom has spent $180m upgrading its network of transmission stations and strung hundreds of kilometres of high-voltage power lines to more than 40 private wind and solar plants.

Designing the optimal mix of power generation and grid capabilities is going to be very important. Grids will need to be sophisticated enough to handle different kinds of renewable-power generation, such as absorbing any excess power generated by home solar panels. That capability not only gives the grid access to more power, it also makes solar a more attractive option for homeowners, since any power they feed into the grid, reduces their power bills.

The New Horizons Energy waste-to-energy plant, to be launched in Cape Town, South Africa, will manufacture bio-methane and carbon dioxide by the middle of the year. All the compressed gas produced will be vended to Afrox. The bio-methane will be sold as an alternative to LPG and diesel, and the carbon dioxide will be used in agriculture, industries and waste-water treatment.
Academics in South Africa have also developed a village near Stellenbosch where biogas is being used as the primary source of cooking energy. The Sustainability Institute are literally practising what they preach. They use not only biogas, but also solar energy, wind energy, and they also recycle their water.

Rwanda

The Rwandan Government plans to increase off-grid power generation to 22 MW by 2018, up from 8.75 MW presently (2017). The government has therefore attracted a number of renewable energy firms, including solar power providers. Rwanda aims at connecting 70% of the population to electricity by 2018. Off-grid solutions will be important to provide a fast and robust answer to Rwanda’s energy needs. Easy payment systems will be equally important. It is also important to ensure a conducive business environment, which will help attract more investors in the sector.

Kenya

Kenya is working on connecting the rural parts of the country in just seven years. Kenya added 1.3 million households to its electricity grid in 2016, raising the percentage of connected Kenyans to 55%, from just 27% in 2013. In another four years, Kenya plans to achieve “universal access” where 95% of homes will have access to electricity. Much of Kenya’s energy comes from non-fossil fuel sources – more than 60% of installed capacity comes from hydro and geothermal power. Kenya opened the world’s largest geothermal plant last year, while another plant is being built and expected to come online in two years. Kenya is also building Africa’s biggest wind energy farm to generate a fifth of its power.
We are also seeing Kenya stepping into the technology market with its plan to build large-scale solar storage batteries to link their solar systems to the national grid. This will place Kenya as a regional solar energy hub. With the development and availability of storage batteries, consumers would be able to use electricity at night and not only when the sun shines.
Kenya has also developed efficient financing mechanisms for the poor of East Africa, such as the M-Kopa application that is based on the M-Pesa platform. This transforms the high upfront capital acquisition cost into a monthly operating cost, payable through M-Kopa.
Kenya (as has Cameroon in Central Africa) has also ventured into biogas plants to complement their energy sources.

Ethiopia

Ethiopia’s renewable energy sector has enjoyed a decade of strong growth, giving rise to profitable industries, new infrastructure, and showpiece summits. Ethiopia’s government is pressing ahead with ambitious development plans, and clean energy is core to the mission. It has invested in large-scale hydropower public investments in the Beles II (460 MW), Gilgel Gibe II (420 MW), Gilgel Gibe III (1.87 GW) and the

Grand Renaissance (6 GW) dams. The next target is to become the wind power capital of Africa. Wind accounted for just 324 MW of Ethiopia's total output of 4,180 MW at the end of 2015, with the clear majority coming from hydropower. The government has plans for at least five further wind farms, aiming to deliver up to 5,200 MW from wind power within four years. Three factors are driving Ethiopia's shift to wind: the devastating droughts that have diminished the value of hydropower energy, the falling cost of wind power technology, and evidence that Ethiopia is blessed with ideal sites for harvesting wind.

Ethiopia is also the scene of a waste-to-energy plant. Danish engineering and Chinese labour and capital are being used to build this plant in Addis Ababa. Once completed, this plant will serve as proof of concept in rolling out a number of other plants into Africa. It will generate 50 MW of electricity, whilst getting rid of waste dumps in the city – a common feature of African cities.

Morocco

In February 2016, Morocco commissioned the first phase of Noor 1, which provides 160 MW of the ultimate 580 MW capacity, helping Morocco to save hundreds of thousands of tonnes of carbon emissions per year. The power station will eventually provide electricity for 1.1 million people. Morocco plans to generate 42% of its energy from renewables by 2020, with one third of that total coming from solar, wind and hydropower respectively.

Central Africa

In Central Africa, there are ongoing efforts to add a third dam (Inga III) of 4.8 GW. Under the Grand Inga project, a multi-phase hydro power station will be built on the Congo River, with the potential to generate approximately 44 GW – half of Africa's current installed electricity capacity.

Africa

African countries want to support private investor participation it its renewable energy sectors. Some of the top investment opportunities in sub-Saharan African include the following: Cameroon (20,000 MW in exploitable hydropower potential); Tanzania (IPPs of renewable energy are strongly encouraged); Ethiopia (hydropower, geothermal, and wind and solar generation); Ghana (wind, mini-hydro, modern biomass resources and solar); Mozambique (5,000 MW of hydropower, and large untapped biomass and biofuels potential); Kenya (7 IPPs contribute to the national grid, and private investment is necessary to grow the required 15,000 MW by 2030); and Nigeria (significant hydro, solar and wind energy sources).

MANAGING RENEWABLE ENERGY IN AFRICA

Financing new electricity facilities remain a challenge. An innovative solution is the results-based financing mechanism. This allows donors to channel climate finance into different types of energy projects. Results-based financing takes away a lot of the risks from the donor; it says, "give me the results and I will give you the money".

Tanzania provides a glimpse in what some African countries deem to be necessary to position themselves for the future as far as renewable energy is concerned. Tanzania's Rural Energy Agency (REA) received a grant of $870,000 from the AfDB to structure the Renewable Energy Investment Facility (REIF), which will provide affordable finance to private sector clean energy projects providing energy access to rural communities in Tanzania. The grant will include advisory support, development of operational guidelines, risk mitigation framework, fund manager identification, technical and institutional support for the REA towards the establishment of REIF and capacity building for relevant public sector institutions/agencies and private sector project developers.

Tanzania's government has subsequently set an objective of increasing access to electricity by promoting renewable energy powered by off-grid/mini-grid electrification schemes. The government estimates that about half of the country's rural population could be served by off-grid options in a cost-effective manner, and that mini-grids could benefit 9.1 million people in the country.

Small-scale renewable energy production is especially important in remote, rural locations for several reasons. It is incredibly expensive and time-consuming to lay large-scale grid connections and build large, central power stations. Smaller systems (mini-grids) are faster and cheaper to set up and can also be tailored to the needs of a particular location. They are scalable and adaptable as needs change and do not require a massive transmission network. Local renewable energy projects also create many employment opportunities. Given the massive opportunities for innovation, the potential for SMMEs is large to manufacture the products in Africa, cutting the length of the supply chain and creating more jobs in the manufacturing sector.

The Africa Progress Panel believes Africa can leapfrog carbon-centred energy systems and go straight to renewables. As Africa does not have large legacy systems, it can proceed with speed and use the newest types of technology. Small solar power initiatives are also gaining ground. Renewables could help supply cheaper energy to regions where people pay a large portion of their income for power.

At present, solar panels, batteries and other components are manufactured elsewhere in the world, predominantly in Asia. They are imported into Africa, mainly in East Africa, by companies who sell them on to customers. Small weekly or monthly payments are made, often by mobile phone, until the solar kit is paid off. An example of a mobile application to deal with this, is M-Kopa, which functions on the M-Pesa platform.

Individual solar PV kits in East Africa are now as cheap as kerosene as a source of energy. While it will be insufficient to provide sufficient electricity to power major household appliances, they will provide enough energy for electric light and the ability to charge mobile phones.

Looking further ahead, there will be increasing pressure to integrate on- and off-grid power provision so that people with multiple solar panels can sell electricity to others, as well as tapping into grid supplies when they need more power, or require back-up.

The big question is whether this process will be centred on national grids or on more localised mini-grids, perhaps covering just single villages. The latter seems more likely in the short-term, but in the long-term the former may become more important, turning power utilities into infrastructure operators and power trading platforms more than generators in their own right.

RECENT DEVELOPMENTS IN NIGERIA

An interesting recent development is the announcement by Nigeria of the construction of the first solar power project in Nigeria, i.e. the 1.2 MW solar power plant in the lower Usuma Dam in Abuja. The project is aimed at boosting Nigeria's renewable energy position. Nigeria is home to enormous energy resources such as petroleum, natural gas, coal, nuclear power and tar sands. So far Nigeria has failed to tap into its enormous resources, making it not only one of the harshest business environments in the world, but also very uncompetitive. Nigeria is said to be endowed with all it takes to succeed in this venture. Experts predict that Nigeria will surpass Africa's renewable energy target by 2020.

Various commentators have stated that it seems that solar is the new business model for energy in Africa. With its vast oil reserves, Nigeria must have been massively tempted to keep on backing oil. It is therefore refreshing to see Nigeria moving into the field of renewable energy (solar), especially given the massive resources they have in this field. It will allow Nigeria to use renewable energy for the home market and export its oil products abroad (first adding value at home). Should they develop a consistent supply of electricity from renewable energy sources, it would go a long way to stabilise the internal supply (with happy households, who now currently frequently need to revert to generators for backup supply) and have a beneficial impact on the manufacturing sector as well.

CONCLUSIONS

From the above, African countries will no longer be tied to a single energy source. Given the lack of current infrastructure throughout most of Africa, Africa's governments can design their systems from scratch, and in the process, leapfrog the industrial age electricity systems.

If we look at the rate at which regions such as East Africa are tapping into renewable energy sources, Africa seems to be latching on to renewables, in the process leapfrogging the conventional coal-fired system. The latter has become more expensive, and contributes quite negatively to global warming and climate change, something that Africa cannot afford.

Governments will have to ensure that they adopt business-enabling policy frameworks. This includes making it easier for independent power producers to enter the market and earn acceptable returns. More competition will increase innovation and lead to lower costs.

Africa will need to keep on investing in renewable energy. They will also need to look at producing the required technology instead of importing panels and batteries for solar systems. Kenya's progress with battery production will serve as a benchmark. Although the current planning for its battery production seems to be for supplying energy to the national grid in the absence of sunlight, this development would provide the opportunity to sell cheaper batteries to the individual home users. It will also boost the development and spread of mini-grids, which have become quite useful.

Africa will see an increase in waste-to-energy plants. The plants in Addis Ababa and Cape Town will serve as proof of concept. Cities such as Johannesburg generate

5,000 tonnes of waste daily, and is running out of landfill sites. The logical next step is to move towards waste-to-energy plants, which has the additional advantage of creating electricity generation capacity.

Biogas is an additional form of renewable energy that has the potential to make a contribution.

Wind power will become more visible in Africa, as the wind farms in East Africa demonstrate. The same can be said of hydro power.

Given the importance of electricity to the growth and development of industry at large, the above developments in the field of energy will have a beneficial impact on Africa's economies. The UN, AU and the African Development Bank have all propagated the industrialisation of industry and the development of Africa's manufacturing sectors. These developments will require substantial electricity sources. Tapping into renewable energy as an important source of electricity will play a major role in supporting the growth of industry, in addition to improving the quality of life of Africa's citizens.

As for solar, there is a good case to be made that it will be the next business model for energy in Africa. Africa has an abundance of sunlight on the one hand, and a severe shortage of conventional energy infrastructure on the other. Given that the cost of solar technology and generation, and other forms of renewable energy, is constantly being reduced, it stands to reason that solar will become the dominant form of renewable energy, with the potential of eventually taking over from coal-fired systems. This, however, will still take quite a while as economies such as that of South Africa require a substantial base capacity, something which renewable energy in the foreseeable future will be unable to provide.

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Africa's healthcare challenge will not be met by public finances alone

In May the World Health Organisation (WHO) elected Ethiopia's Dr Tedros Adhanom Ghebreyesus to be its new director general, the first African to be selected for the post.

He had previously served as Ethiopia's health minister, most recently holding the post of foreign minister. His appointment is good news for Africa, says the WHO's regional director, Dr Matshidiso Moeti.

"It reflects that Africa has the competence to lead the world's work on health," she says, adding that "this is also someone from his own life and experience who understands the challenges in the region, what is happening in the region." His background in both health and foreign affairs, she argues, puts him in a strong position to drive Africa's healthcare agenda.

"We need to engage political leadership even better than what has happened before in the era of the Sustainable Development Goals… this has to be done both at the country level and the kind of fora where African leaders meet and decide what some of the priorities on the continent are. I think he will be able to do that."

Tedros's appointment comes at a time of subdued growth across the continent, fuelled by the commodities slump, which has put added pressure on already stretched health budgets. And despite significant gains in recent years, Africa continues to bear a disproportionate share of the global disease burden – 24% despite having just 3% of the global health workforce.

Communicable diseases remain the most immediate challenge, with sub-Saharan Africa accounting for 90% of malaria deaths, 70% of people living with HIV and 26% of all tuberculosis cases. Non-communicable diseases such as heart failure, while still in the minority on the continent, are also rising on the back of changing lifestyles.

Investing in health

While some countries have maintained their public spending on healthcare, with commodity exporters hardest hit, Moeti says more needs to be done to drive efficiency gains in the sector.

"Countries need to put much more effort into coordinating the funding they need to reduce duplication, waste, and simply get more mileage out of what is being spent. I do think that countries could achieve a lot of efficiency from their investments in health, so that they get more return for the money they are currently putting in."

The context is conducive to such policy making, she argues, pointing to a shift in how funding for healthcare is perceived by governments. Rather than being looked at as a drain on public coffers, while sectors like mining and infrastructure are seen as economically productive, Moeti says the value of investing in health is being better understood.

"I think we've moved beyond the productive or not productive discourse and this is beginning to be understood by leaders. We've seen how they have been increasing their investment in health. It is not yet where it needs to be, but it's slowly moving in the right direction."

Yet even with the best efforts by governments, Africa's healthcare challenge will not be met by public finances alone. Traditionally seen as the exclusive domain of donors, governments and the global development community, business is increasingly looking at healthcare as a commercial opportunity.

This reflects a broader shift in the role of business in driving development. It is now widely accepted that, if the world is to meet the Sustainable Development Goals set out by the United Nations, partnering with the private sector will be key.

The UN's Global Compact, a global network of companies promoting responsible and sustainable business practices, has a membership of more than 9,000 businesses across sectors, including most of the world's largest multinationals. There is even a business network dedicated exclusively to healthcare, the Global Business Coalition for Healthcare.

Moeti is enthusiastic about the role business can play in driving better healthcare, saying that stronger partnership with business is a key priority for the WHO in Africa. "This is something that really is growing in African countries. I think the private sector has recognised that health is a sector in which there is profit to be made. The private sector can play different roles," she adds, reeling off a list of areas from healthcare delivery, insurance and finance, to technology and infrastructure investment.

"Clearly business has the resources and capacity that African countries need to leverage to help improve the coverage of healthcare services. I think this is a positive development, and there is clearly growing interest."

Maintaining equitable access

Exactly how to balance this relationship does however come with some complexities. While there is undoubtedly money to be made in healthcare, the nature of the sector as a fundamental pillar of development means it must be treated with care. Maintaining equitable access, for example, is key, as Moeti is quick to emphasise.

"Investments need to be made keeping in mind the principle of equity that many of the countries have adopted – ensuring that different households and different socioeconomic circumstances have access to basic healthcare quality. "What we don't want to see is wonderful high-tech hospitals in cities for people who have money to pay, and then healthcare for the rest of the population not being available or lacking the quality needed for good basic healthcare." (By African Business Magazine)

INVESTMENTS

Lenin's Hometown Wants Its Off-Road Vehicles in Africa and Latin America

- Sollers unit UAZ aims to double exports in 3-5 years
- Russian auto sales off lows but no consumer boom seen

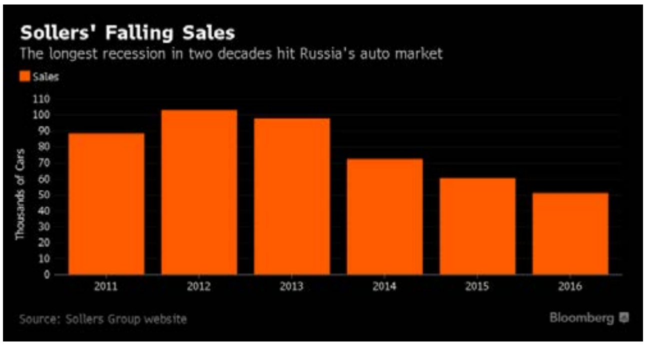
Russia's Ulyanovsk Automobile Plant (UAZ), which specializes in off-road vehicles designed to **challenge will not be met by public finances alone**survive tough conditions, is looking to Soviet-era export markets in Latin America and Africa to help offset slow domestic sales as the country climbs out of the longest recession in two decades.

A unit of industrial holding Sollers PJSC that's based in Vladimir Lenin's hometown of Ulyanovsk, UAZ aims to increase the share of output destined for export from about 14 % to 30 % within the next three to five years, said its financial director, Mikhail Belobrov. "We're focusing on emerging markets, many of our former partners from Soviet times,'' Belobrov said in an interview in Moscow. "We are trying to rebuild these markets."

Russia's car industry is reemerging from four straight years of decline that wiped out more than half of sales, according to the Association of European Businesses. While the AEB expects sales of new vehicles to increase 4 % in 2017, there are few signs of a return to robust growth. "The decline has come to an end but we don't see any new consumer boom," said Belobrov. He said he expects a small increase in sales this year after UAZ's 11 % decline in 2016 to 51,000 vehicles. Sollers also manufactures Ford and Mazda vehicles under joint ventures.

Sollers reported net profit of 1.6 billion rubles ($27 million) in 2016, down from 3.1 billion rubles in 2015, as revenue slipped to 35.6 billion rubles last year from 38.3 billion rubles. Belobrov said he expected profitability to remain flat this year but declined to give a specific forecast. UAZ's share of the Russian car market was 3.4 % in 2016, up from 2 % in 2014.

UAZ this year restarted exports to Ecuador for the time since 1992. The carmaker is targeting other Latin American countries including Nicaragua, Bolivia and Mexico as well as African markets such as Ghana, Ivory Coast, Cameroon and Senegal. In Asia, UAZ made its first sales to China last year and is also eyeing Vietnam and Mongolia.



The auto company is counting on a price advantage after the ruble's devaluation -- its flagship mid-sized Patriot SUV sells in Russia for as little as $12,000. But it's still got to overcome perceptions of inferior quality. Last year after President Vladimir Putin struggled to open the passenger door of a new UAZ Patriot, a general stepped in and ripped the handle off the vehicle. (By Henry Meyer, Bloomberg)

Guangdong business mission visits Luanda, Angola, to study partnerships and business
A delegation from the Chinese province of Guangdong is in Luanda to strengthen cooperation with the province of Luanda in the automotive, electrical energy and agriculture sectors. The Chinese mission, which includes members of the provincial government and business people, said Guangdong was willing to launch development projects based on public-private partnerships. The delegation visited the Special Economic Zone of Viana, attended a presentation of the project of the new international airport of Luanda and travelled to Quiminha, in the municipality of Icolo and Bengo, where an agricultural development area is located. The governor of Luanda province, Higino Carneiro, received the delegation from Guangdong and expressed readiness to study increased cooperation between the two provinces. The head of the Chinese mission said a group of companies and business people from Guangdong are expected to travel to Angola to extend bilateral economic relations. During the stay in Luanda, the Guangdong mission will also meet with representatives of the Angola-China Chamber of Commerce and the Luanda Chamber of Commerce. (Macauhub)

Angolan market to remain one of priorities for Italian investors
The Angolan market is one of the most attractive and prosperous in the African continent as a whole, with a motivating competitiveness, reason why Italy will continue prioritizing Angola in its external investments, said Pedro Figueiredo, a businessman in Luanda.
Angola is a very important partner for Italy and is the third country in Sub-Saharan Africa, in terms of trade, according to this Italian entrepreneur, general manager of the AutoStar Group (owner of several car brands). "Italy has been betting on Angola, not only politically but also commercially and the AutoStar group has been making the most of it, exploring the various opportunities of this market, in various sectors", the official told Angop.
The businessman made this statement on the sidelines of the ceremony aimed to launch two new Italian car models (Alfa Romeo Stelvio and Alfa Romeo Guilia), for his firm, which has been operating in the country for more than a decade, importing cars and parts. At the time, Pedro Figueiredo referred to the "good moment of the national economy" during the period 2004/2014, where trade exceeded USD 200 million, so he regrets the recession, caused by the fall in the price of oil in the international market. (Angop)

Dairy company Lactiangol doubles production with new plant in Luanda, Angola
The inauguration of new manufacturing facilities in the municipality of Kilamba Kiaxi in Luanda, Angola will allow dairy company Lactiangol to double its production capacity, chairman José César Macedo said.

Funded by the Banco de Desenvolvimento de Angola, the **US$127 million invested** has made it possible, in addition to doubling production with the installation of new lines, to ensure quality standards and to update technical services.
With this investment, Lactiangol will produce 1,200 kg of butter per hour, 7,000litres of liquid yoghurt per day, 5,000 litres of natural yoghurt per day, to process and bottle 13,000 litres of UHT milk per hour and to receive 20,000 litres of raw milk per hour. The Minister of Industry, Bernarda Martins, noted the importance of the project in Angola and that it follows up on the programme for distribution of school meals started by Lactiangol.
Established in March 1994, Lactiangol, with 290 employees, over the years has become Angola's main dairy manufacturing unit, producing a range of products notably UHT milk, school milk, chocolate milk, natural and flavoured yoghurt, liquid yoghurt, pasteurized butter, juices and ice creams. (Macauhub)

South African group builds sugar refinery in Mozambique
South Africa's Tongaat Hulett group laid the first stone of a refinery to be built next to the Xinavane sugar mill in Mozambique's Maputo province to turn soft brown sugar into white sugar.
The group listed on the Johannesburg Stock Exchange and with operations in South Africa, Botswana, Namibia, Mozambique, Swaziland and Zimbabwe will invest 500 million rand (US$39 million) in the refinery, which is expected to start producing white sugar as of September 2018.
In a statement, the group said production from the Xinavane refinery will allow Mozambique to replace imports and added that the future factory was designed to allow for future expansion according to the needs of both domestic and foreign markets.
The group, which has a production capacity of 250,000 tonnes of soft brown sugar at the Xinavane plant, said in the statement it intends to increase its presence in the Mozambican retail market and is expanding its distribution network as well as reviewing the size of its packaging.
Mozambique, which currently imports about 90% of the white sugar it consumes, has a low sugar consumption, currently estimated at 9 kilogrammes per person per year, which compares, for example, to 21 kilogrammes per person in Zimbabwe. (Macauhub)

Angola simplifies industrial permit process
The Angolan Ministry of Industry in Luanda presented the **new System of Industrial Licensing via Web (SILAI), which will facilitate the process of obtaining an industrial permit in 10 working days, compared to 30 days currently.** SILAI is intended to eliminate barriers, reduce waiting time and costs in issuing documents by simplifying the licensing process for Angolan industrial activity. The Minister of Industry, Bernarda Martins said the computer platform has been available throughout Angola since 18 July allowing interested parties to apply for a license through the www.mind.gov.ao website. Economy Minister Abraão Gourgel said SILAI is a very important step for improving the business environment in Angola because it will facilitate business for entrepreneurs and improve the image of the country with a view to attracting foreign investment. (Macauhub)

Angola's TAAG airline joins Discover the World for commercial promotion in three European countries
British company Discover the World will ensure the sales and representation of Angolan airline TAAG in France, Germany and Russia under a recently signed partnership agreement, the two companies announced. William Boulter, the sales director of the Angolan carrier, is quoted in the statement as saying that "we have researched the best company to work together in the European market and we concluded it was Discover the World."
Boulter also said that the British company will support TAAG in developing business and leisure travel channels from offices in Porto and Lisbon, both in Portugal, as well as work with other European partners to promote Luanda airport as a stopover point for other destinations.

Discover the World CEO Jenny Adams said she was convinced that the company's teams in France, Germany and Russia will help TAAG get new revenue streams. In Luanda, the chairman of TAAG's management committee, Joaquim Teixeira da Cunha, gave asurances that the company had managed to overcome the "unexpected withdrawal" of Emirates from its management without any significant changes to its staff.
Emirates announced unilaterally on 10 July the end of its agreement with the Angolan government for the management of the flagship carrier, which started in 2015, a decision that resulted in the departure of the chairman of the board of directors, Britain's Peter Hill. (Macauhub)

BANKING

Banks

Egypt's EFG HERMES to invest $21.5 mln in asset manager FIM
EFG Hermes UAE Limited, owned by Egyptian investment bank EFG Hermes, is to invest $21.5 million in Frontier Investment Management Partners LTD (FIM) as part of plans to expand its asset management business, the bank said. FIM is one of the region's leading asset managers with $1.6 billion of assets under management. Once the deal is completed EFG Hermes will have $4.5 billion of assets under management, the bank said.
EFG Hermes, which has a presence in the United Arab Emirates, Saudi Arabia, Kuwait, Jordan and Oman, is one of the largest investment banks in the Middle East. Karim Moussa, head of asset management and private equity at EFG Hermes, said EFG Hermes had found a strong partner in FIM's founder and CEO Hedi Ben Mlouka and his team. "I look forward to working with them on developing further their edge while offering the FIM current product portfolio through our growing network of regional and international institutional clients," Moussa said in a statement. Hermes said it would own a 50 % stake in FIM through the agreement while the remaining 50 % will continue to be held by Ben Mlouka. (By Arwa Gaballa, Reuters)

Ghana Banks Turn to Mobile Money in Bid to Boost Deposit Base
A record number of Ghanaians are saving money using mobile phones as lenders push products to lure deposits using technology that is cheaper than building branches.
Deposits with mobile-money providers jumped 25 % to 1.57 billion cedis ($360 million) this year through April, the Accra-based central bank said in a response to questions this month. That compares with 19.6 million cedis in 2012, when the Bank of Ghana began compiling the data.
Lenders including Fidelity Bank Ltd. and AFB Ghana Plc this year began offering savings products to mobile-phone users, while Ecobank Ghana Ltd. in 2016 allowed customers to buy government Treasury bills over their devices. The value of transactions over mobile phones reached 11.5 billion cedis during April, after measuring 9.6 billion cedis during January and only 594 million cedis for all of 2012, according to the regulator's data.
The percentage of Ghanaians using financial services outside of banks increased to 22 % in 2015 compared with 7 % in 2010, PwC said in its 2016 Ghana Banking Survey, citing World Bank data. Only 36 % of the population had a bank account in 2015, compared with 34 % five years earlier, the report showed. By April last year Ghana had about 36.4 million mobile-voice subscribers, exceeding the population of 27.8 million, according to PwC. "Mobile-money deposits are cheaper to collect than setting up bank branches, it will help to boost profit," said William Derban, director of strategic partnerships at Fidelity Bank. "It will grow." (By Moses Mozart Dzawu, Bloomberg)

Barclays Africa's H1 profit rises 7 pct despite S. African downturn
South Africa's Barclays Africa Group said its half-year profit rose 7 %, driven by solid earnings growth in its local market and the rest of Africa and a strong performance in corporate banking, despite an economic downturn. The results marked the first time that the company has reported results following Barclays Plc's sell-down of its majority stake in the African business. Barclays

retains just 15 % of the group. Barclays Africa Group said normalised diluted headline EPS was 9.177 rand ($0.7055) in the six months ended June compared with 8.567 rand a year earlier. Headline EPS strips out certain one-off items and is the main profit measure in South Africa. "We are presenting a set of results that demonstrate the real value of the 2013 acquisition of the Barclays businesses in Africa," Chief Executive Maria Ramos said in a statement. "Both geographically, as well as by customer segment, they are proving their worth in yielding a strong performance for the first half, even as our biggest market, South Africa, has suffered the impact of an economic downturn." Despite the profit rise, shares were down 1.52 % to 144.87 rand.

In 2013, Britain's Barclays handed over ownership of all but two of its African subsidiaries to its South African unit in exchange for a 62.3 % stake in the new combined entity. Barclays reported a 1.2 billion pound ($1.57 billion) attributable first half loss after taking a 2.5 billion pound hit from the sale of its Africa business. Barclays Africa Group's South Africa banking headline earnings grew 6 % to 6 billion rand ($462.01 million), while the rest of Africa banking rose 19 % to 1.5 billion rand. The group said for the remainder of the year, its main focus will be on its retail and business bank performance, which both under-performed in the first-half, in South Africa and on driving opportunities in its businesses outside of South Africa.

The bank, which launched a court challenge on July 13 to the anti-graft watchdog's findings that the lender's South African unit unduly benefitted from an apartheid-era bailout, raised its interim dividend by 3 % to 475 cents per share. The group lowered its gross domestic product forecast for South Africa to just 0.3 % in 2017 and said it expects low to mid single-digit loan growth.

Africa's most industrialised country slid into recession in March. The country is also struggling with high unemployment, and credit downgrades by two of the top three ratings agencies, triggered by economic and political turmoil, have dented business and consumer confidence. ($1 = 12.9867 rand) (By Nqobile Dludla, Reuters)

Markets

Zimbabwe Capital City Plans $100 Million Housing Bond This Year

- Step seeks to tackle decades-long housing shortage in Harare
- Earlier bid to raise funds via the central government failed

Zimbabwe’s capital city plans to raise a $100 million bond this year to finance the building of new homes and end a decades-long housing shortage, its mayor said. The capital, Harare, has “outgrown itself and the population has grown beyond the city’s initial designs,” mayor Bernard Manyenyeni said in an interview. An original plan to obtain $150 million through the central government became “entangled in politics,” he said, without elaborating. “Now we’re looking at raising $100 million through a bond, which will definitely happen this year.” Harare is home to about 1.6 million people within its city limits, and some 2.8 million in the greater metropolitan area -- a figure that’s slightly less than a quarter of the southern African country’s total population. The Ministry of National Housing said in 2013 that about 1.2 million people were on waiting lists for homes.

Zimbabwean law requires all urban housing to have electricity and running water and the government has been accused of abuses after leveling homes that don’t comply. A 2005 operation destroyed thousands of dwellings in Harare, leaving about 700,000 homeless, according to the United Nations. Mayors of Zimbabwe’s cities, whose administrations are mainly controlled by the opposition Movement for Democratic Change, have for years complained of interference from the central government’s ruling Zimbabwe African National Union-Patriotic Front. (By Brian Latham, Bloomberg)

Sovereign Fund keeps high transparency index

Luanda - Angolan Sovereign Fund (FSDEA) keeps high quotation in the latest assessment of the Linaburg-Maduell Transparency Index for the second quarter of 2017, consolidating its positioning among the best managed sovereign funds, according to a press release. As part of its obligation to transparently communicate and regulate the state of its investments, assets and accounting records,

the FSDEA concluded in 2016 the process of transition from the national accounting standards of financial institutions (CONTIF) to International Financial Reporting Standards (IFRS).
This fact makes FSDEA the first Angolan institution to present financial statements in accordance with the rules of the international financial and capital markets.
According to Hugo Gonçalves, member of Board of Directors of the Sovereign Fund of Angola, the positive evaluation of FSDEA carried out by the Sovereign Wealth Funds Institute (SWFI) is a testament to the commitment to the highest standards of financial reporting worldwide.
This quotation reflects the good understanding that international analysts and large institutional investors have about the domestic, regional and international investment strategy of the Sovereign Fund of Angola, said the official.
With the full adoption of IFRS in 2016, the financial statements of FSDEA will become comparable and consistent with those of other international financial institutions, being a major investor in the field of commercial infrastructure on the continent. It is imperative that FSDEA operate with high level of ethics and objectivity. (Angop)

Angola: BNA sells 221.6 million euros
The National Reserve Bank (**BNA**) **sold** in the last seven days (first days of July) 2**21.6 million euros (about USD 247.6 million) to commercial banks, which includes 104.4 million euros to cover the transactions of several sectors** In comparison to the previous seven days it was recorded a slight reduction in the sale of this currency to commercial banks. Still in the last seven days, the BNA also sold 26.5 million euros for the coverage of operations relating to credits secured by the Central Bank for the productive sector and acquisition of foodstuffs, besides other specific amounts to different economic sectors, such as energy and waters, health, education and agriculture. The BNA also sold 1.3 million euros for operations relating to the payment of salaries of expatriate workers. **The average exchange rate of reference for one US dollar was 166, 7 kwanzas, while for one euro it was 186, 2 kwanzas (AKZ).** Still in the same week, the BNA placed in the market treasury bonds amounted at AKZ 6.7 million. (Angop)

Angola: Finance Ministry to issue bonds valued at AKZ 150 billion
One hundred and fifty billion kwanzas is the amount authorized to the Finance Minister, to use the issuance of Treasury Bonds in national currency (OT-MN), to diversify the portfolio of Recredit-Assets Management. According to the Presidential Order of July 12, published in State Gazette, which Angop had access, the need for this value is admitted, in order to enhance the opportunities for attracting liquidity in the financial market. **This will facilitate the leverage of the objectives underlying the operations of acquisition of doubtful bank loans collection.**
The issuance of the treasury bonds, made within the limit established in the General State Budget (OGE), are delivered directly to the said commercial company "Recredit", at nominal value, without discount, as a way to enhance the opportunities for capturing liquidity in the financial market.
So, the Finance Minister shall establish, by executive decree, the nominal value, the update mechanism, the repayment terms and the schedule for issuing these bonds, which shall be included in the general obligation.
The repayment term is 14 weeks, according to the presidential order, while coupon interest is 7% per a year, payable semi-annually in the issuing currency, on the respective maturity date or next business day. The Finance minister is also authorized to establish the limits in force, tax and financial incentives, for the benefit of the holders of the treasury bonds (OT).
On the other hand, the placement of the bonds, in accordance with the provisions of the legal tool, is carried out in the National Reserve Bank of Angola (BNA).
The strategic framework of the commercial company Recredit was approved at a joint session of the Economic Commission and the Commission for Real Economy of the Cabinet Council, held on May 9 this year. (Angop)

ENERGY

Chinese company builds waste recycling plant in Luanda, Angola

The China Harbour Engineering Company (CHEC) has been contracted by the Angolan government to **build a solid waste recycling plant in Luanda for an investment of US$195 million**, according to official information. The factory, when it goes into operation, will also generate power. Under the strategic plan for waste management, the Angolan Environment Ministry and CHEC signed a memorandum for construction of landfill sites. According to a report from Portuguese news agency Lusa, the government said the investment was required to build the Kilamba city landfill site – on the outskirts of Luanda – and "simultaneously respond to the problem of the capacity to treat waste produced in the city of Luanda every day." By 2020 the Angolan government plans to build landfill sites in all 18 provincial capitals, seven of which are in the execution phase. (Macauhub)

Angola invests US$266 million in power system of Laúca hydroelectric plant

The **Angolan government plans to invest about US$266 million in the energy transport system** projected related to the Laúca hydroelectric plant, which is under construction on the River Kwanza, in the province of Malanje. **The funding of US$285.8 million will be provided by Standard Bank Chartered** according to information published in state bulletin, Diário da República. Under construction since 2012, the Laúca dam between Cacuso (Malanje) and is designed to produce 2,070 megawatts of electricity. In March of this year the dam's reservoir began to be filled in order to provide water to generate power. **This project**, which **cost the Angolan state US$4.5 billion**, will allow the interconnection of energy systems in the north, centre and south of the country, which could **benefit more than 8 million people**. (Macauhub)

Hulisani invests in global wind tower producer

JSE-listed Hulisani has structured an investment path into wind towers producer GRI Wind Steel South Africa through an R82.5-million deal, marking Hulisani's move "down the renewable-energy value chain". The investment holding company provided preference share funding to Pele Green Energy (PGE) wholly owned subsidiary Pele SPV 198 to enable PGE to indirectly acquire 12.5% of GRI, said Hulisani CEO Marubini Raphulu in a statement.

This transaction aligns with Hulisani's strategy to acquire and invest in a diverse basket of energy-producing assets with the potential for growth, as GRI produces the elements used in the creation of renewable-energy and services a global customer base.

The acquisition is Hulisani's third this year, following the acquisition of Kouga Wind Farm and solar photovoltaic farm Rustmo1. "Worldwide, the supply of wind towers continues to outstrip demand and we are excited about the prospect of exporting wind towers while creating jobs and industrialisation in South Africa," Raphulu concluded. (By Natasha Odendaal, Engineering News)

INFRASTRUCTURE

China donates US$26 million to finance construction of fishing port in Guinea-Bissau

China will donate US$26 million to finance the construction of the fishing port of Alto Bandim in Bissau under an agreement signed by Ambassador Jin Hongjun and Guinea-Bissau's Minister of Fisheries Orlando Mendes Viegas.

The agreement includes construction of a pontoon next to the existing ramp, paving and construction of drainage ditches, a water tank with a capacity of 1,000 cubic metres and cleaning debris. The work, according to the document now signed, is expected to begin in three months and the works will last for two years.

The Chinese diplomat described the agreement as an "important step" in this major project for the development of Guinea-Bissau's fisheries sector and commended the country's Fisheries Ministry technicians who were tireless in carrying out the necessary preliminary work. Jin Hongjun said

China will remain in solidarity with Guinea-Bissau by providing support for the development of the fisheries and agriculture sectors. “With the completion of this project, the fishermen of Guinea-Bissau now have better infrastructure to conduct their activities,” said the Chinese ambassador. (Macauhub)

Ethiopia plans to offer firms shares in road projects: finance minister
Ethiopia plans to offer shares in its road-building and maintenance projects to private investors, its finance minister said, the latest step to open up and modernise the state-led economy.
The Horn of Africa country has over 113,000 kilometres (68,0000 miles) of paved roads and plans to increase that to 220,000 kilometres by 2019/20, official data showed. "We do not have private-run roads. Through public-private partnerships, the private sector is interested to develop roads," Minister of Finance and Economic Development Abraham Tekeste told Reuters in an interview. "Through this arrangement, we could work to share the risks and create an environment whereby the private sector can recoup returns on its investment." The move to partly liberalise the sector follows Ethiopa's decision to offer foreign companies stakes in the government-operated Ethiopian Shipping and Logistics Services Enterprise early this year and its energy sector in 2013.
Ethiopia is one of the fastest-growing economies in Africa, but the expansion has mainly been fuelled by huge public investment. The spending has gone into roads, schools, new highways and dams for hydroelectric power. It opened an electrified railway linking the landlocked nation to a port in neighbouring Djibouti this year. Abraham said the government expected gross domestic product to grow 11 % in the 2016/17 fiscal year, up from 8 % the previous period.
Earlier this month, Ethiopia's parliament passed a 320.8 billion-birr ($13.9 billion) budget for the 2017/18 financial year (July 8-July 7), an increase of nearly 17 % on the previous year. About a quarter of that amount is set to be spent on roads.
The International Monetary Fund has said Ethiopia needs to attract more private investment to maintain growth. But the government has in the past tended to brush off such advice and said it would keep charge of key sectors. "Why do we continue to invest in infrastructure? To make private investment feasible. With no roads, private investment will not be worthwhile," Abraham said.
Though starting from a low base, foreign investment has also been rising the last five years, including for farms producing flowers and other horticultural products for export and in textiles. Abraham said Ethiopia took in over $3 billion in foreign direct investment last year and expected that number to rise by the end of this year. (By Aaron Maasho, Reuters)

Senegal Closes Finance Deals for $1 Billion Urban Rail Project
Senegal closed finance arrangements for a $1 billion urban rail project for its capital after finalizing an agreement with the African Development Bank. The AfDB agreed to offer 120 billion CFA francs ($212 million) for the project that will link Dakar with its main airport, which is 46 kilometers (29 miles) to the east, Economy and Finance Minister Amadou Ba told reporters in the city. The deal followed after pledges of 197 billion francs from the Islamic Development Bank and 133 billion francs from France, Ba said. The government will contribute a further 124 billion francs, Ba said. The rail projects forms part of the government’s Emerging Senegal plan announced in 2014 to promote investment in the West African nation whose economy expanded by 6.6 % last year, according to World Bank data. (By Malick Ciss, Bloomberg)

Chinese group builds new southwestern coastal road in Luanda, Angola
The China Railway 20 Bureau Group Co (CR20) group has been hired by the Angolan government to carry out the second phase of teh coastal road in Luanda’s between prais do Bispo and Corimba, under a government decision that also cancels a previous contract signed with Brazilian group Odebrecht. The Brazilian construction company is involved in the “Lava Jacto” scandal, under investigation by the Brazilian courts, but the order signed by the Angolan President, dated 12 July, does not specify the grounds for termination of the contract, according to Portuguese news agency

Lusa. The second phase, which will cost US$142.3 million, includes construction of two lanes in each direction and an area for future development of exclusive public transport corridors. The construction of the new road, which is part of the Luanda Metropolitan Master Plan and will reduce traffic on the Samba road, the main entrance and exit point of the capital to the south, was awarded to CR20 by the Ministry of Construction and should be completed within 18 months. The 8-kilometre road, includes the requalification of areas currently occupied by substandard housing, "in order to guarantee the improvement of road traffic in the city of Luanda, with a focus on access to the southern region, as well as urban development of the western coastal region." (Macauhub)

MINING

South Africa intends to suspend issuing mining rights

South Africa intends to suspend the granting of applications for prospecting and mining rights as well as any renewals pending a court case to review new mining laws, the Mineral Resources Minister Mosebenzi Zwane said. Such a move could seriously hamper growth and investment in South Africa's mining sector, already beset by policy uncertainty, depressed prices, soaring costs and often violent social and labour strife. "The moratorium would ensure that any applications ... are concluded in terms of the 2017 Mining Charter," Zwane said in a statement.

The Charter is part of a wider empowerment drive in South Africa designed to rectify the disparities of apartheid that persist more than two decades since the end of white minority rule in 1994.

The Chamber of Mines said it believed the move to suspend new mining and exploration rights was "unlawful", damaging to the sector and was beyond the minister's powers under the Mineral and Petroleum Resources Development Act. "The effect of the notice is to pave the way for the Minister to issue a further notice to prevent the issuing of new mining and exploration rights which will have an immediate negative impact on investment in the sector," Chamber said. Zwane and the Chamber have been at loggerheads over the implementation of a new mining law, which includes raising the level of black ownership in mining firms. Mining shares fell to more than one-year lows when Zwane released the revised mining charter last month, giving resource firms 12 months to meet a new 30 % minimum for black ownership, up from 26 %. The Chamber has applied to the High Court to prevent implementation of the mining charter. The chamber said the minister had given a written undertaking that the new code would not be implemented until a court ruled on the case. The latest move by Zwane opened up a new area of contention.

The Chamber, which has complained that mining companies were not properly consulted about the revisions to the charter, said if the minister did not back down on the mining moratorium, it would challenge the move in court. "The Chamber is writing to the Minister to request his immediate withdrawal of the notice, failing which the Chamber will apply for an urgent interdict to suspend and review the notice," the Chamber said.

The mining code was introduced in 2002 to increase black ownership in the mining industry after years of exclusion under apartheid. The sector accounts for about 7 % of South Africa's economic output.

Ratings agency Moody's said the new rules seeking to accelerate black ownership in South Africa's mining industry would deter investment, raise costs and diminish cashflow generation. The mining minister has defended the new code, calling it a "win-win" for all. (By Tanisha Heiberg and Ed Stoddard, Reuters)

Invicta to distribute Fenner's products in Africa

Invicta Holdings said that its subsidiary company, Bearing Man Group (BGM), has entered into a long-term agreement with Fenner Conveyor Belting to distribute Fenner's products in sub-Saharan Africa on an exclusive basis and on a nonexclusive basis in the rest of Africa. **Invicta is an investment holding and management company controlling and managing assets worth more**

than R14-billion. It has interests in engineering solutions, capital equipment and building supplies.

In terms of the deal, Fenner's South African conveyor belt plant will supply BMG with conveyor belting for South Africa and the other specified territories. Fenner designs and manufactures conveyor belts for mining and heavy duty industrial applications. It offers steel cord conveyor belts and fire resistant conveyor belting products.

BMG will also acquire the Engineered Conveyor Solutions (ECS) service operations and related assets of Fenner in South Africa. "The transaction is an exciting opportunity for both BMG and Fenner to further strengthen the existing long-term relationship between the respective companies," Invicta said in a statement. "The transaction will enable both BMG and Fenner to harness their respective strengths and develop sales opportunities in South Africa and the wider sub-Saharan territories for conveyor belting, using the well-respected and well-established branch and distributor network operated by BMG." The transaction is conditional on clearance from the relevant competition authorities. Last month, Invicta reported exceptional results for the year ended March 31, 2017 with operating profit before foreign exchange movements increasing by 35.9% to R1.16-billion from R853-million in 2016. (African News Agency)

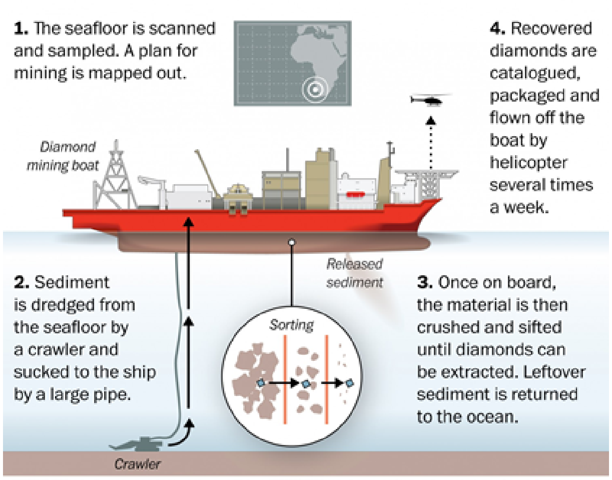
A new frontier for diamond mining: The ocean

Deep beneath this frigid stretch of the Atlantic Ocean, some of the world's most valuable diamonds are scattered like lost change.

The discovery of such gems has sparked a revolution in one of the world's most storied industries, sending mining companies on a race for precious stones buried just under the seafloor. For over a century, open-pit diamond mines have been some of the most valuable real estate on Earth, with small swaths of southern Africa producing billions of dollars of wealth. But those mines are gradually being exhausted. Experts predict that the output of existing onshore mines will decline by around 2 % annually in coming years. By 2050, production might cease.

Now, some of the first "floating mines" could offer hope for the world's most mythologized gemstone, and extend a lifeline to countries like Namibia whose economies depend on diamonds. Last year, mining companies extracted $600 million worth of diamonds off the Namibian coast, sucking them up in giant vacuum-like hoses. "As [Namibia's] land-based mines enter their twilight years, it's very important for us and for Namibia that we have long-term mining prospects," said Bruce Cleaver, the chief executive of De Beers, in an interview.

Mining diamonds from the ocean



Source: De Beers Group THE WASHINGTON POST

But as companies weigh the prospect of more offshore operations, environmentalists have raised concerns about the damage that could be inflicted on the seafloor. From above, the mining vessels look like oil rigs, 300-foot-long ships with helicopter landing platforms, dredging equipment and industrial metal pilings. On a recent day, a family of seals swam off one of them, as the machines hummed and sediment was sucked on board through a 170-yard hose to be sorted. It might be the world's most complex commercial mining endeavor.

Diamonds are formed when carbon is subjected to high temperatures and pressure deep underground. Some were hurled toward the surface millions of years ago in volcanic eruptions. In recent decades, geologists realized that because diamonds could be found in Namibia's Orange River, there was a good chance they could also be detected at sea, swept there by the current. As it turned out, the underwater gems were among the world's most valuable stones — with far greater clarity than diamonds mined on land.

De Beers, which historically dominated global diamond production, purchased mining rights to more than 3,000 square miles of the Namibian seafloor in 1991. So far, it has explored only 3 % of that area.

The technology to extract the underwater diamonds took years to develop. Only recently has the firm been able to efficiently scavenge the sea for diamonds. Underwater gems only represent about 13 % of the value of diamonds De Beers mines onshore each year, but more countries are pushing for exploration to begin along their coastlines.

At the unveiling last month of the SS Nujoma, a giant exploration vessel, former Namibian president Sam Nujoma smashed a bottle of champagne over the hull, surrounded by signs that read:
"The future of marine diamond mining is here, and it's Namibian."

Mining sites turned ghost towns

In 1908, a railroad worker named Zacharias Lewala found a shiny stone in the desert of southwestern Namibia. South Africa's diamond rush had been underway for a few decades, and now another boom began in the territory to its northwest, with miners finding some valleys strewn with the precious stones. Germany, which controlled present-day Namibia until World War I, extracted 7 million carats between 1908 and 1914.

A century later, many of those mining sites are now ghost towns. All that's left of Kolmanskop, where Lewala found his diamond, is a cluster of abandoned wooden houses, their living rooms covered in sand. It is a portrait of the rapid boom-and-bust life cycle of diamond mining.

Mining companies have invested billions in technology that would lead to new finds. And there have been some big ones: In 1982 in Botswana, De Beers opened a mine called Jwaneng, which produces roughly 12 million carats per year, worth over $2 billion.

But known diamond deposits began to diminish in recent years, even as demand for the gems has remained strong. Last year, the world spent $80 billion on diamond jewelry, more than half of it in the United States, an all-time high. Demand in emerging economies such as China and India is also expected to increase.

Those trends — diminishing supply and rising demand — made Namibia's offshore deposits all the more important. In the 1990s, De Beers sent its first commercial vessels into the Atlantic in search of diamonds. Now, more than 90 % of Namibia's diamond-related revenue comes from offshore finds.

These days, the company uses drones to fly over vast stretches of the ocean, looking for areas that might be worth exploring. Then it sends vessels like the Mafuta to dredge the most promising areas. Most of the diamonds are close to the surface, De Beers said, so it does not go deeper than six feet beneath the seafloor.

The mining vessels combine technology from oil rigs, dredging ships and even canneries to do their work. A remote control, tractor-like crawler moves slowly along the surface of the seafloor, directing a hose that sucks up tons of sediment every hour. The sediment is then passed through a series of machines that cull material first by size and then, using X-ray technology, by geological composition. Diamonds make their way down five floors of conveyor belts and machines into a metal container that looks like a soup can. "The things we do for women," quipped Mike Rogers, the chief engineer of the Mafuta, as the crawler descended from the vessel one day last month. Ninety-eight people live aboard the Mafuta, which has the urgent, frenzied feeling of a naval ship. A few weeks ago, it was hammered with 30-foot swells as it tried to operate.

Diamond mining contributes roughly a tenth of Namibia's gross domestic product, and its offshore contract with De Beers is a 50-50 partnership with the government. But while the soaring revenue has made some Namibians rich, this remains the world's third most unequal country, according to the World Bank, with millions of people unaided by the diamond rush.

Debate over ecological damage

Although Namibia is considered the easiest place to extract offshore diamonds, mining executives are not ruling out exploring other stretches of ocean. Marine mining has also taken place off the coast of South Africa, though it has proven less lucrative. "Never say never," Cleaver said.

But environmental groups have raised concerns about the offshore mining operations, which spew the sediment back into the ocean after it is processed for diamonds. Companies also plan to begin mining offshore for gold in coming years, with one commercial operation scheduled to launch in 2018 off Papua New Guinea. "My concern with this and all deep-sea mining is that we just don't know much about the deep sea at all," said Emily Jeffers, an attorney with the Center for Biological Diversity, a U.S. nonprofit organization. "The worry is that we are going to irreparably harm this environment and these species before we discover them."

De Beers says its offshore operations do not cause significant ecological damage, as sediment is returned to the sea and eventually resettles. The company says it employs ecologists who monitor the environment where they have mined to make sure it is recovering.

Sitting on the bridge of the Mafuta one recent day, a middle-aged South African man named Leonard Bunce manned the joysticks that control the dredging equipment. In front of him, a series of screens showed a live stream of various stages in the mining process. Sometimes, he said, he sees fish and octopus sucked up by the hose, but they appear to survive as they are dumped back into the sea.

Mostly, what Bunce saw that day were the tons and tons of sediment churned into the vessel — any diamonds indistinguishable on his screen. The culling process is entirely mechanized, and the diamonds are only visible to workers when they are dropped into the can. When enough of the gems accumulate there, the can is sealed and flown to Windhoek, Namibia's capital.

That is where, in an office on the 11th floor of a nondescript building, Peter Kayser inspects high-value diamonds that could be worth anywhere from tens of thousands to millions of dollars. One day last month, his attention was on a diamond about the size of the tip of his thumb that had recently been vacuumed up from the ocean floor. He passed the gem through a machine that calculated its weight. It took a few moments before the number flashed on a screen: at least seven carats. Kayser smiled. "This could be a very expensive stone." (By Kevin Sieff, Washington Post)

Tanzania President Urges Increased Control of Mineral Wealth

- Country has been 'cheated' out of its mineral wealth
- Magufuli this week demand $190 billion taxes from Acacia

Tanzanians are being cheated out of the country's mineral wealth and should take more control of their natural resources, President John Magufuli said.

Investors in Tanzania's mining industry have "stolen" from the country by failing to provide a fair share of the revenue they generate from gold and other minerals, Magufuli said in a speech in the central region of Singida. "We are surrounded by wealth; we have to stand up and protect it," he said. "It shouldn't happen that we have all this wealth, sit on it, while others come and benefit from it by cheating us."

Magufuli is overhauling the country's mining industry as the government targets doubling its contribution to gross domestic product to 10 % by 2025. In March, he banned mineral exports and ordered an audit to identify loopholes that he said result in income losses. The government this month approved laws that would enable the state to renegotiate contracts with mining and energy companies. The dispute between Acacia and the government escalated over the past two weeks the authorities detained at least two of the company's senior employees for questioning. Chief Executive Officer Brad Gordon said July 21 that "many" of the company's senior employees have been interviewed by the authorities. This week, the government presented Acacia with a $190 billion tax bill to cover alleged undeclared export revenue from its mines. (By Omar Mohammed, Bloomberg)

OIL & GAS

Tullow Plans More Ghana Wells Once Maritime-Border Spat Settled

- Tribunal to rule on boundary with Ivory Coast in September
- Oil company also expects to drill in Suriname in early October

Tullow Oil Plc plans to drill more wells off Ghana once a ruling on a border dispute is out of the way.

Ghana and Ivory Coast disagree over their maritime boundary, frustrating projects to pump oil and gas offshore. In September, the International Tribunal for the Law of the Sea, or Itlos, will rule on the matter, likely clearing the way for an expansion of Tullow's Tweneboa-Enyenra-Ntomme project, the company said. "We were aware of the dispute before we initiated the overall TEN project," Paul McDade, chief executive officer of the London-based producer, said. "Ourselves and our partners and the Ghana government took some legal advice from various experts globally around the likely outcome," he said. "We don't expect any material change." Tullow has completed 11 wells at TEN and plans 13 more. It's preparing to start drilling those "around the end of the year," McDade said by phone. The shares rose 2.7 % at 10:08 a.m. in London. Tullow earlier reported a 46 % jump in first-half sales and maintained 2017 output forecasts, including at TEN. It expects the planned wells to boost production capacity at the project to 80,000 barrels a day, compared with first-half output of 48,000 a day. It will be ready to award a rig contract after the Itlos ruling, McDade said. "The potential for an improving outlook in Ghana as drilling resumes in early 2018 remains key to the investment case," James Hosie, an analyst at Barclays Plc in London, said in a note.

Separately, Tullow plans to start drilling a "high-impact" well off Suriname in early October, targeting 500 million barrels, Exploration Director Angus McCoss said by phone, describing the well as its "No. 1" prospect. Tullow operates the project with a 30 % stake and expects results in early November.

Drilling off the South American country will follow a recent discovery by Exxon Mobil Corp. off neighboring Guyana. Tullow will pay about $150,000 a day for the rig in Suriname, McDade said. That's down from fees of about $600,000 a day before the oil-price collapse three years ago. (By Angelina Rascouet, Bloomberg)

TELECOM

Vodacom Plans to Extend Mobile Money to New African Markets

- African wireless operator to expand beyond voice license areas
- Combined mobile-money platform to be used by 30 million people

Vodacom Group Ltd. sees the expansion of mobile-banking services into new markets in sub-Saharan Africa as a top priority following a shareholder vote to rubber stamp its purchase of a 35 % stake in Safaricom Ltd., Kenya's biggest company. "We will use Safaricom to enter other markets where neither Vodacom nor Safaricom are," Chief Executive Officer Shameel Joosub said in an interview at the wireless carrier's annual general meeting in Johannesburg. The two businesses have a combined 30 million mobile-banking customers, giving them "a very sizeable platform on the continent," he said. Vodacom's purchase of the Safaricom stake from U.K. parent company Vodafone Group Plc gives the South African company access to the fast-growing M-Pesa platform, which processed about 891 billion shillings ($8.5 billion) in the three months through March, or more than 75 % of Kenya's total, according to the country's telecommunications regulator. Entering markets through its financial services platform will allow Vodacom to access countries without having to purchase a voice license, Joosub said. Mobile-payments are popular in countries with limited banking infrastructure, which includes much of sub-Saharan Africa outside of South Africa, Vodacom's biggest market. The company plans to compete with the mobile-money services of Millicom International Cellular SA, Bharti Airtel Ltd. and Orange SA, Joosub said. Vodacom shares declined 0.6 % to 173.34 rand as of 2:26 p.m. in Johannesburg, valuing the company at 258 billion rand ($20 billion). Almost all shareholders voted in favor of the Safaricom deal at the meeting. (By Loni Prinsloo and Janice Kew, Bloomberg)

Cell C Is Said to Sell $464 Million of Bonds Amid Reorganization

- South African mobile-phone operator to issue two securities
- Proceeds will repay euro bond, assist Oger's exit from Cell C

Cell C Pty Ltd. plans to raise as much as $464 million from the sale of two bonds as part of the South African mobile-phone company's recapitalization that will enable Blue Label Telecoms Ltd. to buy a stake, according to two people familiar with the matter.

The country's third-largest wireless carrier will sell $184 million of three-year senior secured bonds and $280 million of five-year securities, according to the people, who asked not to be identified as the plans aren't public. Both notes will pay a coupon of 8.625 %, according to the people. Cell C spokespeople didn't immediately respond to emails requesting comment.

The bonds will be used to repay Cell C's existing 400 million-euro ($465 million) debt due to mature in July 2018, the people said. That will enable Dubai-based parent company Oger Telecom Ltd., which is owed most of the outstanding debt though affiliates, to exit the company and ease the completion of the reorganization that will see Johannesburg-based Blue Label take a stake, according to the people.

The planned bond issues are expected to help the wireless carrier complete the transaction with Blue Label almost two years after talks began. The agreement to sell a 45 % stake for 5.5 billion rand ($421 million) will initially reduce Cell C's debt by 73 % without having to re-apply for an operating licence, people familiar with the matter said last month. (By Loni Prinsloo, Bloomberg)

Angonix boosts internet traffic

Luanda - Angonix platform, run by Angola Cables, has reported a 5,2 Gb rise in its internet service traffic of February this year to 10,8 Gb in July 2017. The information is contained in a press release that reached Angop, saying this places Angola's Internet Exchange Point (IXP) among Africa's top three, and shows a growing trend in the country's internet usability. According to the source, this increase is the result of investments in technologies and reduction in telecommunication services cost in Angola. The project manager, Darwin Costa, said the above data show Angola's broadband growth potential. Angonix is a neutral internet data exchange and aggregating point based in Luanda. It interconnects global networks, network operators and content providers to secure local flow and offer provide content providers and international networks with a basis for establishment on the African continent. (Angop)

South Africa mobile operator MTN to swing back into profit

MTN expects to swing back into profit in the first half of its financial year after a 330 billion naira ($1.1 billion) fine paid in the previous reporting period weighed on margins, the company said.

Africa's biggest wireless network group expects headline earnings per share (HEPS) to be between 210 cents and 230 cents for the six months ended 30 June 2017 compared to a headline loss per share of 271 cents in prior comparable period.

HEPS is the main profit measure used in South Africa that strips out once off items. "The negative performance in the prior comparable period was mainly as a result of non-recurring costs, including the Nigeria regulatory fine of 474 cents per share," the company said.

MTN agreed to pay the fine, which was reduced from $5.2 billion, in June last year after a prolonged legal battle to end a dispute in Nigeria over missing a deadline to cut off unregistered

SIM cards. The fine claimed by Nigeria, MTN's most lucrative but increasingly problematic market, wiped 10.5 billion rand ($814.67 million) from 2016 earnings. ($1 = 12.8886 rand) (By Tanisha Heiberg, Reuters)

RETAIL

Angola: UTIP signs USD 100 million investment deal

At least USD 102 million is the amount of the private investment contract signed today in Luanda between the Technical Unit for Private Investment (UTIP) and the company SWB - Muxima Shopping. The investment is aimed at building infrastructures (shops, supermarkets and leisure areas), exploration and operating a shopping center located in the province of Luanda, in the municipality of Viana. The initiative will contribute to the diversification of the economy and increase the supply of spaces for the commercial activity of retail and leisure. The project will create about 600 new jobs for national citizens and benefits for local communities. On that occasion, the director of the UTIP, Norberto Garcia, assured that the institution he directs will continue to provide the necessary institutional support. (Angop)

Hennessy Pushes Cognac Into Kenya

- Kenya has 9,400 dollar millionaires, fourth-highest in Africa
- About 7,500 new millionaires will emerge over next decade

Hennessy, the world's largest maker of cognac, has started distributing its products in Kenya to tap Africa's second-largest luxury-goods market.

The company, a unit of Paris-based LVMH, began distributing its products in the Kenyan capital in May and plans to use the city as a hub for regional distribution, Chief Executive Officer Bernard Peillon said in an interview in Nairobi. A bottle of Hennessy cognac retails for as much as 117,000 shillings ($1,127) in the city's shops, the company said. "Kenya is a boost market, the next emerging market frontier for us," Peillon said. The company is targeting "double-digit" sales growth, he said, without specifying targets.

Kenya was Africa's second-largest market for luxury goods in 2016, with revenue of about $500 million, up 25 % from a year earlier, according to a report by New World Wealth, a Johannesburg-based research group. The country ranked behind South Africa's $2.3 billion market and ahead of Nigeria, it said. Brands like Hennessy are expanding their reach on the continent to tap into growing numbers of middle-class and rich people. Kenya, where luxury brands including Bentley, Porsche and Rolex are already available, has 9,400 dollar millionaires, the fourth-highest number behind South Africa, Egypt and Nigeria, according to the New World Wealth report. About 7,500 new millionaires will emerge over the next decade in the East African nation, the third-fastest pace on the continent after Ethiopia and Mauritius, according to the 2017 Wealth Report compiled by London-based Knight Frank.

Hennessy sells cognac in 140 countries, including South Africa and in Nigeria. While the continent is experiencing double-digit revenue growth, it accounts for less than 10 % of the global market, Peillon said. "Our role is to figure out what might happen in the world, to have a vision of what could become of Kenya, and we are positive," Peillon said. "I am here in Kenya, so it is a clear sign of commitment and of interest." (By Samuel Gebre, Bloomberg)

Kenya's EABL to convert Tanzania unit loan into equity

Kenya's East African Breweries Ltd (EABL) said it would convert a loan to its Tanzanian business into equity, after reaching a settlement with the competition authority that had been investigating the transaction. Tanzania's Fair Competition Commission (FCC) threatened to revoke EABL's 51 % stake in Serengeti Breweries in 2015, accusing the Kenyan firm of not meeting several conditions. It did not make those conditions public.

"In early June, we managed to close and settle that matter," Gyorgy Geiszl, EABL's finance director, told a news conference, without giving a value for the loan. EABL, a unit of Britain's Diageo, made a provision in its financial year ending June 2016 to settle the issue so its figures for the year to June 2017 would not be hit, he said. Geiszl said the settlement would allow EABL to "complete this capital restructuring, convert our loan to the company into equity, restore its equity position and profitability." He did not say what impact converting the loan would have on the size of EABL's equity stake in Serengeti. Serengeti, which contributed 9 % to EABL's group sales of 70.25 billion shillings ($676.46 million) in the year to June 2017, had a 28 % share of the market, according to 2015 figures. Its sales dropped 13 % in its latest financial year. EABL said it saw opportunities in the market in the medium term, while the settlement and capital restructuring would help the firm focus on boosting sales. ($1 = 103.8500 Kenyan shillings) (By Duncan Miriri, Reuters)

AGRIBUSINESS

Ghana's Biggest Cocoa Buyer Seeks Guarantee to Cut Finance Costs

- PBC seeks government guarantee of as much as $91 million
- Company has also hired banks to market new bond, CEO says

PBC Ltd., the biggest buyer of cocoa beans from farmers in Ghana, is seeking to cut borrowing costs by arranging its first government loan guarantee in seven years. PBC is asking for a guarantee of as much as 400 million cedis ($91 million) from the government, acting Chief Executive Officer Nana Agyenim Boateng said in an interview. It’s also hired Accra-based Fidelity Bank Ltd. and the local unit of Standard Chartered Plc to market a 400 million-cedi one-year bond, mainly to pension funds, with the aim of lowering borrowing costs. PBC, which buys cocoa from farmers in the world’s second-biggest producer and sells it to the regulator, needs to borrow money each season to fund the purchases. While the Ghana Cocoa Board offers financing at the central bank’s policy interest rate of 22.5 %, it requires guarantees from borrowers and arranging them from banks is expensive, Boateng said.

The alternative is even costlier -- the average bank lending rate to companies in the agricultural industry was 32.1 % at the end of June, according to the Bank of Ghana. “So long as we continue to lean on the banks, their rates will always be high and that will have a negative impact on our performance,” Boateng said. “A guarantee from government will help us to have funds ready for the season and erode a huge interest cost.”

The government, which owns about 37 % of PBC while the state pension fund holds 38 %, provided the company with guarantees from 2006 to 2010.

PBC bought about 30 % of Ghana’s 2016-17 main crop, which ended in May. Its 1.9 billion cedis of purchases in the bigger of the two annual harvests was partly financed with 441 million cedis in direct bank loans and 520 million cedis of bank guarantees to enable it borrow from the cocoa board, Boateng said.

PBC reported a loss of 15.9 million cedis in the year through September 2016, from a profit of 6.3 million cedis the year before. While revenue increased, a 29 % increase in financing costs weighed on the earnings, according to its annual report. The company is also in discussions with government to boost its capital base, but will probably wait until profitability improves, Boateng said. (By Moses Mozart Dzawu, Bloomberg)

Ghana Cocoa Buyers Say a Lack of Funds Curbs Bean Purchases

- Purchasers are buying cocoa on credit from producers
- Some buyers stopped taking bean deliveries from farmers

Ghana’s industry body for cocoa purchasers said its members are struggling to pay farmers for their crops because the regulator isn’t reimbursing buyers for the delivery of beans. Purchasers are buying beans on credit from farmers in some instances, while others have stopped taking delivery from growers, which is causing stocks to accumulate on farms, Ayisi Botwe, executive secretary of the Licenced Cocoa Buyers Association, said by phone. The body's members usually account for about 95 % of cocoa purchases from farmers in the world's second-biggest grower of the crop, Botwe said. "The licensed buying companies are cash-strapped because there is no funding from Cocobod," Botwe said, referring to the regulator which is also known as Ghana Cocoa Board. "Our deliveries to the ports have not been paid for." Noah Amenyah, a spokesman for Cocobod, declined to comment when contacted by phone. Cocoa buyers' complaints about payments follow after the regulator said in June it is 10 billion cedis ($2.3 billion) in debt after the nation missed its production target in the previous season and as a slump in prices is weighing on revenues from the current crop. The cocoa board issued the equivalent of $59 million in domestic bills in an April auction after the proceeds of a $1.8 billion syndicated loan that was raised in September got depleted.

Ghana is nearing the end of the smaller of the two annual harvests as graded and sealed cocoa purchases since the start of the season in October reached 891,942 tons by July 6, the biggest crop in more than three years. The regulator is expected to finalize a new syndicated loan of at least $1.3 billion in September for next season's purchases. (By Ekow Dontoh, Bloomberg)

Nigeria's new $1.5 bln fertiliser plant boosts agriculture sector

Nigeria's acting president will open a $1.5 billion fertiliser plant in the southeastern city of Port Harcourt, highlighting efforts by Africa's largest economy to boost its agriculture industry. Nigeria has for decades been dependent on exports of oil to support its economy, but as global crude prices have dropped and production has been hit by militant attacks the government has sought to diversify, embracing sectors such as agriculture and manufacturing.

The new factory has an annual production capacity of 1.5 million tonnes of urea fertiliser and was built by Indorama Eleme Fertilizer and Chemicals Limited, the president's office said in a statement giving details of the visit by Acting President Yemi Osinbajo. He is leading Nigeria while Muhammadu Buhari is in Britain on medical leave for an undisclosed ailment "Besides making fertiliser available to farmers nationwide at affordable cost, the plant will also boost crop yield for farmers," the statement said. (By Paul Carsten, Reuters)

Louis Dreyfus sells African fertilizer business to Helios

Louis Dreyfus Company has agreed to sell its African fertilizer business to Helios Investment Partners, sealing the first of a series of divestments planned by Louis Dreyfus as it responds to a tough cycle for agricultural commodity traders.

Helios, a private equity firm, is to acquire 100 % of Fertilizers and Inputs Holding B.V., a distributor of fertilizers, crop protection products, seeds and industrial chemicals in West Africa that has annual sales of around $300 million, Helios and Louis Dreyfus said in a statement. Financial terms of the transaction, which is pending regulatory approval, were not disclosed. Louis Dreyfus had said last year it was pursuing an outright sale for its African fertilizer activities, while looking for joint venture partners for its fertiliser businesses in other regions. Fertilizer is one of the areas, along with metals, juice and dairy, in which Louis Dreyfus has decided to seek partners while it focuses more on core activities like grains and oilseeds.

Dreyfus is part of the so-called 'ABCD' quartet of trading giants alongside Archer Daniels Midland, Bunge and Cargill that dominate global flows of agricultural commodities. The trading giants have seen their margins crimped by large crop inventories, low prices and limited volatility, triggering restructuring efforts. An approach by diversified commodity group Glencore towards Bunge has also raised the prospect of larger-scale consolidation in agricultural commodity trading. Louis Dreyfus reported a second year of falling core profits in 2016 but said it expected to its restructuring to help its results this year. The exercising of a put option by minority family shareholders to sell nearly 17 % of the group's holding firm has also fuelled speculation that Russian-born Margarita

Louis-Dreyfus will seek a new shareholder for the 166-year-old firm she controls. (By Gus Trompiz, Reuters)

Obtala group expands forest operations in Mozambique

In the second quarter of the year the Obtala group concluded the acquisition of 10.5 hectares of land for construction of a new sawmill in Nampula, northern Mozambique, which has already begun, according to the group’s quarterly business update report. The report said the group still has an option to buy another 4.5 hectares and added that construction work had already begun. This new unit is expected to produce 100 cubic metres of processed wood per day.

The tree-cutting season has already begun in Mozambique, with the group anticipating an increase in productivity with the arrival of new equipment in the country and following the option of new processes, and approved management plans covering an area of 135,500 hectares, which translates into the authorised cut of 41,000 cubic metres of wood.

The group said in the document that it agrees with the new rules approved by the Mozambican government to stop illegal logging and to favour companies that comply with the rules in force and process timber in the country, thus adding value.

The most notable event in the second quarter was the acquisition through the Argento subsidiary of Woodbois International, which has a forest concession in Gabon with an area of 96,800 hectares and a sawmill with a processing capacity of 42,000 cubic metre per year. Paul Dolan, chief executive of the Guernsey-based group, said in the document that the acquisition of Woodbois International will allow synergies with forestry operations in Mozambique. (Macauhub)

Ivory Coast cocoa farmers concerned about overcast weather

Light rains and cool, overcast weather last week in most of Ivory Coast's cocoa-growing regions raised concerns about the forthcoming October-to-March main crop, farmers said.

Flowers and cherelles need strong sunny spells at this crucial period to strengthen the development of the crop but soil moisture content across the world's top cocoa producer is too high, the farmers said. "It is cool and overcast. This is not good weather for cocoa," said Salame Kone, who farms on the outskirts of the western town of Soubre, in the heart of the cocoa belt. "If we don't have enough sun by the end of next week, the flowers and cherelles will fall from the trees and reduce the size of the main crop," he said.

Similar conditions were reported in the southern regions of Aboisso, Agboville and Divo; the western region of Gagnoa; and the coastal region of Sassandra.

In the centre-western region of Daloa, which accounts for about a quarter of national output, farmers reported light scattered rains and weak sunny spells. "Many more flowers survived and grew into small pods compared to last season," said Albert N'Zue, who farms near Daloa. "We need a lot of sunshine. Otherwise we will see diseases appear on the farms next month." In the western region of Duekoue, farmers were more optimistic. "The cool weather has just begun but (things) are developing well. The trees are full of pods and we think we will have a large harvest in October," said Amare Kone, who farms near Duekoue. "We hope the weather will be sunny in the coming weeks so the quality of the beans is good for the main crop," he said. (By Loucoumane Coulibaly, Reuters)

UPCOMING EVENTS

Public Private Partnerships (PPP) - Financing, Projects & Contracts 21-24 August 2017 Johannesburg, South Africa
www.infocusinternational.com/ppp/

Africa Property Investment Summit & Expo 24-25 August 2017 Sandton Convention Centre - Johannesburg, South Africa *www.apisummit.co.za*

Africa Hotel Investment Forum 11-12 October 2017 Radisson Blu & Kigali Convention Center – Kigali, Rwanda *www.africa-conference.com*

Nigeria Mining Week 16-19 October 2017 NAF Conference Centre and Suites Abuja, Abuja, Nigeria
www.power-nigeria.com

2nd Ethiopia International Mining Conference & Exhibition 25- 26 October 2017, Intercontinental Hotel Addis Ababa, Addis Ababa, -, Ethiopia
http://ametrade.org/miningethiopia/

African Real Estate & Infrastructure Summit 2017 25- 26 October 2017, Sandton Convention Centre, Johannesburg, South Africa
http://www.african-real-estate-summit.com/

24th Africa Oil Week 23-27 October 2017 Cape Town International Convention Centre - Cape Town
www.africa-oilweek.com

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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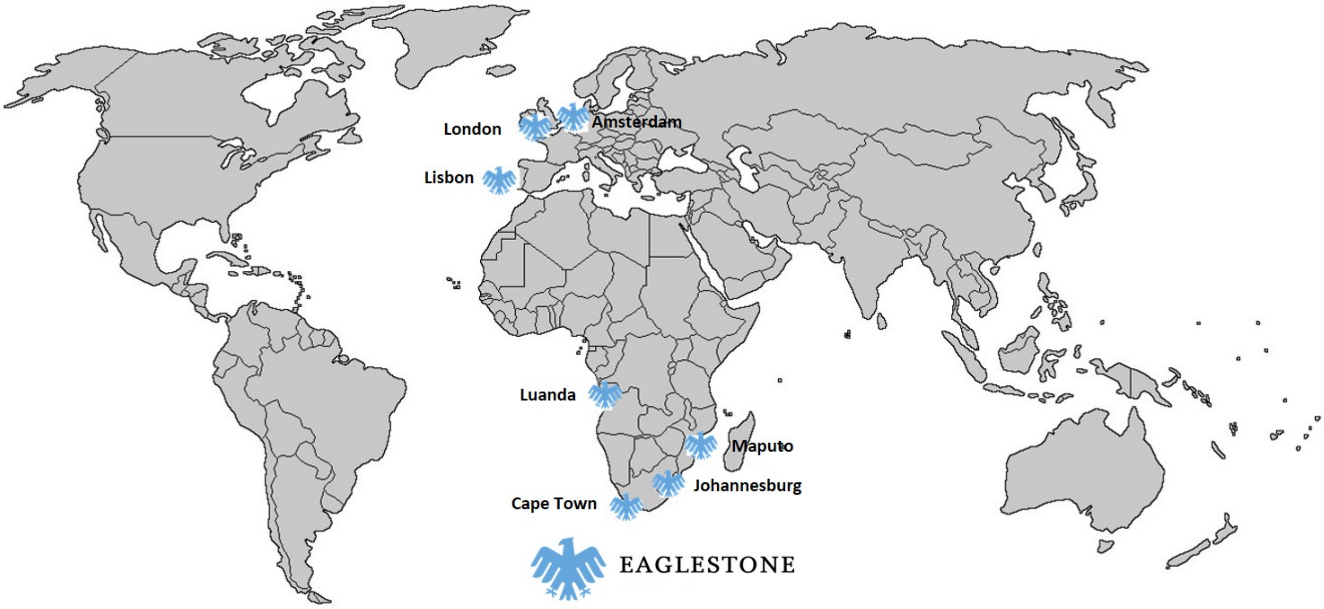

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Disclosures

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.

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