

# MEMORANDUM

N° 10/2018 | 08/01/2018

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## *12th YEARS OF PUBLICATION*

### SUMMARY

Cape Town Builds Temporary Desalination Plants As Water Supply Approaches 'Day Zero'	Page 2
Modernisation of the port of Namibe, Angola, awarded to Japanese group	Page 3
UK government presents the Africa Infrastructure Board at the Mining Indaba	Page 3
Visa exemptions between Angola and Mozambique come into effect on 15 February	Page 4
EUMedRail hosts workshop on Railway legislation	Page 5
Canada's Tango Mining sets up partnership for diamond mining in Angola	Page 5
Turner & Townsend buys Kenyan project management firm	Page 6
Mozambican economic growth slows to 3.7% in 2017	Page 7
Congo : Brazzaville démantèle ses entreprises publiques d'eau et d'électricité	Page 7
Mozambican government negotiates relaunch of the Moamba-Major dam works	Page 8
Global hotel chains set to open business doors in Kenya	Page 9
Mustang Resources completes study on graphite mine in Mozambique in June	Page 10
Exploration pétrolière au Maroc : les partenaires de l'Onhym ont investi 109 millions d'euros en 2017	Page 10
Angolan government approves proposed law for repatriation of capital	Page 11
Kenya Eyes U.S.\$9.6 Billion Pension to Fund Kenyatta's Big Four Agenda	Page 11
Construction of Hilton Praia is expected to begin in Cabo Verde in 2018	Page 13
Grand Format Bénin : l'aéroport Glo-Djigbé attendu pour la fin 2020	Page 13
World Bank supports local development in Angola	Page 14

## CAPE TOWN BUILDS TEMPORARY DESALINATION PLANTS AS WATER SUPPLY APPROACHES 'DAY ZERO'

The South African city of Cape Town is in the process of building a number of temporary desalination plants in response to the water crisis that was brought on by three years of record drought in the region. The popular tourist destination is in a race against time to produce solutions that will keep the taps from running dry in April – a date which has been described by those dealing with the crisis on the ground as 'day zero'.

In 2015 [South Africa recorded its lowest annual rainfall](#) since record keeping began in 1904. While much of the country recovered from that particular year of drought conditions, Cape Town's Western Cape province continued to experience extremely poor rainfall in recent years, leading to this water crisis. Among the numerous efforts that are being undertaken to deal with the severe water crisis, the construction of temporary desalination plants continues in a rush, and the plant at Strandfontein Pavilion is on schedule, according to [News24](#).

Desalination is the process of removing salt from seawater in order to make it suitable for drinking. The Strandfontein Pavilion plant, which will cost \$19.8 million to build, will start producing the first 528,000 gallons (two million litres) of an expected 1.85 million gallons (seven million litres) per day in March.

Three desalination plants are expected to start producing water from that month, and tenders for three additional desalination plants are being considered by the city.

This is expected to assist in temporary relief from the water crisis, until the rains return and water supply can be re-established.

### Water restrictions

Tight water restrictions have been imposed on residents in Cape Town for many months, with limits on the amount of water that can be used per person.

Level 6B water restrictions were implemented on Feb. 1, which means that Cape Town residents can only use 13.2 gallons (50 litres) per person per day as a means to avoiding 'day zero', according to [ENCA](#).

For the sake of comparison, the average American uses between 80-100 gallons per day, the [U.S. Geological Survey](#) estimates.

Current projections by the city's water crisis team suggest that 'Day Zero' will now take place on 16 April, 2018, unless tactics such as the desalination plants can produce effective solutions until winter rains which will hopefully arrive in the months of June, July and August.

Cape Town mayoral committee member for water, Xanthea Limberg, explained the reasoning behind making temporary desalination plants part of the overall solution.

"Given the severity of the drought and the uncertainty around rainfall, we needed to be flexible in our approach and allow for both permanent and temporary solutions in order to ensure that we minimise any risk of acute water shortages," Limberg said, according to [AllAfrica](#).

### Desalination plants in Africa

The Strandfontein plant involves a two-year contract, after which time the plant will be removed and the area rehabilitated. Desalination in this case therefore represents a temporary solution.

The plant will pull water from around 0.6 miles out at sea through a pipeline, before it is filtered through reverse osmosis which will split the sea water into half clean water and half brine, which will be returned safely to the ocean.

South Africa's 1,860-mile coastline could support a whole fleet of eco-friendly desalination plants, and it stands to reason that [desalination technology could provide a long-term solution to the country's water shortage issues](#).

South Africa is the main user of desalination technology in sub-Saharan Africa, while Algeria is a North African example of how desalination can be used on a large scale.

Mossel Bay in the Western Cape is the site of South Africa's largest desalination plant, with drinkable water supplied to state oil company PetroSA's gas-to-fuel refinery.

Ghana and Namibia also have operational plants. In April 2015, West Africa's first desalination plant opened in Ghana, with the Accra Sea Water Desalination plant providing fresh water for 500,000 residents in the Accra vicinity, [WaterWorld](#) reported.

The Arabian Gulf region is home to the world's main producers of desalinated water. In 2008 they were collectively producing about half of the global total, but only around one percent of the world's population is dependent on desalinated water, according to [TheConversation](#). This is expected to increase to about 14 percent by 2025, and if Cape Town's situation is an indication of global warming's acceleration of water scarcity, desalination may be an important technology for African countries to embrace in the near future. (AFKI 05-02-2018)

### **MODERNISATION OF THE PORT OF NAMIBE, ANGOLA, AWARDED TO JAPANESE GROUP**

Japan's TOA Corporation has been hired to conduct the second phase of the Namibe port modernisation project, in Angola, and work is scheduled to begin in March, the Transport Ministry said in a statement released on Thursday in Luanda.

This project, the contract for which was signed during a recent visit to Tokyo by a delegation led by the director general of the Maritime Port Institute of Angola (IMPA), Victor de Carvalho, consists of the recovery of 240 metres of dock and paving the container park. The work will be financed by a US\$20 million grant from the Japanese International Cooperation Agency (JICA).

In February 2017 JICA and IMPA signed a financing agreement for the second phase of this project, which was part of the Angola recovery, expansion and modernisation programme adopted a year earlier, on 15 January, 2016, by the governments of Angola and Japan.

The agreement between the two governments covers the full refurbishment of the 480-metre dock at the port of Namibe, with the first phase completed in 2011 and focused on an extension of 240 metres in operation under Angolan company Sogester.

The Angolan government intends to make the port of the city of Moçâmedes (formerly Namibe) one of the most dynamic and competitive in southern Africa, becoming an industrial, logistics and services hub in Southern Angola and a benchmark port for that African region. (09-02-2018)

### **UK GOVERNMENT PRESENTS THE AFRICA INFRASTRUCTURE BOARD AT THE MINING INDABA, AN INITIATIVE TO OFFER HOLISTIC APPROACH TO INFRASTRUCTURE DEVELOPMENT IN AFRICA**

On the sidelines of the Mining Indaba in Cape Town, at a roundtable hosted by the UK Department for International Trade (DIT), UK government and private sector presented the Africa Infrastructure Board and emphasized the unique proposition UK companies and government could offer in providing a holistic approach to infrastructure development in Africa.

The UK Department for International Trade (DIT) hosted a number of African delegations attending the Mining Indaba to present the Africa Infrastructure Board. This is an initiative that brings together and puts the case forward for choosing the UK as an ideal partner not only to develop projects in the mining sector but to create a holistic solution that will benefit the wider community by developing the associated infrastructure around the project.

The High Commissioner of UK to South Africa, Nigel Casey, mentioned that the UK would be increasing their efforts to work closer with African governments and private sector. Mining projects are much more than just mining, he said, and they don't work without the associated infrastructure. Without naming names, he mentioned that the UK was conscious that there is plenty of competition out there when it comes to offering comprehensive solutions to African partners. "We felt the need to up our collective game," he said, "and create a new government industry partnership called the Africa Infrastructure Board, which brings together all the players in the UK whether that is government through DFID, or UK

Export Finance, one of our best kept secrets, or the deep pockets of the Commonwealth Development Corporation (CDC), and private sector operators, all operating in one single place to offer an end to end solution.”

Oliver Andrews, Chief Investment Officer at the Africa Finance Corporation (AFC) who was one of the panellists during the roundtable, noted how DFID, the UK’s government development arm, was instrumental in developing the model currently being used in infrastructure project financing. He also reiterated the importance of the City of London, especially as most contracts are generally governed by UK law. The support network in structuring these deals, that is the legal, capital raising and technical side in London plays a vital role.

Craig Sillars from the Department for International Trade showcased a number of projects where opportunities in the mining sector are being structured in a way that truly develops the infrastructure and act as a catalyst to develop other sectors. The UK DIT, for example, is working with a UK investor in Angola on resurrecting an iron ore mine. But as well as the mine they are developing a smelter, which will ensure in-country beneficiation of natural resources, and that will involve the extension of an existing railways, and the expansion of a port. “There will be 600MW of power attached to that,” he went on to add, “and 25,000 of agriculture land provided grow biomass to help provide charcoal for the smelter.” Interestingly, he said that the UK was looking at partnering with China on the Simandou Mine in Guinea once they take over the mine to help them develop a holistic solution to develop the local infrastructure and sharing with them the designs they have put together to ensure a sustainable project that benefits the local community as well as getting the high quality iron ore to market.

“The approach we are taking,” he told the participants, “is to produce masterplans that will benefit the communities not only for the next four to five years but the next 60, which is what we are doing in Angola, and that when the mining project is finished the infrastructure will continue to benefit the whole region.”

Francis Gatara, CEO of the Rwanda Mining Petroleum and Gas Board, had said that most of the Rwandan involvement with the UK had been through government, but that private sector interest was growing.

It was agreed that London would continue to be an important hub for investors in mining and in infrastructure, not only as a financial centre, but also for the legal and technical expertise it offered, and that the resurging interest from the UK to Africa can only be a positive development for both the UK and the African continent.

The roundtable was held on the sidelines of the Mining Indaba, the biggest mining event in the world held in Cape Town every February. (07-02-2019)

## **VISA EXEMPTIONS BETWEEN ANGOLA AND MOZAMBIQUE COME INTO EFFECT ON 15 FEBRUARY**

The exemption agreement on ordinary visas between Angola and Mozambique is to come into effect on 15 February, the spokeswoman for the Mozambican National Migration Service, Cira Fernandes announced on Thursday in Maputo.

Signed in November 2017 during a visit by the Mozambican Interior Minister, Jaime Basílio Monteiro, to Angola, the agreement allows nationals from each country to enter the other without a visa, for periods of less than 30 days, for tourism, holidays, family visits, private business or in transit.

Fernandes said the agreement intends to foster bilateral trade relations and the free movement of people and added that after 30 days the beneficiary can only extend their stay once, exceptionally, and for duly substantiated reasons.

Fernandes noted that this agreement and visa waiver does not extend to citizens wishing to work, study or settle in either of the two countries. (09-02-2018)

## **EUMEDRAIL HOSTS WORKSHOP ON RAILWAY LEGISLATION**



International railway legislation, cross border rail traffic, railway safety and further cooperation were the main topics of a two-day-high-level meeting that took place on 6 and 7th February, in Belgrade, Serbia.

This event, part of the EuroMed Transport Rail Project (EUMedRail), organised by the European Union Agency for Railways in cooperation with OTIF (the Intergovernmental Organisation for International Carriage by Rail), was hosted by the Serbian National Safety Authorities.

The meeting gathered experts from the European Commission and OTIF, participants from the IPA project and representatives from the EUMedRail project, including Algeria, Israel, Jordan, Lebanon, Palestine, Tunisia, and the EU Delegation in the Serbian Parliament in Belgrade.

The deputy Prime Minister and Serbian Minister of Transport and Infrastructure, Ms Zorana Mihajlović, delivered an opening speech on the cooperation between the EU and Serbia, including the IPA project with the EU Agency for Railways, which tackles the convergence and harmonisation of the accession states legislation with the EU.

On the second day, the delegations took part in a debate on the development of OTIF specifications for infrastructure and contributed to identify EUMedRail countries specific needs. The meeting was closed by an overview of the EU state of play on OTIF Dangerous goods regulations implementation and a discussion with the Serbian National Safety Authority. (EUMedRail 09-02-2018)

[European Union Agency for Railways \(EUMedRail\)](#)

## **CANADA'S TANGO MINING SETS UP PARTNERSHIP FOR DIAMOND MINING IN ANGOLA**

Tango Mining Ltd has partnered with CC Mining Ltd (CCML), a wholly-owned subsidiary of CC Energy Ltd of the Consolidated Contractors Company, to carry out a diamond mining project in Angola, the Canadian company said in a statement. released on Wednesday in Vancouver.

Tango Mining Ltd and CCML signed a document pledging US\$1.3 million to develop the Txapemba Project, which covers an area of 84 square kilometres in the municipality of Cambulo, in Angola's Lunda Norte province.

## TURNER & TOWNSEND BUYS KENYAN PROJECT MANAGEMENT FIRM

On 11 September 2017, the Canadian company signed a three-year contract for diamond mining and trading services with Txapemba Canguba RL, an Angolan cooperative for semi-industrial diamond exploration.

Under this contract, Tango Mining Ltd, which is an exclusive operator, will be responsible for the exploration model of alluvial deposits and the acquisition of equipment, receiving 60% of revenues from the sale of diamonds, after deducting operating costs.

Tango Mining Ltd took over this project on 23 October 2017 and since then has already sourced the necessary earthmoving equipment, repaired and maintained the access roads to the concession and dug trenches in two areas in order to find diamond gravel. (09-02-2018)



Hoping to capitalise on rising infrastructure investment in Kenya, UK-based consultant Turner & Townsend will merge its business there with Nairobi-based project management firm Mentor Management Limited (MML).

Turner & Townsend has acquired a majority stake in MML from investor Actis. The transaction is subject to regulatory approval.

The new entity, MML Turner & Townsend, will operate in the real estate, infrastructure and natural resource sectors.

“The merger comes as global investment is fuelling Kenya’s diverse economy,” Turner & Townsend said. “Construction activity, most notably in infrastructure, is being driven by institutional and private investment from overseas.”

Major projects underway in the country include: the Northern Corridor Transport Improvement Project (NCTIP); the Lamu Port and Lamu Southern Sudan-Ethiopian Transport Corridor (LAPSSET); Lokichar to Lamu pipeline corridor; the new Mombasa-Nairobi Expressway and the Mombasa-Nairobi Standard Gauge Railway Project.

MML has been operating from Nairobi since 1987 delivered a number of major projects including: Garden City Nairobi, one of East Africa’s largest shopping malls; an 11,000-sq-m cargo handling facility for Swissport; and a new chancery for the Australian High Commission.

Vincent Clancy, Turner & Townsend Chairman and CEO, commented: “The merger of our Kenya operation with MML, sees MML Turner & Townsend become the largest independent project and programme management company in East Africa. This is the next step in our Africa expansion plan as we continue to grow across the continent.”

Turner & Townsend’s existing team will join MML’s Nairobi operation, as a combined team of more than 40 delivering a range of services including programme, cost and project management.(GCR 06-12-2017)

## MOZAMBICAN ECONOMIC GROWTH SLOWS TO 3.7% IN 2017

Mozambique's economy recorded real growth of 3.7% in 2017, a contraction of 0.1 percentage points compared to the rate seen in 2016, the National Statistics Institute (INE) said on Thursday in Maputo.

INE added that this value was based on GDP estimates, calculated as the sum of the four quarters of 2017.

Economic performance in 2017 was mainly attributed to the primary sector, which grew by 9.0%, with the mining sector posting growth of 32.4%.

The tertiary or services sector ranked second with growth of 3.1%, driven by transport, warehousing and auxiliary transport, and information and communications with combined growth of about 5.2%.

In third place, with a decrease of 3.4%, is the secondary sector, which was influenced by the electricity, gas, and water with a drop of 7.1%. (09-02-2018)

## CONGO : BRAZZAVILLE DEMANTELE SES ENTREPRISES PUBLIQUES D'EAU ET D'ELECTRICITE



Pylônes électriques au Congo-Brazzaville

Lors du conseil des ministres du 2 février, le gouvernement de la République du Congo a validé deux projets de loi portant sur la dissolution des deux entreprises publiques et décidé d'impulser la création de sociétés anonymes dédiées à l'eau et à l'électricité. Une annonce qui intervient alors que le FMI a récemment réclamé des « réformes fortes et immédiates ».

« En dépit des lourds investissements consentis par l'État, en matière d'infrastructures de production, de transport et de distribution de l'électricité, et malgré une assistance technique voulue par les pouvoirs publics, la Société nationale d'électricité (SNE) n'a malheureusement pas pu recouvrer un niveau de rentabilité et de viabilité suffisants. Cet état de fait a entraîné le versement continu de subventions dont le maintien devient difficile en cette période de resserrement des ressources budgétaires. »

Ce constat lapidaire a été fait par Serge Blaise Zoniaba, ministre de l'Énergie et de l'Hydraulique de la République du Congo, lors du conseil des ministres du 2 février à Brazzaville.

### Contre-performances et relations commerciales « exécrables »

La même situation, ou presque, est à déplorer du côté de la Société nationale de distribution d'eau (SNDE), à ceci près que celle-ci « ne peut plus, hélas, comme pour la SNE, compter sur des subventions d'État rendues utopiques en ces temps de raréfaction des ressources budgétaires ».

Le ministre a donc proposé à ses collègues l'adoption de deux projets de loi portant dissolution de chacune des deux sociétés, tandis que le conseil des ministres autorisait le gouvernement à engager le

processus de créations de trois sociétés anonymes [de droit Ohada](#) : l'une, de patrimoine, pour le secteur de l'électricité, la deuxième pour le secteur de l'eau, et la dernière pour le transport de l'électricité.

Ce statut, estime le gouvernement, devrait permettre aux futures sociétés d'avoir « une dimension commerciale plus affirmée », alors que les contre-performances des sociétés actuelles en matière de distribution et de commercialisation « ont eu pour conséquence de détériorer leurs relations avec leurs clients et usagers respectifs, au point de les rendre exécrationnels ».

#### « Aucune conséquence sur le plan social »

« Le statut de société anonyme est mieux adapté à un secteur devenu fortement concurrentiel, favorise un management innovant et permet des possibilités multiples dans la recherche d'une plus grande efficacité », estime en ainsi Serge Blaise Zoniaba, précisant que les futures sociétés agiront par délégation de service public.

Ces mesures n'auront « aucune conséquence sur le plan social, car le patrimoine, le personnel, ainsi que les droits et obligations des structures anciennes seront transférés de plein droit aux futures sociétés de patrimoine », a déclaré le chef de l'État, Denis Sassou N'Guesso, lors de la même réunion, avant d'inviter son gouvernement à « communiquer davantage », tant en direction des citoyens qu'envers les agents.

Les deux projets de loi doivent encore être soumis au vote des parlementaires, » ce qui va permettre un débat démocratique sur une question d'une telle importance », estime [le Premier ministre, Clément Mouamba](#). Un comité technique interministériel devrait prochainement voir le jour afin d'accompagner la réforme.

#### Une dette publique d'au moins 110% du PIB

Cette annonce intervient quelques semaines après les conclusions d'une mission du FMI, délivrée fin décembre à Brazzaville, qui réclamait des « réformes fortes et immédiates en matière de gouvernance » et s'inquiétait notamment de « l'accumulation d'arriérés de l'État met en péril l'activité du secteur privé, contribuant aux pénuries de liquidités bancaires et compromettant la provision des services sociaux ».

Le FMI a réévalué en août 2017 la [dette publique du Congo](#) à 110 % du PIB, soit plus de 9,1 milliards de dollars, contre 77 % précédemment. Une évaluation qui serait sous estimée, selon l'agence Fitch.(JA 09-02-2018)

### MOZAMBICAN GOVERNMENT NEGOTIATES RELAUNCH OF THE MOAMBA-MAJOR DAM WORKS

The Mozambican government is negotiating with three international companies to conclude works on the Moamba-Major dam in Maputo province, the National Director of Water Resources Management (DNGRH), Messias Macie told Mozambican newspaper Notícias.

The construction of this dam on the Incómati River was suspended following the corruption case in Brazil known as "Lava Jacto," which involved several construction companies, such as Andrade Gutierrez, which was as a contractor on this project.

The Brazilian National Bank for Economic and Social Development announced in October 2016 the suspension of the financing of 25 projects executed by Brazilian companies in foreign countries, which included Angola and Mozambique.

Later the Brazilian ambassador to Mozambique, Rodrigo Soares, said his country would honour its promise to finance the construction of the Moamba-Major dam, despite the fact that Brazilian projects in Mozambique and other countries were being re-evaluated.

Macie told Notícias that the government plans to complete the evaluation of the proposals quickly and take the necessary steps so that the works, "which are at a standstill due to lack of participation of the Mozambican government in the cost of the project, amounting to US\$200 million," can be resumed.

The Moamba-Major dam, whose foundation stone was laid in 2014, will have capacity to store 760 million cubic metres of water, control the flow of the Incomati river, increase water supply to the cities of Maputo, Matola and Ressano Garcia and have a power plant to produce 15 megawatts of electricity.

Construction of the dam had an estimated cost of US\$466 million, and Brazil had promised to provide US\$320 million. (08-02-2018)

## **GLOBAL HOTEL CHAINS SET TO OPEN BUSINESS DOORS IN KENYA**

International class hotel chains are expected to enter the Kenyan tourism market, taking advantage of the growth and increasing number of domestic and international tourists visiting Kenyan wildlife parks and the Indian Ocean coast beaches.

Reports from the Kenyan capital Nairobi said a total of 13 hotels are expected to open their doors in Kenya during the next four years.

Kenya's growing economy and demand for bed space are major attractions to global hotel chains looking to enter Kenyan tourism market by 2021 through hotel investments.

International hotel chains expected to enter the Kenyan tourism and business markets with additional units are Radisson and Marriott brands.

Other global chains looking to capture the Kenyan hotel investment opportunities are Sheraton, Ramada, Hilton and Mövenpick. Hilton Garden Inn are in the final stages of completion, and Four Points by Sheraton Nairobi Airport has opened.

Growth in domestic tourism, increasing number of tourists calling in Kenya, strong economic environment and a series of incentives introduced by the government are the major attractions pulling hotel investors to enter the Kenyan safari market.

The incentives which Kenyan government had introduced in tourism industry including elimination of Value Added Tax (VAT) on park fees, removal of visa fees for children as well as the reduction in park fees by Kenya Wildlife Service.

Come October this year, the International hotel investors and accommodation establishments from Africa and outside the continent will gather in Nairobi for the Africa Hotel Investment Forum (AHIF).

The three-day hotel investment conference is expected to bring together global hospitality investors, financiers, management companies and accommodation establishments consultants.

Kenyan tourism Minister Mr. Najib Balala said last month that the AHIF attracts the kind of people with influence and resources to make a destination successful.

"At AHIF, we will be making a compelling case for investment in the hospitality sector across Kenya. Nairobi is already the established business hub of East Africa but there is so much more potential in our country," Mr. Balala was quoted saying.

The main event of the AHIF will feature a number of inspection visits to several development projects around in Kenya, targeting to exhibit the country's wide-ranging tourism potential and highlighting investment opportunities available.

Kenyan government had recently announced plans to introduce incentives, especially in land ownership as to attract international investment in the development of hotels.

Standing the leading safari destination in East Africa, Kenya is expected to accelerate tourism growth in the region after launching the Kenya Airways direct, daily flights to the United States in October this year.(ETN 04-02-2018)

### **MUSTANG RESOURCES COMPLETES STUDY ON GRAPHITE MINE IN MOZAMBIQUE IN JUNE**

Mustang Resources has completed its 11-hole drilling programme at the Caula graphite project in Mozambique, and the preliminary study is expected to be completed by June, the Australian mining company said in a recent market filing.

“Once the preliminary study is completed, the definitive economic feasibility study will begin, and the drill holes made will make it possible to reveal the occurrence of graphite deposits estimated at 702,600 tons,” the statement said.

The filing said that the samples collected during the drilling “are being sent for assays and metallurgical tests.”

Mustang Resources has a ruby mining concession in the same region where it now intends to extract graphite, which is located next to a mine operated by Syrah Resources, another company from Australia that has started bagging and exporting graphite.

The occurrence of high-quality graphite deposits has led German company Graphit Kropfmuhl GmbH, an operating division of Advanced Metallurgical Group NV of the Netherlands under the name AMG Graphite, to relaunch graphite extraction at the Ancuabe mine in northern Mozambique in May 2017.

The assets of AMG Graphite in Mozambique include a mining concession that includes the graphite processing plant in that district and a prospecting license in Nipacué, where there is a graphite deposit with reserves estimated at 900,000 tonnes. (08-02-2018)

### **EXPLORATION PETROLIERE AU MAROC : LES PARTENAIRES DE L'ONHYM ONT INVESTI 109 MILLIONS D'EUROS EN 2017**



Au cours de l'année 2017, les entreprises partenaires de l'Office national des hydrocarbures et des mines (Onhym) ont dépensé 1,24 milliard de dirhams (109 millions d'euros) pour rechercher des

hydrocarbures dans le sous-sol marocain. Des investissements qui, pour l'instant, tardent à porter leurs fruits.

La quête de l'or noir dans le sous-sol marocain se poursuit, [même si les résultats ne sont pas encore totalement satisfaisant](#). Les entreprises partenaires de l'Onhym ont ainsi investi 1,24 milliard de dirhams (109 millions d'euros) dans l'exploration pétrolière en 2017, a révélé Amina Benkhadra, sa directrice générale.

Le conseil d'administration de l'institution publique s'est tenu le 2 février à Rabat, sous la présidence du chef du gouvernement [Saadeddine El Othmani](#). Ces dépenses devraient s'accroître à 1,46 milliard de dirhams en 2018, soit une progression de 18 %.

### **25 milliards de dirhams depuis 2000**

Avec 22 permis onshore, 77 [offshore](#), 3 autorisations de reconnaissance – dont 1 en offshore – et 9 concessions d'exploitation, c'est plus de 170 000 km<sup>2</sup> du territoire marocain qui sont couvert par la recherche d'hydrocarbures.

En partenariat avec l'Onhym, 21 entreprises ont réalisé des forages à la fin 2017. La dynamique dans le domaine de l'exploration pétrolière est donc assez soutenue au Maroc, avec presque 25 milliards de dirhams (2,2 milliards d'euros) d'investissement au cours des 17 dernières années.(JA 07-02-2018)

## **ANGOLAN GOVERNMENT APPROVES PROPOSED LAW FOR REPATRIATION OF CAPITAL**

The Angolan government has approved a draft law that gives overseas investors 180 days to repatriate their capital without any criminal or legal consequences, said the governor of the National Bank of Angola at the end of a Council of Ministers meeting on Wednesday in Luanda.

José de Lima Massano said that the draft law establishes incentives for these resources to be freely returned to Angola, as well as the instruments that, in the case of illegal funds retained abroad, can also be repatriated "without the authorities taking any criminal, judicial or other action."

"Once the period of 180 days has elapsed, the authorities will, in the case of illicit resources, use all means available to them, in accordance with the law, to ensure their repatriation in order to be integrated into the economy and support the development effort," he said.

The governor of the Angolan central bank also stressed that "the process is voluntary" and added that those who have resources abroad and want to repatriate can also do so freely.

Last January the authorities announced that Angolan citizens with undeclared foreign deposits of more than US\$100,000 would be given a period of six months to repatriate without being subjected to any criminal, tax or foreign exchange investigation, in accordance with the draft law of the Extraordinary Regime of Tax and Exchange Regularisation. (08-02-2018)

## **KENYA EYES U.S.\$9.6 BILLION PENSION TO FUND KENYATTA'S BIG FOUR AGENDA**

Kenya is considering tapping into government's \$9.6 billion pension schemes funds to finance infrastructure projects as it seeks to stop dependence on foreign debt.

The funds will go towards fulfilling President Uhuru Kenyatta's pledges under the Big Four Agenda: Manufacturing sector, food security, universal health coverage and affordable housing.

The government has identified several infrastructure projects that will act as catalysts but is facing a challenge as to where to source financing at a time when Kenya's foreign debt is suspected to be at an unsustainable level.

### **Revising asset classes**

The EastAfrican has learnt that the government intends to overcome this challenge by revising the asset classes that pension schemes are allowed to invest in to include a public private partnership (PPP) class that will enable them to invest in infrastructure projects.

The Retirement Benefits Authority (RBA) has come up with guidelines for the PPP asset class which have been forwarded to the National Treasury.

"We are hoping to bring an asset class for PPPs so that pension schemes can support the government in infrastructure and housing financing," said Nzomo Mutuku, RBA acting chief executive.

He added that through the new category, which could be operationalised as soon as June when the government unveils its 2018/19 financial statement, pension schemes will fund the construction of some of the 500,000 housing units promised under the Big Four Agenda.

Mr. Mutuku, however, would not divulge what percentage of pensions scheme assets will be up for investment in infrastructure projects.

### **Investment laws**

Recently, the World Bank advised EAC governments to reform investment laws to enable them tap into the vast local resources at their disposal.

It is estimated that East Africa requires \$100 billion over the next four years to invest in infrastructure, mainly in the energy and transport sectors. The region, however, continues to depend on foreign financing and commercial domestic borrowing, which is exerting pressure on public debt.

Although the pensions industry across the EAC boasts of assets under management to the tune of \$16 billion, only Tanzania has experimented with allowing the schemes to invest in infrastructure projects.

Tanzania's National Social Security Fund invested \$135 million in the construction of the 680-metre Nyerere Bridge in Dar es Salaam.

Kenya will be hoping that the PPP asset class will incentivise pension schemes to pump resources into projects which government intends to undertake over the next two years.

While the addition of the PPP asset class is seen as a significant step to broadening pension schemes' options for investment, the main test will be on the schemes' willingness to explore this new carrot given that they are highly conservative and mostly prefer investing in property, shares and government securities.

### **Limits**

The RBA has rigidly ensured that schemes invest only in asset classes spelt out in the gazetted regulations that restrict investment limits per category, limiting the risk to which the scheme funds were exposed to.

"Pension schemes by their very nature are conservative with a low-risk appetite because their purpose is to pay benefits to members," said Mutuku.

Indeed it is possible that the new asset class could fail to resonate with pension schemes, particularly following the lukewarm reception towards the introduction of investment options such as derivatives, real estate investment trusts, private bonds and Commercial Paper issued by privately-held firms.

"Pension schemes should rethink their asset allocation based on value, return on investment and avoid having challenges of liquidity," said Geoffrey Odundo, the Nairobi Securities Exchange chief executive.

Industry experts reckon that diversifying investment classes for pension schemes will drive growth of the industry by netting more contributors and thus grow the funds under their management. (East African)

### **CONSTRUCTION OF HILTON PRAIA IS EXPECTED TO BEGIN IN CABO VERDE IN 2018**

The construction of the Hilton Praia hotel may begin in 2018, three years after the first stone of the first five-star hotel in the capital was laid, following an agreement signed on Wednesday between the Cape Verdean government and TRG Praia, of The Resort Group PLC, which is promoting the project.

The Resort Group's consultant, Victor Fidalgo, said that it was a "long and complex" process that began in 2013, with the acquisition of the site and licensing of the work by the Praia Municipal Council. The document that sets out the obligations and incentives negotiated between the Cape Verdean State and the company, he said.

Fidalgo said that there are procedures that must comply with the standards of the Hilton Worldwide chain, but added that the process will be concluded this year "so that Hilton can authorise the beginning of the work," according to the Inforpress news agency.

The Minister of Tourism and Transport and Minister of the Maritime Economy, José Gonçalves, said that signing the document allows Praia to become a "tourism, conference and business point" because, despite being the capital of the country, there is a lack of accommodation.

Hilton Praia is expected to create around 150 direct jobs and will have 201 rooms, as well as restaurants, bars, leisure and entertainment areas, common and private pools, a SPA, health club, convention centre and meeting rooms. (08-02-2018)

### **GRAND FORMAT BENIN : L'AEROPORT GLO-DJIGBE ATTENDU POUR LA FIN 2020**



L'aéroport de Glo-Djigbé, au nord de Cotonou, doit être opérationnel avant la fin 2020

Les travaux préliminaires du nouvel aéroport international de Glo-Djigbé sont presque achevés. En projet depuis les années 1970, il doit remplacer l'aéroport Cardinal-Bernardin-Ganti

C'est l'un des huit projets d'infrastructures que l'exécutif béninois veut boucler dans le cadre du [Programme d'action du gouvernement](#) (PAG) 2016-2021 et certainement le plus stratégique dans le domaine des transports.

Cité comme « chantier phare » par les précédents exécutifs – depuis 1974 ! –, il n'a jamais été aussi près de voir le jour. D'ici à trois ans, le nouvel aéroport international de Glo-Djigbé, à une vingtaine de kilomètres de Cotonou, devrait donc remplacer l'aéroport Cardinal-Bernardin-Gantin de Cadjéhoun, situé dans le centre de la capitale économique.

Dès son premier voyage en Chine, en septembre 2016, le président Talon a pu faire avancer le financement du projet, estimé à 360 milliards de F CFA (près de 550 millions d'euros), dont [145 milliards de financement public](#) et 215 milliards provenant du secteur privé.

Le chantier est confié au holding public Aviation Industry Corporation of China (AVIC), assisté techniquement par Aéroports de Paris ingénierie (ADPI), depuis la revue des dossiers de conception et études de faisabilité jusqu'à la mise en service de l'aéroport, en passant par sa réalisation.

### **Une livraison prévue fin 2020**

Lancés le 10 mars 2017, les travaux préliminaires sont presque tous bouclés. Les enquêtes foncières et administratives terminées, leurs résultats ont été validés à la mi-septembre. Parallèlement, des assises ont été organisées pour recueillir les accords des personnes sinistrées et aborder le calcul des montants de dédommagement, commencer à les payer et libérer progressivement le périmètre (3 028 ha, dont 1 600 pour l'aéroport).

Le chantier de l'aéroport proprement dit, dont la livraison est prévue à la fin de 2020, comprend la réalisation d'une piste (de 4 250 m de long et 60 m de large), d'un terminal voyageurs d'une capacité de 1,6 million de passagers par an (900 en heure de pointe), d'une aérogare fret pouvant traiter 12 000 tonnes par an, de voies de sortie rapides et de bretelles de raccordement.

Depuis le 28 août 2017, l'[Agence pour la sécurité de la navigation aérienne en Afrique et à Madagascar](#) (Asecna), qui assurait l'exploitation et la gestion de l'aéroport de Cadjéhoun, s'est officiellement retirée, conformément à la décision prise par le gouvernement six mois auparavant d'en confier la gestion à un concessionnaire privé (qui pourrait être ADP Management, *lire p. 123*), comme ce sera le cas, aussi, pour le futur complexe de Glo-Djigbé. (JA 07-02-2018)

### **WORLD BANK SUPPORTS LOCAL DEVELOPMENT IN ANGOLA**

The World Bank will pay out US\$70 million to finance Angola's Local Development Project (PDL), under an agreement signed on Tuesday in Luanda by Finance Minister Archer Manguera and the interim World Bank representative, Oliver Godron.

The PDL, to be implemented by the Social Support Fund (FAS) together with the Ministry of Land Administration and State Reform, will boost three components of basic social infrastructure financing over three years. This will include building hospitals and medical centres and residences for both nurses and teachers.

The director general of the Social Support Fund, Santinho Filipe Figueira, said the financing will also benefit local economic development projects, such as investments by some private initiatives in the agriculture and trade sectors.

Angolan news agency Angop reported that the second phase of the PDL will also fund community and health development agents as part of a pilot scheme to be implemented in the provinces of Uíge, Bengo, Luanda, Moxico, Malanje, and Lunda-Sul.

The previous phase of this project, which lasted five years, received World Bank funding of US\$87 million. (07-12-2018)

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The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, Corporate Council on Africa, CIP-Confederation of Portuguese Enterprises,

Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABC- Netherlands-African 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), CIP,HTTC,NABC (by posting selected news) and SwissCham-Africa to their Members.



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