

MEMORANDUM

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ENERGY BOSSES FROM SEVERAL NATIONS TO MEET LOCAL GOVERNMENT OFFICIALS AND MOZAMBIKAN COMPANIES

There's a hidden treasure just off the northern coast of Mozambique, but it's got nothing to do with pirates: lurking beneath the waves of the Indian Ocean are at least 100-trillion cubic feet of natural gas reserves.

That makes Mozambique Africa's third-largest holder of such proven reserves after Nigeria and Algeria, in that order. Some estimates even raise the bar to 180-trillion cubic feet of reserves.

Internationally, Mozambique is ranked 54th – a long way behind the gas riches of first-placed Russia's 48,700-trillion cubic feet of gas reserves or second-placed Iran's 33,600-trillion cubic feet (both according to 2013 estimates).

Even so, mining the reserves in the area known as the Rovuma Basin could radically change the fortunes of a country that in April this year declared it had \$1.3-billion in debt it could not pay, which led to a downgrade by rating agencies.

The large reserves, worth tens of billions of dollars, have attracted oil and gas companies from across the world, including Royal Dutch Shell and Rosneft. US-based Anadarko and Italy-based Eni are already leading exploration efforts in the Rovuma Basin.

Anadarko and Eni plan to construct a liquefied natural gas (LNG) facility with two trains, each with capacity of 6-million tons per year, at a cost of \$15-billion to \$17-billion. A final decision on this project is expected by next year.

South Africa's Sasol said in February this year that it had been [given the go-ahead by Mozambique](#) to develop more oil and gas fields in that country.

Mozambique now produces only a small volume of natural gas – 198-billion cubic feet in 2014. Most of that is exported to South Africa via the Sasol Petroleum International Gas Pipeline, according to the US Energy Information Administration's [Mozambique Country Report](#).

The Mozambican government is considering a proposal to build a pipeline from Rovuma to South Africa's Gauteng province that would also deliver gas to Mozambican towns along the route. That project – expected to cost at least \$6-billion – is spearheaded by SacOil Holdings in partnership with the China Petroleum Pipeline Bureau.

With such a spotlight on the country's natural energy resources, it is the perfect time for Maputo, the capital city, to host the third [Mozambique Gas Summit & Exhibition](#), organised by industry events and training provider [CWC Group](#), from November 30 to December 2 this year.

At the summit, energy leaders from several nations will meet local government officials and Mozambican companies to discuss opportunities for the development of the country's gas industry through projects and partnerships.

The event is staged in partnership with Mozambican national oil and gas company ENH and supported by the Institute of National Petroleum of Mozambique (INP) and the state oil and gas company CMH.

The first day of the summit will focus on [draft Mozambican legislation](#) aimed at regulating the business links between major projects and small and medium-sized Mozambican enterprises as natural resource exploitation speeds up in the country and attracts rising investment.

[Key topics](#) to be addressed in this regard include the status of the legislation; how local companies can qualify for gas and LNG projects; how to build capacity in Mozambique to accommodate these projects; and how to bridge skills gaps and develop local best practice.

Over the next two days of the event, the Mozambican government will explain its vision for the industry and national and international companies will lead panels focusing on case studies, current gas projects, the gas market, new technologies and project financing, among other topics.

ENH chairman Omar Mithá, INP president Carlos Zacarias, CMH chairman Estevão Pale, and Dr Vasco Nhabinde, director in the Mozambican Ministry of Economy and Finance, are some of the speakers confirmed for the summit.

On the sidelines of the event, summit-goers will be able to explore exhibitions by companies including ENH, ExxonMobil, Technip, and General Electric Oil & Gas. (BD 19-10-2016)

[Read more about the summit here.](#)

AUSTRALIA'S MUSTANG RESOURCES DISCOVERS MORE RUBIES IN CABO DELGADO, MOZAMBIQUE

Australian mining company Mustang Resources announced the discovery of 460 carats of rubies in the Montepuez district of Cabo Delgado Province in northern Mozambique.

This is the first discovery of rubies from the analysis of 2,683 tons of material from the exploration zone of the Alpha deposit.

The ruby deposit was discovered in July of this year and 13,000 tonnes of material has already been collected to be sent to the factory to detect rubies.

The company estimates that each ruby carat will have a value of US\$35,900.

Mustang Resources said in a statement that it also intends to explore diamonds in a project in the Save River and a graphite project in Balama, Cabo Delgado. (27-10-2016)

BOTSWANA ECONOMY "TO GROW BY 4.4 PER ANNUM IN TEN YEARS"

Botswana's economy is expected to grow by 4.4 percent per annum, with the mining sector growing at an annual average of 2.8 percent over the National Development Plan 11 period, Finance Minister Matambo said Wednesday.

The National Development Plan starts this year up until the next ten years.

Speaking in Parliament, Matambo said non-mining sectors are expected to grow modestly by 4.6 percent annually, mainly driven by; Water and Electricity sector which is expected to grow by 18.4 percent.

He said Trade, Hotels and Restaurants sector is projected to grow by 6.8 percent; the Transport and Communications sector at 6.0 percent and Banking, Finance and Business at 4.1 percent.

The minister said on an annual basis, total revenues at the onset of NDP 11 are estimated to be \$5.2 billion, and will grow by an average of 6.7 percent, reaching 7.7 billion US Dollars in 2022/23.

Overall total revenues to be generated for the entire Plan are projected to be 36 billion US Dollars.

Mineral revenues are expected to contribute a large share to total revenue of about 34.1 percent during the entire Plan period.

According to Matambo, total expenditure and net lending over NDP 11 is projected to reach \$36 billion, of which the recurrent budget stands at \$26 billion and the development budget is estimated to be \$10 billion, resulting in a modest cumulative estimated budget surplus of only \$1 million by the end of NDP 11. (APA 26-10-2016)

NIGERIA'S OIL ROADMAP TACKLES DELTA REBELLION

Nigerian President Muhammadu Buhari will meet leaders of the restive Niger Delta in Abuja next week in an attempt to end an insurgency in the oil-producing region, Oil Minister Emmanuel Ibe Kachikwu said. Ending unrest in the region that accounts for most of Nigeria's oil production was the first goal of an energy industry roadmap unveiled on Thursday, he said.

"Our target is to ensure zero militancy in the area," he told a forum in Abuja aimed at outlining strategy for the petroleum sector. "This planned meeting shows the level of interest the president has to ensure peace in the area."

The strategy included a goal of passing the long-delayed Petroleum Industry Bill by December. The bill itself, which covers everything from an overhaul of state oil company NNPC to taxes on upstream projects, was delayed by violence in the delta, which briefly brought production to 30-year lows.

Kachikwu said Nigeria was also considering asset sales and wanted to improve the investment climate and enable development of its gas assets.

The seven elements of the plan are: solving the Niger Delta development and security problem, policy and regulations reforms, a business environment and investment drive, transparency and efficiency, stakeholder management and international co-ordination, a gas revolution and finally refineries and local production capacity, Kachikwu said.

There has been a push from some senior figures to sell assets to fund blockbuster spending plans, but it is not clear whether these plans have support from all the nation's leaders.

In a speech at the same event, Buhari said the government was committed to engaging with all stakeholders in the southern region to find a lasting peaceful solution. He gave no details.

Militants have been fighting for a greater share of the Organisation of the Petroleum Exporting Countries member's wealth to go to the Niger Delta, where many complain of poverty. The government persuaded the most active group, the Niger Delta Avengers, to agree to a ceasefire in August, allowing output to rise to 1.9-million barrels per day (bpd) this week.

The Avengers operate out of the heartland of the biggest ethnic group, the Ijaw, which has benefited more than others from a 2009 amnesty, and have resumed attacks this week.

But even during the "ceasefire", a group called Greenland Justice Mandate emerged, saying it acted on behalf of smaller groups left out of the previous amnesty. The group claimed several attacks and warned Shell against reopening a pipeline blown up in February.

Nigeria is producing around 1.8-million bpd, the oil minister said. The country hopes to return output to 2.2-million bpd, a level seen before militant attacks in the Niger Delta hit production, Kachikwu said.

Government sources said on Monday that the government would hold a meeting with community leaders and militant representatives in Abuja next week.

Nigeria has been holding talks for months to end the attacks on energy facilities, but no lasting ceasefire has been agreed upon.

"We have a capacity to produce 3-million barrels a day," Kachikwu said. (Reuters 28-10-2016)

IMF READY TO HELP MOZAMBICAN AUTHORITIES TO SOLVE FINANCIAL CRISIS

The International Monetary Fund (IMF) said Wednesday that it recognises the efforts of the Mozambican authorities to make debt sustainable and said it is ready to help them.

The IMF team recognises the intention of the Mozambican authorities to initiate discussions with certain creditors with a view to return Mozambique's debt to a sustainable path, as announced by the Finance Minister at a meeting with creditors in London.

The IMF team is "ready to assist the authorities in their efforts," according to a short statement issued by the IMF representative in Maputo. (27-10-2016)

MOZAMBIQUE TO LAUNCH INT'L TENDER TO AUDIT DEBT

Mozambique's Attorney General's office says it will launch a tender to select an independent international auditor to determine the debt scandal involving more than \$2 billion in secret loans that came to light earlier this year.

Addressing the Mozambican parliament on Wednesday, the country's Prime Minister, Carlos Agostinho do Rosario, said that the tender is part of actions by President Filipe Nyusi to bring back sanity to the

economy.

"Indeed, the Attorney General of the Republic of Mozambique will launch soon tender for hiring an independent international auditor," said the Prime Minister

President Filipe Nyusi met with IMF Managing Director, Christine Lagarde in Washington, to try to reassure international institutions and investors about his concerns over the debt.

The IMF has suspended its own lending to the southeast African country, insisting on external scrutiny as a precursor to resuming financial aid.

In the context of enhancing transparency, according to the Prime Minister, the government is also providing the necessary clarifications to the Parliamentary Commission of Inquiry set up to investigate the situation of public debt in Mozambique.

The Parliamentary Inquiry Committee shall submit a final report by 31 November.

Do Rosario said that the current actions serve as the country's credibility flooring internationally and "create conditions for the start of negotiations" with the IMF, a new financial assistance program for Mozambique.(APA 26-10-2016)

SOUTH AFRICA RECORDS SURPRISE TRADE SURPLUS IN SEPTEMBER

SA recorded a trade surplus of R6.7bn in September, surprising economists who expected a deficit of about R1.1bn.

August's trade balance was revised to a deficit of R8.96bn from the previously reported R8.6bn, South African Revenue Services (SARS) said on Monday

Total exports for September amounted to R98.9bn. The biggest contributor were mineral products which contributed R16.6bn, followed by precious stones which contributed R17.9bn.

The cumulative deficit from January to end-September was R9.95bn, an improvement on the R37.19bn in matching nine months in 2016, SARS reported.

Exports of gold, diamonds and other precious metals and stones jumped 37% from August to September, while imports fell 66%.

Investec economist Kamilla Kaplan predicted on Friday the trade balance would swing back to surplus after two consecutive months of contractions.

Overall, however, SA's export growth potential is expected to be restricted by modest global growth and suppressed commodity prices, she said. (BD 31-10-2016)

MOZAMBIQUE ADMITS FINANCIAL COLLAPSE AND PLANS TO RESTRUCTURE DEBT

The Government of Mozambique officially admitted the financial inability of the state to pay the next installments of the debts of public companies with hidden loans, and called for a restructuring of payments and a new financial aid from the International Monetary Fund (IMF).

20-page document presented to investors by the Ministry of Finance (MF) states that "the profile of public debt and debt guaranteed by the State of Mozambique is not sustainable."

The ministry pointed out in the document to which Portuguese news agency Lusa had access, the inability to pay the debts of enterprises that had undisclosed loans, admits that public debt in 2016 will reach 130% of GDP, and lowers its economic growth forecast to 3.7%.

"The depreciation of the local currency exceeded the increase in debt volume and the cost of servicing the debt, the level of external public debt and debt guaranteed by the state will exceed 100% of GDP in

2017, the cost of servicing public and publicly guaranteed debt, including late payments, should reach US\$826 million, on average, between 2017 and 2021, or roughly 6.9% of GDP per year,” according to the presentation provided to creditors.

According to the rules of the IMF, it may not provide financial assistance to a country under financial strain and therefore the Finance Ministry is proposing a number of meetings with creditors of state owned enterprises Mozambique Asset Management and Proindicus.

Mozambique has a political credibility problem with the IMF and international creditors, after having concealed debts amounting to US\$1.4 billion contracted in recent years leading international creditors to demand an external audit to relaunch talks on the resumption of financial assistance.

The Ministry gave assurances that there had already been “considerable progress in the drafting the terms of reference for the audit” and confirmed that “the audit will focus on Ematum (Empresa Moçambicana de Atum), Proindicus and MAM”.

The main objective now is “to resume relations with the IMF to stabilise the economy and restore the confidence of the international community.”

The government of Mozambique has hired financial and legal advice from British firm Lazard Frères and White & Case LLP, respectively to negotiate with creditors. (27-10-2016)

BOTSWANA EXPLAINS MDG SHORTFALLS

Botswana’s Finance Minister Kenneth Matambo on Wednesday said his country did not meet some of the Millennium Development Goals (MDGs) due to non-adherence to health regulations by pregnant mothers, limited medical facilities and an absence of other informed policies.

Addressing a special session of Parliament convened to discuss a draft of the National Development Plan (NDP) Mr. Matambo said there is need to improve on maternal health, develop a global partnership for development and ensure environmental sustainability.

He said these will be tackled as part of the implementation of the UN Sustainable Development Goals during NDP 11 and Vision 2036.

However, Matambo said Botswana has achieved most of the targets including: eradicating extreme poverty and hunger, achieving universal primary education, reducing the under-five mortality rate by two thirds, cutting the spread of HIV/AIDS, and sinking by half the number of people without access to safe drinking water and basic sanitation.

Significantly, the objective of eradicating absolute poverty during NDP 10 was almost achieved, as the proportion of individuals living in abject poverty or below \$1.25 per day, decreased from 24.5 percent in 2002/03 to 6.4 percent in 2009/10.

As a result, Matambo said, Botswana has surpassed the Millennium Development Goals target of reducing extreme poverty by half in 2015.

In addition, the proportion of people living below the national poverty datum line declined from 30.6 percent to 19.3 percent over the same period.(APA 26-10-2016)

SASOL | BLUE CHIP: BUT RAND HEDGE?

Conventional wisdom has it that you buy Sasol’s shares as a hedge against the cost of petrol. The idea is that if the petrol price rises, at least you’ll get that back in the Sasol share price, because it makes its money selling fuel.

But this notion has unravelled, as the volatile rand, government taxes and transport costs played havoc with the maths. Since Sasol hit a high of R640/share in mid-2014, its stock has slid 38% to about R397. Throw in dividends, and the net loss is still a third.

True, this is less than the 41% drop in the rand price of Brent crude oil in that time, but Sasol's stock has fallen a lot further than the marginal 10% drop in the price of 93-octane unleaded petrol, which now costs R12.34/l. In other words, your Sasol shares are down plenty, and you're still paying a heap of money to drive your car.

Sasha Naryshkine, fund manager at Vestact, says if investors want a perfect correlation to the oil price, they should buy an index-linked product, not Sasol shares.

The problem is the swings of the global oil market have been too much for many investors. The outlook is unpredictable, as fracking companies become more efficient and can respond faster than oil companies.

A decade ago, it was the Organisation of Petroleum Exporting Countries (Opec) that set oil prices; today, Opec has less power. All of which suggests oil prices are likely to stay low for a few years.

The World Bank, in its latest Commodity Markets Outlook, says oil prices are likely to average \$43/bbl this year (slightly up from its previous forecast of \$41/bbl) thanks to supply shortages and robust demand. For the next three years, it sees prices settling between \$53 and \$60/bbl. This means triple-digit oil prices — like \$147/bbl in July 2008 — are unlikely "any time soon", as Saudi Arabia has relinquished its swing producer role and the US shale oil industry is setting prices instead.

Sasol, however, is hoping its share price recovers as it gets a greater chunk of its revenue from a burgeoning chemical business — a business less cyclical, with higher margins.

There's certainly scope for that.

At a price:earnings level of around 9.6, Sasol is far cheaper than global rivals like Dow Chemicals (p:e of 15), Air Products & Chemicals (22.6), BP (17.4) and Chevron (40).

Hanré Rossouw, a fund manager at Investec Asset Management, says Sasol's rating is comparable to developing-market oil groups in Russia and Brazil, even though its business differs from those operating oil rigs.

Over the long term, though, Sasol's p:e has averaged around 10, suggesting it is now cheaper than its long-term average.

The recent weakness reflects worries over the cost overruns at Lake Charles.

Precisely because it's cheap, 43% of the analysts who cover Sasol rate it a "buy" and 37% a "hold". On average, they expect it to hit R428.25 over the next 12 months — about 8% above its current level. In part, this reflects the market's perhaps overly pessimistic view on further cost overruns at Sasol's Lake Charles project in the US, as well as the fact that it did better than expected in slashing operational costs.

JPMorgan says Sasol's "overdelivery on cost savings bodes well" and should help boost its credibility after it overshot spending at Lake Charles.

Investec analyst Jarrett Geldenhuys says the results show that even if oil stayed at around \$40/bbl, Sasol was able to deliver "robust earnings and cash flows".

At the current oil price of \$51, in other words, Sasol will do just fine.

But the scepticism about Sasol isn't entirely due to Lake Charles. Analysts at Macquarie Research remain neutral, pointing out that Sasol has had a disappointing decade of low returns, reaching a historical low of 6.6% return-on-equity this year — some distance below the 35% of 2001.

Part of the reason, it says, is that "Sasol has impaired assets (and equity) to the value of R32bn in the (past) nine years".

"We remain concerned that potential earnings downgrades as well as uncertainty around the (Lake Charles) project could affect the share in the near term," it says.

Brokerage Credit Suisse, in a research note, argues that Sasol's main competitive advantage over the years was its access to cheap feedstock (it owns coal mines) and its preferential status in SA. "Sasol has now embarked on an international growth phase ... trying to export its technological competitive advantage to other markets. However, what concerns us is that ... Sasol's true competitive advantage lies in its access to cheap feedstock, whereas in the US, the company will be subject to market forces with regard to feedstock ethane prices."

Sasol has other battles to fight. In May, Moody's placed Sasol's rating on a "negative outlook" because its credit profile is so closely aligned to SA's economic prospects, as well as the weak oil and gas environment.

On the plus side, Moody's said, was Sasol's "well-entrenched, market-leading position in liquid fuels and chemicals in SA; integrated value chain and business model underpinned by proprietary technology; and robust cash flow generation with prudent and conservative management policies."

On the negative side was its sensitivity to the rand, execution risk at Lake Charles, plus the usual political and inflation risks in SA.

Ultimately, it seems Sasol's share price will be driven by what happens in the US – and often-unpredictable ethylene prices.

Moody's analyst Douglas Rowlings is cautious about prices in the US chemicals market into mid-2018. "Almost 7Mt of ethylene capacity will come on stream in 2017, constituting an 18% increase in North American capacity, with additional supply likely to put downward pressure on prices."

Still, Sasol's joint CEO Bongani Nqwababa doesn't appear overly concerned by competition from other ethylene producers, as rivals like Dow, ExxonMobil and ConocoPhillips are taking similar steps.

"Given our estimates of global economic growth and demand for our products, we are comfortable," he said in an interview.

Analysts also raise the issue of having two CEOs. Any fallout between the two, and project oversight could suffer. But at Sasol's recent results presentation, Nqwababa and co-CEO Steve Cornell said the model was working well: both were involved in all aspects of the business and have not divvied up responsibilities.

They meet daily or, when travelling, communicate at least once a week. "It helps that we both have manageable egos," Nqwababa said.

JPMorgan seems to agree; its analysts say "there is a refreshing absence of ego (and) it doesn't look to us as though the individuals are likely to fall out or that the company will end up being run with separate silos".

Given the immense challenges at Lake Charles, that's reassuring. (BD 31-10-2016)

MOZAMBICAN ATTORNEY GENERAL'S OFFICE LAUNCHES INTERNATIONAL TENDER TO HIRE AUDITOR

The Mozambican Attorney General's Office (PGR) will launch shortly a tender to hire an independent international auditor to determine the details of loans to three private companies with guarantees from the Mozambican state between 2013 and 2014, Mozambican news agency AIM reported.

The announcement was made in Parliament by Prime Minister Carlos Agostinho do Rosario, who said the tender is the result of the visit by the President of the Republic, Filipe Nyusi, to the United States of America, in the middle of last month.

At the end of June this year, the International Monetary Fund (IMF) recommended the Mozambican Government should conduct an international and independent audit.

In order to enhance transparency, according to Rosario, the government also plans to provide the necessary clarifications to the Parliamentary Inquiry Committee set up to investigate Mozambique's public debt.

The Parliamentary Inquiry Committee is due to submit its final report by 30 November.

The prime minister also said that the current actions serve to improve the credibility of the country internationally and create conditions for the start of negotiations for a new financial assistance programme with the IMF. (27-10-2016)

TANZANIAN, INDIAN FIRMS SIGN AGREEMENT TO SET UP TRACTOR ASSEMBLY PLANT



Quality Group Tanzania has signed an agreement with India's Sonalika International Tractors Limited with the aim of establishing a tractor assembly plant in Tanzania worth between \$50 billion and \$100 billion, APA learns here Wednesday.

The plant, which will be in Morogoro region of Tanzania, is estimated to produce 1,000 units of tractors annually.

Quality Group's Chief Operating Officer, Kostantinos Vasileiadis said in Dar es Salaam on Wednesday when briefing journalists about the project that it is projected to create at least 1,200 jobs.

"The plant is in line with the government's Vision 2025 to become an industrialized country," he said.

He said that there is a huge market for tractors in Tanzania and the other partner states of the East African Community (EAC) where currently Tanzania imports between 800 and 1,000 tractors every year and a majority of farmers in rural areas remain unable to purchase the imported machines because they are too expensive.

Explaining about the project, he said that the plan is to build the capacity of Tanzanians through development and training programmes.

The Indian company has the capacity of producing 150,000 tractors per year, with 700,000 customers spread in 82 countries worldwide. (APA 26-10-2016)

SMALL ECONOMIES IN THE PORTUGUESE LANGUAGE WORLD SHINE DURING YEAR OF HARDSHIP FOR LARGER ONES



Smaller, though also more diversified: small economies of the Portuguese language world such as Guinea-Bissau and Cabo Verde have better growth prospects in 2016 than larger ones such as Angola that are more dependent on commodities.

As economic growth in sub-Saharan Africa drops to its lowest level in the last 20 years (1.4 percent), the Regional Economic Outlook for the region released in October by the International Monetary Fund indicates that Guinea-Bissau, São Tomé and Príncipe and Cabo Verde are among countries with the best growth estimates.

The IMF forecasts that the economies of Guinea-Bissau, São Tomé and Príncipe and Cabo Verde will respectively grow by 4.8 percent, 4 percent and 3.6 percent in 2016. In Mozambique, marked by austerity and uncertainty owing to the political and security situation, estimated growth is 4.5 percent, while Angola is stagnating and Equatorial Guinea should post a recession of 9.9 percent.

"The external environment facing many countries has deteriorated, notably with commodity prices at multi-year lows and financing conditions markedly tighter; also, the policy response in many countries

most affected by these shocks has been slow and piecemeal, raising uncertainty, deterring private investment and stifling new sources of growth,” stated the director of the IMF’s African Department, Abebe Aemro Selassie, in comments reported by the organisation.

The most recent Bank of Portugal report on the economies of the Portuguese-speaking African countries (PALOPs) states that economic activity in Cabo Verde is expected to revive in 2016, “mainly driven by investment, with the recovery from delays in 2015 and the launch of a number of private projects in the tourism sector.”

The Bank of Portugal’s annual study on “Economic Developments in the PALOPs and Timor-Leste 2015-2016” was recently presented during the annual meeting of heads of central banks of the Portuguese language countries. It indicates that the main risks for the Cabo Verdean economy are the possibility of lower-than-expected external demand performance, along with uncertainty stemming from the country’s three elections this year and developments in public finances and general government debt.

For Guinea-Bissau the Bank of Portugal notes improved conditions, a process begun in 2014 and maintained in 2015, despite significant risks associated to political uncertainty in the country, which has prevented access to some support promised by the international community, namely by the IMF.

“Despite this challenging environment, Guinea-Bissau’s economic performance in 2015 was very positive, giving continuity to the recovery that started in the previous year. The good cashew nut harvest – accounting for 80 to 90 percent of goods exports – and favourable terms of trade developments were decisive for the 4.8 percent increase in output in 2015,” which should continue in 2016, the Bank of Portugal affirms.

In 2015 São Tomé and Príncipe recorded slightly slower growth compared to the previous year, basically due to late approval of the budget and falling exports. This year’s expected recovery been weaker than expected.

Current official estimates for Mozambique have been successively lowered, in an environment marked by more risks affecting growth in 2016, associated to “further delays in the construction of infrastructures to exploit liquefied natural gas if there continues to be a stalemate in negotiations between the government and involved companies,” the Bank of Portugal report states.

“The main long-term risks to the Mozambican economy are associated to persistently low commodity prices and a significant slowdown in relevant partners such as China. These developments may delay investments in energy exploration, thereby affecting Mozambique’s growth potential,” it adds.

The report indicates that Angola will continue to suffer the impact of low oil prices, which has created a “challenging external environment felt across all economic sectors, most notably in the non-oil sector, largely due to a foreign currency shortage.”

Regarding Portugal’s trade relations with the PALOPs and Timor-Leste, the report notes lower exports and imports, down 27 percent and 28 percent respectively, while Portuguese direct investment in those countries was again positive in the wake of disinvestment observed in 2014

The PALOPs official debt to Portugal continued to decline, intensified by the stronger dollar against the euro, thereby lowering dollar values of credit contracted in the European currency. (31-08-2016)

NIGERIAN SENATE APPROVES REINTRODUCTION OF TOLLS ON FEDERAL ROADS

Nigeria's upper legislative body, the Senate has passed a motion seeking to reintroduce the collection of tolls on federal highways across the country.

The lawmakers resolved on Tuesday in Abuja that the reintroduction of the tolls on the roads was the only way to address the construction and maintenance of roads in the country.

Senator Suleiman Nazif, who moved the motion on the need for the re-establishment of tolls on federal highways, told his colleagues that the Senate was alarmed at the poor state of the country’s infrastructure, including roads.

Nazif blamed the development on corruption and mismanagement of resources over the years and stated that maintenance of roads could be taken seriously instead of constructing new ones.

He noted that the Senate is disturbed that the poor state of roads in the country is posing a great source of risk for travelers and transporters.

The Senator suggested that due to past experiences on tolling in the country, the Senate should do a thorough job on the reintroduction of the tollgates.

Following the support of the motion, the Senate directed that the Committee on Works should liaise with the Infrastructure Concession Regulatory Commission and other relevant stakeholders to develop policy and technology to facilitate the construction, maintenance and tolling in Nigeria.

It will be recalled that tolls were abolished by former President Olusegun Obasanjo in 2004, who argued that the revenue for road maintenance should rather be generated from the hike in the pump price of petrol by the government. (APA 26-10-2016)

NORWAY AIMS TO INCREASE INVESTMENT IN MOZAMBIQUE

Norwegian Foreign Minister Børge Brende announced on Monday in Maputo his country's intention to increase investment in Mozambique, highlighting the energy sector as a priority, the Mozambican press reports.

On the sidelines of the Norway Business Forum, Brende said that besides energy there was also interest in furthering cooperation in the fisheries sector, which he called a "strong catalyst for the economies of countries with direct access to the sea."

Despite optimism about Mozambique's future, Brende said that the current situation, marked by devaluation of the metical, the rising cost of living, higher inflation and a political crisis between the government and opposition, is a major challenge and also a time for the country to learn.

Mozambican Industry and Trade Minister Max Tonela said in turn that Norway has been one of his country's most important partners, adding that this was the right time to reinforce partnerships between private companies from the two countries.

Also on Monday, the Confederation of Economic Associations (CTA) and its Norwegian counterpart, the Norwegian African Business Association (NABA) initialled in Maputo a memorandum of understanding that sets the bases for business-related interchanges. (01-11-2016)

SINGAPORE INVESTMENTS IN EGYPT WORTH \$400M



Singapore's investments in Egypt have reached \$400 million, Egyptian Investment Minister Dalia Khorshed said on Wednesday.

There are around 65 Singaporean firms operating in several sectors in Egypt, notably agriculture, with contributions worth \$33.3 million, Khorshed added.

The Egyptian minister's remarks were made following her meeting with Premjith Sadasivan, Singapore's ambassador to Cairo, on Wednesday.

The two officials discussed preparations ahead of Singaporean President Tony Tan's visit to Egypt scheduled for the end of October.

President Tony Tan will be heading a high-level delegation of three ministers, members of parliament, and more than 16 investors working in infrastructure, water, energy and the housing sector.

The Singaporean investors set to accompany President Tan are keen to discover investment opportunities in the Suez Canal economic zone, Ambassador Sadasivan said. (APA 19-10-2016)

ANGOLA AMONG THE MOST DIFFICULT COUNTRIES TO DO BUSINESS

Angola is among the top 10 countries where it is more difficult to do business, according to the World Bank Group “Doing Business 2017- Equal Opportunities for All” report, which assesses 190 countries. The World Bank report concludes that 137 countries have undertaken reforms to improve the business climate in 2015/16, 20% more than last year.

The report includes a ‘ranking’ of 190 countries, led by New Zealand, which with a rating of 87.01 points is rated as the world economy where it is easiest to do business. At the bottom of the list is Somalia with a score of 20.29.

In the best position among the Portuguese-speaking countries is Portugal (with 77.4 points), one of the three countries of the Community of Portuguese-Speaking Countries (CPLP) which improved their performance, although down two places to 125th.

Brazil is the second highest-ranked Portuguese-speaking country in 123rd place, below compared to 116th last year.

Cabo Verde (Cape Verde) is the third highest ranked Lusophone economy in 129th place, with a total of 55.28 points, followed by Mozambique in 137th place with 53.78 points.

Sao Tome and Principe (162nd) and Guinea-Bissau (172nd) were the two other Lusophone economies that improved their position in the Doing Business ranking.

Angola (182nd), Equatorial Guinea (178th) and Timor-Leste (175th) are the Portuguese-speaking countries with the worst business climates. (27-10-2016)

OLAM MOZAMBIQUE PROVIDES WORK TO 40,000 FARMERS

Olam Moçambique, a company that promotes the production and distribution of agricultural products in Mozambique provides employment to about 40,000 farmers.

Sridhar Krishan, the managing director of the company, which is based in Singapore and has operated in Mozambique since 1999, told Mozambican daily newspaper Noticias that as well as financial support to farmers it also guarantees a buyer for their products.

Olam Moçambique supports the production and annual sale of about 200,000 tonnes of agricultural products including sesame, peanuts, cashew nuts and boer-beans through direct financing of producers. Olam Moçambique also has two cooking oil refineries operating in the cities of Beira and Matola, in the provinces of Sofala and Maputo, respectively.

The company also has three cotton ginning units in Beira, Ribáuè, Morrumbala and Guru, in Sofala and Zambezia provinces.

In the cashew sector, Olam Moçambique wants to increase the producers it currently works with from 5,000 to around 20,000 in order to increase its sales volume from 12,000 tonnes per harvest to 18,000 tonnes.

The company supports rice production in Mozambique that is distributed in the country as the “Mama Africa” brand. The company is also one of the largest rice importers covering Mozambique’s needs for this foodstuff.

Olam International is one of the largest agribusiness companies in the world with a presence in 70 countries, 60,000 employees, 16,000 customers and is considered one of the leading international suppliers of cocoa, coffee, cashews, rice and cotton. (26-10-2016)

AU CHAIRMAN DEBY REPRESENTS AFRICA AT TURKEY ECONOMIC FORUM

Chad's President Idriss Deby Itno in his capacity as the sitting chairman of the African Union (AU) left N'Djamena for Istanbul on Tuesday to attend the economic and business forum between Turkey and Africa which opens in the Turkish capital on Wednesday.

The Chadian presidency announced in a statement to APA on Tuesday that the two-day forum is organized jointly by the Turkish Ministry of Economy and the African Union.

The forum is being seen as an opportunity for the continent's businessmen to further develop economic and trade relations with their Turkish counterparts.

The meeting enables both parties to discuss opportunities to increase the visibility of Turkish and African business circles in Turkey and Africa.

The forum will also analyze the business climate between Turkey and Africa and examine opportunities for cooperation between the two parties.

According to the statement by the Chadian presidency, the forum will attract delegations from 54 African countries.

Among the participants, are ministers of Trade, Economy, Infrastructure and Finance.

There will also be representatives of international organizations and African Regional Economic Communities including ECOWAS, CEMAC and SADC. (01-11-2016)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa Business Council, SwissCham-Africa and other organisations.

The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), ELO,HTTC ,NABA,NABC (by posting selected news) and SwissCham-Africa to their Members.



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