MEMORANDUM

N° 11/2016 | 18/01/2016

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SUMMARY

SOUTH AFRICA HAS TWO MONTHS TO IMPLEMENT LATEST AGOA DEAL

SA has two months to show it is implementing last week's 11th hour agreement to open its market to US poultry and other meats or it will again face loss of trade preferences under the African Growth and Opportunity Act (Agoa).

The Department of Trade and Industry on Tuesday expressed confidence that it will meet the requirements to retain its Agoa benefits.

US President Barack Obama on Monday night said he had "decided to suspend the application of duty-free treatment for all Agoa-eligible goods in the agricultural sector from South Africa … effective March 15".

Mr. Obama had been set to pull the trigger on South Africa's Agoa benefits last Tuesday, but has now given South Africa a further grace period.

If US poultry is allowed into South Africa on or before March 15, the president will be in a position to revoke yesterday's proclamation before it takes effect, US officials said.

They emphasised this did not represent any shifting of goalposts following the agreement announced on January 6 by Trade and Industry Minister Rob Davies and US Trade Representative Michael Froman.

"With the substantive points resolved, we are able to move to the final benchmark, testing the new system to make certain American poultry can be made available on store shelves in SA," US trade office spokesman Trevor Kincaid said.

"We have extended the effective date of any Agoa action to allow sufficient time for our products to enter South Africa, and are making sure with stakeholders in both countries this happens quickly so South Africa's Agoa benefits can continue uninterrupted."

The Department of Trade and Industry said on Tuesday it was working closely with the Department of Agriculture, Forestry and Fisheries, the US embassy in Pretoria, local importers and US exporters, to facilitate the first shipments of US poultry under the agreement.

"We are thus confident that the first shipment will arrive in the next few weeks and the US president will consequently revoke the above proclamation," the department's statement said.

US embassy spokeswoman Cindy Harvey said the embassy hoped and expected "the resumption of trade in the three meats to take place smoothly and expeditiously".

The system agreed by the two sides includes a procedure for rebating antidumping duties on an annual quota of 65,000 tonnes of frozen chicken portions from the US plus mutually acceptable protocols to ensure the safety of South African consumers and livestock.

At the behest of Congress and meat industry lobbyists, Mr. Obama in November gave South Africa until January 4 to remove remaining barriers to US chicken, beef and pork, barriers the US judged to be unwarranted and not in line with World Trade Organisation rules.

The physical availability of US poultry in South African shops by the end of 2015 — after an absence of 15 years — was agreed as the key benchmark South Africa had to meet to avoid Washington reimposing normal duties on South African citrus, wine, macadamia nuts and other agricultural goods.

The deadline passed as the two sides deadlocked over salmonella inspections and country of origin requirements for US beef.

Those and other remaining differences were bridged in urgent "extra time" talks last week.

Asked how long it would take for shipments of US chicken to start reaching South Africa, Mike Brown, president of the US National Chicken Council, said it was "just a matter of the South African government issuing import certificates for South African importers and the US government's food safety and inspection service issuing paperwork to US exporters. I would hazard a guess that we could be in country within … 30 or so days by boat."

US officials were not immediately able to say what would happen if the precipitate fall of the rand against the dollar priced US chicken out of the South African market.

It was also unclear whether ongoing uncertainty about the duty-free status of South African products would affect orders from US importers, especially of South African citrus, which faces stiff duty-free competition from South America.

Agoa is not a trade agreement but a unilateral grant of preferential access to the US market subject to conditions set by Congress and administered by the US Trade Representative's office.(BD 12-01-2016)

SWAZILAND: MORE JOBS LOST THAN CREATED

Swaziland continues to lose more jobs than it creates and also to lose more investments than it could attract, making it impossible to decrease unemployment rate to 15 percent by 2022, APA reports on Thursday.

The Swaziland Investment Promotion Authority (SIPA) says the country created over 1 500 jobs in 2015 but lost 2 000 jobs, especially in the textile industry, as a direct impact of the loss of the African Growth Opportunity Act (AGOA).

SIPA Chief Executive Officer Phumelele Dlamini says in 2015 global foreign direct investments (FDIs) trends declined with Africa recording the lowest levels of investment inflows.

She said in a move to attract more investors, SIPA officials undertook investment missions in different countries including European Union (EU) Outward Investment Mission held in Brussels, Netherlands, Investment Mission held in Israel, Commonwealth Business Forum held in Malta and targeted missions in South Africa. (APA 07-01-2016)

NACALA, MOZAMBIQUE, RECEIVES SHIPS FROM FRENCH GROUP CMA CGM

The port of Nacala in northern Mozambique, will be a port of call every two weeks for ships of French group CMA CGM, according to information released Monday by the group.

Nacala will start receiving vessels operating the so-called Swahili Express Service, a group of six vessels capable of carrying up to 2800 TEU that link the Indian subcontinent and the region of the Persian Gulf and Gulf of Oman and the eastern Africa region.

The ships follow a route that takes them to dock successively in the ports of Nhava Sheva, Khor Fakkan, Jebel Ali, Longoni, Dar Es Salaam, Zanzibar, Nacala and Port Victoria and then back to Nhava Sheva.

The first ship to stop off in Nacala will be the Kumasi, which should reach that deep-water port in northern Mozambique on 20 January.

The CMA GGM group is a shipping and container transport company with a fleet of 170 ships calling at 400 ports in 150 countries. (12-01-2016)

ANGLO AMERICAN SELLS ALL ITS TARMAC BUSINESS UNITS

Anglo American has entirely completed it exit from its Tarmac business with the sale of its Tarmac assets in the Middle East to Colas Moyen Orient, a subsidiary of French engineering and construction company Bouygues Group.

Anglo has embarked on a sale of assets to reduce debt and to focus on between 20 and 25 core mines in diamonds, industrial minerals including platinum, and bulk commodities such as iron ore and coal. At the end of last year, Anglo had 55 mines.

Anglo is cutting its workforce to fewer than 50,000 people from 135,000 last year, with most of that reduction coming from the sale of assets.

The exit from Tarmac has been a lengthy process and gained traction with the sale of its 50% interest in Lafarge Tarmac last year.

The joint venture operations in the Middle East that fell within the Tarmac division were in the United Arab Emirates, Oman and Qatar.

Anglo said the terms of the transaction were confidential. It said there was an additional nonoperating joint venture entity in Oman that would be sold to Colas once outstanding conditions had been met.
Anglo’s shares were trading nearly 3% lower at R57.06 by midday, off a morning low of R54.82. (BD 12-01-2016)

S/AFRICA, US CHICKEN WAR ENDS, AGOA DEAL SEALED

Months-long talks between South Africa and the United States over health issues related to chicken imports have ended with the African country to remain as a part of the Africa Growth and Opportunity Act (AGOA).

Trade and Industry Minister Rob Davies said Thursday the negotiations over the US chickens-infected salmonella issue was successfully concluded, meaning that the South African market was now open to 65,000 tonnes of US poultry imports a move the local chicken farmers fear will put them out of business due to the lower prices of the American chicken meat.

The conclusion of the accord came after South Africa missed an important deadline that US President Barack Obama set to conclude the talks by 31 December 2015.

There were fears that Obama would suspend South Africa from the crucial trade agreement on 4 January.

"We are calling on the US to do the right thing and retain our involvement in AGOA without any interruptions," Davies said in Pretoria on Thursday.

Referring to time differences between South Africa and the US, he said his country was waiting for a formal sign-off from Washington on the deal.

We are expecting that South Africa will now be able to participate in AGOA without any interruptions in trade flows, he added.(APA 07-01-2016)

BANK OF MOZAMBIQUE CALLS FOR INCREASED PRODUCTION TO STABILISE CURRENCY

The Governor of the Bank of Mozambique has called for increased production and consequent reduction of imports as key measures to stabilise the country’s currency against other currencies, particularly the dollar and the euro.

Ernesto Gove, cited by Rádio Moçambique, noted the importance of improving the business climate to drive investment, production, productivity and employment.
The governor also spoke of the importance of channeling savings into banks as a way of strengthening the Mozambican economy, given that the vast majority of the population does not have a bank account.
Official data released in December 2015 showed that the Mozambican currency had devalued by 43 percent against the dollar between January and October 2015.
Another consequence of the devaluation of the currency is the rise in prices of imported products, and the National Institute of Statistics reported Friday that inflation in 2015 stood at 10.55 percent, the highest rise in prices registered in the last five years.

In December annual inflation (December 2015 against December 2014) reached 4.76 percent, which compares with 1.93 percent a year earlier and representing a real increase of 2.83 percentage points or percentage increase of 146 percent. (12-01-2016)

PALESTINE, PARTNER IN THE DEVELOPMENT OF A COMMON KNOWLEDGE AND INNOVATION SPACE

Carlos Moedas, European Commissioner for Research, Science and Innovation, visited Palestine today, Monday January 12 and met, among others, Dr Sabri Saidam Palestinian Minister of Education and Higher Education as well as head of Palestinian universities and research institutions.

As part of the EU Neighborhood Policy (ENP), Palestine is participating in the development of a common knowledge and innovation space between the EU and its neighbors. (EC 12-01-2016)

OLD MUTUAL, PARTNERS TO INVEST $6.4M IN SWAZI DAIRY PROJECT

Financial services group Old Mutual and its partners are on course to investing about US$6.4 million towards manufacture of dairy products through a project expected to grab a 30 percent share of products consumed in Swaziland per annum, APA reports on Thursday.

The project, where Old Mutual has partnered with the Swaziland National Provident Fund (SNPF) and Public Service Pensions Fund (PSPF), is expected to create 80 direct jobs and several more through the value chain.

Old Mutual chief executive Muzi Bell said their main focus for 2016 would be to finalise the hydro power station and start injecting capital and also commence the dairy project between February and March when they will receive 600 milking cows.

At full scale, 2 500 cattle will be kept at the farm phased in over a three-year period, we intend setting up another dairy processing plant to make sure we don't rely on one processing plant. We also have to protect and improve local dairy farmers, Bell said.

In terms of jobs, Bell said they would employ specialised personnel who are experts in agriculture. He said they were also planning to establish an exchange programme with University of Swaziland's Luyengo Campus, to train their students on dairy farming.(BD 07-01-2016)

MOZAMBIQUE EXPECTS GROWTH IN AGRICULTURAL PRODUCTION IN 2016/17

The output of the agricultural sector in Mozambique this year is expected to register growth of 6.5 percent, a slight increase of 60 basis points from the rate of 5.9 percent expected for 2015, Mozambican daily newspaper Notícias reported.
Citing official forecasts, the newspaper also reported that the 2016/2017 campaign would see and expected increase of 13.4 percent in the grain harvest, which is expected to reach 2.8 million tons, including 2.1 million tons of maize and 450,000 tons of rice.

Legumes, with a forecast of 730,000 tons, are expected to increase by 11.5 percent, while the roots and tubers will see an increase of 12.4 percent, reaching 11 million tons.

Vegetable production is expected to rise by 9.1 percent, with estimated production of 1.8 million tons.

These production levels will be achieved by increasing the area under cultivation, agricultural mechanisation, use of animal traction, improved seeds and use of fertilisers and pesticides in combination with new technologies that will contribute to increased yields and agricultural production. (12-01-2016)

ANGOLA WANTS SELF-SUFFICIENT WATER AND ELECTRICITY COMPANIES

Water and electricity supply and production companies should be self-sustaining, and no longer require public funding, said Angola's Minister for Energy and Water, João Baptista Borges.

Cited by local media the minister said that these companies had to ensure sufficient revenues to remain in operation, ensure the implementation of their investment plans, "without having to resort to funding from the state budget."

The minister's statement comes at a time when new tariffs for both sectors have been in place since 1 January, with price increases of up to 100 percent and changes to consumption bands, particularly for domestic customers.

The various increases in water and electricity tariffs, according to information from the Angolan Electricity Sector Regulation Institute, are the result of a process of transformation of the sector that began in 2015 and ended with the recent approval of the General Electricity Law, which safeguards "customers with lower incomes." (12-01-2016)

GABON PRESIDENTIAL HOPEFUL SEEKS TO END BONGO RULE

Former African Union chairman Jean Ping, a leading critic of Gabon's President Ali Bongo, says he will run for president this year, hoping to break the ruling party's near 50-year grip on power.

Mr. Ping also told Reuters in an interview he wants to make the presidency more accountable, institute term limits, and invest in health, education and infrastructure.

Mr. Bongo, the son of long-ruling former president Omar Bongo who won a disputed election in 2009 after his father's death, is currently favoured to win the August election and secure a second mandate to rule the Central African oil producer.

But analysts say Mr. Ping, a leading critic of the Ali Bongo, might be able to capitalise on falling oil prices and broader frustration over wealth inequality, despite the ruling PDG party's traditional advantages such as a strong patronage network.

"I am committed to defending the rights of the Gabonese and I will go all the way to victory," Mr Ping told Reuters after a meeting with supporters this weekend, announcing plans The 73-year-old one-time ally of Omar Bongo has been at loggerheads with Ali Bongo since youths attacked his house with rocks a year ago.

Mr Ping accuses a Bongo presidential aide of organising the attack, although the government has vigorously denied this and a court has since ordered Mr. Ping to pay 650 million CFA francs ($1.07m) in damages.

If elected, Mr Ping says he would reinstate a 1991 constitution shortening the presidential mandate from seven to five years, bring in term limits and implement a two-round election system.

"It is broadly accepted today that you can't have more than two mandates," said Mr. Ping. "The [resident should not be a demigod." Gabon's current one-round system, an exception in the Francophone countries, is seen as favouring the ruling party since it requires strong unity among the opposition from the start rather than after a first-round when the numbers running have been cut to two.

Members of the United Front of the Gabonese Opposition, an alliance of Mr. Bongo opponents, could in theory still reject Ping's candidacy and some have grumbled over what some see as efforts to muscle his way to the top.

But Roddy Barclay, head of intelligence and analysis at London-based consultancy africapractice said that was unlikely.

"He is the obvious figure with the right profile, networks and support to contest the elections effectively," he said.

The small former French colony is one of Africa's richest countries, producing around 230,000 barrels per day of oil and classified as an upper middle-income nation by the World Bank.

However, most of the wealth is concentrated among elites.

Sharp falls in oil prices have prompted the cabinet to trim budgets and Mr. Bongo's government faced violent protests a year ago over a range of grievances and trade union disputes. (Reuters 12-01-2016)

BOTSWANA TELECOMMUNICATIONS CORPORATION SHARES GO ON SALE

The initial public offer (IPO) for state-run fixed telephone provider Botswana Telecommunications Corporation Limited (BTCL) shares will open on January 11, the company said Thursday.

BTCL managing director Paul Taylor said "all Batswana are being engaged to encourage them to participate in this historic opportunity."

In a statement, Taylor said to assist in educating those who may never have bought shares, a Nationwide Public Education Roadshow would kick off on January 18 and run until February 27, covering various locations across the country.

"With something of this magnitude, there is a need for awareness and understanding to be created. The public education roadshow serves as one of many platforms that seek to deliver this," said Taylor.

He called on all Batswana "to come out and be a part of the biggest investment opportunity to date in our nation's history."

He said the IPO was underpinned by the government's desire to empower Botswana citizens and citizen-owned entities to own national assets, with 49 percent of shares for sale available through the IPO.

At least 44 percent of shares would be available for sale, with five percent reserved for citizen employees in the form of an employee trust. (APA 07-01-2016)

BELGIUM, BURKINA RESUME COOPERATION

Belgium has resumed cooperation with Burkina Faso after a break of a few years, the Government Information Service announced.

The new collaboration will focus on access to drinking water, demographic change, reproductive health and violence against women, food security and agriculture.

It will also spread to the sphere of trade that will see Belgian companies making stable and locally rooted investments.

Trade exploratory missions between the two countries xill take place through the course of 2016. (APA

08-01-2016)

SOUTH AFRICA: SKYWISE GOES TO COMPETITION COMMISSION OVER TREATMENT BY ACSA

Low-cost airline Skywise said on Tuesday it had lodged a complaint with the Competition Commission regarding the way it says it was treated by the Airports Company SA (Acsa).

Skywise alleges that Acsa's grounding of Skywise flights was "an abuse of dominance and a prohibited practice".

According to Skywise co-chair Tabassum Qadir, it is prohibited for a dominant firm to refuse to give access to an essential facility when it is economically feasible to do so.

"We appeal to the Competition Tribunal to investigate and order the end to this prohibited practice," Mr Qadir said in a statement.

"How was it economically feasible for Acsa to suspend Skywise Airlines in December for an arrear instalment of R1.6m, while it had a deposit of R1.9m and Skywise was on a fly-as-you-pay arrangement?" asked Skywise co-chair Javed Malik.

He said Skywise had lost projected revenue of more than R50m in December. "It was a deliberate attempt and very soon we will reveal this," said Mr Malik.

In December Skywise also started legal proceedings against Acsa in the High Court in Johannesburg.

In terms of the summons served on Acsa, the low-cost airline is claiming damages as a result of a breach of contract by Acsa.

Acsa informed Skywise earlier in December that it was not in a position to accede to the low-cost airline's suggested payment terms for outstanding debt as well as future charges.

Acsa suspended Skywise's flights on December 2 due to unpaid airport charges for landing, take-off, parking of aircraft and related service charges. At that time Skywise had already appealed to President Jacob Zuma, Deputy President Cyril Ramaphosa, Transport Minister Dipuo Peters, Acsa and South African Airways for assistance. It also sought investors.

Skywise brand ambassador Ndileka Mandela, a granddaughter of Nelson Mandela, also expressed the wish that the authorities would resolve the issue of the grounding of Skywise flights.

Acsa maintains that its decisions regarding Skywise were taken in its own best commercial interests, and to ensure the sustainability of the aviation industry. (Fin24 12-01-2016*)*

ENI GROUP STARTS OPERATING NEW OIL WELL IN ANGOLA

Italian group ENI has started oil extraction n the Mpungi field in deepwater block 15/06 in Angola, 350 kilometres northwest of Luanda and 130 kilometres west of Soyo, according to a statement issued Monday.

The beginning of oil extraction in the "West Hub" project will allow the group to increase production to about 100,000 barrels of oil equivalent (BOE) per day in the first quarter of 2016.

The development project includes the Sango, Cinguvu, Mpungi, Mpungi North, Ochigufu and Vandumbu fields at a depth of between 1,000 and 1,500 metres, which are organised in clusters and connected to the N'Goma floating storage production and offloading ship (FPSO).

The Italian group also said it would continue to carry out exploration activities in block 15/06, and any new discoveries would be linked to existing production facility.

The group is the block's operator with a 36.84 percent stake, and the remaining partners are Sonangol Pesquisa e Produção (36.84 percent) and SSI Fifteen Limited (26.32 percent). (12-01-2016)

I/COAST'S OUATTARA ELECTED PRESIDENT OF UEMOA CONFERENCE OF HEADS OF STATE

Ivorian President, Alassane Ouattara on Friday was elected, President of the Conference of Heads of State of the West African Economic and Monetary Union (UEMOA) at the end of the 19th Summit of Heads of State and Governments held in Benin.

Ouattara succeeds his Beninese counterpart Thomas Yayi Boni. The term of office of the chairperson of the Sheikh Hadjibou Soumare Commission was also extended until the next summit.

UEMOA is an organization bringing together eight West African countries, namely Benin, Burkina Faso, Cote d'Ivoire, Guinea Bissau, Mali, Niger, Togo and Senegal.

It was established to promote economic integration among countries of the West African region.(APA 08-01-2016)

LIBERIA CONSTRUCTS 60KW HYDRO POWER PLANT

The Rural and Renewable Energy Agency (RREA) has completed the construction of a 60 Kilowatt micro-hydro power plant, including transmission and distribution systems in Yandohun Town, Kolahun District, Lofa County, northern Liberia.
This was disclosed by the Ministry of Lands, Mines, and Energy (LME) in its 2014 Annual Report released recently.

According to the report, the plant which was dedicated by President Ellen Johnson Sirleaf on February 14, 2014, is providing electricity for the town and two neighboring villages with about 170 customers including households, small businesses, and social institutions.

The report noted that as part of efforts to ensure sustainable management, operation and maintenance of the Yandohun micro-hydropower system, the RREA, in collaboration with the leadership of Yandohun town, established a legal cooperative for ownership, operation, management, and maintenance of the system.

The team has also conducted training including hydropower basics, transmission lines maintenance, power distribution, household wiring, financial management (Book keeping) filing, and record keeping, among others, the report indicated.

The report stated that these trainings have been provided for members of the cooperative and the management team. (APA 08-01-2016)

GHANA: AGRIC DEVELOPMENT BANK WORKERS REJOICE OVER MD'S RESIGNATION

Workers of the Ghana's Agricultural Development Bank (ADB) on Friday expressed delight over the reported resignation of its Managing Director Stephen Kpordzih, local radio station Joy FM claimed.

According to the station, Mr. Kpordzih put in his resignation to the board on January 4, 2016 and that his action has been influenced by some concerns over how his contract renewal has been handled by the board.

The station further reported that the embattled managing director wrote a letter to the board to notify them about his decision not to seek any further extension of his contract.

Last year, the ADB Workers Union embarked on sit down demonstration to demand for the removal of Mr. Kpordzih for running down the bank.

Agitations among the workers led to the dismissal of about 14 senior officers on grounds of joining the protest against him.

Meanwhile, reports say the workers of the bank across the country were delighted immediately the news broke on air thanking their God for doing mysterious work in their lives.

The Agricultural Development Bank late last year denied media reports that Stephen Kpordzih was stepping down by January 2016.

The denial follows reports that Kpordzihés contract has not been renewed by the Board.

However in a statement, the bank said We wish to state emphatically that there has not been any communication from the board to the Managing Director about the non-renewal of his contract.

According to the statement, its last Board meeting was on the 23rd December 2015 and the future status of the Managing Director, Mr. Stephen Kpordzih was not part of the agenda and was never discussed since his contract had not expired. (APA 08-01-2016)

The Memorandum is supported by the Chamber of Commerce Tenerife, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, NABA - Norwegian-African Business Association and other organisations.
The Memorandum is also made available by the Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Corporate Council on Africa (USA), ELO and NABA, to their Members.

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