MEMORANDUM

N° 120/2015 | 30/06/2015

The Memorandum is issued daily, with the sole purpose to provide updated basic business and economic information on Africa, to more than 4,000 European Companies, as well as their business parties in Africa.

More than 1335 Memoranda issued from 2006 to 2014. More than 16,000 pages of Business Clips issued covering all African, European Institutions and African Union, as well as the Breton Woods Institutions. The subscription is free of charge, and sponsored by various Development Organisations and Corporations.
Should a reader require a copy of the Memoranda, please address the request to fernando.matos.rosa@sapo or fernando.matos.rosa@skynet.be.

2006 – 2015, 9 Years devoted to reinforce Europe – Africa Business and Development

SUMMARY

SIERRA LEONE ANNOUNCES NEW CURFEW TO HALT EBOLA

Sierra Leone's President Ernest Bai Koroma said Friday he was imposing a three-week daytime curfew in the last Ebola-hit areas in a bid to curb a resurgence of the deadly virus.

Mr. Koroma announced on state television he was imposing "with immediate effect a 6am to 6pm chiefdom-level curfew" in parts of the northwestern districts of Kambia and Port Loko, the only areas still reporting new infections.

People in the worst-hit areas of those districts will be confined to their homes for 21 days, he said, warning that anyone found flouting the order would find themselves in jail for the same period.

"Now, more than ever, is the time for us to remain vigilant," he said.

The latest lockdown was called over fears that the disease that has killed about 3,900 in Sierra Leone was making a comeback in the northwest.

Neighbouring Liberia was declared Ebola-free in May, but hopes that Sierra Leone and Guinea would quickly follow suit have been dashed in recent weeks.

The World Health Organisation (WHO) said on Wednesday the retreat of the virus "that was apparent throughout April and early May has stalled".

It said there were 31 confirmed new cases in the week ending June 7-15 in Sierra Leone and 16 in Guinea, where the outbreak began in December 2013.

In the previous week, 13 cases had been found in Guinea, a clear increase on the nine reported a week before that. The pattern was similar in Sierra Leone, where 12 new cases were found in the last week of May compared to only three the previous week.

"This is the second consecutive weekly increase in case incidence, and the highest weekly total number of cases reported from Sierra Leone since late March," the report said.

One of the deadliest viruses known to man, Ebola is spread only through direct contact with the bodily fluids of an infected person showing symptoms, such as fever or vomiting.

Since Ebola spread to Sierra Leone in May last year, the government has imposed several local and nationwide curfews as it fights to halt the epidemic.

Palo Conteh, head of the National Ebola Response Centre, attributed the recent spike in Port Loko and Kambia to "people just being stubborn and engaged in the wrong things that fuel the transmission".

"Some washing of bodies and secret burials are going on and people are taking the sick to herbalists," he said.

Amadu Koroma, a local government clerk in Kambia, said herbalists were frequently bypassing official entry and exit points to treat patients in southern Guinea, the epicentre of the outbreak.

"People have also been escaping from quarantined homes at night and ending up in Port Loko where relatives bring in herbalists to treat them in locked rooms," he said.

A lawmaker is on bail awaiting trial for allegedly ordering the washing, dressing and burial of his 106-year-old father in Kambia in May.

The health ministry says 22 people are in Ebola treatment centres, all in Kambia and Port Loko, while 342 are in quarantine in those two districts and the Western Area, which includes the capital Freetown.

The curfew announcement came after Sierra Leone extended the nationwide state-of-emergency for 90 days on Thursday, despite calls from opposition politicians to relax restrictions in Ebola-free districts.

The president softened the blow by announcing the lifting of some restrictions for businesses to promote economic growth.

Grocery stores and markets — which had been ordered to close at 6pm — will now be allowed to stay open until 9pm in most parts of the country.

Restaurants, which also had a 6pm curfew, have been granted an extension until 10pm while motorbike taxis, previously barred from operating after 7pm, have been given extra two hours.

Residents in Freetown welcomed the move, which comes as Sierra Leone's four-million Muslims prepare for the June 18 start of the holy month of Ramadan.

"It will enable us to break our fast at 7pm in the mosque and go to buy food from restaurants and cookery shops after," said Alieu Sheriff. (AFP 28-06-2015)

GUINEA-BISSAU'S INDUSTRIAL OUTPUT GROWS 74 PCT IN FIRST QUARTER

Industrial production in Guinea-Bissau recorded year on year growth of 74 percent in the first quarter of 2015, and commercial activity increased by 12.6 percent, according to official figures issued Wednesday in Bissau.

A statement issued at the end of the second ordinary session of the National Guinea-Bissau Credit Council (CNC-GB) also said tax revenues increased in the first three months of the year and that state budget expenditure had decreased.

"The trade deficit stood at 6 billion CFA francs against 14.6 billion during the first quarter of 2014," the statement said adding that overall economic activity had improved in the first three months of this year.

The CNC-GB gave assurances that if the trend observed in the first quarter continued the economy of Guinea-Bissau could grow 4.7 percent this year against 2.9 percent in 2014.

The National Guinea-Bissau Credit Council also expects gross domestic product r growth of 4.8 percent in 2016 and 5.0 percent in 2017 and 2018.

Underlining the need to increase lending to the economy, the CNC-GB found that the values remain low due to the level of bad loans in the portfolio of commercial banks since 2012. (25-06-2015)

BUHARI VOWS TO RESTORE NIGERIA'S FINANCIAL 'SANITY'

Nigeria's president vowed on Tuesday to recover billions of dollars allegedly stolen by officials and restore financial "sanity", accusing previous governments in Africa's biggest economy of throwing the rulebooks "to the dogs".

Muhammadu Buhari's strong words came after a meeting with the governors of Nigeria's states, in which they said they were 658 billion naira ($3.3bn) in debt and needed federal government support to offset a funding crisis.

Zamfara state governor Abdulaziz Yari Abubakar said the governors had suggested three ways out: the government could refund money spent on federal projects such as roads, banks could extend existing loans to up to 20 years, or the government could share out oil revenues usually saved in the so-called Excess Crude Account (ECA).

The president, who took office last month after defeating Goodluck Jonathan in Nigeria's first transfer of power through the ballot box, vowed to recover billions allegedly stolen by public officials.

"There are financial and administrative instructions in every government parastatal and agency. But all these were thrown to the dogs," Mr. Buhari said in a statement after meeting the governors in the capital Abuja.

"The next three months may be hard but billions of dollars can be recovered, and we will do our best," he said. "We will restore sanity to the system."

Running on empty

Several states borrowed in the domestic bond market and from banks to fund infrastructure projects. But the price of crude, which represents 80% of Nigeria's revenue, has since plunged, leaving the government unable to pay bills or salaries.

The naira currency has fallen sharply despite the central bank spending billions of dollars to try and prop it up.

Gross revenues distributable to the three tiers of government — federal, state and local — hit a five-year low in April due to frequent shutdowns of oil and export terminal pipelines and depressed crude prices.

Government revenues distributed for May rose to 409.3 billion naira, up 5.4% from the previous month, but the Finance Ministry said oil pipeline shutdowns continued to hamper earnings.

Details of Nigeria's economic and financial position would be published within four weeks, Mr Buhari said.

He said the government would look into whether ECA funds could be used to cover unpaid salaries after saying on Monday that treasury coffers were "virtually empty".

The ECA had $2.078bn as of June 23, the Finance Ministry said.

Standard Chartered's head of Africa research, Razia Khan, said that the level of state debt was "especially problematic".

"While an early release of the ECA may provide a partial solution, it is not yet known how much Nigeria will have managed to accumulate in its ECA in recent months." (Reuters 24-06-2015)

NAMIBIA, SOUTH AFRICA IN DIGITAL MIGRATION ACCORD

Namibia and South Africa on Thursday signed an agreement to cooperate in mitigating cross border interference for terrestrial services, radio communications spectrum.

This follows bilateral talks between Information and Communication Technology Minister Tjekero Tweya and his South African counterpart on the sidelines of the 9th SADC Digital Broadcasting Migration Forum at Walvis Bay.

In a joint communiqué, the two ministers recognised the progress that the two countries have made with regards to the implementation of Broadcast Digital Migration and the need to co-operate on the mitigation of cross border interference for terrestrial services, radio communications, content and other related matters considering the GE-06 ITU agreement on digital migration and analogue switch-off of television.

The ministers expressed their mutual satisfaction regarding the excellent relations between the two countries on the cooperation and coordination of cross border interference for terrestrial services, radio communications, content and other related matters.

Thus, the agreed to have a coordination arrangement to address potential and future cross border interference between the two countries as a result of the Broadcast Digital Migration process, the statement said.

To give bite to the arrangement, they agreed amongst others to establish a joint task team to facilitate the engagements between the two countries.

They also agreed to enhance collaboration and cooperation of the regulators in addressing matters of mutual interest on cross border interference on terrestrial services, and radio communications. (APA 25-06-2015)

ANGOLA AND PORTUGAL CREATE INVESTMENT OBSERVATORY

An Investment Observatory between Angola and Portugal has been created based on a memorandum of understanding signed Tuesday in Luanda by the Angolan and Portuguese ministers of the Economy, respectively, Abraão Gourgel and António Pires de Lima.

The observatory of Angolan investment in Portugal and Portuguese investment in Angola will monitor the behaviour of companies from both countries in order to help them better develop their business and prevent some errors that may occur.

One of the functions of the new institution is to follow the process of analysis of investment applications, to identify obstacles and select methods or instruments to overcome existing constraints.

The creation of the Observatory is part of the Angola/Portugal Business Forum which took place in Luanda to discuss joint investment, with the participation of at least 600 businesspeople from both countries.

More than 9,000 companies in Portugal currently export to Angola and about 2,000 Angolan companies have Portuguese investors. (25-06-2015)

MOZAMBIQUE AND ANGOLA MARK 40 YEARS OF INDEPENDENCE

Mozambique and Angola this year mark four decades of independence from Portugal, with robust economic growth rates buoyed by abundant natural resources giving the southern African nations reason to celebrate.

A prime investment destination following the recent discovery of huge natural gas and coal deposits, Mozambique will be the first to mark its freedom on Thursday.

Meanwhile, Angola, Africa’s second-biggest crude oil producer, will commemorate its independence anniversary on November 11.

In a sharp contrast to the long civil wars that ravaged both the ex-colonies — pitting Marxist regimes against guerrillas backed by apartheid-era SA — they recently saw an influx of Portuguese job seekers.

Even as an AK47 automatic rifle adorns the multicoloured Mozambican national flag, relations between Lisbon and Maputo are now "excellent", says Portugal’s ambassador Jose Augusto Duarte.

The year 2012 saw the last bone of contention between the two countries resolved, with the sale of the gigantic Cahora Bassa dam to Mozambique.

"Any problems that came up in the decolonisation of Mozambique have been resolved. We don’t have any dispute," Mr. Duarte said.

But Mozambique’s independence was traumatic for many settlers who hastily fled in 1975, when former president Armando Guebuza — then interior minister under independence leader Samora Machel — ordered an estimated 200,000 Portuguese residents to either adopt Mozambican nationality or leave the country within 24 hours.

Those who opted to go could leave with a maximum of 20kg of luggage. The order famously became known as "24-20".

Ironically perhaps, while on a visit to Lisbon last year, Mr. Guebeza himself urged Portugal to invest more in its ex-colony.

Portugal has become one of the top three states investing in Mozambique, and its largest job creator.

Numbering about 23,000 nationals, Portuguese expatriates also make up the largest community of foreign workers in Mozambique.

With Europe groaning from the aftershocks of the 2008 economic crisis, many young people headed to Portuguese-speaking African countries to find jobs.

Now, with Portugal’s economy in recovery mode and Mozambique tightening its immigration regulations, the trend is slowing down.

Links with Portugal are tighter in Angola, where the elite maintain especially close ties with Lisbon.

For Portugal, Angola became a sure escape from the economic crisis, which gave the southern European country a dumping ground for goods, businesses and the unemployed.

But the relationship is a two-way street, with Angola’s wealthy — especially President Jose Eduardo dos Santos’s daughter, Isabel — investing millions in Portugal in what critics have dubbed a "reverse colonisation".

"What is the most dramatic consequence of Angola’s massive investment in Portugal?" asked Marcolino Moco, a former Angolan prime minister.

"Turning a country listed among the most advanced democracies of Europe, into a subordinate of an African absolutist kingdom."

Relations between the two countries have not been entirely smooth, however.

In 2013, Mr dos Santos announced a freeze in strategic trade partnerships with Portugal because of what he described as "misunderstanding at the highest level of the state".

The move was seen in Lisbon as a response to a probe by the Portuguese judiciary into several high-ranking Angolan government officials.

At any rate, relations resumed when the investigations were dropped later that year.

According to official figures, more than 800 Portuguese businesses are operating in Angola, and about 126,000 Portuguese nationals are living in the African country.

However, some media estimate the number could be as high as 200,000. (AFP 24-06-2015)

GAMBIA SECURES $18.8M GRANT FROM W/BANK

The Gambia government has secured a staggering amount of $18.8 million from the World Bank, for the implementation an education project.
The acquisition of the fund was confirmed in a statement from the Ministry of Basic and Secondary Education (MoBSE) in Banjul on Thursday.

MoBSE says that the money is meant for the financing of its 'READ' project which seeks to promote and enhance the culture of reading among students in public schools.

To kick-start the project the ministry says, it will use part of the money for the payment of consultant services and the setting up of a communication strategy for the department.

Gambia's education system is said to have lost value over the years, with the majority of students both in primary and secondary level lacking the ability to read and develop a statement, contrary to what used to obtain decades ago.

The project to be implemented by the Ministry of Basic and Secondary Education, is expected to address reading challenges Gambian students face. (APA 25-06-2015)

NATURAL GAS FROM MOZAMBIQUE WILL SUPPLY THE JAPANESE MARKET

US group Anadarko Petroleum is in talks with newly formed Japanese consortium Jera to sign a contract for long term supply of natural gas extracted in Mozambique, Reuters reported.

Jera is a consortium set up last April by Tokyo Electric Power Co (Tepco) and Chubu Electric, the biggest and third-biggest electricity suppliers in Japan, to try to lower the price paid for liquefied natural gas.

A spokesman for the consortium confirmed the negotiations had been “underway for some time,” but added that other negotiation processes with potential natural gas suppliers were also taking place.

Signing a long-term contract with the Japanese consortium may be key to a final investment decision on the project in Mozambique, with an estimated cost of US$20 billion.

Jera is already processing all its new natural gas supply contracts for the two companies but from 2016 it will be responsible for all purchase contracts, amounting to 40 million tons per year.

In 2014 Anadarko Petroleum signed a non-binding agreement with Japanese company Toho Gas to supply 0.3 million tons per year of natural gas extracted in Mozambique. (26-05-2015)

ZIMBABWEAN STATE ASSET MANAGER TAKES UP $100M IN BAD LOANS

A Zimbabwean state-owned asset management company has so far taken nearly $100m in bad loans from banks to help restore viability in the financial sector, Finance Minister Patrick Chinamasa has said.

The Zimbabwe Asset Management Company (Zamco) was created by the central bank in August to take over non-performing loans from banks that had reached $750m and were restricting banks from providing new loans.

Mr. Chinamasa told parliament that Zamco would, however, not take over loans which were given by some banks without security.

Smaller banks have been vulnerable to Zimbabwe’s economic downturn and are also viewed as applying less stringent rules on lending compared with bigger foreign-owned banks.

"This company, in a very short period of time, has already taken nearly $100m from the loan book of financial institutions," Mr. Chinamasa said, according to a transcript of Wednesday’s proceedings in parliament.

Five local banks have closed in the last two years due to solvency and liquidity problems.
Mr Chinamasa also said the government was not keen to fix interest rates to lower borrowing costs in the southern African country where bank interest rates are as high as 25%.
Zimbabwe's government says the economy is expected to flat-line this year as a result of low global commodity prices that will impact mining production, low foreign direct investment and company closures as a result of power shortages and expensive finance. (Reuters 25-06-2015)

KENYATTA INVITES US FIRMS TO BUILD NAIROBI CITY RAILWAY

President Uhuru Kenyatta on Thursday invited companies from the U.S. to play a role in developing a rail system to ease the transport congestion in Nairobi.

The President said Kenya wants to develop a mass transit system to ease the traffic congestion in Nairobi, which usually has devastating effects on the economy.

President Kenyatta was speaking during a meeting with an American trade delegation led by US Secretary of Transportation, Anthony Foxx, at State House, Nairobi.

The trade mission, which includes the US Assistant Secretary for Global Markets, Arun Kumar and more than 30 business executives are in the country to develop trade ties with Kenya.

Kenyatta encouraged US companies to develop closer links with Kenya so that they can participate in mutually beneficial ventures.

There are a lot of opportunities for American enterprises and skills in Kenya, the President said.

President Kenyatta and Mr. Foxx also spoke on the process to clear direct flights between the US and Kenya. (APA 25-06-2015)~

TAX REVENUES FROM THE SALE OF ANGOLAN DIAMOND DECREASE

Angola's internal revenue from the sale of diamonds fell by 5 percent between January and May compared with the same period of 2014, totalling 3.441 billion kwanzas (US$28.5 million), according to the General Tax Administration (AGT).

In the first five months of the year Angola sold 3.4 million carats of diamonds, a year on year increase of 3.8 percent, which earned US$480.5 million.
Industrial tax and royalties are charged on diamond sales and the amount of the former is calculated at the end of each financial year in addition to tax on profits earned by companies in the sector.
In 2014, Angola raised about 10 billion kwanzas (US$83 million) in taxes on the sale of diamonds, of which 8.75 million carats were exported for US$1.308 billion.
Angola is the Africa's third largest diamond producer by quantity and value, only surpassed by Botswana, the world's largest producer with about 38 million carats, and the Democratic Republic of Congo, with 30 million carats. (26-06-2015)

PRIVATE SECTOR TO INVEST IN AFRICA'S ENERGY POTENTIAL

A new public-private fund hopes to bring electricity to a million homes in sub-Saharan Africa by 2025. Access to energy is one of the major factors inhibiting development in the region.

French electrical equipment specialist Schneider Electric launched the Energy Access Ventures (EAV) fund on 22 June. The company aims to finance energy access projects in sub-Saharan Africa.

With €54.4 million of capital made available by Schneider Electric and several international contributors, including the Commonwealth Development Corporation (CDC), the European Investment Bank and the French Development Agency, the EAV fund plans to invest in African SMEs to bring electricity to a million households over the next decade.

Annick Girardin, France's Junior Minister for Development and Francophonie, believes that energy poverty "compromises the continent's development". She added that the Africa's lack of energy is "a slow-acting poison", despite the continent's abundant natural resources.

Energy poverty is an issue right across Africa, but it is in the sub-Saharan region that the effects are most acute. Lionel Zinzou, the president of the AfricaFrance foundation and the newly elected prime minister of Benin, highlighted this point. "In just 71 hours in government in Benin, I already understand just how important an issue access to energy is. With access at only 30%, it is a major cause of inequality for the population and an obstacle to competitiveness for businesses, and therefore for economic development," he said.

African energy deficit

Africa possesses enormous fossil fuel reserves and capacity to generate renewable energy. But these resources are often under exploited, exported in their raw form or even wasted. Out of 53 countries, for example, 21 have the potential for profitable hydroelectric energy generation. According to an OECD report, only 7% of this potential is exploited, primarily in Egypt, Mozambique, Zambia, Nigeria and Ghana.

Fossil fuels are also under exploited. Africa sits on 7.3% of the world's oil reserves and accounts for 10.6% of global oil production, but only 3% of its consumption.

As a result, the continent has the lowest energy access rates in the world. A 2010 report by the International Renewable Energy Agency (IRENA) revealed that nearly 590 million Africans (57% of the population) had no access to electricity.

In sub-Saharan Africa the proportion tops 70%. And those that do have access to electricity have to deal with regular power cuts. (EurActiv 24-06-2015)

NUMBER OF MOZAMBICANS IN S/AFRICAN MINES DROPS

The number of Mozambicans working in S/African mines has dropped markedly, according to the regional representative of the mine recruitment agency, TEBA.
Quoted by the state-controlled weekly Sunday paper, Domingo, Jose Carimo said technological and legislative changes are reducing the demand for foreign labour, including Mozambicans leading to 23,000 jobs being lost in twelve years from 55,000.

Domingo reported that some of the gold and platinum mines have closed, while others are making miners redundant and this accompanies a shift from labour intensive to capital intensive mining methods.

It also says the militancy of the South African mining unions has won wage increases for miners â€“ but among the employers' responses has been a reduction in the number of workers employed.

A new South African legislation will force a reduction in the number of foreign workers employed on the mines.

It also stipulates that a maximum of 40 percent of the workforce in any mines can be recruited from outside South Africa, and that is a figure that will have to be shared between all the countries that supply mine labour namely Mozambique, Lesotho, Botswana and Swaziland.

The paper says low wages and dangerous conditions used to mean that South Africans were not attracted to the mines, hence the need for the employers to recruit outside the country.

Rising wages have changed that, and South Africans now outnumber foreigners on the mines. (APA 28-06-2015)

CHINA’S AID IS INCREASINGLY IMPORTANT FOR ANGOLA

China’s aid to Angola, through private projects that encourage economic diversification, has taken on an even more important role given Angola’s current budgetary problems, according to analysts.

Angola’s Ministry of Finance announced late last week that conditions for lending by Chinese state banks in China to Angola had been improved, but gave assurances it had not requested a moratorium on loan repayments.

The ministerial statement also said that the Angolan ministers who joined the entourage of President Jose Eduardo dos Santos to China analysed with Chinese counterparts “ways to expand fiscal capacity” to proceed with the Angolan National Development Plan, “without compromising the current debt portfolio, given the current situation of low oil prices.”

About the five-day presidential visit, which ended on 13 June, the Economist Intelligence Unit (EIU) noted the “openness” of a direct request for financial support by the Angolan President, which it said was a sign of the “seriousness of the economic situation” in the country.

“Although this visit included discussions on private sector investments, the focus was on securing new loans, showing that Angola may have further need of China than it cares to admit,” said the latest report by the EIU on Angola.

The fall in tax revenues due to the low price of oil, the depreciation of the kwanza, rising inflation and decreasing business confidence means Angola needs more support, but the EIU warned of the need to keep debt at acceptable levels.

Figures recently compiled by Reuters showed that China’s funding to Angola, including the most recent loans, already amounted to US$20 billion.

China is already Angola’s main trading partner and last year trade between the two countries totalled around US$37 billion.

The Africa Intelligence Monitor newsletter said Chinese financial aid was the “key element of the Angolan president’s trip,” but more recently the conditions offered by China on its loans already reflect “the loss of value of the oil guarantee/collateral,” the newsletter said.

Similarly, the EIU said Chinese institutions were becoming more “risk averse” in relation to credit lines to Angola.

During the visit, China committed to supporting Angolan economic diversification, with projects to include a hydroelectric plant built by China Gezhouba, a centre for railway training and a combined cycle power plant in Soyo.

The Angolan government also revealed plans for Chinese banks to open branches in Angola, at a time when it is “more willing than ever” to diversify the economy to new sectors and in which China’s capacity in terms of “experience and investment” is particularly valued, said the EIU.

Also with Chinese capital, the China International Fund (including China Sonangol), plans to start construction of the new northern Soyo refinery, which should be operational in 2017, with a processing capacity of 110,000 barrels of oil per day.

According to the EIU, the new project is “welcome” as it creates jobs and offers a higher added value to oil production, at a time when the country only refines 30 percent of the fuel it consumes. (29-06-2015)

ACCESS TO ELECTRICITY IN NORTH AFRICA, SUB-SAHARAN AFRICA AND SOUTH AFRICA

And the outlook is bleak. According to the IRENA report, if the current trend does not change, 655 million Africans (42% of the population) will still live without access to electricity in 2030.

Multiplication of initiatives

The task of improving access to electricity for rural populations and businesses in Africa remains vast and expensive. "In Benin, we are 40 years behind on infrastructure," Lionel Zinzou said.

The number of private and public initiatives to tackle the African energy challenge has multiplied in recent years. In 2013, the United States announced the launch of the "Power Africa" plan. The objective of this scheme was to double the availability of electricity in Africa by 2018, with $7 billion of public funding and $14 billion of private investment.

In March this year, the former French minister Jean-Louis Borloo also launched a programme of electrification in Africa. His objective is to hook up 100% of the continent to the grid in just one decade, with an investment of €200 billion.

Background

Energy, and particularly electricity, is a key resource for economic and social development. Basic services like education, sanitation and communication rely on electricity, without which there is no lighting in schools, no refrigeration of food and no power for modern technologies.

But the United Nations Development Programme (UNDP) estimated in 2005 that 1.6 billion people still had no access to electricity.

Most of these people live in the least economically advanced countries. Over 75% of the populations of around 20 African countries have no access to electricity. This situation is shared in Myanmar, Afghanistan, North Korea, Papua New Guinea and Cambodia.

MOZAMBIQUE MAY PRIVATIZE MORE THAN 50 PCT OF ITS PUBLIC SHAREHOLDINGS

More than 50 percent of companies in which the Mozambican state has a stake are not considered strategic and may be privatised, said the president of state stake-holding company Igepe, Apolinário Panguene told in Maputo.

As the they are not included in the government’s “five-year and annual plans” or because the state’s stake is “very small,” more than half of the portfolio of 117 shareholdings that Igepe currently manages is being assessed as part of “a comprehensive strategy for a privatisation process.”

Although the sale of some companies has already started, Panguene said Igepe had faced “some difficulties related to the legislation itself,” especially in cases where the State has a minority stake and partners “have preferential rights,” which causes delays.

An alternative to the sale of private state interests is the sale of public shares to company managers, technicians and workers, known as the GTT group, and the Igepe 2013 annual report and accounts flagged 15 companies for this process.

The Mozambican subsidiary of construction company Soares da Costa, which recently changed its headquarters from Lisbon to Luanda, and in which the Mozambican state holds a 20 percent stake, is one of the companies referenced in this process.

Asked to comment on the apparent crisis situation the construction company is facing the President of Igepe admitted that the situation was worrying, but stressed that “what is happening out there is not what occurs in Mozambique”, where the company “continues to have work and even posted profits in 2014.”

This is why, he added, the process of selling stakes to the company’s GTT group is still in place, and they may reject that option, which will mean the stake will be given back to the Mozambican state.

Panguene admitted that Mozambique Cellular (mCel), Mozambique Airlines (LAM), Telecomunicações de Moçambique (TDM) and Transmarítima, which are the responsibility of the Ministry of Transport and Communications, wee having difficulty “adapting” to the new dynamics the Mozambican market.

Giving the example of mCel, the first mobile operator in the country, the President of Igepe said the state can free itself of its 26 percent stake in the company, “although no decision has been made,” since the market situation is different nowadays, with three operators.

In terms of Mozambican airline LAM, which dominates the domestic market, and in a sector in which three new companies may start operating, Panguene stressed that the company would have to “adjust to the market and try to compete with the same weapons that others have” expecting, moreover, “a better service, more efficiency and at lower cost.”

Regarding Igepe's 2014 annual report and accounts, due to be presented soon, Panguene said it would "show profits," as it did in 2013, when the institute had revenues of 68.2 million meticais, but which was a downturn of 33 percent over the previous year.
This, he explained, was due to the companies' investment policies, as was the case with Coca-Cola Sabco, Cervejas de Moçambique and Mozal that are seeking "to consolidate their position in the market."
As for new business areas, Igepe has "sought to identify partners with financial and technological capabilities," and the aim is to boost sectors such as gas and coal exploration, with ventures that "add value," for example, "energy production or derivatives such as methanol and fertilisers." (28-06-2015)

NIGERIA: PRESIDENCY DEFENDS SLOW PACE OF WORK BY NEW ADMINISTRATION

The Presidency has on said that cleaning the mess left behind by the Peoples Democratic Party (PDP), especially the immediate past administration, requires scrupulous and painstaking planning.
The Special Adviser to the President on Media and Publicity, Mr. Femi Adesina, said in a statement on Sunday in Abuja that across all sectors, the national life was devalued under the Peoples Democratic Party (PDP) and it would take meticulousness and sure-footedness to repair all the breaches.

Reacting to a statement by the National Publicity Secretary of the PDP, Chief Olisa Metuh, in which he described the last 30 days under President Muhammadu Buhari as a period of all motion and no movement, Adesina said: "The Buhari administration is naturally contemplative because there was absolutely no rhyme or reason to the way PDP ran the country, particularly in the immediate past dispensation.

"That is why the Augean Stable is being cleaned now, and it requires scrupulous and painstaking planning.

"Across all sectors, our national life was devalued, and it takes meticulousness and sure-footedness to repair all the breaches. This, the Buhari administration will deliver."

He described the PDP's 30 days appraisal of the Buhari administration as amusing.

Adesina said while the party wanted Nigerians to join hands in prayers for the government so that things would begin to move, it did not know that Nigerians had long formed such coalition.

He said Nigerians were hand in hand, and that was what gave victory to Buhari in the March 28, 2015 poll.

He said they had teamed up to uproot an administration that had brought the country to her knees, and was about to tip her off the precipice, adding that they also resolved that never would they allow any government to divide them along regional, religious and ethnic fault lines again. (APA 29-06-2015)

COMPANIES HIRE SPACE IN SILOS AT THE MOZAMBIQUE COMMODITIES EXCHANGE

Four companies in the Mozambican agro-industrial sector will now be able to store a variety of products in the silo complex of the Mozambican Commodities Exchange after signing contracts, according to Mozambican daily newspaper Notícias.
The contracts were signed by the president of the Mozambique Commodity Exchange (BMM), António Grispos and representatives of the E.I., Njangu Comercial, Smart Lines Trans & Services and Escolha do Povo companies.

A lack of proper spaces and with the required capacity to preserve agricultural production is one of the main constraints facing operators in the Mozambican agro-industrial sector, and under these contracts the companies can store grain and oilseeds at the BMM silos.

The Mozambique Commodities Exchange has silos in Cabo Delgado (Najua), Niassa (Lichinga), Sofala (Nhamatanda and Gorongosa) Tete (Ulongué), Zambezia (Mugema) and Nampula (Malema) with a storage capacity of approximately 70,000 tons. (29-06-2015)

Fernando Matos Rosa

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