INSIDE AFRICA
Now is the time to invest in Africa
24 May 2018

EAGLESTONE

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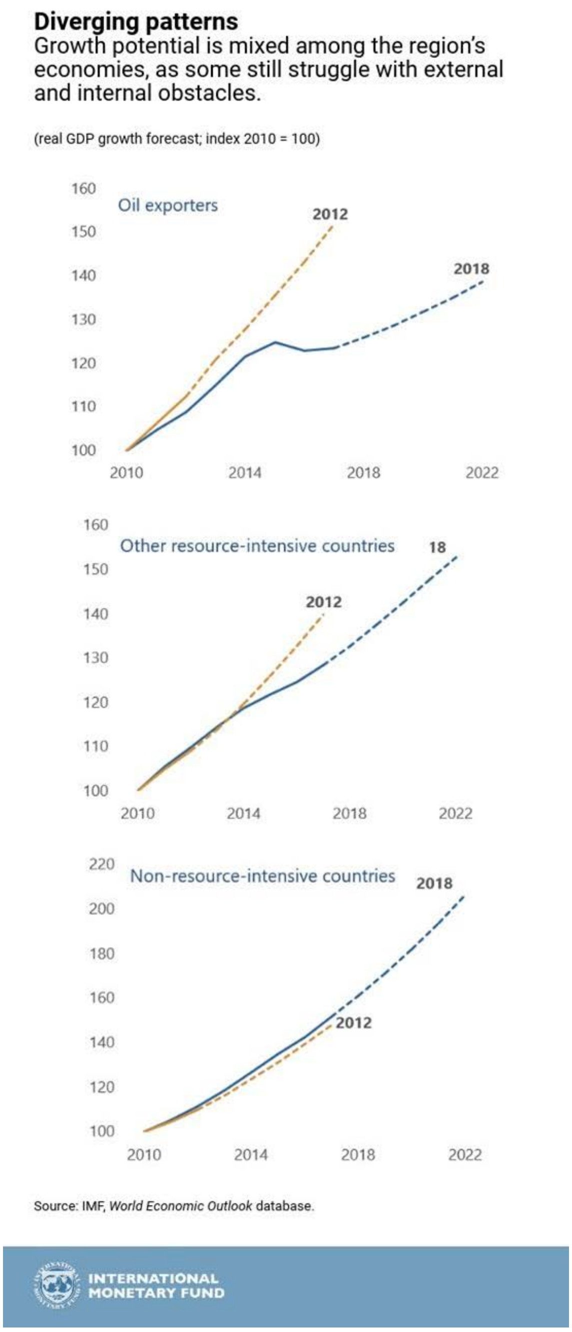
In-depth:

Sub-Saharan Africa: Firming Up the Economic Recovery

Sub-Saharan Africa is seeing a modest growth pick up from 2.8 % in 2017 to 3.4 % in 2018, the IMF said in its latest economic health check of the region

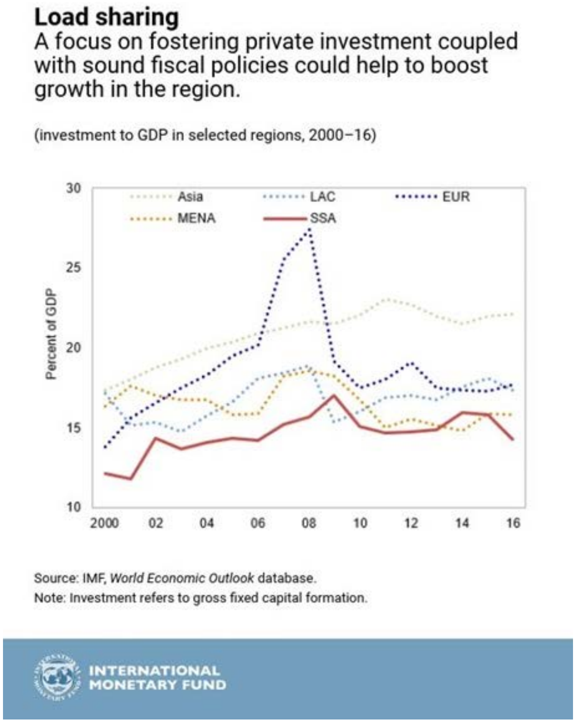
According to the IMF's Regional Economic Outlook for Sub-Saharan Africa, the growth pickup has been largely driven by improved policies in some countries, and a more supportive external environment, including stronger global growth and higher commodity prices. These factors have supported high volumes of capital inflows. For example, sovereign bond issuances by the region's frontier markets (Côte d'Ivoire, Kenya, Senegal, and Nigeria) have increased to record levels.

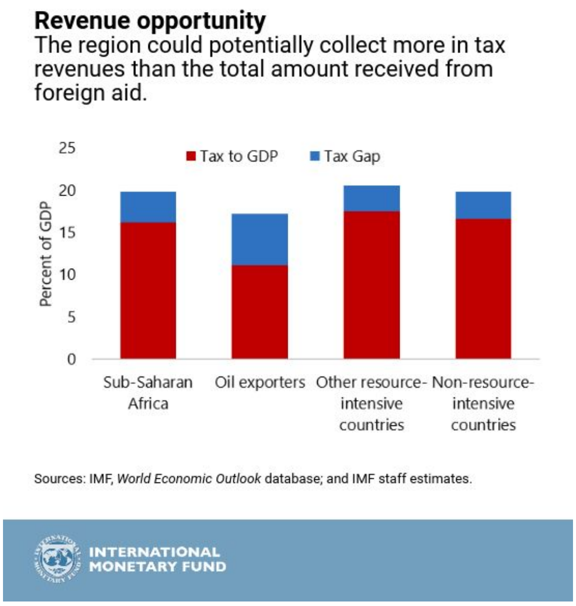


Across countries, there is diversity in economic outcomes and prospects. Oil exporters are still dealing with the legacy of the largest real oil price decline since 1970, with growth well below past trends. Several other economies, both resource intensive and non-resource intensive and some fragile states, continue to grow at 6 % or more. Other countries are mired in internal conflicts, giving rise to large numbers of refugees and internally displaced people. The two largest economies in the region, Nigeria and South Africa, remain below trend growth, weighing heavily on prospects for the region.

Public debt levels in the region have risen. Fifteen of the region's 35 low-income countries are now rated as being in debt distress or at high risk of debt distress. Interest payments have also increased, consuming a growing share of revenues. For the region, median interest payments doubled from 5 % to 10 % of revenues between 2014 and 2017.

Rising nonperforming loans and a broad-based slowdown in private sector credit growth raise additional concerns. The increase in nonperforming loans was particularly large among resource-intensive countries, where weak economic activity has translated into a decline in credit quality and where government arrears continue to affect the banking sector.





If current policies persist, average growth in the region could plateau below 4 % over the medium term, falling far short of levels envisaged five years ago and below what is needed for countries to achieve their Sustainable Development Goals.

Turnaround prospects

Policymakers should seize the opportunity provided by favorable external conditions to turn the current recovery into durable, robust growth by taking policy steps to reduce debt and raise medium-term growth potential.

Prudent fiscal policy, with an emphasis on increasing domestic revenue, is critical to preventing excessive public debt accumulation and making room for key infrastructure and social spending.

Despite substantial progress in revenue mobilization over the past two decades, sub-Saharan Africa has the lowest revenue-to-GDP ratio, with a median of 18 % in 2016, 5 percentage points lower than other emerging and developing economies. Most countries in the region have considerable potential to collect higher revenue. The report estimates that sub-Saharan Africa could, on average, collect between 3-5 % of GDP in additional tax revenues, significantly more than what the region receives each year through international aid.

Revenue mobilization could be further strengthened be improving value-added and income tax systems, streamlining exemptions, and broadening the tax base. Experience in the region suggests that such efforts are most effective when they are implemented as part of a medium-term revenue strategy; have a broad base of supporters for reform, and encourage commitment to improved governance and transparency.

Making room for private investment

Increasing private investment is critical for the region to achieve sustainable strong growth over the medium term. Private investment in sub-Saharan Africa remains low compared with other regions.

Raising private investment requires reforms, which include a sound business environment, well-developed infrastructure, trade openness, and financial development. As these reforms take time, countries are pursuing other avenues to

jump start private investment, such as public-private partnerships, creating special economic zones, and implementing mechanisms to target foreign direct investment.
Country experiences also show that, while surges in private investment can follow commodity price booms or conflict resolutions, episodes of sustained private investment growth are typically associated with macroeconomic stability, including low public debt and inflation, and maintaining the momentum to upgrade institutions.
There is huge potential for boosting growth in the sub-Saharan region, and the current global environment provides the opportune time to push forward these reforms. (IMF)

IMF, WORLD BANK & AFRICAN DEVELOPMENT BANK

African Development Bank and Korea launch the Korea-Africa Energy Investment Facility

The Government of Korea and the African Development Bank have signed a Letter of Intent to launch the Korea-Africa Energy Investment Facility (KEIF) to provide significant support to the New Deal on Energy for Africa, which aims to achieve universal access to energy.
The signing, which took place on Tuesday, May 22, 2018 during the Korea-Africa Economic Cooperation ("KOAFEC") meeting at the African Development Bank's Annual Meetings in Busan, builds on the 2016 KOAFEC Ministerial Conference, which recognized enhancing access to energy as a strategic factor for the modernization and transformation of African economies. The Facility will contribute towards Africa's efforts to achieve universal access to energy and to transform its energy systems.
Under this Facility, the Bank will take the lead in project development in close consultation with Regional Member Countries. Korea stands ready to provide US $600 million over a period of five years in both concessional and non-concessional finance for a variety of energy operations that will support the provision of electricity for homes, schools, hospitals, agriculture and industries. The Facility will support the full range of activities – preparation, construction and operations, through a mix of financing and technical assistance.
Korea also signed a Memorandum of Understanding with Power Africa during the same event underlining its intention to support the African power sector, notably transmission-line infrastructure. The African Development Bank is a founding partner of the United States-led Power Africa initiative and envisages working closely with Korea and Power Africa.
African Development Bank President Akinwumi Adesina thanked the Government of Korea for its longstanding support to the AfDB and to the African continent and welcomed Korea's support for the New Deal on Energy for Africa(link is external) through this Facility, which he said would be "an important contribution towards achieving universal energy access in Africa."
Korea's Deputy Prime Minister and Minister of Strategy and Finance, Dong Yeon Kim, stressed that "Africa is struggling with shortage of power which is why Korea strongly supports the Light up and power Africa High 5 of the African Development Bank including through the Korea-Africa Energy Investment Facility."
The Bank and the Government of Korea will work on the detailed implementation arrangements over the coming weeks to be able to effectively support projects as early as the end of 2018.

Accelerating Agri-Business Development in Ethiopia with the Agriculture Fast Track Fund

The African Development Bank has signed two grant agreements to finance agri-business development projects through the Agriculture Fast Track Fund.
Funded by the United States, Denmark, and Sweden, the Agriculture Fast Track Fund supports Africa-based agri-business SMEs by financing the development costs of agriculture infrastructure projects that span the value chain from rural feeder roads to agro-processing and marketing facilities, to out-grower schemes. Running the gamut from production to marketing, these projects

contribute to food security, provide support to smallholder farmers, and encourage women's participation and empowerment.
The two Ethiopian grant-winners were selected after a rigorous competition in 2017. Zebad General Export Import Plc., a coffee-processing firm, was awarded US $150,000 to conduct financial, technical, marketing and E*nvironmental and Social Impact Assessment* (ESIA) feasibility studies to enhance the bankability of the Commercial Coffee Farms and Premium Coffee Processing Facility' project. HAE Spice and Baltina Plc., an organic farming company, was awarded US $195,000 to conduct detailed feasibility studies to prepare the Organic and Fair Trade Red Pepper and Tropical Spices in Ethiopia. These two new projects grow the pipeline of the Bank's US $1.7 billion portfolio in Ethiopia.
Country Manager Abdul Kamara indicated that the grant approval is part of a bigger initiative that the Bank launched in Accra, Ghana, in March 2018 comprising 12 new projects in 10 countries under the Agriculture Fast Track Fund. Congratulating the two winning companies, he encouraged them to continue to work hard and deliver good quality bankable projects that will help develop Ethiopia's agribusiness sector.

South Africa says country ready to host 2018 Africa Investment Forum

The Gauteng Province in South Africa has endorsed the African Development Bank's November 2018 **Africa Investment Forum** as a world-class initiative that is uniquely positioned to transform the continent's development landscape.
Gauteng Province will host the **Bank's inaugural forum from November 7-9, 2018 at the Sandton Convention Center in Johannesburg.**
Speaking after a high-level meeting with the African Development Bank President, Akinwumi Adesina, in Johannesburg, the Premier of the host Province, David Makhura, said, "The Africa Investment Forum is more than a Forum. We in Africa are tired of talks about investment after which nothing happens. The African Development Bank is doing a great job working with other multilateral development partners, private equity funds, the private sector, and governments to crowd in investment into our continent. Gauteng is ready and excited to host the event here in Johannesburg."
The African Development Bank will officially announce the Africa Investment Forum, a premier African investment marketplace, on Tuesday, May 8 during a major media conference. Makhura said, "The Africa Investment Forum is one of the best platforms ever to be offered on our home continent. Thank you for choosing Gauteng and South Africa." Speaking at a meeting with the Bank delegation, South Africa's Minister of Finance, Nhlanhla Nene, said, "The Africa Investment Forum is indeed Africa's investment marketplace. We have no doubt that it will have the desired development impact. South Africa is not only a gateway for investments on the continent, but also a leading African investor. We thank you for allowing South Africa to host the inaugural event."
According to Adesina, "The African Investment Forum will provide a much-needed global platform that will help catalyze private-sector investments in Africa, by bringing in developers, strategic investors, venture capital funds, pension funds, global sovereign wealth funds, and insurance companies."
The Bank President said, "Africa urgently needs to industrialize. To make this happen, we need investments in infrastructure. At the African Development Bank, we are talking about using aid to massively leverage private capital to fund Africa's development. Africa is not a poor continent. It has vast amounts of resources whose potential simply has to be unlocked. We intend for this to be an investment market place to do transactions with impact."
According to the Premier of Gauteng, South Africa will need US $100 billion over the next 10 years for infrastructure development. "The African Investment Forum will be a place where we want to bring in a pool of capital for projects. Africa has potential. The Bank's **High 5** development priorities resonate with our national economic plans. There is no better time to align our development priorities than this."

African Development Bank provides 121 villages in Tanzania with improved access to reliable and affordable electricity

In line with its **Light up and power Africa** initiative, the African Development Bank is expanding access to reliable and affordable electricity with funding support for the construction of the Zuzu substation in Dodoma, connecting 121 villages to the power supply in the capital city.

"On behalf of the Government of the United Republic of Tanzania, I would like to extend a very hearty vote of thanks to the African Development Bank, our Bank of choice, for supporting the Government's efforts in bridging the country's infrastructure gap," the Minister of Finance and Planning, Philip Mpango, said during Bank President Akinwumi Adesina's visit to the substation.

The Bank provided US $64.855 million to finance part of the country's Backbone Transmission Investment Project, which included the construction of 670-kilometre Iringa-Dodoma-Singida-Shinyanga transmission line and four extended 220-kV substations.

"Our objective was to provide adequate transmission infrastructure to link existing and future generation sources located in south and southwest Tanzania to the load centres in Mwanza and Arusha regions in the north," the Minister explained.

The construction of the Zuzu substation in Dodoma, which is the core of the Iringa-Shinyanga backbone transmission line, connects 121 villages to electricity and significantly improves and stabilizes access to electricity in Tanzania. Since 1971, the African Development Bank has invested over US $200 million in Tanzania's power sector and helped connect more than 130,000 customers and over 18,000 businesses, and small and medium enterprises to electricity.

According to Subira Mgalu, the country's Deputy Minister for Energy, the Bank has also shown an interest in financing other energy projects in generation, transmission and distribution, and the development of geothermal resources in Tanzania. "The Government's target is to have at least a 10,000-MW generation capacity in 2025," said Mgalu. "It is our greatest hope that the Bank will continue to be a leading development partner and offer the needed support to Tanzania to help make this a reality."

Integrity in Development Projects: African Development Bank debars CHINT Electric for 36 months for fraudulent practices

The institution's Office of Integrity and Anti-Corruption found the company to have engaged in numerous misrepresentations of its past experience in bidding for Bank-financed contracts

The African Development Bank Group (AfDB) on May 7, 2018, announced the conclusion of a settlement agreement with CHINT Electric Co., Ltd., a power transmission and distribution equipment manufacturer and EPC contractor. An investigation conducted by the Bank's Office of Integrity and Anti-Corruption established that CHINT Electric engaged in a multitude of fraudulent practices: In bidding for contracts in the context of numerous Bank-financed power projects, the company misrepresented its experience with similar assignments in order to meet qualification requirements.

As part of the settlement, in consideration of the company's cooperation with the investigation, the African Development Bank imposes a debarment on CHINT Electric for a period of three years, subject to the company enhancing its corporate compliance program within that period to the institution's full satisfaction. During the debarment period, the company is ineligible to be awarded contracts under any African Development Bank-financed project or to be a subcontractor, consultant, supplier, or service provider of an otherwise eligible firm in the context of a Bank-financed project. The debarment qualifies for cross-debarment by other multilateral development banks under the Agreement for Mutual Enforcement of Debarment Decisions, including the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank and the World Bank Group.

The African Development Bank will verify the adequacy of CHINT Electric's compliance framework and the robustness of its implementation prior to any release decision. In addition, CHINT Electric commits to cooperate with the Office of Integrity and Anti-Corruption in its investigations of unrelated cases of misconduct in African Development Bank-financed projects. The period of debarment may be reduced to 24 months if CHINT Electric complies with all conditions of the agreement early.

"Procurement under the Bank's rules aims at ensuring optimal value for money for the Bank's Regional Member Countries," said Bubacarr Sankareh, Acting Director of the Office of Integrity and Anti-Corruption of the African Development Bank. "The misrepresentation of a bidder's qualifications materially undermines this objective and is therefore taken very seriously by the institution."

Between 2012 and 2017, CHINT Electric participated in the tenders for:

- the supply of 132-kV and 66-kV substation equipment for the Mendi substation and others in the context of the Bank-financed Rural Electrification II Project in Ethiopia;
- the supply of substation equipment in the context of the Bank-financed Emergency Power Infrastructure Rehabilitation Project in Zimbabwe;
- the design and supply of 132-kV equipment for the Yabello and Buee substations in the context of the African Development Bank-financed Rural Electrification II Project in Ethiopia;
- the design and supply of a total of four substations at Iringa, Dodoma, Singida and Shinyanga in the context of the Bank-financed Electricity Transmission System Improvement Project in Tanzania;
- the transmission rehabilitation of the Marvel and Chertsey substations equipment in the context of the African Development Bank-financed Emergency Power Infrastructure Rehabilitation Project – Phase II in Zimbabwe;
- works and equipment for the Prince Edward Dam substation and others in the context of the Bank-financed Emergency Power Infrastructure Rehabilitation Project – Phase II in Zimbabwe; and
- the transmission rehabilitation of the Sherwood and Orange substations in the context of the African Development Bank-financed Emergency Power Infrastructure Rehabilitation Project – Phase II in Zimbabwe.

In the context of the above tenders, CHINT Electric misrepresented the technical specifications, the value, the execution period and/or the degree of completion of contracts used as credentials in order to qualify for the tenders.

INVESTMENTS

World Bank provides US$110 million to support Angola's health system

World Bank funding of US110 million to cover the "project to strengthen Angola's National Health System" was approved in an order drawn up by President João Lourenço, the President's Office said. The order delegates power to the Finance Minister to sign the agreement, which will improve the performance of approximately 300 primary health care units, including health posts, health centres and municipal hospitals, located in twenty-one municipalities across the country.

The project will benefit women of childbearing age and children under five in 21 municipalities in a group of seven Angolan provinces – Luanda, Bengo, Lunda Norte, Moxico, Malanje, Uíge and Kwando Kubango. The municipalities are Icolo and Bengo (Luanda), Ambriz and Dande (Bengo), Chitato, Cambulo, Cuango and Lucapa (Lunda Norte), Camanongue, Luau and Luena (Moxico), Cacuso, Calandula, Malanje and Caculama (Malanje). Maquela do Zombo, Negage, Uíge and Sanza Pombo (Uíge) and Cuito Cuanavale, Mavinga and Menongue (Kwando Kubango). (Macauhub)

New Customs Tariff of Angola comes into force in August

The Angolan Customs Tariff version 2017, based on the Harmonised System of Designation and Codification of Goods of the World Customs Organisation, will come into force on 9 August, following approval by presidential decree and publication in the official gazette, Diário da

República, dated 9 May. The document aims to provide Angola with a modern customs system, capable of meeting the challenges of its development, through national production, attracting investment, promoting employment of the national workforce, among other aspects that promote the economy, the decree said.
The Harmonised System is used internationally as a standardised system of coding and classification of import and export products. It is developed and maintained by the World Customs Organisation, which standardises goods using codes to facilitate trade negotiations and comparison of international statistics. The presidential decree noted that the development of the national production sector and the diversification of the economy require the adoption of measures to encourage and protect national production, and therefore the regulation includes "measures to ensure the increase of national production in conjunction with other macroeconomic measures outlined in the government-defined strategy."
Among other responsibilities, the General Tax Administration will issue and publish instructions and circulars containing the standards, instructions and procedures that have been approved, as well as guidelines and decisions of the World Customs Organisation Harmonised System Commission that are necessary to classify goods.
Preventing, combating and repressing the practice of fraud in the export of foreign currency, unauthorised international trade and illicit trafficking in narcotic or psychotropic substances, weapons, art objects or antiquities are included in the list of guidelines that the General Tax Administration must follow.
The Customs Tariff currently in force in Angola was drawn upon the basis of the 2012 version of the Harmonised System and entered into force in 2013. (Macauhub)

The new law on private investment in Angola reduces the tax burden on projects
he reduction of tax rates to be applied to projects is one of the main benefits that Angolan and foreign investors will have with the entry into force of the new wording of the Private Investment Law, unanimously approved by members of the Angolan parliament, Angolan news agency Angop reported.
The Law divides the country into four zones (A, B, C and D) and prioritises investments primarily in the education, vocational training, higher education, scientific research and innovation sectors, followed by agriculture and agro-industry, in third place are specialised health units and services and fourth to reforestation, industrial processing of forest resources and forestry.
The textile, clothing and footwear industry comes next, construction, public works, telecommunications and information technology, airport and railway infrastructures in sixth place, production and distribution of energy in seventh place on the list of priorities, hotels, tourism and leisure. electricity in eighth and ninth place is given to basic sanitation, collection and treatment of solid waste.
The Law also outlines the prior notice regime, which involves presenting the investment proposal to public administration, for registration and attribution of benefits provided by Law.
The law requires private investors to employ Angolan workers, providing them with the necessary professional training, in addition to a salary and social benefits in line with their qualifications, and any kind of discrimination is prohibited. (Macauhub)

Credit Suisse Bank grants Angola USD 700 million loan
A financial agreement estimated at 700 million US dollars was approved in Presidential Order for the financial coverage of strategic projects.
The agreement of the financing line, according to the published Presidential Order in the state gazette of May 14, will be signed between the Government of Angola, represented by the Ministry of Finance and Credit Suisse Bank.
According to the document, there is a need to ensure financial execution for strategic projects to be decided by the authorities of the Republic of Angola Without specifying such projects, the

Presidential Order authorizes the Finance minister to sign this financing line and prepare the entire related documentation.
In another order, President Joao Lourenco approved the financial agreement to be concluded between the Ministry of Finance and the Angolan Investment Bank (BAI), in the total amount of 15 billion kwanzas, for the coverage of purchase of food and medicines for the Ministry of the Interior and for the President's Security Office. This order justifies the need to ensure food logistics for the Ministry of the Interior and the President's Security Office. (Angop)

Sinosteel to invest $1 bln in Zimbabwe, lift ferrochrome output
China's Sinosteel Corporation has agreed to invest $1 billion in Zimbabwe to build a power plant and increase ferrochrome output, the southern African country's president Emmerson Mnangagwa said. Sinosteel president Andong Liu said the Chinese firm planned to build three additional furnaces at its majority-owned Zimasco business, which would raise ferrochrome output by 120,000 tonnes over the next five years to 300,000 tonnes per year. Andong said he saw ferrochrome output from Zimasco at 500,000 tonnes annually in ten years' time.
Sinosteel also plans to build a 400 megawatt coalbed methane-fired power plant in western Zimbabwe, the firm's president added at a news conference with Mnangagwa. "We will continue to review our process to facilitate investment inflows as well as ease of doing business," Mnangagwa said after the signing of the investment agreement. Mnangagwa, who came to power in November after a de facto military coup ended Robert Mugabe's 37-year rule, has promised to rebuild the economy by opening it up to foreign investors. (By MacDonald Dzirutwe, Reuters)

Angolan public-private consortium buys planes for domestic flights
Angolan public-private consortium Air Connection Express – Transporte Aéreo, the company that will operate domestic air transport in Angola, plans to buy six Bombardier Q400 aircraft, under a contract worth US$198 million signed in Luanda, the local press reported.
The new Angolan airline is a consortium between TAAG, Bestfly, Air Jet, Air 26, Guicango, Dieximim, Sjl and Mavewa and national airport company Empresa Nacional de Aeroportos e Navegação Aérea (ENANA), and its representatives signed the agreement, which was signed by Bombardier's representative for Africa and the Middle East, Jean Paul.
Bombardier committed to training 25 cabin crew, 55 pilots, 40 mechanics, and to place a representative in Angola for a period of 36 months to ensure the start-up of Air Connection Express.
Transport Minister Augusto Tomás, who attended the ceremony, said that the choice of these aircraft took into account the need to correct errors in place for several years, which consisted of the use of Boeing 737-700 aircraft for short flights and low demand, which contributed to the negative financial results of the country's flagship carrier. Tomás, quoted by state newspaper Jornal de Angola, also said that Air Connection Express was the result of a process that began with the restructuring of TAAG and ENANA, two public sector companies that are part of the consortium.
At TAAG – Linhas Aéreas de Angola, this process went through stages that allowed the company to be taken off the so-called European Union "blacklist" where it had been placed in 2007, and TAAG now has 14 weekly flights to Portugal. The first two Bombardier Q400s are expected to arrive in Angola in the first quarter of 2019, two others to be delivered before the end of that year and the remaining two in 2020, on the eve of the opening of the New Luanda International Airport. (Macauhub)

Mozambique has available funds to diversify the economy
Mozambique is facing a difficult economic and financial situation, but in the next few years, companies will have funds from international institutions for economic diversification projects, according to the latest Africa Report on the country.
The recently published report, a joint initiative of Africa Monitor Intelligence and Eupportunity, reviews the funds to be made available in the coming years by the European Union, the World

Bank, the African Development Bank and others, concluding that "a significant effort is being made to promote the diversification of the Mozambican economy."
The European Union and the World Bank have chosen rural development, particularly forestry, and the growth of the agricultural sector as priorities in their development aid strategies.
Investment in human capital has also been a means of achieving the goals set out in the strategies of international organizations, which also include investment in infrastructure, particularly transport and energy.
As far as the World Bank is concerned, the new strategy for Mozambique gives a glimpse of some energy, transport and education projects, so opportunities are expected in these sectors, the report said. As for the African Bank's strategy for Mozambique, it is expected to invest in infrastructure, whether in the transport, energy or agriculture sectors.
According to the latest International Monetary Fund forecasts, economic growth in Mozambique is expected to slow to 3% this year and 2.5% next year, a downward review from previous IMF forecasts.
However, the Mozambican economy presents encouraging prospects in the medium term – a 9.9% increase in 2023, a year in which the country's natural gas exploration is expected to begin. In 2017, the mining sector (coal and aluminium) led economic growth in the country, followed by the transport and agricultural sectors. All other sectors (energy, construction, tourism, financial services, industry) contracted.
The Africa Report stresses that the two-year blockade by western donors and defaulting on external creditors have led to a worsening of Mozambique's public finances.
For the banking system, the main problem is a lack of liquidity and a significant amount of financing to the economy (business credit) has no return or the return comes late given the difficulties companies are facing to pay interest within the stipulated period.
Banks face growing problems of default by companies and private individuals and an increase in non-performing loans.
The decline in foreign investment has resulted in a shortage of foreign currency and a decline in export earnings, according to the Africa Report Mozambique, the first on this country, after a similar initial one on Cabo Verde (Cape Verde). (Macauhub)

BANKING

Banks

Portugal analyses Caixa Geral de Depósitos taking stake in the Cabo Verde Sovereign Fund

he Portuguese government is analysing a proposal submitted by its Cape Verdean counterpart for Portuguese state bank Caixa Geral de Depósitos (CGD) to acquire a stake in the Cabo Verde (Cape Verde) Sovereign Fund, the archipelago's finance minister said in Lisbon.
Olavo Correia, speaking after a meeting with his Portuguese counterpart Mário Centeno in Lisbon, declined to comment on the content of the proposal, "which is being analysed," giving assurances that the Cape Verdean government can guarantee the reimbursement of the securities to whoever buys them.
In July 2017, in statements to Portuguese state news agency Lusa, Olavo Correia expressed CGD's willingness to take a stake in the Sovereign Private Investments Fund, with an initial capital of 100 million euros, which aims to allow companies to have access to the market and capital to finance larger investments.
The creation of the fund was announced by the Cape Verdean prime minister, Ulisses Correia e Silva, but details about its capitalisation and the conditions for access to the fund's guarantees have yet to be known.
The Minister of Finance corrected the prime minister by stating that Cabo Verde has not asked for and will not request financial assistance from the International Monetary Fund (IMF), and rather will ask for support to "make the macroeconomic framework credible in the future, so that we can

attract more investment, from residents, the diaspora and foreigners, to accelerate the country's economic growth." Cape Verdean Prime Minister Ulisses Correia e Silva said Cabo Verde was in talks with the IMF for a programme of financial assistance for public debt, estimated at 124.7% of GDP this year and 126.7%t in 2019, the second highest debt-to-GDP ratio in sub-Saharan Africa. (Macauhub)

Ghana Regulator to Line Up Investors to Spur Bank Deals

- Regulator facilitating talks between banks, pension funds
- Investors want to see more consolidation before pledging cash

Ghana's central bank is lining up investors for lenders willing to combine their operations in an unprecedented push to force consolidation and strengthen the industry, according to people familiar with the matter.

Investors from local pension funds to foreign private-equity firms are on standby to pump cash into the system as lenders scurry to bolster their capital levels, according to the people, who asked not to be identified because talks are private. Some closely held banks are resisting the prerequisite to merge and are trying to find their own ways of getting a cash boost, hindering the process, the people said.

By facilitating talks between lenders and investors, the central bank is stepping up efforts to drive consolidation that started with the introduction in September of new rules that gave the West African nation's 35 licensed lenders until the end of this year to raise their minimum capital levels more than threefold. The banking regulator is trying to bolster a sector beset by bad loans and poor governance, which has curbed the availability of credit in Africa's third-fastest growing economy.

President Nana Akufo-Addo has asked a committee to be set-up to come up with proposals to assist the local banks, Deputy Minister of Finance Charles Adu Boahen, said by text message in response to questions. They are almost done with the report, he said, declining further comment. Bank of Ghana Governor Ernest Addison and Deputy Governor Elsie Addo Awadzi did not respond to emails seeking comment.

'Strongly' Urged

Ghana's banking industry is recovering from a crisis after having to impair energy loans stretching back as far as 20 years in 2016. Their woes haven't ended, with non-performing loans as a percentage of total credit increasing to 23.4 % in April from 19.8 % a year earlier, according to central bank data. Two banks collapsed a month before the new capital rules were introduced last year, while the regulator in March placed UniBank Ltd. under administration and two months later appointed an adviser to nurse Sovereign Bank Ltd. back to health.

The central bank has warned the industry that there won't be any extensions to the deadline after a group of lenders lobbied the president to incrementally increase the capital requirements in stages to 2022. Authorities on April 30 "strongly" urged banks unable to raise new capital on their own to explore opportunities with other companies, adding that it is in the process of preparing guidelines on deals.

Accra-based Heritage Bank Ltd., which began operations in February last year, is one of those shunning combination talks because it wants a partner with the same objective of helping to grow small companies, Managing Director Patrick Edwin Fiscian said in an interview. It is in negotiations with a leading international fund for a cash injection, he said, declining to identify the investor.

Not Happening

Premium Bank, a closely held lender aimed at small- and medium-sized companies, is also seeking its own investors to avoid a merger and is in advanced talks with a Ghanaian investment fund to bring in cash, according to one person. Investors urged a combination with OmniBank during talks put together by the regulator, according to the people. Premium Bank Managing Director Kwasi Tumi wasn't available to comment, according to an assistant. OmniBank will make an announcement when its ready with its plans, spokeswoman Yaa Fosua Gyamfi said, declining further comment.

While willing buyers abound -- with lenders including Republic Bank Ghana Ltd. and Fidelity Bank Ltd. having said they are open to making takeovers -- no transactions have yet been announced. Johannesburg-based Standard Bank Group Ltd.'s Stanbic Bank Ghana is prepared to buy another bank, JoyBusiness reported May 16, citing Kwamina Asomaning, the head of corporate and investment banking.

Lenders are finding other ways of upping their paid-capital to the 400 million-cedis ($90-million) minimum from the current 120 million cedis, including transferring surplus funds to their capital holdings. The local units of pan-African lender Ecobank Transnational Inc. and Standard Chartered Plc have said they are going this route, as is local lender, CAL Bank Ltd.

No Depth

Others are opting to either raise cash by selling shares to selected investors, rights issues to existing shareholders or initial public offerings. That's creating another problem for a market too small to fund all their needs, especially with Johannesburg-based MTN Group Ltd. planning to IPO a stake in its local mobile-phone business that could raise 3.5 billion cedis.

Four foreign-owned banks including Republic Bank Ghana Ltd., Access Bank Ghana Ltd., Energy Bank Ghana Ltd. and Societe Generale Ghana Ltd. have put out notices for rights issues and IPOs totaling 1.1 billion cedis. "The market doesn't have that much depth" to raise all that money by December, George Bodo, a Nairobi-based banking analyst at Ecobank Capital Ltd., said by phone. "Essentially, given the short compliance timeframe, mergers and acquisitions will be the way to go." (By Moses Mozart Dzawu, Bloomberg)

Markets

High African Yields Raise Debt-Service Cost Concern, AfDB Says

- Local-currency bonds help to avoid exchange-rate risks
- Weak exchange rate means using more funds to service debt

Some African countries are overpaying for dollar bonds, raising concern about debt-service costs at a time when currencies are weakening against the greenback, according to the African Development Bank.

High interest rates make the continent's bonds attractive to investors despite questions about the true extent of the debt loads of countries such as Zambia and the Republic of Congo.

"Raising a 30-year bond at a yield of 950 basis points -- that's very high," AfDB President Akinwumi Adesina said in an interview in Johannesburg. Angola last week raised $1.25 billion selling a Eurobond due in 2048 at 9.375 %.

Dollar bonds sold by African governments now yield 6.91 % on average, compared with 5.66 % in early January, Standard Bank Group Ltd. Indexes show. That compares with 6 % for emerging markets generally. African and emerging-market Eurobonds have sold off heavily in the last three weeks as the dollar strengthens and U.S. rates rise.

African nations have sold $18.3 billion of euro and dollar-denominated debt so far in 2018, already beating full-year records. Nigeria, Kenya, Senegal, Egypt and Angola have all issued 30-year tranches. Ghana is planning to sell as much as $2.5 billion of Eurobonds in 2018 and South Africa $3 billion.

The region's average government debt ratio had increased about 20 percentage points in the past six years to 53 % of GDP, according to Fitch Ratings Ltd. Still, public debt in Africa is far from crisis level, Adesina said.

Local-Currency Debt

Some nations will be better off selling local-currency bonds rather than take up foreign-denominated obligations, he said. That's to avoid a currency mismatch, where the assets a government invests in generate income in local currency while the debt has to be repaid in a foreign

denomination. “If you have weak exchange rate, it means that you’re going to use a lot of your money to service your debt,” he said.
Nigeria announced plans last year to sell $5.5 billion of dollar-denominated securities, most of which would be to refinance existing domestic debt and reduce servicing costs. The International Monetary Fund said this could raise the West African nation’s exchange-rate risks.
Adesina, a former Nigerian agriculture minister, said Nigeria’s low ratio of debt to GDP allows it some room to borrow. “There’s nothing untoward” about Nigeria’s debt shift, he said. “When you are able to negotiate external debt and you can borrow at a rate that makes sense, you might be able to swap and say you get a better debt internationally to be able to finance the local debt that you’ve been racking up.” (By Rene Vollgraaff and Ntando Thukwana, Bloomberg)

Exchange rate adjustment of the kwanza will be maintained, central bank governor says
T currency adjustment of the kwanza will be maintained, as “the results achieved so far are satisfactory,” said the governor of the National Bank of Angola (BNA) in Luanda, on the sidelines of a parliamentary discussion of two draft bills for the repatriation of Angolan capital from abroad.
Since the introduction of the new floating exchange rate regime in January, the kwanza has already lost more than 32% of its value against the euro, which has become the benchmark foreign currency for Angola, given the country’s difficulty in obtaining dollars.
“We are very pleased with what has already happened, both with regard to access to currency by companies, which is more open, more widespread, which for many months, in some cases even years, could not make any transactions and now they can,” said José de Lima Massano, quoted by the local press.
The governor pointed out that the gap between formal and informal exchange rates is expected to decrease, standing at around 70% compared to over 150% when the Angolan central bank’s Monetary Policy Commission decided to adopt the new regime.
Massano said that the first phase of the process of recognition of all responsibilities had been concluded, especially those of companies, in terms of foreign debts that have not been settled for a number of years. (Macauhub)

Angola negotiates new financing and loans
Angola is negotiating new loans and financing in the amount of USD 18.9 billion, with most of this money being negotiated with China, according to the "Preliminary Prospectus" that the Government made available to investors of the last issue of "eurobonds ", according to information published by the newspaper Expansão in its latest edition.
According to the document, the USD 18.9 billion are in negotiation with China 15.5 billion, between financing through a credit line and bank lending.
ICBC is leading the value of loans under negotiation, as the Angolan government is negotiating at least two loans, one of USD 11.7 billion to finance "Various infrastructure projects" and another of USD 1.2 billion to finance 85% of contracts owed to "certain contractors" designing construction and supply of equipment for Bom Jesus International Airport, the new Luanda airport. The prospectus indicates that it is a loan with a maturity of 15 years.
Still with China, Angola is negotiating financing with the Asian giant's credit line in the order of USD 690 million for Corimba's marginal invoice in the country's capital as well as 760.4 million USD for the "construction of (energy) transport of Luchimo "and USD 1.1 billion for the" building of the Kalunga base naval academy "in Porto Amboím.
On the table are negotiations with the German Commerzabank Aktiengesellschaft, up to € 500 million for operations and € 600 million for imports of goods with Gemcorp Corporate, a London-based investment fund, with the possibility of extending this credit to USD 1.2 billion.
On top of the table are still negotiations for a USD 600 million loan from Standard Chartered Bank and the World Bank, another from USD 678 million with Frenchman BNP Paribas and the World Bank. A USD 500 million loan with the French Credit Agricole Corporate and Investmen Bank for

"payments to certain contractors and commercial loans" is being negotiated, according to information the State gave to potential investors of the "eurobonds."
A USD 500 million loan with BBVA's Spanish is also in talks to "facilitate Spain's exports to Angola," the preliminary Prospectus says.
As of December 31, 2017, the country owed USD 38.3 billion abroad, divided between bilateral debt, ie State to State, about USD 7.8 billion, multilateral debt, ie international institutions, USD 2, 1 billion, debt to commercial banks, USD 22.8 billion, debt to connoisseurs, USD 4.1 billion, and finally, debt denominated in the case of euro-bonds, 1.5 billion.
Earlier this month, Angola issued 3 billion US dollars in eurobonds in London. This was the second Eurobond issue. The first was USD 1.5 billion in 2015. (Angop)

Angola owes US$21.5 billion to China at the end of 2017
Angola's bilateral and commercial debt to China stood at US$21.5 billion at the end of 2017, according to the prospectus of the US$3 billion issue of Eurobonds placed in London this month.
The 200-page document said that in addition to the debt to China, Angola owed Russian commercial banks US$1.8 billion and Brazil US$1.2 billion, according to Lusa. "Angola has focused its debt exposure on China, Brazil and Russia and an adverse impact on their economies may have an impact on Angola's future capacity to increase its loans," said the prospectus, prepared by the Angolan Finance Ministry, which places total debt to these three countries at US$24.5 billion.
The document points out that since 2006, China has become the "largest single importer of Angolan oil," in 2017 accounting for 61.6% of Angola's oil exports, worth US$19.2 billion. "However, Angola's dependence on China for such a significant proportion of its trade means that any disruption of stability or economic growth in China or any economic breakdown or political relations between Angola and China could have an adverse effect on the Angolan economy, which in turn may materially and adversely affect Angola's financial condition," as well as, "its ability to repay" the Eurobond debt now issued.
The prospectus also says that Angola's exposure to Brazil in "a significant part" of its bilateral external debt – through the National Bank of Economic and Social Development (BNDES) – "means that any interruption in the economic stability" of that South American country – "may have an adverse effect on Angola's ability to increase bilateral loans" in the future, as is also the case with Russian commercial banks.
China's ambassador to Angola, Cui Aimin, announced last January that his country has granted Angola loans worth more than US$60 billion since the two countries established diplomatic relations on 12 January, 1983. (Macauhub)

Ghana Targets Interest Cost, Raising Revenue After Eurobond

- Nation to prioritize lowering interest burden: Ofori-Atta
- Ghana will 'move much faster' to improve credit rating

After selling $2 billion of Eurobonds, Ghana will prioritize lowering its interest burden and raising revenue to make sure it can continue to service debt, said Finance Minister Ken Ofori-Atta.
The nation sold the securities at the lowest rate this year for a sub-Saharan African country whose credit assessment is at B, the fifth-highest junk assessment at S&P Global Ratings and Fitch Ratings Ltd. The sale came after the West African economy grew at the fastest pace in five years in 2017 and met fiscal targets under an International Monetary Fund program, which the country entered three years ago when a weakening currency and high budget deficits rendered its debt unaffordable.
"What we are focused on is debt sustainability," Ofori-Atta said in an interview in the capital, Accra. "Interest charges as a percentage of revenue becomes our core working targets."
While the 2018 budget forecast shows that Ghana targets lowering its interest burden to 23 % of revenue in 2020 from 29 % this year as income increases 38 %, the IMF cautioned the country in March that it needs to shake up collections to meet these goals.

Since then, the government continued with plans to roll out tax-registration numbers, along with a new national identification system and an address database to make "it easy for Ghanaians to file their taxes," Ofori-Atta said.

Improve Rating

The focus on improving fiscal management will help Ghana to better its credit rating and pay a lower coupon on its bonds, he said. Finalizing a planned overhaul of economic data by June will also improve the country's ratio of debt to gross domestic product, which measured 70 % at the end of 2017, according to central bank data statistics.

"We want to really move much faster to improve our ratings to double B's and triple B's to get better rates," said Ofori-Atta.

Thursday's (10th May) Eurobond sale was four times oversubscribed as the nation placed $1 billion of 10-year bonds at 7.627 % and 30-year debt at 8.627 % amid turbulence in emerging markets from Argentina to Turkey.

The cedi strengthened 1.5 % to 4.4624 per dollar, the biggest positive move in almost two months. The yield on the new 2049 bond closed at 8.61 %, while the rate on the 2029 debt was 7.60 %. "The success of the bond is testament that the work we are doing" is paying off, said Ofori-Atta. It also "poses the responsibility of continuing the gains in an irreversible way," he said. (By Ekow Dontoh and Andre Janse Van Vuuren, Bloomberg)

Nigeria Issuing 70 Million IDs to Boost Financial Access

- ID agency to merge data currently held by 26 organizations
- Banks, payment companies integrating with indentity database

Nigeria plans to issue identity numbers to 70 million citizens by the end of next year, a first step to bringing them into the country's payments system.

The West African nation, which currently holds centralized data for less than 15 % of its almost 200 million population, will integrate various identity-capturing and verification systems run by other government departments, banks and mobile-phone companies, said Aliyu Aziz, director general of the National Identity Management Commission, or NIMC.

"We currently have silos of identity with several agencies," Aziz said in a May 7 interview in Abuja, the capital. "The NIMC will play the role of the harmonizer and coordinator of the back-end database, while allowing all the other agencies to have touch points and areas of interaction with the citizens."

Concerned that large segments of its population remained outside of the banking and payments system, Nigeria formed a partnership with Mastercard Inc. to issue identity cards embedded with their payment chips in 2015. There are plans to expand the collaboration by including other payments companies, with the ultimate target of covering all citizens, he said.

Advanced Stage

In addition to the facilitation of payments, the identity numbers and the accompanying cards will be used for tax and health insurance administration, voter verification and help keep track of population changes, Aziz said.

Lagos-based Interswitch Ltd., which issues Verve debit and credit cards, is at an advanced stage of linking its payments with the national identity database, while United Bank for Africa Plc is working on a pilot, according to Aziz. Citizens will be able to make their choice of payment companies during enrollment.

Nigeria is still a long way from covering most of the population and is concentrating on integrating existing data, Aziz said. "In the next two or three years we should be able to capture all the data from both the public and private sector," he said.

With immediate efforts geared toward providing unique identity numbers for all citizens, a major challenge is the absence of civil registration records in many parts of the country, often making it difficult to authenticate claims of origins, according to agency officials. (By Solape Renner,Bloomberg)

African Development Bank issues EUR 1.25 billion 0.875% 10-year Social Bond due 24 May 2028

On Wednesday, 16th May 2018, the African Development Bank, rated Aaa/AAA/AAA by Moody's / S&P / Fitch (with stable outlook) successfully priced a EUR 1.25 billion 10-year Social Bond transaction.

The transaction, which follows the inaugural EUR 500 million 7-year Social Bond issued in November 2017, was priced at mid-swaps (MS) minus 8 basis points (bps), 2 bps inside Initial Pricing Thoughts (IPTs). This equated at the time of pricing to a spread of 36.7 bps over the German Bund DBR 0 ½ 15/02/28.

The transaction is a testament of the Bank's established positioning in the Euro market, representing its largest EUR benchmark ever. The benchmark also extends the Bank's EUR curve by a further two years, providing a new liquid reference point in the 10-year tenor.

By issuing Social Bonds to finance socio-economic development in its Regional Member Countries, the Bank is advancing its mission and strategy – to spur sustainable economic development and social progress in Africa – and is capitalizing on its strong record of accomplishment of financing projects with strong social impact on the continent. The eligible projects to be financed with the proceeds of Social Bonds are expected to lead to poverty reduction and job creation, as well as inclusive growth across age, gender and geography, thus improving the quality of life for the people of Africa.

The transaction was announced on Tuesday 15th May 2018 at 1:20pm London time with IPTs of MS – 6 bps area. Books officially opened at 8:15am London time on Wednesday 16th May 2018, and a price guidance of MS – 6 bps area was simultaneously released. The issue drew investors' interest from the opening with the order book exceeding EUR 1 billion (excluding Joint-Lead Managers (JLM) interest) within one hour.

Momentum continued to build and the book size exceeded EUR 1.4 billion (excluding JLM interest) by 10:00am London time, at which point guidance was revised tighter to MS – 7 bps. By 10:50am London time, the book had grown to over EUR 1.6 billion (excluding JLM interest) and the Bank set the spread at MS – 8 bps, one basis point tighter, while simultaneously announcing closure of books at 11:15am London time.

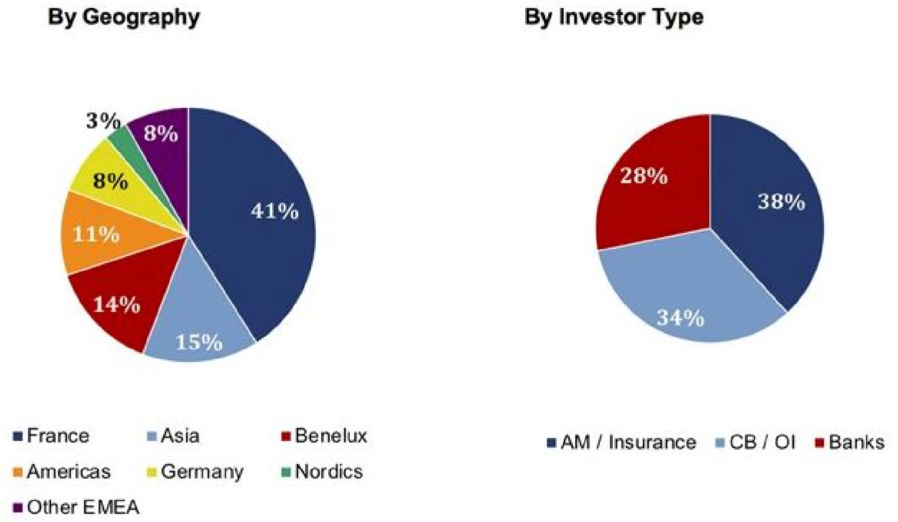
Final books were in excess of EUR 1.7 billion (excluding JLM interest) at closing, and given the very high quality order book, the transaction was launched shortly thereafter with an issue size of EUR 1.25 billion, upsized from the initially targeted EUR 1 billion.

The 10-year Social Bond transaction from the African Development Bank was priced just after 3:30pm London time, with a spread of MS – 8 bps, 2 bps tighter than IPTs. This equated to a spread of 36.7 bps over the German Government Bond DBR 0 ½ 15/02/28 at the time of pricing, effectively representing a negative new issue premium to secondary levels.

The final order book, which was well diversified across the regions globally, saw over 50 different accounts participating. Asset Managers took the largest share of allocations with 38%, followed by Central Banks and Official Institutions with 34% and bank treasuries with 28%. By geography, French investors were allocated 41%, followed by strong participation from Asian accounts (15%), Benelux (14%) and the Americas (11%), with the remaining amount allocated to other Europe, Middle-East and African countries.

Commenting on the transaction, Hassatou N'Sele, Treasurer and Acting Vice-President, Finance, said: "We were thrilled with the success of our second Social Bond transaction since we launched our *program back in September 2017. This is the largest Euro benchmark we ever issued, highlighting the strong interest from the market in our Social Bond Program and our corporate mission, which is to combat poverty and spur sustainable economic and social development in Africa. We are extremely pleased with the outcome of this transaction, as we were able to extend our Euro curve, thanks to the support of a very high quality group of investors, at a price reflective of the quality and rarity of AfDB Euro bonds. On the back of this success, we will continue to remain engaged with, and supportive of the Social Bond market."*

Distribution statistics:



Transaction details:
Issuer: African Development Bank (AfDB)
Rating: Aaa (Moody's) / AAA (S&P) / AAA (Fitch)
Issue amount: EUR 1.25 billion
Pricing date: 16 May 2018
Settlement Date: 24 May 2018
Coupon: 0.875%, Annual, ACT/ACT
Maturity: 24 May2028
Reoffer Price: 98.938%
Reoffer Yield: 0.987%
Reoffer vs. Mid-Swaps:- 8 bps
Reoffer vs Benchmark: DBR 0 ½ 15/02/28 + 36,7 bps
Lead Managers: Credit Agricole CIB, Goldman Sachs International, Natixis and Societe Generale CIB

ENERGY

African Development Bank approves US $1.5 million for Jigiwa on-grid IPP solar power procurement program

The Board of Directors of the African Development Bank has approved a US $1.5-million grant from the Sustainable Energy Fund for Africa (SEFA) to support the Nigerian Government's implementation of Phase 1 of the Jigawa 1-GW Independent Power Producer (IPP) Solar Procurement Program. This approval reaffirms the underpinning principles of the Bank's New Deal on Energy for Africa and its commitment to developing renewable energy and increasing energy access on the continent.

At full 1 GW capacity, the program will assist the government to achieve its national goals of reaching 75% electricity access by 2020 and electrifying unserved and underserved areas, particularly in northern Nigeria where access rates are lowest and increasing the share of renewable energy in the energy mix to 30% by 2030.

The approved SEFA grant will support the completion of outstanding technical and feasibility studies and the design of a masterplan for the entire program site. Subject to the outcome of the technical and feasibility studies, the Bank will provide additional support to the government in the form of funding of a transaction advisor to design and launch the competitive IPP procurement. The government has committed to de-risking the program through the provision of land and common facilities including transmission facilities.

Commenting on the project, the Bank's Vice-President for Power, Energy, Climate and Green Growth, Amadou Hott, stressed that the approval solidifies the Bank's commitment to Nigeria in resolving the chronic power shortage and ensuring increased access to sustainable and cost-efficient power. He added: "It is important for us to deliver a seamless implementation and provide necessary support to the government to conduct an effective IPP procurement process." An intergovernmental team led by Rural Electrification Agency of Nigeria will be the implementation agency for the grant. (AFDB)

British company builds gas-fired power plant in Mozambique

Great Lakes Africa Energy will "develop, finance, build, own and operate a 250-megawatt gas-fired power plant," in Mozambique according to a statement quoted by Mozambican newspaper Notícias, adding that the British company and the government of Mozambique signed a memorandum of understanding for the use of natural gas from the Rovuma basin.

The project has an estimated cost of US$400 million and the memorandum comes after the company was selected in a public tender for the allocation of natural gas for domestic purposes, the result of which was announced on the last day of January 2017.

The thermal power plant will be built in the Nacala district, with the British company being one of three selected out of 14 that submitted proposals to use the Rovuma natural gas.

Great Lakes Africa Energy was founded in 2013 that invests in electric power generation solutions in the Great Lakes and Southern Africa regions, with the announced goal of reaching production of 1,000 megawatts.

The extraction of natural gas in the Rovuma basin is expected to start in 2022 in the Area 4 Block, a project which is led by Italian group ENI and US ExxonMobil, according to recent statements by the Minister of Mineral Resources and Energy of Mozambique, Max Tonela.(Macauhub)

INFRASTRUCTURE

AfDB Seeks Funds to Plug Africa $170 Billion Infrastructure Gap

- African Development Bank is launching investment forum
- Inaugural November meeting will focus on transacations

The African Development Bank seeks investments from global pensions and commercial financiers to help fund the continent's infrastructure gap of as much as $170 billion a year.

The Abidjan-based lender is launching its Africa Investment Forum in Johannesburg. The forum will host its first meeting in November in South Africa's commercial hub and will have "no speeches," but rather present bankable projects to investors, according to AfDB President Akinwumi Adesina.

The forum is "very unique," Adesina said in an interview in Johannesburg. "It will not be a talk shop. No political speeches allowed -- it's 100 % transactional."

The continent has an infrastructure funding gap of $87 billion to $112 billion annually, according to AfDB estimates. This strains economic growth in a region that is one of the world's poorest, despite having vast mineral resources. Sub-standard roads, ports and airports add to the cost of exporting commodities and hamper intra-regional trade.

Private-Funding Goal

The lender currently has a pipeline of $30 billion of projects to invest in, Adesina said. Its Africa50 Fund has mobilized $863 million for infrastructure investment and seeks to raise $3 billion in private-sector funding in the next three years, he said.

"When investors come to Africa to invest, I think sometimes it's like landing their plane in the middle of a bush -- you land it first time and you survive and the second time you land it you survive and then you say you're not landing it again," Adesina said. "What the Africa Investment Forum is going to do, is to install a well-prepared runway for this investment to land in Africa and to stay in Africa." (By Rene Vollgraaff and Ntando Thukwana, Bloomberg)

Lafarge Africa to Boost Profit, Cut Debt Burden by 2020

- Company incurred debt to expand capacity in southeast Nigeria
- Recovery in South Africa, Nigeria offering growth opportunity

Lafarge Africa Plc, the continent's second-biggest producer of cement, plans to cut debt in the next two years as it seeks to boost profit before resuming expansion, the company's chairman said.

The cement maker expects its leverage ratio, which measures the level of debt incurred by a business against its assets, to drop to between 60 % and 70 % "over the next 18 months," from more than 100 %, Mobolaji Balogun said in an interview in Lagos. It sees earnings before interest, taxes, depreciation and amortization more tolerable at about $200 million this year.

"As soon as the debt becomes more comfortable, we don't sit there, we will put the foot down on the next round of expansion," he said.

The African unit of Switzerland-based LafargeHolcim wants to take advantage of improvements in the Nigerian economy and a recovery in South Africa to expand and boost profit. Its total debt dropped to about $600 million from more than $1 billion after using funds, including the proceeds of a 131 billion-naira ($361.7 million) rights offer, to curb liabilities, he said.

Capacity Expansion

The company plans to raise an additional 100 billion naira when the need arises, Chief Financial Officer Bruno Bayet said in April. Lafarge incurred debt to expand capacity at its cement plant in Calabar, southeast Nigeria, and plans to add more production to plants in the southwest and the north, according to Balogun.

Lafarge's main rival, Dangote Cement, said in April it was investing heavily on expansion, with $350 million earmarked for capital projects this year. Africa's biggest producer of the building material, owned by the continent's richest man Aliko Dangote, also said it will consider a London share sale over the next two years.

The Nigerian economy expanded 1.95 % in the three months through March from a year earlier, after contracting in 2016. It is forecast to grow 2.1 % this year by the International Monetary Fund. South Africa's central bank expects the economy to expand by 1.7 % this year from an earlier forecast of 1.4 %. (By Emele Onu and Yinka Ibukun, Bloomberg)

Government seeking funds for north-south highway

The Mozambican government is seeking funding to rehabilitate the country's main north-south highway (EN1), particularly the stretches that are most degraded.

Speaking at a rally in Chemba district, in the central province of Sofala, President Filipe Nyusi said he was concerned at the deterioration of ENI, particularly the stretch that runs from the Inchope crossroads, in Manica province, to Caia, on the south bank of the Zambezi.

There has been a shocking decline in the state of the road, which was fully rehabilitated in 2003. After that reconstruction, government members, answering questions in the country's parliament, even boasted that the Inchope-Caia stretch was "like a race track".

Now, however, the deterioration is such that this stretch of EN1 needs to be repaved again, which will require more resources than the state budget can currently afford.

Recognising the negative impact this has on the country's economy, Nyusi said that, while resources are not available for the full rehabilitation of the road, phased interventions must be made at the most critical points to improve the movement of traffic.

Driving along the 300 kilometres from Inchope to Caia is a grim experience. Potholes of all sizes lie in wait for the unwary motorist, and it can take almost a day for a heavy truck to negotiate this distance. When the road was in good condition, it would take perhaps three hours.

Yet this is a key part of Mozambique's transport backbone. Goods travelling between the north and south of the country have little alternative but to use it.

"This stretch is very difficult", Nyusi admitted. "We are mobilising resources, to see if we can advance by sections, so that we can improve the movement of traffic along EN1".

There is a direct road from Caia to Beira, but it too is in very poor condition. Along the southern bank of the Zambezi, There is a road from Caia to Sena and on to Chemba. It too is in need of major repair.
"We are looking for resources to tackle this road", Nyusi told the crowd. "Meanwhile, we shall undertake maintenance to make the road passable".
There was good news for one Sofala road, running from Tica, on the Beira-Zimbabwe highway, to the district of Buzi. Preparatory work has been successfully concluded, and Nyusi believed that by August at the latest work on rebuilding the Tica-Buzi road would start. (Club of Mozambique)

MINING

Montepuez project moves forward as Battery Minerals accepts US$30 million – Mozambique
Battery Minerals' Montepuez graphite project in Mozambique has taken "another significant step" towards being fully funded following the company's acceptance of a $US30 million ($39.9 million) debt and equity package from Resource Capital Funds (RCF).
Receipt of the money is subject to conditions that Battery Minerals raises a further $28.3 million via the issue of new equity.
Battery Minerals was awarded a mining licence for the project by the Mozambican Government in March, and is currently working towards first shipment in the March 2019 quarter.
In December 2017, the company secured a heavily oversubscribed $20 million placement from investors, and throughout December and January, the company secured offtake agreements representing over 80 per cent of forecast annual production.
It is one of two major graphite projects for the company, along with Balama Central, which has just completed a scoping study with an estimated aggregate of 110,000t per annum of production.
Under the terms of the agreement, Battery Minerals will borrow $US25 million from RCF at a 10 per cent per annum interest, and RCF will subscribe to $US5 million worth of fully paid Battery Minerals ordinary shares. In addition, Battery Minerals will pay a 2 per cent establishment fee of 2 per cent and grant 333 million options at 10 cents each exercisable for up to five years.
Battery Minerals managing director David Flanagan said the debt and equity package was a significant milestone. "We are particularly pleased that an investor of the calibre and experience of RCF wished to invest in us and they had confidence in the team, as we strive to be producing graphite concentrate and generating substantial cashflow in less than a year," he said. (Club of Mozambique)

Zimbabwe mines need $11 billion investment to modernise
Zimbabwe needs up to $11 billion to modernise its mines and boost production to maximum capacity over the next five years, the head of the country's Chamber of Mines said.
Foreign investor interest in the southern African nation is growing after the fall of longtime leader Robert Mugabe following a de facto military coup last November but projects are still constrained by lack of funding.
Batirai Manhando, Chamber of Mines president, said with the exception of platinum producers, all other mines, including those of gold, nickel, cobalt and coal were operating below their installed capacity.
Mining generates more than half of Zimbabwe's export receipts — last year it earned $2.8 billion — but industry executives say it has the potential to earn more with increased investment.
"The local mining industry is currently operating below capacity on the back of capital shortages," Manhando told an annual meeting of the mining chamber.
"At the beginning of the year the capital intensive industry required $7 billion for both ramp-up and sustenance capital. The figure has lately been revised upwards to $11 billion with renewed interest in our sector," Manhando said.

Zimbabwe holds the second largest deposits of platinum and chrome after South Africa and has lately seen increased interest from lithium investors, who however say funding still remains a hurdle.
Manhando said mining companies in Zimbabwe faced problems that included high costs of electricity, labour and royalty fees when compared to other jurisdictions. There had also been little exploration in the country since 2000, he added. Equipment at most mines was more than 50 years old, severely undermining efficiency and cost effectiveness of the sector, said Manhando. Mines Minister Winston Chitando said the government would announce a new “mining vision” at the end of June and projected that the output of gold could rise to 85 tonnes in five years. Output of gold, the biggest mineral by earnings, is expected to rise to 30 tonnes this year from 23 tonnes in 2017, according to Ministry of Mines data. (By MacDonald Dzirutwe, Reuters)

OIL & GAS

Mozambique Imopetro receives 9 offers for H2 2018 oil products term tender

Mozambique Imopetro has received up to nine offers in response to its buy tender for 685,500 mt of 50 ppm gasoil, 31,500 mt of jet fuel and 212,000 mt of 93 RON gasoline for delivery over July-December 2018, traders said. The offers ranged from as low as $30.70/mt to $65.70/mt to the weighted average premium of the Mean of Platts Arab Gulf assessments. The lowest offers came from European trader Trafigura, followed by Sahara, Totsa and August Energy.
The next lowest offer was at the weighted average premium of $34.90/mt to the MOPAG assessments from Sahara followed by $36.89/mt from Totsa and $39.85/mt from August Energy.
Imopetro was last reported to have bought a total of 991,641 mt of gasoil, jet A-1 fuel and gasoline for delivery over the second half of 2017 from a European trading house.
The tender was awarded at a weighted average premium of $33.50/mt to MOPAG assessments on a CIF basis. That volume comprised 685,058 mt of 500 ppm sulfur gasoil, 74,332 mt of jet A-1 fuel, and 232,251 mt of 93 RON gasoline.
All cargoes are priced on a CIF basis to Maputo, Beira, Nacala and Pemba.
The current semi-term tender closed May 11, and remain valid for one day. According to a another trade source, the current term tender has not been awarded. (Club of Mozambique)

Anadarko seeks to raise $14-$15 bln for Mozambique LNG project

Anadarko Petroleum is seeking to raise a record $14-$15 billion from banks and export credit agencies for its huge liquefied natural gas (LNG) project in Mozambique, sources close to the matter said.
Fast-growing gas demand from China and Southeast Asia is reassuring export project developers sitting on huge untapped gas discoveries in Mozambique and elsewhere that the market cycle is turning after three years of low prices.
The full amount would be the largest loan ever in the LNG sector.
French bank Societe Generale, the financial adviser on the $20 billion Mozambique LNG project, has already received interest for a combined $12 billion in cover and direct lending from export credit agencies (ECAs) in China, South Africa, Italy and Japan, one of the sources said.
The ECAs include Export-Import Bank of China, Export Credit Insurance Corporation of South Africa, Italy’s Sace and Japan’s Nippon Export and Investment Insurance, the source said.
Societe Generale will launch a global roadshow on May 21 to test demand among commercial banks.
ECAs typically provide large government-backed loans or insurance to support exports and domestic companies in other countries.
Asian and Chinese ECAs in particular have provided billions of dollars in loans and cover to Africa’s largest energy and infrastructure projects in recent years, paving the way for additional

commercial bank financing. “There’s enough meat on the bones of the project in terms of supply deals to start sounding out banks,” the first source said.
In all, Anadarko has agreed commercial terms including volume and price for 5.1 million tonnes per annum (mtpa) of LNG supplies from Mozambique, closing in on the 8.5 mtpa target needed to trigger its final investment decision on the project. Anadarko Petroleum spokeswoman Helen Wells confirmed the company had engaged with ECAs to negotiate the terms and conditions of project financing. “Our target is to raise financing equivalent to approximately two-thirds of the expected capital costs, which, if successful, would represent the largest project financing ever in Africa and one of the largest globally for a non-OECD country,” Wells said. The U.S. oil major aims to build from scratch a 17,000-acre liquefaction complex in Mozambique’s remote north to chill gas pumped from the Golfinho/Atum fields in its Area 1 deepwater block, 16.5-kilometres (10 miles) offshore.
It will produce 12.88 mtpa of LNG in its initial phase, which can be expanded to 50 mtpa. (By Colin Leopold at Project Finance International and by Oleg Vukmanovic Reuters)

Mozambique studies construction of natural gas refinery
A study of the economic viability of a natural gas refinery in Mozambique is being carried out, said the president of state-owned Empresa Nacional de Hidrocarbonetos (ENH) recently, adding this project will “improve the purchasing power of Mozambicans,” according to the local press.
Omar Mithá, who was speaking at the opening of the 3rd meeting of the Joint Cooperation Commission between ENH and the China National Petroleum Corporation (CNPC) in the oil and natural gas sector, recalled that the respective public tender was launched last April.
The president of the Mozambican state-owned company said that the aim of this project is to import liquefied natural gas for further refining and subsequent export to neighbour landlocked countries, “while we wait for the gas that will be extracted in the Rovuma basin.”
The meeting, during which a memorandum of understanding was signed for ENH staff training, was aimed at strengthening the cooperation ties between the two companies. The Chinese delegation was led by CNCP Vice-President Hou Qijun and included representatives of some of the group’s subsidiaries.
During its stay in Mozambique, the Chinese delegation learned about the state of the oil and gas sector and visited the Maputo Power Plant, one of the country’s main natural gas consumers.
ENH and CNPC are partners in the Rovuma Basin Area 4 Block, where the Chinese group acquired an indirect stake in 2013 through ENI East Africa. In May 2016, during the visit of the President of the Republic, Filipe Nyusi, to China, the two parties signed an agreement focused on strengthening their bilateral cooperation in the oil and gas sector. (Macauhub)

Nyusi inaugurates gas terminal in Beira
Mozambican President Filipe Nyusi inaugurated an oceanic terminal for domestic gas (butane or LPG) in the central port of Beira.
The terminal has the capacity to fill 5,000 bottles of gas and 12 trucks a day. It will supply cooking gas to the central and northern provinces of Mozambique and to neighbouring countries.
The terminal is the initiative of the publicly-owned fuel company Petromoc, and cost 38 million US dollars. 31 million dollars was financed by the Export-Import Bank of India, while the remaining seven million came from Petromoc’s own funds.
According to the chairperson of Petromoc, Fernando Uache, the terminal contains three reservoirs, each of which can hold 1,000 tonnes of gas. The operational costs of importing and distributing gas will now be greatly reduced, he said.
Speaking at the inauguration ceremony, Nyusi said the consumption of domestic gas rose to 34,000 tonnes in 2017. He stressed the importance of gas in replacing firewood and charcoal as a domestic fuel, and thus reducing the pressure on Mozambique’s forests.

“In the context of the fight against deforestation, the government is encouraging the Mozambican private sector to expand the distribution chain for domestic gas, so as to facilitate massive use of this fuel”, he stressed. “This terminal will reduce the cost of the logistics involved in placing gas in the cities and towns of central and northern Mozambique”.
Nyusi added that one of the challenges facing the government is to install a refinery that will serve, not only Mozambique, but the southern African region, and will improve efficiency in importing, storing and consuming petroleum products. This, he said, would requires the collaboration of the Mozambican business class, which he regarded as a “privileged partner” in sustainable development. (Club of Mozambique)

Kenyan tycoon Humphrey Kariuki to build US$400 million Mozambique gas power plant
Tycoon Humphrey Kariuki’s Great Lakes Africa Energy (GLAE) has entered an agreement with the Mozambique government to generate electricity using natural gas for domestic use at a cost of Sh40 billion ($400 million). The UK-based pan-African energy solution firm develops and operates power projects in southern Africa.
The agreement signed in Maputo will see the construction of a 250 megawatt (MW) gas-fired electricity generating power plant. The agreement follows Rovuma Basin domestic gas tender whose results were announced in January 2017 with the firm clinching a Sh37.5 billion contract. The gas concession was the second venture into the southern Africa energy sector for GLAE, established in 2013.
Offshore gas
“As part of the Mozambique government’s intended use of natural gas for the development of domestic power projects, GLAE will develop, finance, build, own and operate a 250 MW gas-fired electric generating power plant, planned in northern Mozambique,” said director Michael Kearns.
Mozambique, which has vast offshore gas resources, has decided to use some for domestic power projects to achieve sustainable economic growth. The businessman has interests in a large number of Kenyan enterprises, which include The Hub Mall in Karen, Africa Spirits Ltd, Dalbit Petroleum, five-star Fairmont Mt Kenya Safari Club and Mt Kenya Wildlife Conservancy and Animal Orphanage. At 250 MW, GLAE Mozambican gas-fired power plant will be one of the largest conventional sources of electricity in the country.
Zambia copper belt
GLAE also owns and operates a 105 MW power plant in the Zambia’s copper belt town of Ndola, through Ndola Energy Company Ltd (NECL) under a power purchase agreement with the Zambia Electricity Supply Corporation (ZESCO).
Phase one of the project producing 50 MW of power was completed in 2013.
In February 2017, NECL commissioned phase two adding 55 megawatt of power to the national grid.
The firm is in the process of securing additional power purchase agreements in Africa and beyond and is currently examining opportunities in Kenya, Uganda, Malawi, Zimbabwe and Democratic Republic of Congo. (Club of Mozambique)
Ghana to award nine new oil blocks off west coast
Ghana is set to award nine new upstream oil blocks for commercial exploration off its western coast beginning this year, the energy ministry said.
The West African country plans to award six of the nine blocks this year while the remaining three will be given out next year through a mix of open competitive tender and direct negotiations, the ministry said in a statement.
It said state oil company Ghana National Petroleum Corporation will acquire one of the blocks to explore in partnership with a strategic partner to develop its technical capacity and become an operator.

Ghana, which began commercial crude production in late 2010, currently produces around 180,000 barrels per day mainly from three fields offshore the western coast, including its flagship Jubilee reserves operated by UK's Tullow Oil Plc.
"This year's licensing round focus would be on the western basin because of the existence of infrastructure, including two gas pipelines to the shore, three production facilities with a fourth FPSO in the offing by 2021," it said.
The government named a 23-member committee to oversee the allocation of oil blocks to local and international companies through evaluation and negotiation. (By Kwasi Kpodo, Reuters)

São Tomé e Príncipe launches tender for oil block prospecting
São Tomé and Príncipe's National Oil Agency (ANP) has launched a public tender to receive expressions of interest in the oil prospection of block 01 and the 55% stake in block 02 of the country's Exclusive Economic Zone (EEZ), according to an official statement.
The decision to launch a tender for block 01 came as a result of the interest expressed by Total E&P Activités Pétrolières in prospecting this block, "under the framework law of oil operations," said ANP executive director Orlando Sousa Pontes , in a statement sent to Macauhub in São Tomé.
"The National Oil Agency, following the request presented by the company Total E&P Activités Pétrolière invites eligible companies or consortia to express interest in the area corresponding to Block 1 of the Exclusive Economic Zone, São Tomé and Príncipe EEZ," the statement said.
The document added that "the National Oil Agency intends to negotiate the 55% stake available in the Production Sharing Contract of Block 02 of the São Tomé EEZ" under the terms of the oil laws of the archipelago.
In addition to the exclusive area, São Tomé and Principe also has another joint area shared with Nigeria based on a treaty signed in 2001 establishing 60% of revenues for the Nigerian state and the remaining 40% for the São Tomé archipelago. (Macauhub)

TELECOMS

Safaricom Raises Earnings Outlook as CEO Collymore Set to Return

- Earnings seen growing as much as 12% as Kenya economy improves
- Collymore to return to Nairobi 'soon' after medical treatment

Safaricom Plc, East Africa's largest company by market value, raised its guidance for full-year earnings as Chief Executive Officer Bob Collymore said he expects to return to Kenya soon from medical leave.
Earnings in the 12 months through March 2019 are expected to grow as much as 12 % to 89 billion shillings ($886 million), from 79.3 billion shillings last year, Chief Financial Officer Sateesh Kamath told reporters in the capital, Nairobi. The company plans to double the number of home-internet connections and upgrade its mobile-money platform to grow its M-Pesa business in the year ahead, he said. "We remain confident that the macroeconomic conditions will have gradual improvement, providing a conducive environment for our company to continue to deliver growth," Kamath said. "We are hence moving up our EBIT guidance."
Kenya's economy expanded at the slowest pace since 2011 last year, reined in by a drought that curbed farm output, a protracted presidential election and a slowdown in bank lending to the private sector. Growth is expected to accelerate to as much as 6 % this year from 4.9 % in 2017, according to government estimates.

Profit Up
Despite the economic slowdown, Safaricom grew net income by 14 % in the 12 months through March to 55.3 billion shillings. Revenue increased 9.8 % to 233.72 billion shillings, driven by a 14 % rise in M-Pesa revenue, 24 % growth in mobile-data earnings, and a 5.1 % advance in customer numbers.

Safaricom's shares gained 2.7 % by 9:53 a.m. in Nairobi to the highest since April 20. The stock has advanced 8.4 % so far this year, outpacing a 4.4 % increase in the Nairobi Securities Exchange All Share Index.
"The fact that the business ran well while Collymore was away tells you the strength of the team," Eric Musau, an analyst at Nairobi-based Standard Investment Bank, said in an interview.
Collymore, 60, went on medical leave in October to receive specialized treatment for an unspecified illness, leaving Kamath to temporarily take over his responsibilities. The CEO said he's making "pretty good progress" with his team of medical specialists in London.
"I've just entered the final phase of treatment and expect to be back in Nairobi as soon as the doctors feel that my immune system is sufficiently robust to withstand the infection risks that are usually associated with air travel," Collymore said by video-link from London. "It's very difficult to say exactly when that will be, but close monitoring by the medical team will continue here in London for a number of weeks to come." (By David Herbling, Bloomberg)

AGRIBUSINESS

European Union supports agricultural development in Cabinda, Angola

The European Union (EU) will support the agricultural sector in the Angolan enclave province of Cabinda as part of its new development aid plan, in partnership with the ministries of economy and planning, Angolan ambassador Tomas Ulicny said in the city of Cabinda.
The ambassador, who was in Cabinda for two days, stressed that this commitment to agriculture in the region "is very important because there is potential here to develop this activity," according to the Angop news agency.
He also pointed out that the provincial government projects, within the context of the promotion of agricultural activity, are "on the right path and could contribute to the achievement of the objectives," which can help in the growth of the economy, as well as the supply of rural products to the province, in response to the fight against hunger and poverty.
According to the ambassador, the private sector will be the top priority in the next phase of European support, given the diversification of the economy, as Angola can no longer depend on revenues from the sale of oil products to cover 95% of the State Budget. (Macauhub)

Angola's Alassola places more than 450 tons of cotton thread on the Portuguese market

Angolan textile company Alassola exported 454 ton of cotton thread to Portugal between October 2017 and 12 May under the business' internationalisation project, industrial director Hioshi Yamamoto said on the sidelines of the 8th edition of the Benguela International Fair (FIB), which ran from 16 to 20 May.
Yamamoto also told the Angolan news agency in a statement on Saturday that the fourth shipment, with 154 tons in 10 containers, left the port of Lobito in the week of 6 to 12 May.
The industrial director said that cotton thread is an intermediate product that the factory has been selling while looking for definitive solutions to start the entire production chain. It needs to raise an additional US$60 million to import raw materials, in particular, cotton, dyes and other primary and secondary chemicals.
Alassola is a company operating in Benguela province, which is the successor to the extinct Africa Têxtil, which, after being inaugurated in 1979, halted its activity in 1998 and declared bankruptcy in 2000.
The project for the recovery, expansion and equipping of the textile industries in Angola was financed by a Japanese government credit line and includes three large fabric factories, Textang II, in the country's capital, the Sociedade Angolana de Tecidos Estampados Comerciais (Satec), located in the province of Kwanza Norte and Alassola in Benguela. (Macauhub)

Producer price of cotton unchanged – Mozambique

The producer price of first grade raw cotton will remain at 23 meticais (about 38 US cents) a kilo during this year's cotton marketing campaign, which ends on 30 September.

The decision to retain the current price was the consensual decision reached at a meeting in the northern city of Nampula between the National Forum of Cotton Producers (FONPA), which represents cotton farmers, and the Mozambique Cotton Association, which brings together the concessionary companies that buy the farmers' cotton. The meeting also fixed the price of second grade cotton at 16.5 meticais a kilo.

Agriculture Minister Higino Marrule, who accompanied the negotiations, described the consensus as "a solid basis" for future work. "Although it is far from ideal, the present price proposal is a solid basis to balance the interests of the parties involved, and for the sustainability of the business across the entire cotton value chain", said Marrule. The Minister pointed out that the agreement only covers the minimum price. Any company able to pay farmers more than the minimum is free to do so.

The chairperson of the National Forum, Jose Domingos, said his organisation had proposed raising the price to 24 meticais a kilo, but had eventually accepted keeping the old price. "We think it was a reasonable discussion", he told reporters, "and the understanding reached to some extent satisfies FONPA, since the proposal from the companies was even lower".

The President of the Cotton Association, Francisco Ferreira dos Santos, also found the final agreement acceptable, even though the Association had proposed to cut the price to 22.75 meticais a kilo.

This year's marketing campaign target is 80,000 tonnes of raw cotton – more than double the 35,000 tonnes marketed in 2017. Dos Santos thought this target was perfectly achievable since the amount of land sown with cotton has risen from 114,000 to 187,000 hectares, and the number of farmers growing cotton has increased from 170,000 to 227.000. The proposed prices are still subject to approval by the government. (Club of Mozambique)

Thai company seeks 100,000 hectares of land in Mozambique to produce pulp

A company from Thailand intends to obtain the right to use a 100,000-hectare plot of land in Mozambique to plant trees for pulp production, the permanent secretary of Thailand's Ministry of Trade announced in Maputo, according to the Mozambican press.

Nuntawan Sakuntananga said at the end of a meeting with the board of the Confederation of Economic Associations of Mozambique (CTA) that the Thai company, which he did not identify, is one of the world's largest pulp and paper producers.

He also said that the land should be near a port and a river, to provide water for the plantation, adding that "if everything works out, there is the intention to build a paper mill there."

Sakuntananga, at the meeting with the CTA's board of directors to review the trade situation between the two countries and discuss likely future partnerships between Mozambican and Thai business people, said that companies in his country had already invested around US$6 billion in the energy sector in Mozambique.

In May 2012 PTT Exploration & Production Plc, a subsidiary of Thai group PTT, acquired an 8.5% stake held by Ireland's Cove Energy in the natural gas exploration consortium in Area 1 of the Rovuma basin for US$1.9 billion.

The permanent secretary of the Thai Ministry of Trade travelled to Maputo to lead a delegation of business people interested in analysing investment opportunities in Mozambique. (Macauhub)

Guinea-Bissau resumes negotiations for fisheries agreement with the European Union

Guinea-Bissau will resume negotiations on the fisheries agreement with the European Union (EU), Guinean Prime Minister Aristides Gomes said as he was attended a European Day party at the EU premises in Bissau.

The prime minister said that although the fisheries agreement is a trade issue, the European Union, as the main donor in the world, "has conducted these negotiations on the basis of a spirit of cooperation, solidarity and not on a purely commercial basis."
The fisheries partnership between the EU and Guinea-Bissau came to an end in November 2017, without the parties agreeing to renew it, according to Portuguese news agency Lusa.
The agreement allowed vessels from Spain, Portugal, Italy, Greece and France to fish in the waters of Guinea-Bissau and covered tuna, cephalopods (octopus, squid, cuttlefish), shrimp and demersal species (sole and grouper). (Macauhub)

World Bank donates US$150 million to Mozambique to improve rural roads
The World Bank has approved a US$150 million grant to support Mozambique's integrated roadway development project, which will improve road access to selected areas in the provinces of Zambézia and Nampula, the World Bank said in a statement released in Washington.
The average income from agricultural activity in the target provinces is three times lower than in the rest of the country due, among other factors, to poor accessibility in the rural area. This project specifically targets 10 districts with high agricultural potential in those two provinces and covers 2.2 million people, of whom about 1.5 million live below the poverty line.
The project also includes the rehabilitation of the primary road network, specifically the section between Quelimane and Namacurra over a distance of 70 kilometres and average daily traffic that varies from 1,700 to 2,600 vehicles. (Macauhub)

China supports Mozambican agricultural campaign with US$10 million donation
China has donated US$10 million to Mozambique to support the current agricultural campaign, the Chinese ambassador to Mozambique said in Boane, near Maputo, during a visit by the chairman of the Standing Committee of the 13th National People's Congress of China, Li Zhanshu, to the Mozambique-China Centre for Research and Transfer of Agricultural Technology.
Ambassador Su Jian highlighted agriculture and food security as priority sectors of China's support to Mozambique and recalled that five major Chinese companies are present in the country, notably in agriculture, food security, infrastructure and access roads.
Su also said that Chinese companies have made a contribution to developing Mozambique, thereby helping the Mozambican economy to become sustainable.
The ambassador also said that the visit of the chairman of the Standing Committee of the 13th National People's Congress of China is "of paramount importance, happening at a time when bilateral cooperation has been cemented at the highest level."
The first deputy speaker of the Mozambican parliament, António Amélia, stressed that China has already financed training for more than 50 parliamentary officials in areas such as parliamentary management and information and communication technologies. (Macauhub)

UPCOMING EVENTS

Africa Energy Forum 19-22 June 2018 in Mauritius
https://www.africa-energy-forum.com/

The 2018 Annual Meetings of the African Development Bank Group will be held on May 21-25, 2018 in Busan, Korea
https://am.afdb.org/

Mining on Top: ''EUROPE AS A PARTNER FOR AFRICAN MINING'' 3-4 July 2018, Geneva Switzerland
http://ametrade.org/miningontopafrica/

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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

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