MEMORANDUM

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SUMMARY

NIGERIAN IS APPOINTED OPEC SECRETARY-GENERAL

The Opec oil cartel said on Thursday that it had appointed Nigeria's Mohammed Barkindo as its new secretary-general.

Barkindo, former head of Nigerian National Petroleum, will replace Libyan Abdalla El-Badri who has held the position since 2007.

El-Badri was due to step down in 2012, but has stayed in place because Opec has been unable to agree on a successor. Other candidates were Ali Rodriguez Araque, previously secretary-general in 2001-2002, and Mahendra Siregar of Indonesia.

"We've finally selected the secretary-general, which is good. He's highly respected and qualified," said Saudi Arabian Energy Minister Khaled al-Falih.

Mohammed Barkindo, who was acting head of Opec in 2006, met ministers from Algeria, the United Arab Emirates (UAE), Kuwait, Venezuela, and Saudi Arabia in Vienna this week to garner support for his candidacy, according to a person familiar with the matter, who asked not to be identified because the talks were private.

Indonesia's Siregar — a former deputy finance minister described by UAE Oil MinisterSuhail Al Mazrouei as the only other credible candidate for the post — did not make a public appearance in Vienna on Wednesday.

Angola, the only other member of Opec in sub-Saharan African, supported Barkindo, Minister of Petroleum José Maria Botelho de Vasconcelos told reporters on Wednesday.

The Nigerian candidate also met with Iraq and Iran prior to Thursday's Opec meeting, according to a person familiar with the matter.

El-Badri was originally due to step down in 2012, after serving the maximum two terms permitted by Opec's regulations.

Squabbling members were not able to agree on a replacement, as political rivals Saudi Arabia, Iran and Iraq blocked each other's applicants, and El-Badri's tenure was extended at successive meetings.

At Opec's last meeting in December, the feud over the group's role in managing oil markets spilled over into the selection of its most senior official.

Venezuela, Algeria, Iran and Ecuador — frustrated at their inability to press Saudi Arabia into cutting production — insisted that El-Badri's term should not be extended another year. A compromise was reached, with the extension limited to July, and his title modified to acting secretary-general.

If no unanimous decision is reached to choose a new secretary-general, the position "shall be appointed on a rotational basis for a term of two years", according to article 28 of Opec's statute.

This is what happened for much of the decade before El-Badri's appointment, with the position filled by representatives from countries holding Opec's presidency — a largely ceremonial role that is transferred alphabetically between members.

Barkindo spent more than 23 years at Nigerian National Petroleum, where he served in various capacities including deputy MD of Nigeria LNG, head of the international trading unit and manager of the state-run company's London office. He also served for 15 years as Nigeria's national representative to Opec. In January 2009, he was appointed group MD of Nigerian National Petroleum, only to be removed from the post a little more than a year later by then-president Goodluck Jonathan. (Bloomberg 03-06-2016)

CHINA FUNDS PUBLIC LIGHTING IN CAPITAL OF GUINEA-BISSAU

China has offered two hundred and fifty solar lampposts to be installed in several neighbourhoods and roads in Bissau, the capital of Guinea-Bissau, the city's Mayor announced.

Adriano Ferreira added that the ship carrying the lampposts was already its way to Guinea-Bissau and was due to arrive at the capital 's port within two weeks.

The Mayor of Bissau was speaking at the end of a meeting with a technical team from China, who travelled to the country to install the electricity grid in Bissau and other locations, under an agreement signed between the two countries and that has now entered the second phase.

Ferreira said that after the arrival of the ship the lampposts will be unloaded and placed in the previously sites across the city. (01-06-2016)

UEMOA ZONE: APEX BANK HAILS FALL IN BUDGET DEFICIT

The Monetary Policy Committee (CPM) of the Dakar-based Central Bank of West African States (BCEAO) on Wednesday hailed the improvement of the budget deficit in member countries of the Economic and Monetary Union of West Africa States (UEMOA) during the first quarter of 2016.

“The execution of the UEMOA member states’ budgets resulted in an overall deficit, including grants commitment basis, to CFA251.7 billion, against CFA355.1 billion a year earlier,” Mr. Issa Djibo, the Director of economic and monetary analyzes of the Bank disclosed.

Speaking at the closing of the second ordinary meeting of the CPM on Wednesday, Djibo attributed this situation to member countries’ revenues, which were higher than their expenditure.

“CPM encouraged states to pursue tax revenue mobilization and the rationalization of public spending in order to give budget deficit a new direction enabling it to comply with the 3 percent community GDP standard by 2019,” Mr. Djibo said.

With regard to the monetary conditions within the Union, the Monetary Policy Committee noted that they were jittery during the first quarter of 2016.
Thus, in terms of performance, a week ahead of the interbank market, the weighted average rate stood at 3.82 percent, against 3.49 percent in Q4 2015.

The weighted average rate of the weekly cash injection operations stood at 3.13 percent, against 2.59 percent a quarter earlier.

The Monetary Policy Committee has decided to maintain the Central Bank’s interest rates.
The minimum interest rate for bidding in a tender for cash injection while that of the marginal lending window remain fixed at 2.50 percent and 3.50 percent respectively.

As for the required reserve ratio applicable to banks within UEMOA, it is still set at 5 percent.(APA 01-06-2016)

DONORS WANT FULL DISCLOSURE ON MOZAMBIQUE’S DEBT

Mozambique purchase of patrol boats with a loan meant for a new fleet of tuna fishing boats and an attempt to restructure the loan has plunged the transaction into a multimillion-dollar international controversy. Picture: JEREMY GLYN
DONORS are demanding that Mozambique make full disclosure of the state of its finances before they resume aid that was withdrawn after the government admitted to hiding more than $1.4bn in debt.
The Southern African nation may have missed a May 23 deadline for a state-owned company, Mozambique Asset Management (MAM), to make an interest payment on a $535m loan. The potential default has raised concerns that the cash-strapped country will not meet other obligations, including on a $727m Eurobond issued in March.
"The suspension of disbursements follows what is perceived by partners as a serious breach of trust, poor governance and lack of fiscal transparency," the so-called Group of 14 donors said in a letter with a raft of demands sent in May.

In the letter, the donors ask Mozambican authorities to list all the country's existing and planned debt, with details on what the loans were intended for, their terms and conditions and repayment schedules. The country must also disclose the shareholding structure of MAM and a second state-owned company, Proindicus, which was lent $622m in 2013.

Restore confidence

In a reply obtained by Bloomberg, Finance Minister Adriano Maleiane proposed the government and the donors form a joint team to map out immediate actions to restore confidence.

"The government has a maximum interest in restoring the conditions that could, as soon as possible, enable the resumption of disbursements from the support programme, taking into account the crucial role that this financing plays in the execution of our social and economic policy," Maleiane said in his letter.

Officials at the finance ministry declined to comment when called by Bloomberg.

Budget support funding to the country has been falling since 2013, Prime Minister Carlos Do Rosario said in a speech to the nation after a Washington DC meeting with the International Monetary Fund in April. Aid was $297m in 2015, down from $389m a year earlier and $457m in 2013.

The IMF, which unearthed the secret loans to MAM and Proindicus, has suspended $55m in aid, the second tranche of a $110m programme for 2016. The World Bank has also temporarily halted another $276m in budget support, according to Standard Chartered plc.

Political repercussions

The southeast African country, which is trying to develop gas fields that the government believes may make it the third-biggest exporter of liquefied natural gas, owes foreign investors $9.85bn, Maleiane told legislators last week. Fitch has cut its assessment of the country's ability to repay credit and estimates that, when factoring in the newly disclosed loans, the government's debt was equal to 83% of gross domestic product (GDP) in 2015.

Yields on Mozambique's Eurobond fell two basis points to 17.12% by 2.08pm in London, after reaching a record on Thursday. The metical has depreciated 18% against the dollar this year, extending its 32% loss in 2015.

"Political repercussions are likely," Victor Lopes, a senior economist for Africa at Standard Chartered, said in a note. "We see a rising risk of increased social discontent against the ruling Frelimo party, especially as inflation rises as a consequence of a weaker currency." (Bloomberg 27-06-2016)

SUB-REGIONAL SEMINAR ON ENPARD ACTIVITIES IN EGYPT AND LEBANON TO BE HELD IN BEIRUT

The European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) South Support Programme (ESSP II) will organise its second sub-regional Mashrek seminar on 2 and 3 June in Beirut, Lebanon on short sales chains and the promotion of agricultural products.

The event will be an opportunity for stakeholders to present the national activities of ENPARD in Egypt and Lebanon and discuss upcoming events and activities to be held in the coming months. It will bring together Lebanese and Egyptian think-tanks and the ENPARD support programme team.

ENPARD has been designed to support the EU's Southern Neighbourhood countries in their agricultural and rural development. The initiative aims to support the formulation and implementation of renewed public policies in order to meet the challenges of food security, diversification of rural economies and governance in agriculture and management of rural areas. (EEAS 30-05-2016)
Announcement

EUROPE'S CHALLENGE IN THE HORN OF AFRICA

Eritrean asylum seekers including women and children living on the streets of Sanaa, June 2014. Hani Mohammed / Press Association. Almost all of Europe's maritime trade with Asia passes within a few miles of the coast of the Horn of Africa, in particular the narrow straits of the Bab al Mandab, where the tiny African country of Djibouti is separated from Yemen by less than 30 kilometers of water.

The Horn of Africa — which also includes Eritrea, Ethiopia, Somalia, South Sudan and Sudan — has never historically defined itself as a region. It is diverse in physical and human geography, with extraordinary linguistic diversity, and with equal numbers of Christians and Muslims. Its peoples are linked to Africa, the Middle East and the Indian Ocean — and more recently to Europe and America. But they rarely convene as the people of the Horn. Rather, the Horn of Africa has been defined by outsiders, particularly the world's great powers, as a region that spells trouble.

Main artery

The Horn's liability is its location. When the Suez Canal opened in 1869, the Red Sea became one of the world's main arteries for commerce. Its southern reaches were briefly threatened a decade ago by piracy off the Somali coast. Today there's a much more serious peril: Al Qaeda in the Arabian Peninsular controls a stretch of the coastline of the Gulf of Aden. We have yet to see what maritime terrorism will do for insurance rates for shipping.

Meanwhile the Saudi Arabia-led coalition of countries intervening in the Yemeni civil war are rushing to secure their military and political flank in Africa. In doing so they are shaking the already-fragile security order in the Horn of Africa — notably by pouring money into Somali factions and bringing Eritrea out of isolation by equipping military bases there. There are real risks of renewed war, notably between Ethiopia and Eritrea.

Violent extremism

Alongside maritime security, two other issues are thrusting the Horn onto Europe's political agenda. One is violent extremism: the Somali militant group Al-Shabaab is not only a threat to the people of the region, but far beyond. In response, the African Union has deployed a counter-insurgency operation dressed as a peacekeeping force. The African Mission in Somalia (AMISOM) is largely funded by the EU: the single biggest European security expenditure on the continent. And while they fight terrorists, Saudi Arabia and Qatar also fund the spread of their intolerant, extremist version of Islam, Wahhabism. Traditional, tolerant Sufi forms of Islam are on the retreat in Somalia and Ethiopia. Where Wahhabism penetrates, militancy follows.

Migration expertise

The second issue is migration. Behind Syrians and Afghans, Eritreans fleeing their despotic government are the third largest group of refugees arriving in Europe today. Out of desperation, the EU has started to overcome its scruples and provide development aid to Eritrea—though its clear that spending aid money on that country's electricity infrastructure isn't going to change the circuits of political power, and so is most unlikely to stop the exodus.

It's a typical 'do something!' reflex rather than a considered policy. And Europe needs to be aware that the Horn hosts many, many more refugees and migrants than ever make their way to the shores of the Mediterranean. Ethiopia alone has more than 700,000 refugees, and it provides free secondary education to them. Europe's panic over distress migration needs to be tempered by the knowledge that African countries are doing far more — and also know far more about what works in dealing with this problem.

Where is the EU?

The Horn is on the cusp of becoming a strategic hard security issue for Europe. And not only Europe: China is building its first overseas military base in the enclave state of Djibouti, within sight of the procession of container ships that carry the greater part of Chinese exports to Europe. Saudi Arabia is constructing a Red Sea fleet. Iran and Russia are both interested.

Despite the activism of the EU Special Envoy for the Horn, Alex Rondos, a coherent EU policy is not yet within grasp.

Until recently, the Horn of Africa has been, for Europe, a region for engagement on issues such as poverty reduction and humanitarian action, conflict resolution and democratization. Policies and programmes have been well-meaning, but have had modest impacts. This is human security-lite: fragmented and inconsistent in accordance with disparate objectives. The risk is that the EU will transition from an ineffective human security policy to an ineffective hard security policy, and end up with neither.

But, approached rightly, Europe can have both, and the Horn can benefit. Indeed, a combination of a top-down approach aiming at preventing wars, and a bottom-up approach framed by the people's issues, is the best chance for progress.

One talking shop we could do with

Starting at the top, one of the most striking things about the Horn and the Red Sea is that there is no regional organization that can grapple with its security challenges. The African Union does not cross the Red Sea. The Intergovernmental Authority on Development (IGAD) includes the countries of the Horn, but not Egypt — an historic powerbroker, with strategic interests in the Nile and the Red Sea — and also is confined to the African shore. The Arab League is not effective, which is one reason why the Gulf Cooperation Council (GCC) has taken the lead in the Yemeni intervention, and is using financial muscle to win African countries to support its operations, rather than multilateral diplomacy. Ethiopia, the pivotal state of the Horn, is landlocked and keenly fears being surrounded by hostile states backed by historic rivals such as Egypt.

In the absence of any Red Sea forum or similar peace and security mechanism, the EU can play a role as convenor of the overlapping multilateralisms of the various regional organizations that between them could provide the needed forum for defining and addressing the region's problems.

It is the simplest of beginnings: a talking shop. This leverages the EU's principled and strategic commitment to multilateralism; it distinguishes the EU from other western approaches that have been to project power and vanquish enemies rather than build peace. It also distinguishes itself from the dominant security strategy in the Middle East, namely 'coalitions of the willing' that engage in military deterrence and force projection. This can build on the real opportunities that exist in the Horn, namely the African Union's hard-won norms and principles of resolving conflicts through political means. Can this deliver peace? It cannot do so alone, but without such a mechanism, the chances for durable peace are remote.

Pluralism and tolerance

The human security dimension is equally important. This is a long and complex agenda including a host of issues from human rights to the environment. It directly intersects with two of the EU's main strategic worries — migration and violent extremism. Only with better prospects for human development, will young people be ready to stay in the region rather than seek a better and freer life in Europe. Only with a reinvigoration of the values of pluralism and tolerance will the apparently relentless spread of Wahhabism among the region's Muslims be reversed.

What knits these issues together, and where the EU has a unique advantage as an external partner, is the need for an integrated regional approach. The countries of the Horn and their immediate neighbours in the Arab world possess all the potential of a richly variegated region. The huge differences in togography, climate, natural resources and human capabilities across the region mean that, better integrated, each country has valuable comparative advantages. Ethiopia's national security strategy, founded on the 'economy first' principle of promoting economic growth and poverty reduction, while tying Ethiopia more closely to its neighbours through transport and power infrastructure, provides a foundation on which to pursue this.

Reviving neglected commitments

Meanwhile, a formerly vibrant agenda of popular engagement with peace and security issues has stalled. The African Union was established in 2000 riding a wave of popular demand for democracy, peace and unity. Its foundational principles are strongly democratic and its declarations and protocols (such as in Tripoli in 2009) repeatedly affirm the importance of academic freedom and civil society participation in Africa's peace and security mechanisms. In 2005, IGAD adopted a regional security strategy document with major inputs from civil society organizations, which affirmed that promoting regional security was coterminous with the progress of democratic participation.

These commitments, solemnly adopted, have been neglected: now is the time to revive them. There is nothing comparable across the Red Sea, where the GCC is essentially a club of autocrats. The EU has the rationale it needs to place itself in the middle of this tri-continental conversation, and to contribute to both the hard security and the human security of the Horn of Africa and the Red Sea.(BD 24-05-2016)

MEDITERRANEAN: CBCMED LAUNCHES PARTNER SEARCH AND PROJECT IDEAS TOOL

With its first call for proposals expected to be launched by the end of the year, the Cross Border Cooperation programme in the Mediterranean Basin (CBCMed) has launched an online tool to help share project ideas and find partners.

The aim of this tool is to build a Mediterranean community in order to facilitate setting up Euro-Mediterranean partnerships and developing quality projects.

The first call for proposals of the ENI CBC Med Programme will address standard projects and be open to the 4 thematic objectives and 11 priorities of the Programme. Allocated budget is €84.6 million.

The **ENI CBC Mediterranean Sea Basin Programme 2014-2020** is a multilateral cross-border cooperation programme funded by the European Union under the European Neighbourhood Instrument. It aims at reinforcing cooperation between the EU and partner countries' regions located along the shores of the Mediterranean Sea. (EEAS 31-05-2016)
Partner search and project ideas tool

BOTSWANA BANKS ON MAIZE EXPORTS FROM SOUTH AFRICA AND ZAMBIA AS STORES DRY UP

Botswana has run out of maize, one of its staple foods, and is banking on imports from drought-hit SA and Zambia to meet its needs.

Stocks of locally grown maize in silos are depleted, the state-owned Botswana Agricultural Marketing Board, which manages the country's strategic grain reserves, said. The body is required to keep a minimum of 10,000 tonnes of maize in strategic reserves, it said on its website.

"The board has started the process of buying 5,000 tonnes of yellow maize from SA and 250 tonnes of white maize from Zambia," the board said. "During the current harvest season, we are expecting 2,000 tonnes of white maize from local farmers."

The board is targeting 20,000 tonnes of regional imports this year, but declined to provide estimated costs, citing the privacy of agreements with partners.

An El Nino-induced drought is shrinking grain production across Southern Africa and increasing the risk of hunger for some of the world's poorest populations. It's been more than a century since fields were this dry in SA, the continent's biggest maize grower and traditional supplier to its neighbours along with Zambia.

While Zambia is expecting an almost 10% increase in maize output this year, it has suspended exports until the end of September, agriculture minister Given Lubinda said earlier this month. The country will honour existing contracts, but the announcement may dash hopes of neighbours such as SA, which are eyeing imports from Zambia to stem shortages after the drought hurt its harvest.

Sorghum surplus

Many of Botswana's 2.2-million people cook ground white maize to make a porridge known as phaleche and do the same with sorghum to make bogobe, both considered staples. The board has 30,000 tonnes of sorghum, above the statutory strategic requirement of 10,000 tonnes, and expects to harvest 40,000 to 50,000 tonnes this season, it said.

Demand for white maize in Botswana, the world's biggest diamond producer after Russia, exceeds 100,000 tonnes annually, while output is about 10,000 tonnes. The African country has imported 3,206 tonnes of yellow maize, which is mainly used as animal feed, from SA this year, and about 51,000 tonnes of the white variety.

The total area on which maize and sorghum was planted this year fell 26% to 14,582ha from a year earlier, the government said in February. Production of grains would meet 29% of the national requirement of 320,000 tonnes, it said.

In January, Botswana Millers Association Chairman Nkosi Mwaba said that while local maize-meal supply would remain stable this year, prices would rise 25% to 30% due to premiums paid for imports.

Botswana President Ian Khama may declare a drought this week and announce the amount of support the government will provide to farmers and communities, in the worst dry period the country has experienced in 34 years. Last June, he declared a drought and approved a 445-million-pula ($40m) supplementary budget for relief measures. (Bloomberg 31-05-2016)

EAST AFRICA'S GAS-FIRED HOPES FOR PROSPERITY RECEDE

Along Africa's resource-rich eastern coast, the promise of gas-fired prosperity is wafting into an uncertain future.

Five years ago, Tanzania and Mozambique were hailed as two of the world's most promising natural-gas frontiers, perfectly positioned to fuel Asia's industrial boom.

Today, these poor nations are paying the price for years of government inaction, as a prolonged slump in gas prices defers their economic transformation indefinitely.

Tanzanian officials say it will be a decade before an estimated 55-trillion cubic feet of gas is pumped and sold; energy executives say that timeline is wildly optimistic. In Mozambique, where energy companies believe three times as much gas lies offshore, production originally set to start this year may not begin until 2020.

"We have seen companies unable to fulfil their obligations because the oil prices are so low," said James Mataragio, director-general of state-owned Tanzania Petroleum Development. "That's dragged everything down. It's tough."

Gas prices have rebounded somewhat recently along with other commodities. The price for a million British thermal units of natural gas on Monday was about $2.16, up from a March low of $1.64 but far short of early-2014 averages of more than $4.

When Halliburton arrived in Dar es Salaam in 2011, the oil-services giant splashed its logo across an up-market building it leased with spectacular Indian Ocean views.

A few months ago, Halliburton moved to the first floor of a quiet shopping mall as it scaled back operations. Government officials said they had been told the company was suspending most operations and keeping just a few administrative staff members in Tanzania.

A Halliburton spokeswoman said the Houston-based company continued to operate in the country but had "adjusted business to match current market conditions and our customers' needs".

Tanzania's centrepiece oil-and-gas legislation stalled for four years, before finally being approved a few months ago, more than a year into the gas-price slump. One major energy firm in Tanzania spent hundreds of thousands of dollars relocating expert staff to Dar es Salaam three times in the course of 2014 and 2015, only to repatriate them because the delays meant they could not start work, an employee said. He asked to remain anonymous because his company is now back at the negotiating table with the Tanzanian government.

Tanzanian President John Magufuli in January broke a years-long deadlock to secure land for a liquefied-natural-gas plant near Dar es Salaam. In March, Dubai-based Dodsal Group said it had verified new onshore reserves near Dar es Salaam worth $8bn at today's gas prices. Mr. Mataragio said negotiations over how to build and operate the terminal with companies, including Exxon Mobil, Royal Dutch Shell and Ophir Energy, would take 18 months.

Company representatives said it could take three years. Ahmed Salim, an analyst at the consultancy Teneo Intelligence, praised Tanzania's president for trying to bring the gas deposits to market more quickly.

"But the important question remains," he said, "Is it too little too late?"

To be sure, the countries' economic outlooks remain relatively strong. The International Monetary Fund (IMF) expects growth in Mozambique and Tanzania to be more than 6% this year — twice that of its neighbours — although that pace is slower than in recent years and partly reflects the carry-over effects of the $30bn in foreign investment that flowed in over the past five years.

Tanzania may be better placed to manage this waiting period: It did not borrow against future gas earnings and its new government is cutting spending and fighting corruption. The policies should support other sectors including agriculture, while the building blocks for the gas industry are put in place.

Mozambique has been hit harder because the government made big bets on the gas boom that are now backfiring dramatically. Expecting a windfall, the government borrowed billions. In 2014, as gas prices started to drop, Mozambique's foreign direct investment plunged 20%, according to UN Conference on Trade and Development data. Its debt to gross domestic product (GDP) ratio jumped 30 percentage points in three years to 87.4% currently.

The IMF in April suspended a bail-out for Mozambique after The Wall Street Journal reported the government had hidden loans from other lenders and misspent the funds. Some of the money was spent on specialised vessels to patrol offshore gasfields. The idea was to repay the loans without anyone noticing, when the gas revenue arrived. But the slump in gas prices has meant that revenue is delayed, and the secret loans have not been repaid. The patrol boats are moored idly in Maputo, the capital.

Rents there have plummeted at the hilltop villas favoured by foreigners who drove a recent building boom. Saudi-based Red Sea Housing Services said that after building housing for gas-industry workers, plans for much larger accommodation worth tens of millions of dollars are on hold.

Majors Anadarko Petroleum and Eni say they remain committed to their investments there, but work on their projects is stalling. Eni said its Mozambique find "is one of the biggest discoveries in Eni's history and one of its main projects in portfolio", although it added it was lowering its share in it as part of a broader strategy.

"Oil and gas will come back but it's probably one of the deepest troughs we've been in my lifetime," said Mark Sumner, Red Sea's president for Africa.

Anadarko said it was "working hard to put in place a set of agreements with the government, (which) will provide the foundation for definitive sales agreements with LNG (liquefied natural gas) customers" and "is strongly committed to developing the project".

In Mozambique's sunbaked harbour of Pemba, once touted as a gas-pumping boomtown, some companies are going bust. "There's no money in the market," said Julio Sethy, who expanded his trucking business only to see demand plummet last year as Mozambique's metical crashed. "We are facing a big economic crisis."

Celmira da Silva, governor of the province that covers Mozambique's most gas-rich waters, said the slump was a challenge to build factories and modernise cashew and cotton farms that could see her region through future downturns.

"Without other products and exports, we will not be able to provide jobs for anyone," Ms da Silva said.

John Fabian left Mozambique's hinterlands to study economics and landed a job a few years ago as a bank teller in Pemba.

But now many businesses in the humid would-be boomtown are closing down. Fabian lost his job in November. Providing for his wife and three-year-old daughter has been a daily struggle ever since.

"There's no work here," he said on a recent afternoon he was whiling away at the beach. "I'd go anywhere for a job." (WSJ 31-05-2016)

AMECOR AIMS FOR BIGGER REVENUE SLICE FROM AFRICA

Security technology group Amecor aims to grow its revenue contribution from the rest of Africa to 30%, from about 18%.

The group, which reported record full-year headline earnings on Monday, said this was part of a plan to diversify its revenue streams.

Amecor, which designs and manufactures security network products, said it had clients in 23 countries on the continent. It also has customers in New Zealand and Australia.

The group has partnered with a company that has a wider footprint in Africa.

Amecor also plans to open an office in East Africa to service clients in that region.

"We will also be doing road shows to expose companies there to our products," said CEO Keith Vieira.

The company reported a record headline earnings per share of 40.4c, an increase of 309%, for the year to March. Revenue rose 17% to R131.3m.

Amecor's two core businesses are Sabre Radio Networks, which provides a comprehensive network of security communication equipment, enabling its clients in the security industry to route signals and data to their control centres; and FSK Electronics SA, a designer and manufacturer of data networking equipment.

Vieira said that the focus on the core business over the years had enabled the continued growth of "our annuity revenue and record headline earnings" since listing in 2005.

"We are confident that our annuity subscriber base will continue to show healthy growth through new product innovation, and a superior service offering in Southern Africa and further afield in our select African markets," he said.

Sabre is rolling out its data-transmission technology services into select markets in Africa. FSK has started making and distributing its new range of security products includes control panels and integrated security solutions for residential and commercial use.

"These products have been designed to make Amecor more competitive and meet the requirements of our select African markets, and will further augment the group's annuity revenue," Vieira said. (BD 31-05-2016)

W/BANK PUMPS $80M INTO MALAWI FLOOD RECOVERY PROJECT

The World Bank has pumped $80 million towards the Malawi Flood Emergency Recovery Project, an initiative aimed at assisting people still recovering from last year's humanitarian disasters.

Minister of Agriculture, Irrigation and Water Development, George Chaponda announced Wednesday during the distribution of irrigation materials in the southern district of Chikwawa that the bank's financial intervention was in response to President Peter Mutharika's plea for humanitarian assistance from Malawi's development partners.

“These funds will be used in augmenting the livelihoods of the flood victims in the affected districts as well as enhance their resilience to disasters,” he said.

The funds will also help farmers recover from the devastating floods through irrigation farming after most of them had lost their crops.

Last year's floods killed over 100 and displaced almost 200,000 people in Malawi.(APA 01-06-2016)

PIG IRON PROJECT IN ANGOLA DUE TO BE LAUNCHED THIS YEAR

A pig iron ore processing project in the locality of Cutato province of Kuando Kubango in Angola is due to being this year, with plans for initial production of 18,000 tons, said Wednesday in Luanda the minister of Geology and Mining.

Queiroz said the project is “at an advanced stage” and that from 2017 production will be increase to 90,000 tons of pig iron, according to Angolan news agency Angop.

The minister also said that US$226 million had already been spent on this project, which is combined with a eucalyptus plantation for charcoal production for the plant to transform the ore into pig iron.

A steel mining project is also being prepared in Cassinga, Huila province, and the first phase is planned to start between 2017 and 2018, said the minister.

During a meeting with the media, the minister said the Luache mine project would be launched in 2018, in the province of Lunda Sul, which is expected to have double the production capacity of the Catoca mine.

“It is a project that exceeds Catoca and that can contribute to doubling current diamond production, of around nine million carats per year,” said Queiroz.

The minister also gave assurances that the implementation of the National Geology Plan (Planageo) “is going well,” and is in the final phase of the geophysical survey of the country.

With an estimated cost of over US$400 million, Planageo is intended to identify the mineral resources of Angola. (02-06-2016)

PIONEER SPREADS MESSAGE OF DISTINCT AFRICAN MARKETS

Does anyone really understand public relations (PR) in Africa? Robyn de Villiers has spent more than a quarter of a century championing PR across the continent, but even she comprehends why newcomers often underestimate the available skills. After all, she’s done it herself.

De Villiers, Africa CEO of global PR consultancy Burson-Marsteller, was honoured for outstanding individual achievement last week at the annual Sabres, the world’s biggest PR awards programme.

At the event in Berlin, she was applauded for "being ahead of her time" in recognising Africa’s potential importance in the global PR business, and for helping turn that potential into reality.

It wasn’t always so. Johannesburg-based De Villiers recalls that in an early African foray by Arcay Communications — the agency she founded and which was later absorbed into Burson-Marsteller — domestic partners in a Nigerian PR campaign were relegated to chores, while South African project leaders did the "real" communications work.

"It was disrespectful," she says. "The event itself was a success, but that did not justify the way we achieved it."

She speaks from guilty experience when she says some clients and their communications agencies continue to misunderstand the continent. One assumption is particularly prevalent among multinationals: that Africa is a common market — that what works in this country, will work in the rest of Africa.

This isn’t limited to PR. South African-based advertising, media, branding, and activation agencies all experienced similar naiveté.

Every African country, they tell their clients, is different.

Some countries are multiple markets in one. The main difference, though, is in the way messages are shared. Consumers generally want similar things. But not all markets share the same exposure to radio, TV, newspapers, or the internet. In some countries, events-activation is king.

A long time ago, none of this would have worried certain PR agencies. They were bit-part players in the communications field. Rather like rugby substitutes, they were brought on for impact late in the game.

But the PR agency of the 21st century is a different animal. For many, it’s about corporate communications in its broadest sense of the word.

Another Johannesburg agency, Magna Carta, which was named Africa PR consultancy of the year at the Sabres, doesn’t even identify itself as a PR entity. It’s a reputation management agency.

Other skills of the modern agency include communications strategy development, crisis communications, public affairs, investor relations, and communications skills training.

Instead of being called in as an afterthought, De Villiers says PR agencies have become a true business partner. "I think the PR industry has come into its own."

She was among the first to take this message north of the Limpopo. And she hasn’t limited herself to sub-Saharan Africa.

She’s operated in almost all Africa’s 55 countries. Burson-Marsteller Africa provides services in 52, with offices in more than 30. These affiliates and partner agencies are "independent, self-sufficient businesses" run by locals.

This on-the-ground presence is critical, says De Villiers. Only locals truly understand their own market. While Burson-Marsteller Africa’s Johannesburg head office may decide on overall strategy on behalf of clients, individual operations tailor and implement.

She says: "When I started my original business and began operating in Africa, I determined that one of the chief values would be a partnership approach."

Not everyone shares that ideal. Some South African and global communications agencies still drop staff in and out of countries when the need arises, to manage campaigns they are involved in.

"You must trust your people on the ground," De Villiers says. "Our job in SA is to co-ordinate."

And to train. With its greater resources and access to skills, SA is a natural training hub. With Arcay Communications, she founded an African training academy 20 years ago, and she now heads the training arm of the African Public Relations Association.

Demand for skills will continue to grow, she says. After decades of economic underperformance that made it the continent a virtual sideshow in the global consumer market, growing numbers of global companies believe it is starting to break out of the cycle.

"Clients see Africa as a place of opportunity," De Villiers says.

"As it becomes more wealthy, people will buy more things. It is becoming a significant market. Clients now realise they have to concentrate on reputations in Africa, but have to do it differently."

Last week wasn’t the first time De Villiers and her network have been noticed. Burson-Marsteller Africa has won Sabre’s African agency award twice — most recently in 2015 — and in 2015, it also won the Financial Mail’s AdFocus Award for African agency network in 2015. For this, it beat off challenges from networks across all brand communications and marketing disciplines. (BD 31-05-016)

MOZAMBIQUE: FALLING PRICES CAUSE CLOSURE OF COAL MINES

Three coal mines in the western Mozambican province of Tete have grounded to a halt, and some operating part time, due to falling world market prices for raw materials, APA can report on Thursday.

They are the Mozambican subsidiary of Indian consortium International Coal Ventures Private Limited, the Jindal Steel Africa and the Minas Do Moatize, run by the British Beacon Hill Resources which went bankrupt in 2015.

President Filipe Nyusi has visited the region and has been told falling commodity prices and the slowdown required in coal mining have led to the three firms laying off hundreds of workers.

Tete provincial Mineral Resources and Energy Director Gracio Rosario said Jindal Steel Africa has virtually stopped all mining, with only the processing, export and administrative services operating.

Jindal Steel Africa has a concession area of 20,000 hectares valid for 25 years, with an export capacity of 850,000 tons per year.

Coal prices have been declining since 2010, with coke and metallurgical coal falling to $100 from $300 per ton, while thermal coal is currently being sold at about $60 a ton.

Mozambique is sitting on huge coal reserves and exploring liquefied natural gas export projects which are expected to bring tens of billions of dollars to its coffers. (APA 02-06-2016)

ANGOLA COMPANY SEEKS FUNDS TO RECOVER FACTORY

Sociedade de Desenvolvimento da Matala (Sodmat) has been seeking funds since 2009 to complete the work to refurbish its tomato processing factory, which has been at a standstill since the 1980s, the company's chairman said Wednesday.

Cipriano Ndulumba told Angolan news agency Angop that some companies have been invited to carry out a diagnosis of the factory to identify what equipment is needed for it to start operating.

Without mentioning the amount of funding needed to recover the factory, the chairman admitted Sodmat had a number of technical deficiencies in the equipment purchased by the company hired in 2007 to recover the unit and that two years later abandoned the contract without any justification.

Ndulumba also said that the recovery of the tomato concentrate and pulp plant was already budgeted at 802 million kwanzas (US$4.8 million), a figure provided by Banco de Desenvolvimento de Angola, with the opening scheduled for June 2009 .

However, an electric discharge damaged the host computer and a variety of other equipment at the factory, which was followed by the company selected to carry out the refurbishment backing out.

The plant, built in the 1960s and which came to a standstill in 1980, has an installed capacity to process 12,500 tons of fresh tomatoes per year, which translates to 2,200 tons of tomato concentrate. (02-06-2016)

ENTREPRENEURSHIP SUPPORT IS PIVOTAL TO AFRICA'S ECONOMIC GROWTH

With most African countries diversifying from traditional sources of income, entrepreneurship is increasingly seen as a key to economic growth. So far, it has yielded huge returns for entrepreneurs, and experts say there is great untapped potential to drive the African continent into its next phase of development.

A June 2015 study by UK-based Approved Index ranked African countries among those at the top of the entrepreneurship charts.

The Entrepreneurship around the World report listed Uganda, Angola, Cameroon, and Botswana among the top 10 countries.

The group regards entrepreneurship as a "necessity", saying in its report: "When unemployment is high and the economy is weaker, people are forced to start small businesses to provide for themselves and their families."

Today, entrepreneurship is seen as one of the most sustainable job-generation tools in Africa.

A 2013 study by Brookings Institution, a Washington DC-based think-tank, found that African youth (15-24 years) constitute about 37% of the working-age population.

At the Global Entrepreneurship Summit held in Nairobi in 2015, and attended by US President Barack Obama, entrepreneurs from more than 100 countries and a group of US investors discussed the role entrepreneurs could play to tackle youth unemployment in Africa.

According to Evans Wadongo, listed by Forbes Africa as one of the most promising young African entrepreneurs, many African governments have not been keen on developing policies to deal with youth unemployment.

"Governments are not doing enough. The private sector is trying, but most goods brought into the African market are from China. This denies the youth much-needed manufacturing jobs, which are more labour intensive," he says.

Kenya's cabinet secretary in the Ministry of Industrialisation and Enterprise Development, Adan Mohammed, however, defends the policies of most African governments, saying that their efforts have been spurring confidence in the continent, and are enabling more young people to turn towards entrepreneurship.

"Success breeds success — as many entrepreneurs make headway, others get on board. Also, technology-based inventions are pulling entrepreneurs," he says.

Ugandan Prime Minister Ruhakana Rugunda says his government's efforts to promote entrepreneurial culture have produced "remarkable results". For instance, the state-run Youth Venture Capital Fund trains and provides money to young people with good business ideas. Most importantly, with youth comprising more than 75% of its population, and 83% of its unemployed, Uganda has remodelled its education system to include entrepreneurship as one of the subjects in secondary schools and colleges.

With the help of the private sector and development agencies, the Ugandan government has established information, communication, and technology innovation hubs that help entrepreneurs to launch start-ups.

Lack of access to working capital has hampered entrepreneurship in Kenya. Even though the government has created the Youth Enterprise Development Fund and Uwezo Fund to support youth entrepreneurship, budgetary constraints limit their effects.

Andrew Wujung, an economics lecturer at the University of Bamenda in Cameroon, attributes the country's entrepreneurship effort to its unique poverty-reduction strategy. Unlike other countries in Africa, Cameroon's poverty-alleviation strategy is linked to entrepreneurship.

The government is organising robust skills-acquisition and training programmes for entrepreneurs, and making credit facilities easily accessible to people with innovative technological and business ideas.

For entrepreneurship to boost Africa's economy, governments must tackle some of the greatest challenges that impede its progress, including lack of funds, mentorship, and poor government policies.

African governments should consider giving the private sector incentives to create more jobs through tax relief. Laws and regulations should favour entrepreneurs, and effective strategies and policies are required to create more employment within small and medium enterprises. (BD 31-05-2016)

NIGERIA: ECOBANK GOES ON SACKING SPREE

Ecobank Nigeria has gone on a sacking spree, laying off some 1000 of its workers just as it announced the conversion of over 200 outsourced personnel to become permanent employees.

The bank in a statement seen by APA on Thursday said the exercise was part of its renewed drive for optimal performance.

Mr. Charles Kie, the bank's Managing Director, was quoted by the statement as saying that the bank realigned certain roles to ensure improved efficiency.

This he said necessitated the exit of some staff who have since been adequately compensated.

He maintained that this was also in furtherance of a market repositioning exercise designed to strengthen the bank's business across all markets where it operates.

Mr. Kie emphasised that the Ecobank Group was on a trajectory to achieve leadership.

"Ecobank Nigeria remains one of ETI's major affiliates as well as one of Nigeria's systemically important financial institutions" he added.

Meanwhile a source at the bank's corporate affairs department said up to 1,000 Ecobank workers might have been affected.

Ecobank said the conversion of 200 outsourced staff into permanent positions was in line with its commitment to develop and grow talent by nurturing its people, reward them and reposition the bank for improved efficiency. (APA 02-06-2016)

EUROPEAN UNION FUNDS PUSH TO STRENGTHEN INSTITUTIONS IN CABO VERDE

The European Union will provide Cabo Verde (Cape Verde) with 5 million euros to be invested in strengthening the country's institutions, the EU representative in Cabo Verde, José Manuel Pinto Teixeira, said recently.

"We are completing the next budget support programme, which will be available after the summer in the initial amount of 50 million euros and will also have a new 5 million-euro package for institutional capacity building programmes," said the EU representative.

During the presentation session, in Praia, of eight projects to strengthen Cape Verdean institutions supported by the European Union with 1.5 million euros, José Manuel Pinto Teixeira gave assurances that the European Union will continue to support the archipelago.

Strengthening the system of state procurement, improving external control mechanisms, promoting the competitiveness of the agri-food chain and its connection with tourism, strengthening the fight against organised crime and money laundering and improving projection of young people in conflict with the law are the objectives of the approved projects.

The National Directorate of Planning, the Regulatory Authority for Public Procurement, the Court of Auditors, the Financial Intelligence Unit, the Orlando Pantera Centre of the Ministry of Justice and the Ministry of Economy are the institutions that will benefit from this support. (02-06-2016)

From our Supporting organisation naba | Norwegian-African Business Association:

= 6th of June: African Development Bank President Dr. Adesina in Oslo

African Development Bank President Dr. Akinwumi Adesina will be in Oslo on Monday 6th of June as a part of his first tour to the Nordic countries. NABA will hold a separate meeting with the President, and he will also meet government officials, the Parliament's Standing Committee on Foreign Affairs and Defense and take part in a leadership conference on the UN Sustainable Development Goals hosted by NABA members Yara International and the Confederation of Norwegian Enterprise (NHO), as well as the Norwegian Ministry of Foreign Affairs and the Norwegian ForUM for Development and Environment.

NABA's Deputy Director Daniella Woldemichael has recently returned from the 51st Annual Meetings of the African Development Bank (AfDB) held in Lusaka, Zambia, from the 23rd – 27th of May. The five days of intense programs focused on the Bank's operations and development issues. The Meetings hosted more than 4,000 participants and some 6,000 virtual attendees, comprising Heads of State and Government and their delegations, Governors, Alternate Governors, members of the Boards of Directors and private sector.

The overall theme, "Energy and Climate Change," focused on critical African economic and development issues, election of new executive directors and the approval of policies, strategies and the Group's 2015 audited accounts and operations programmes.

The AfDB launched it's "High-Fives" application, a tool for tracking progress on the Bank's development priorities. The application tracks country progress in the High-Five areas identified by AfDB President Dr. Akinwumi Adesina as critical for implementing AfDB's Strategy 2013- 2022 and achieving the Sustainable Development Goals (SDGs): Light up and power Africa, Feed Africa, Integrate Africa, Industrialize Africa, and Improve the quality of life for people in Africa.

The application presents ranking tables, maps and charts, as well as detailed information on indicators, grouped according to the High-Five priority areas.

The High-Fives application can be accessed from this link**.** Use this link to download the African Economic Outlook for 2016. Source: AfDB

Financing Energy Projects in Africa & launch of NABA financing guide (06-06-2016)

Download Financing Energy Projects in Africa & launch of NABA financing guide
Program

Event contact: Ms. Daniella Woldemichael Mail: dw@norwegianafrican.no

Fernando Matos Rosa

fernando.matos.rosa@sapo.pt
fernando.matos.rosa@skynet.be