

# MEMORANDUM

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## ZIMBABWEAN SOLDIERS NOT PAID ON TIME AGAIN

Zimbabwe has delayed paying its soldiers for a second successive month, sources said on Monday, underlining the worsening economic crisis that has triggered recent protests.

Ten days ago, President Robert Mugabe's government was shaken by a national strike led by public servants frustrated over several salary delays as Zimbabwe's treasury struggles with a severe cash shortage.

The military are normally the first priority for payment due to their role in protecting the regime of Mugabe.

But they were not paid as scheduled last week, and June's salaries were paid about two weeks late.

"We were supposed to get our salaries last Friday but there was nothing at the bank," a junior soldier who requested anonymity said. "We do not know when we will be paid." Other soldiers confirmed the delay.

The cash-strapped government, which spends more than 80% of its revenue on wages, has resorted to staggering pay dates as it scrapes the bottom of its coffers.

Protests in recent weeks over salaries, alleged police corruption and import restrictions have exposed growing public anger as the country's economy has ground to a halt.

Mugabe has previously used his ruthless security forces to crack down on any public show of dissent.

Christian pastor Evan Mawarire, who has emerged as a leader of the protests, was last week arrested and then released after charges that he had attempted to overthrow the government were thrown out by a court.

"We have gotten to a place as Zimbabweans where... the personal struggle has become too difficult to hide," Mawarire told SA's 702 Talk Radio on Monday. Currently in SA, Mawarire said: "No matter what your religion is or background or political affiliation, we have just reached a point where we are saying ... we are done with this." He said he was safe following fears that he would be targeted by pro-Mugabe groups, but he gave no more details about his whereabouts or future plans.

An army spokesman did not immediately comment on the reported salary delays.

The average soldier's pay is about \$500 a month. (AFP 18-07-2016)

## CAR READMITTED TO FRANCOPHONIE

After three years in the wilderness, the Central African Republic has been readmitted to the International Francophonie Organization (OIF).

The CAR National Assembly Speaker, Abdou Karim Meckassoua confirmed the readmission of the country to the OIF after returning from Madagascar, where he took part in 42nd parliamentarians meeting of its member countries.

Meckassoua said the return to the organisation of mainly French-speaking nations will benefit the CAR in its post-conflict reconstruction.

He said that the first aftermath of CAR's return to the organization is a visit to the country by OIF Secretary General, Michaëlle Jean.

Meckassoua who was speaking at Bangui airport Sunday, took the opportunity to ask his compatriots to stick together and turn a page on the past and take advantage of the opportunities offered by their international partners.

The Central African Republic was suspended from all OIF bodies following the seizure of power by Seleka rebels in 2013.

General elections which ushered a new leadership in the country backed by the OIF have been

instrumental in the country's return to the organization. (APA 18-07-2016)

## BREXIT THREATENS EAST AFRICAN COHESION AS KENYA MULLS GO-IT-ALONE TRADE DEAL

Kenya may abandon 10 years of negotiating a trade deal with the EU as part of the five-nation East African Community and go it alone, to avoid having duties of as much as 30% slapped on its exports from October.

A so-called Economic Partnership Agreement (EPA) between Kenya, Uganda, Tanzania, Rwanda and Burundi and the EU is on hold after Tanzania's government said two weeks ago it was reluctant to sign any deal because of "recent developments affecting the bloc's union". The UK voted in a referendum on June 23 to withdraw from the bloc, ending a 40-year partnership. Uganda said last week it also wanted to delay signing the deal.

"We would like to sign it together; the desire is that we sign it together," Kenyan foreign secretary Amina Mohammed said in an interview in the capital, Nairobi, last week. "If we get to a stage where we can't do that then we also have the right to make our own sovereign decisions."

The negotiated EPA would give members of the East African Community immediate duty-free quota-free access to the EU for all exports. The Brexit decision is complicating trade negotiations as ministers from around the world gather this week for the 14th United Nations Conference on Trade and Development (Unctad) in Nairobi, where the EPA accord has been scheduled to be signed.

The EU imported goods worth €2.6bn from the East African Community last year, data from the European Commission shows. Kenya exported 126-billion shillings (\$1.2bn) worth of goods to the EU in 2015, according to the national statistics office.

"Countries like Tanzania which said it will postpone signing the agreement with the EU might want to wait and see what happens with Brexit," Willemien Viljoen, a researcher at the Tralac Trade Law Centre in SA, said by phone. "That will affect other members of the East African Community."

Brexit may curb capital flows into East Africa, hinder trade and investment, weaken exchange rates and damage economic stability in the region, central bank governors from the EAC trading bloc said in a statement to reporters in the Ugandan capital, Kampala, on July 14. Uganda wants to delay the signing the EPA to ensure the deal is signed collectively, Nairobi-based Business Daily newspaper reported on Friday, citing Julius Onen, permanent secretary for the nation's trade ministry.

### **No excuse**

"There may be some dynamics about East Africa negotiating market access to Britain, but there is no sufficient reason to dither the EAC's engagement with the EU on the basis of Brexit," Unctad secretary-general Mukhisa Kituyi said in an interview in Nairobi. "Brexit should not be an excuse."

If the deal is not signed by October 1, Kenya, as the only member of the East African Community not classified as a so-called least-developed country, could lose all its preferential access to the EU.

"The partners in the region realise there is a time pressure, so does the EU," Betty Maina, Kenya's principal secretary for the East African Community, said in an interview on July 14. "So we are looking at all measures and engagements to ensure you don't miss October 1."

Flower exports by Kenya, which accounts for more than a third of the stems sold in Europe, may face taxes of as much as 20% unless the agreement is signed by October 1, said Jane Ngige, CEO of the Kenya Flower Council.

"We are trying to see how we will get out of the quagmire we are in," Ngige said by phone.

(Bloomberg 18-07-2016)

## **SENEGALESE FIRMS URGED TO CONQUER AFRICAN MARKET**

Senegalese enterprises should be brave and spread their tentacles to the African market to stop the country being a consumer nation of imported products, Trade Minister, Aliou Sarr suggested in Dakar on Monday.

“Senegal’s SMEs need to further conquer the African market. Otherwise Senegal will be an importer of goods from consumer markets. You have to dare. Enterprise is an instrument of competition and conquest that operates in a competitive environment” he said.

He was presiding over the launching of a workshop about Information Days on SME labelling programme organized by the ADEPEME development agency.

According to him, Plan Senegal Emergent (PES) should be snatched as an opportunity by Senegalese companies to create entities that can benefit from its various projects notably the Regional Train Express (TER) project.

“To address the issue of business financing, we must reflect on our bank under the auspices of the BCEAO and UEMOA, given the international financial environment,” Sarr suggested. (APA 18-07-2016)

## **OUTGOING AU COMMISSION CHAIR PROMISES SMOOTH HANDOVER**

The outgoing President of the African Union Commission, Nkosazana Dlamini-Zuma has promised a smooth handover of authority to her successor who has not been named.

Speaking at the opening of the 27th AU heads of state and government summit in Kigali, Rwanda on Sunday afternoon, Ms. Dlamini-Zuma said as she prepares to hand over the chair she was taking stock of her four years in charge of the commission.

The South African former minister has been head of the AU commission since 2012.

One of the itineraries of the AU summit in Kigali is naming her successor.

When nominations for the position closed on 31 March, Uganda’s UN Special Envoy for AIDS, Speciosa Wandira-Kazibwe, Botswana’s Foreign Minister, Pelonomi Venson-Moitoi and her Equatoguinean counterpart, Agapito Mba Mokuy were shortlisted to take over from Ms. Dlamini-Zuma.

Dilating on the state of the continent the outgoing AU commission chair declared: “Africa is a rich continent, but its people are poor”.

To address this situation she called on leaders to implement projects that will help “eradicate poverty” in a continent which she claimed was full of hope for the future.

One of the main highlights of her participation at the opening session of the summit was officially unveiling the Common Electronic African Passport which is aimed at encouraging a non-visa free movement of Africans around the continent.

She officially handed one of them to Chadian president and current AU Chairman, Idriss Deby and summit host President Paul Kagame of Rwanda.

Addressing the summit, President Deby praised what he called the tremendous progress made by Rwanda under Mr. Kagame, recovering from the 1994 genocide, one of the worst human tragedies of the past 22 years.

“Our union is daily faced with emergency situations that require equally urgent examinations and

solutions. The problems we face can no longer be predicted with the methods of the past” he noted.

According to him, “it is time we made our meetings real working sessions, in line with our needs and the priorities of the moment.”

“It is in this light that we discussed this morning, in closed session, some of the key points included in the agenda of our summit, and welcomed the quality of our exchanges and convergent views on the pressing need to develop new and more effective working methods focused on result,” President Deby added.

“It is in this spirit that we should also address the points subjected to our plenary review” he said.

Meanwhile Palestinian leader, Mahmoud Abbas, who was invited as a special guest of the summit beseeched Africa to back initiatives for peace with its Israeli neighbor.

“Your continent can do much for peace in our region” he said.

Among the issues up for consideration during the Kigali summit is the adoption of the declaration on this year’s theme, the findings of a retreat by African leaders on financing the AU’s budget, the election of board members and issues revolving around peace and security. (APA 17-07-2016)

## **ECONOMY OF NIGERIA GOING NOWHERE**

Nigeria’s economy could contract this year and President Muhammadu Buhari’s government is seen as having few plans in place to turn the slump around, according to analysts, including Renaissance Capital economist Yvonne Mhango.

Last month, the Central Bank of Nigeria (CBN) allowed the naira to devalue after a 15-month currency peg curbed investment and contributed to a 0.4% contraction in the economy in the three months to March. With inflation at a six-year high, the Monetary Policy Committee will probably raise borrowing costs by 400 basis points by the end of 2016, according to Standard Chartered.

The four-month delay in passing the record 6.1-trillion naira (\$21.6 billion) budget, which was meant to stimulate growth in Africa’s largest economy by spending on roads, ports and electricity generation, will reduce its efficiency, according to the International Monetary Fund (IMF). Buhari’s vision to diversify the economy of Nigeria, which relies on oil for more than 70% of revenue, has not translated into big investments, and infrastructure to support local manufacturers does not exist yet, according to Renaissance’s Mhango.

"That’s the missing link and we haven’t heard enough on how they are going to improve and make the business environment more conducive," Mhango said by phone from Johannesburg on July 12. "There has been little colour on fiscal policies to drive the growth agenda."

Nigeria is facing a revenue squeeze as earnings from oil fall due to lower prices and a resurgence of militant activity destroyed installations in the crude-producing Niger River delta, slashing output to an almost three-decade low. The naira peg at 197-199 per dollar, compared with an unofficial exchange rate of 340 per dollar just before the currency was allowed to float, caused fuel shortages for months as businesses struggled to access foreign currency to place orders. Restrictions on the use of dollars to import goods ranging from steel products to rice still apply.

The naira strengthened 0.1% to 282.55 per dollar by 9.15am in Lagos.

"It is not sufficient to focus on going from a de facto peg to a flexible regime," IMF resident representative in Nigeria Gene Leon said in an interview in the capital, Abuja, on July 8. "The authorities need to be announcing at the same time how the change affects fiscal policy, how is it impacting inflation, balance sheets of corporates, balance sheets of the banks, and how the increased fiscal receipts allow the undertaking of development."

Leon said the economy will probably contract this year, even as the IMF still forecast growth of 2.3% in its April Regional Economic Outlook. Renaissance Capital projects that the economy will shrink 0.5% in

2016, and London-based Capital Economics forecasts a contraction of 1%. Central bank governor Godwin Emefiele said in May that the economy is likely to fall into recession.

Inflation probably accelerated to 16.2% last month, from 15.6% in May, according to the median of seven economist estimates compiled by Bloomberg. Price growth and the need to support the naira and attract inflows could force policy makers to increase the benchmark interest rate by as much as 400 basis points to 16% this year, according to Standard Chartered regional head of economics Africa, Razia Khan. Raising rates to fight inflation will mean "squeezing the little life out of growth", the IMF's Leon said.

Nigeria urgently needs to boost electricity generation to improve its economic outlook, according to Exotix London-based economist Alan Cameron. The nation generated an average of 2,464 megawatts of electricity on June 6, according to information from the power ministry, less than half of the installed capacity of 5,000 megawatts for a population of 180 million people. It compares with power-generating capacity of more than 40,000 megawatts in South Africa, which has a population a third of the size.

"A lot of what has gone wrong in the economy – notably fuel shortages and oil output disruptions – happened in the second quarter rather than the first quarter. So things are likely to get quite a bit worse before they get better," Capital Economics Africa economist John Ashbourne said in an e-mailed response to questions. "This year is going to be terrible for the economy, no matter what they do. The goal of policy now is damage limitation rather than sustained growth." (Bloomberg 14-07-2016)

## **CREATE AFRICA FREE-TRADE AREA, KENYATTA URGES PEERS**

Kenyan President Uhuru Kenyatta, Sunday urged his peers attending the African Union summit in Kigali, Rwanda to champion the establishment of a Continental Free Trade Area (CFTA) to spur intra-African trade.

A statement released by his office in Nairobi on Sunday quoted President Kenyatta as impressing upon other leaders at the summit that boosting commodity exchange will accelerate integration, develop larger markets and facilitate competition which will help in alleviating poverty.

"Equally, pooling economies and markets through regional integration will provide a sufficiently wide economic and market space to make new economies of scale," he told fellow leaders at the summit in Kigali taking place from 17 to 18 July.

The Kenyan leader lamented the fact that while 63 percent of trade by countries in Western Europe is with nations in the region, only about 12 percent of African trade is with nations on the continent.

He said a free-trade area will translate into economic independence for the continent.

Kenyatta cited job-creation in the public and private sectors, increased food security through reduction of protection rate on trade in agriculture and competitiveness of Africa's industrial products as some of the benefits that would accrue to African countries from the establishment of the CFTA.

Other benefits of a continental free-trade area are increased rates of diversification and transformation of Africa's economy and its ability to meet its import needs from within, better allocation of resources, improved competition and reduced price differentials among African countries.

According to him, the CFTA would also boost intra-industry trade growth and the development of geographically based specialization in Africa, reduce vulnerability to external trade shocks and enhance the continent's participation in international commerce to reduce dependency on aid and external borrowing.

President Kenyatta also contributed to the summit's discourses on the African year of human rights with particular focus on women's rights, where he said countries that respect such rights witness faster development.

He said the continent must engage the global community in shaping the New Urban Agenda as articulated in the Common African Position on Habitat III (CAH3) to ensure women and children in Africa lead dignified lives in cities.

"I must urge all of you present today to support it when it is brought before us for adoption later during this Summit," President Kenyatta said. (APA 17-07-2016)

## **MOZAMBIQUE AND THAILAND DEEPEN BILATERAL COOPERATION**

The permanent secretary at the Mozambican Ministry of Industry and Trade, Carla Gulizane has said his country and Thailand are taking more steps in deepening collaboration in agriculture, tourism, fishing, construction of basic infrastructure, mineral resources and renewable energy.

National television, TVM reported on Sunday that Gulizane made the announcement during the first meeting of the Committee of Joint Trade, where the Thai delegation composed of politicians and businessmen is in attendance.

The Asian delegation is headed by the Permanent Secretary of the Ministry of Industry and Trade, Chutima Bunyapraphasara.

Addressing the opening of the meeting, Bunyapraphasara said that bilateral cooperative relations have a historical past and the meeting of the joint trade committee will give body and shape to the aspirations aimed essentially at cementing ties.

In turn, his local counterpart Gulizane said there was interest in the country's private investment attractiveness of Thailand as well as to establish public-private partnerships.

"In addition to attracting investment, we want to exchange experiences in the field of industrial parks, taking advantage of the vast experience of Thailand in the implementation of industries," Gulizane said, expressing the country's interest in the training of human resources and exchange experience in the micro area, small and medium enterprises.

The Maputo meeting is seeks to deepen the cooperation between the two countries and to identify the areas that will be the subject of common interest under an agreement signed in 2013 between the two countries.

Thailand will attend the 2016 edition of the International Fair of Mozambique (FACIM) later this year. (APA 17-07-2016)

## **NIGERIA RANKS FOURTH IN WORLD INVESTMENT RETURNS**

The Acting Managing Director, Bank of Industry (BOI), Mr Waheed Olagunju has claimed that Nigeria ranks fourth with 35 percent on return investment in the world.

Olagunju said this on Saturday in Lagos on the sidelines of BOI talks on "Sustaining Nigeria's industrial sector growth through impactful partnership".

He said that a lot of countries are in competition for investment resources. According to Olagunju, the return on investment is much higher in Nigeria than in other countries.

He said that this should not be taken for granted, adding "we should try and de-risk our environment,

improve on climate and continue to take measures by increasing our ranking in doing business”.

He added: “Industrialisation is a multi-faceted process, no single agency can capsule industrialisation of any country, so all hands must be on desk.

“In terms of investment returns, we have rank number four with 35 per cent.

Olagunja said Nigerians might go to other countries where they have 15 percent return on investment where the risks are not as high as Nigeria.

“So we have to put all those things into consideration by ensuring that we promote industrialisation and transform the Nigeria economy within the shortest time possible,” he added.

He said that if those things were not done, Nigeria may not be able to harmonise the challenges in the country, particularly that of unemployment.

According to Olagunju, despite being the biggest economy in Africa, Nigeria's population was growing, making it necessary to take quick decisions aimed at remedying challenges.(APA 17-07-2016)

## **TRANSPORT SECTOR REELS FROM ECONOMIC MALAISE - MOZAMBICAN MINISTER**

Transport and Communications Minister of Mozambique, Carlos Mesquita, has acknowledged that the economic crisis rocking his country was leaving an injurious effect on the transport sector.

Speaking over the weekend, Mesquita reaffirmed the openness of the government to working with the private sector to improve the business environment on the back of an economic crisis.

The official called for steps to be taken to stimulate productivity to overcome the challenges currently facing the country.

State-controlled Radio Mozambique said Mesquita was addressing his ministry’s Coordinating Council which ended in the southern city of Matola on Friday.

The minister called for action to identify and eliminate superfluous costs before he drew up a list of expenses that need to be immediately reduced in the transport sector such as fuel, lubricants, travel, overtime, energy, communications and supplies.

Mesquita added that increasing productivity and revenue collection are the main weapons with which the country can tackle the economic crisis.

The official argued that “toxic contracts and trade agreements that harm state entities should also be revised.

“This is the time for us to prioritise and maximise the use of the available services within the sector, because only then will we be contributing to the increase in gross domestic product and the stabilisation of the exchange rate” he said.

According to Mesquita, the focus of the government is to expand the collection of domestic revenue to cover 75 percent of the state budget and he stated that this will only be possible with the commitment of all staff, particularly those engaged in productive areas.

Mozambique is sinking deeper into financial crisis after it admitted to more than \$1 billion in previously undisclosed debts

The country is now facing a freeze on new loans from the World Bank and other donor

organizations.(APA 17-07-2016)

### **SWAZI AIRPORT TO BECOME INTERNATIONAL AVIATION SCHOOL-COMESA**

The Common Market of Eastern and Southern Africa (COMESA) will transform Swaziland's Matsapha International Airport into an international aviation school, APA learns here on Monday.

The airport is now half-operational as it only services Royal movements or Mercy flights, following the opening of the King Mswati III International airport in June 2015, which is much bigger than the Matsapha airport.

Sindiso Ngwenya, the Secretary General of COMESA who was in Swaziland last week, said the organisation is making plans to develop the now defunct airport into an aviation school for the benefit of not only the region and the African continent, but also the international world.

"We are engaging the relevant ministries about this as one of the many projects development that we intend launching," he said.

COMESA, in its Airspace Integration Project, will incorporate considerable investments in infrastructure, equipment, and training for countries.(APA 18-07-2016)

### **SOUTH AFRICA: DTI HEADING TO ZIMBABWE TO THRASH OUT BAN ON SOUTH AFRICAN GOODS**

The Department of Trade and Industry is due to send a technical team to Zimbabwe in a day or two, armed with a list of more than 100 items that are at the centre of a trade impasse between SA and its northern neighbour.

Department director-general Lionel October on Thursday said Minister Rob Davies and his Zimbabwean counterpart were due to meet soon to smooth out the dispute. Davies had also taken the issue to Cabinet level, October said.

The dispute stems from a unilateral ban Zimbabwe imposed on South African imports, with the country slapping exporters with extra tax duties.

Zimbabwe says the import restriction is meant to protect local industries and prevent the trend towards the country becoming a "supermarket economy".

October explained that this had been a long-standing issue and was raised during Zimbabwean President Robert Mugabe's state visit to SA in 2015. Zimbabwe's unilateral ban on South African imports had worsened the situation, he said.

However, the imports ban was facing huge opposition in Zimbabwe and was one of the reasons cited for last week's mass stayaway, as well as similar protest action that had been planned for this week.

On the list of restricted items are camphor cream, body creams, petroleum jellies, baked beans, potato crisps, bottled water, coffee creamers, mayonnaise, salad cream, peanut butter, canned fruit, cheese and many other items.

"Zimbabwe is in breach of Southern African Development Community Protocol. The issue will be taken up at a technical level — we have already sent the list of items to Zimbabwe. It will also be raised at Cabinet, as well as bilateral forums," said October.

"We cannot accept the way our exporters are being treated," he added.

However, October was at pains to stress that, where there was a legitimate case for localisation in Zimbabwe, SA would drop some items on the list. But, where SA knew Zimbabwe had no local capacity and was importing products from elsewhere, SA would stake its claim on imports.

"We have said that, where there is local capacity, we have no problem with Zimbabwe," explained October.

The import dispute is playing against the backdrop of SA establishing a new Africa Trade unit ( the erstwhile Africa Export Council), whose sole mission will be to promote trade on the continent. Davies was due to unveil the initiative on Friday in Pretoria.

October said SA generated R300bn in revenue from its exports to other African countries. However, through Africa Trade SA, the country wanted to change the nature of trade between it and continental peers.

"You will remember that SA's trade balance with the rest the continent is skewed in our favour. Barring the oil we get from Angola and Nigeria, there is little else we get from the continent. We want to change that by promoting intraregional trade," said October.

A dedicated team within the department would work with South African companies to achieve this objective, he added.

"We also want to procure goods from our continental partners, and make sure that trade is not just one-way traffic from SA," explained October.

SA was also looking to do away with its "Big Brother" image on the continent, wherein it dumped its goods, said October. (BD 14-07-2016)

## **MALAWI: GOVT ADVISED TO ABANDON PORT PROJECTS**

The government of Malawi has been advised to abandon two port projects that could guzzle the country's precious resources and realize very little in return.

The Malawi Confederation of Chambers of Commerce and Industry (MCCCI) described the \$200million Nsanje Inland Port and Liwonde Dry Port construction the government had commissioned as unnecessary and a complete waste of resources.

Speaking in Blantyre on Monday, MCCCI President, Karl Chokhotho said the government should stop pumping in resources to the two projects but instead channel the money to other viable projects like the Greenbelt initiative.

He said in view of the country's current economic downturn it was ill-advised to press ahead with such projects when there was no guarantee that they will generate money for the country.

"They are completely unnecessary projects that cannot work for the government and need to be abandoned right away," he said.

He said everyone in the private sector has said no to these projects but government seems not to listen to the advice.

However, Patricia Kaliati, Minister of Information and government spokesperson brushed off such advise as lacking in wisdom, insisting that the two projects will still go ahead.

"We cannot just abandon such big projects which in future will benefit the nation economically," she emphasised.

The government had contracted Portuguese firm, Mota-Engil to build the ports which could handle goods and services in an otherwise landlocked Malawi.(APA 18-07-2016)

## **HOTEL ASSETS ATTRACT INVESTOR INTEREST**

The hospitality sector is poised for significant growth because of strong interest in local hotel assets, says global hospitality consulting and services group HVS.

According to the World Travel and Tourism Council, the direct contribution of travel and tourism to GDP in SA was R113.4bn in 2014 (3% of GDP). The contribution is expected to grow 4.6% per annum to R184.7bn (3.4% of GDP) by 2025, reflecting the economic activity generated by industries such as hotels and airlines.

HVS managing partner in Cape Town Tim Smith said on Friday that there was a real demand from prospective hotel investors for local assets. There was also optimism that the industry on the continent would grow, he said.

It was this potential that had led to the decision by HVS to set up shop in Cape Town as a springboard into the rest of Africa, Smith said. HVS undertakes valuations for new ventures and handles feasibility studies.

Smith said that following the post-World Cup slowdown, more companies and individuals had overcome doubts about risk and were prepared to invest in hotels. Occupancies reached a low of 53% in 2011, compared with 72% in 2007 before the global downturn.

"After the 2010 World Cup there were too many hotel rooms and it took four years for the oversupply to be absorbed ... in the past two years trading has been positive," Smith said.

The Carlson Rezidor Hotel Group's Marc Descrozaille announced in June that two new hotels would open in Cape Town in the next 10 months and another in Polokwane, highlighting the multibillion-rand investment the group is making in SA. Descrozaille said the company hoped to build 20 hotels in Africa by 2020.

The Hospitality Outlook: 2014-18 report by PwC says that although SA's economy is facing headwinds, the hospitality sector is poised for growth in the next five years, in the wake of a number of inbound travellers into the continent. (BD 18-07-2016)

## **FY 2016-17: EGYPT TARGETS UNDER 10 PERCENT BUDGET DEFICIT**

The Egyptian government is targeting a budget deficit of less than 10 percent for the financial year 2016-2017, the Planning minister said on Monday.

Ashraf al-Araby noted that the government seeks to reach some serious alternatives to face the current budget deficit, double the investment rate, and create more job opportunities.

He said all these are in line with the state's 2030 development scheme.

Meanwhile, Egypt's Ministry of International Cooperation revealed in a report that the total grants the ministry signed during the past five years reached around \$3.9 billion. (APA 18-07-2016)

## **SEEDSTARS WORLD REVEALS TOP 10 STARTUPS TO PITCH IN MAPUTO**

Seedstars World, the global seed-stage startup competition for emerging markets and fast-growing startup scenes, is continuing its tour through Africa to scout for the best startups in Maputo.

In line with its mission to place the spotlight on entrepreneurs from emerging markets, Seedstars World is travelling to more than 65 countries globally and 20 in Africa this year to identify the best seed-stage entrepreneurs and provide them with an opportunity to win up to USD 1 million and network with investors and mentors from around the world. Its previous participants have raised over USD \$61 million collectively, providing employment to more than 360 employees worldwide.

The event will take place at Rua dos Desportistas, no 119, 1 andar (attendees can [register here](#) for free) with the startups to pitch to a panel of judges. The top startup will be crowned the most promising seed-

stage startup of Seedstars World Mozambique 2016. The Mozambican competition is carried out with the support of Standard Bank and local ambassador UX Information Technologies.

“Part of Standard Bank’s pan-African strategy, is its embracement of the digital future and the impact this will have on both banking and the businesses of tomorrow. It is inspiring to see the calibre of tech and e-commerce focused Mozambican entrepreneurs that have been short listed for the Seedstars Maputo competition, one of whom will go on to represent Mozambique on the International Stage in 2017. Good luck to all the participants.” said Chuma Nwokocha, Chief Executive of Standard Bank Mozambique.

“After reviewing all the startups that applied to SeedStars Maputo 2016, we feel very confident that this will be another successful event, one which will showcase Mozambique’s potential as an exporter of technology. Competition will be fierce this year, and we hope that the winner will represent our country proudly in the Seedstars Summit in Switzerland,” says local ambassador Tiago Coelho, Co-founder at UX Information Technologies.

**The 10 startups that are selected to participate at the Seedstars World pitching event are:**

- Comprá: An online marketplace for quality brands, products and services.
- Kharin: A new intelligent shopping tool that allows supermarkets to advertise their products and services and consumers to compare prices.
- BlackBOX TV: Allows you to stream any content you want using their digital broadcast – no internet connection needed!
- MolaPay: A peer 2 peer mobile payment platform which enables people to make and receive payments using smartphones.
- +J: A social media platform that provides exclusive services and benefits for all its users.
- Mozik: A music streaming platform that is focusing on the full potential of African culture.
- Ola Taxi: A mobile application to easily locate taxis and tchopelas.
- IZYSHOP: An online supermarket connecting producers to consumer markets.
- Vamobi Net: A startup that is modernizing the management of small water supply and distribution systems in developing countries.
- Kwine: A startups that allows anyone to locate their bus on time.

“We are very excited to be back in Mozambique in 2016 and looking forward to witnessing the exceptional talent that Mozambique has and showcasing it on the global stage later this year.” says Claudia Makadrsto, Associate for Seedstars World Africa.

Other partners include local and international organizations, such as the Swiss Embassy, US Embassy, the American Cultural Center, Idealabs, and the Dutch Embassy. In addition, Seedstars World has partnered with TRECC to bring the “Transforming Education Prize”, which will award the best startup in the education space from around the world with a prize of over USD 50,000. (IT News Africa 15-07-2016)

## **NIGERIA: INFLATION RATE HITS 16.5 PERCENT**

Nigeria’s National Bureau of Statistics (NBS) says inflation for the month of June rose to 16.5%, the highest point since October 2005.

According to the Consumer Price Index (CPI) released by the NBS on Monday in Abuja, Nigerian inflation rose from 15.6 percent in May 2016 to 16.5 percent in June 2016, as energy and food prices weigh in heavy on inflation for the month.

It noted that in June, the Consumer Price Index (CPI) which measures inflation continued to record relatively strong increases for the fifth consecutive month.

It added that the headline index increased by 16.5% (year-on-year), 0.9% points higher from rates recorded in May (15.6%).

“Most COICOP divisions which contribute to the headline index increased at a faster pace, the increase was however weighed upon by a slower increase in three divisions; Recreation & Culture, Restaurant &

Hotels, and Miscellaneous Goods & Services Year on year, energy prices, imported items and related products continue to be persistent drivers of the core sub-index.

“The Core index increased by 16.2% in June, up by approximately 1.2% points from rates recorded in May (15.1%). During the month, the highest increases were seen in the electricity, liquid Fuel (kerosene), furniture and furnishings, passenger transport by road, fuels and lubricants for personal transport equipment,” the NBS said.

Nigeria’s inflation rate had been experiencing an upward swing within the last seven months. (APA 18-07-2016)

### **NIGERIA: PRESS SPOTS TWO REGIONS' REQUEST FOR CONTROL OF OIL WELLS, DWINDLING REVENUE**

The demand for allocation of 65 percent of crude oil wells to people from Niger Delta and the distortion in budget implementation due to the slump in revenue are some of the leading stories in Nigerian newspapers on Monday.

The Vanguard newspaper reported that in order to facilitate development in the Niger Delta region, South-East and South South lawmakers have called on the Federal Government to review the ownership structure of oil wells in the country to allow for 65 percent ownership by the people of the region.

It said the Army on Sunday said its troops in training exercise code named Exercise Harbin Kunama, to mark the 2016 NADCEL, on patrol of the forests in Zamfara State, killed 11 armed bandits and cattle rustlers.

The Guardian reported that failure to meet revenue targets for the first and second quarters, persistent oil production shut-in from militancy and foreign exchange supply challenges have renewed concerns on the feasibility of the 2016 budget.

The PM News was excited that the long-awaited African Union (AU) passport was on Sunday launched at the opening ceremony of the 27th Ordinary Session of the Assembly of the AU Summit in Kigali, Rwanda.

The Assembly is made up of Heads of States and Governments of the 54 member states of the AU.

The Nation newspaper reported the directive of the Central Bank of Nigeria (CBN) that customers were free to open accounts without deposits.

The directive is contained in the Monetary, Credit, Foreign Trade and Exchange Guidelines for Fiscal Years 2016/2017 guidelines posted by the CBN on its website.

It said that commercial banks ask for cash deposits to cover operating cost of opening new accounts to discourage customers from abandoning their account opening plans after completing documentations.

The Punch screamed that the acting Inspector-General of Police, Ibrahim Idris, said that his predecessor, Solomon Arase, went away with 24 police vehicles, while the seven Deputy Inspectors-General of Police, who retired alongside him, also carted away between seven and eight cars each.

The newspaper said that the Economic and Financial Crimes Commission has quizzed Captain Ahmed Borodo, the pilot whose plane was allegedly chartered by a former Minister of State for Defence, Senator Musiliu Obanikoro, to transport N1.219bn to Governor Ayodele Fayose. (APA 18-07-2016)

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

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



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