MEMORANDUM

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SUMMARY

AUSTRALIA'S MUSTANG RESOURCES DISCOVERS RUBIES IN MOZAMBIQUE

Australia's Mustang Resources has discovered its first ten rubies at digs in the concession it holds in Montepuez, Cabo Delgado province, northern Mozambique, the company said in a statement issued on Wednesday.

The discovery of the ten rubies, totalling 2.16 carats, was described by the company as a good sign for the next phases of the concession, located near the concession area of British company Gemfields, where valuable gems have been found.

The work, which began on 25 June, are part of Phase 2A of the exploration programme and include well drilling, sampling and processing of the collected product.

Mustang's mining project in Montepuez has three exploration licenses, covering an area of 15,800 hectares.

In June 2015, Mustang Resources announced it had discovered Mozambique's first quality diamond deposit of market value.

Sixteen diamonds were discovered at the company's project at the confluence of the Save River, which divides southern and central Mozambique, and the Runde River, near the border with Zimbabwe. (28-07-2016)

DRC: WORLD BANK STOPS FUNDING WORLD'S BIGGEST POWER PLANT PLAN

The World Bank has suspended funding to help develop a $14 billion hydropower project in the Democratic Republic of Congo, a stage in what could become the world's biggest power plant, after a disagreement with the nation over implementation plans.

The announcement to halt financing the Inga 3 project followed the Congo's decision "to take the project in a different strategic direction to that agreed between the World Bank and the government in 2014," the Washington-based lender said in a statement on its website on Tuesday, without elaborating further.

The World Bank agreed to $73 million in technical assistance for the first phase of the $100 billion Grand Inga hydropower project which would produce 44,000 megawatts. Inga 3 alone would produce at least 4,800 megawatts, almost double Congo's current installed capacity. China's Three Gorges power plant, at 22,500 megawatts, is currently the world's biggest power plant.

Only 6 percent of these funds had been disbursed before the decision to pull its support, the World Bank said. The lender would continue to work with the government to ensure the project's execution follows proper procedures, it said.

Bruno Kapandji, who heads the Inga project for the government, didn't answer calls and staff at his office said he was not available for comment.

The World Bank is halting its funding due to concerns that environmental and social standards would be overlooked as the Congo fast-tracks the project to honor a supply agreement with South Africa by 2021, Joshua Klemm, a policy director at lobby group International Rivers, said in an e-mailed statement.

The two ventures which are still in the running to build the project are China Three Gorges Corp. in partnership with Sinohydro Corp., and Madrid-based Actividades de Construccion y Servicios SA with Spain's Eurofinsa SA. The government has said it expects to receive final bids by the end of this month and will select a developer by September.(Bloomberg 27-07-2016)

PRESIDENT KABORE URGES MOROCCAN FIRM TO DEVELOP TELECOM INFRASTRUCTURE IN B/FASO

President Rock Marc Kabore of Burkina Faso has urged Maroc Telecoms, which controls the National Telecommunications Office (Onatel) to develop and accelerate the country's telecommunications infrastructure, the Presidential Office told APA on Wednesday.

President Kabore who was receiving Maroc Telecoms CEO, Abdeslam Ahizoune, suggested that the Moroccan group "consider emergency plans to speed up the setting up of telecom infrastructure" in Burkina Faso.

Mr. Ahizoune, currently on a visit to Burkina Faso at the head of a delegation, met not only President Rock Kabore, but also the country's authorities in charge of telecommunications.

"That's what we are going to do very quickly, in consultation with the authorities, so that the objectives and benefits of our investment in ONATEL, which is a state-owned company in which there are important public interests, are shared by all," Mr. Ahizoune explained.

Maroc Telecoms has since 2006 taken control of Onatel (51percent of the capital), for about 144 billion CFA francs.

ONATEL operates the fixed telephone and the Internet and its subsidiary while Telmob runs the mobile telephony.

This state-owned company, which leads the telecommunications market recorded at the end of 2015, a turnover increase of 11 per cent, which rose from 130.9 billion CFA francs (end of 2014) to 144.8 billion CFA francs, representing a profit of 25.3 billion CFA francs and a 29-per cent growth.

ONATEL shares the telecom market with Telecel Faso and Airtel, the latter having recently been acquired by the French Group Orange. (APA 27-07-2016)

SOUTH AFRICAN GROUPS INVEST IN RETAIL IN MOZAMBIQUE

South African company African Property Investimentos Lda plans to invest about US$60 million in construction of a shopping centre in the city of Nampula, capital of the province of the same name in northern Mozambique, under a memorandum of understanding signed Tuesday.

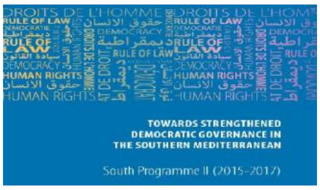
The memorandum, signed by representatives of the company and the Municipal Council of the city of Nampula, also includes redevelopment of the former Nampula Agro-Industrial Fair, and African Property Investimentos Lda will be responsible for paying compensation to traders who currently work in the area.

The shopping centre will have parking, banks, restaurants and clothing stores and other facilities, according to Mozambican news agency AIM.

In the city of Tete, South African group Shoprite opened its second shopping centre, after opening its first about seven months before.

The governor of Tete, Paul Aude, said at the time he wanted to see local agricultural products on the shelves of this new shopping centre, "in order to encourage farmers and business links." (28-07-2016)

TOWARDS STRENGTHENED DEMOCRATIC GOVERNANCE IN THE SOUTHERN MEDITERRANEAN: SOUTH PROGRAMME NEWSLETTER HIGHLIGHTS LATEST ACTIVITIES



The EU-Council of Europe (CoE) joint programme “Towards Strengthened Democratic Governance in the Southern Mediterranean” (South Programme II) has published the fourth edition of its newsletter highlighting events and activities implemented under the programme.

The publication leads with an editorial on a workshop dedicated to the “Introduction to the European Convention on Human Rights and other international systems for the protection of human rights and fundamental freedoms”, organised under the “Programme of Advanced Training in the field of Human rights, the rule of law and democracy for Southern Mediterranean” (PATHS), implemented in the framework of the SOUTH II programme.

The newsletter also features articles describing programme activities in three thematic areas: protecting and promoting human rights, promoting the rule of law, and sustaining democracy.

The EU-CoE Joint Programme **“Towards strengthened democratic governance in the South Mediterranean” – South Programme II**, 2015-2017 – funded with a budget of €7.4 million - aims to contribute to the reinforcement of democratic governance in the Southern Mediterranean region by supporting the development of new constitutional and legal frameworks; contributing to the creation and expansion of a common legal space between Europe and the Southern Mediterranean and fostering regional co-operation in the field of human rights, Rule of law and democracy.

Co-operation activities under the South Programme are primarily directed to Morocco, Tunisia and Jordan and open to other countries from the Southern Mediterranean, through regional activities or targeted bilateral activities. (Council of Europe 27-07-2016)
South programme II newsletter 4

SWAZI PARLIAMENT APPROVES REQUEST FOR $57M LOAN FROM AFDB

Swaziland’s Parliament has approved a $57 million loan request to be made to the African Development Bank (AfDB) by the government to fund an irrigation project, an MP disclosed Friday.
About 20, 000 people will benefit from the second phase of the Lower Usuthu Smallholder Irrigation Project II (LUSIP II) that will cover 9 217 hectares of ploughed land.

According to Member of Parliament, Marwick Khumalo who also chairs the Finance Portfolio Committee, the objectives of the project are to increase household income, enhance food security and to improve access to social and health infrastructure for the rural population.”

Issuance of the loan by the AfDB translates to an increase of national debt to $617.3 million, which is about 18 percent of Swaziland’s Gross Domestic Product (GDP).

It is not known when the AfDB will be contact with the loan request and what its position will be. (APA 29-07-2016)

ETHIOPIA: HONEY AND MEAT EXPORTS YIELD OVER $100MILLION

Ethiopia has earned over $100 million from exporting honey and meat in its just ended fiscal year, said the Ethiopian Meat and Dairy Industry Development Institute.
The institute's Director-General, Hailesellasie Wores, told APA in an interview on Friday that the revenue was obtained from honey, wax, meat and offal exported to Africa, the Middle East, Europe and US markets.

He said the revenue fell short of the planned target by $13 million but exceeded that of the previous year by $1.8 million.

The institute plans to obtain over $157 million this budget year he added.(APA 29-07-2016)

PRIVATE INVESTMENT IN INDUSTRY IS CRITICAL TO ANGOLA'S DEVELOPMENT

Private investment in manufacturing is critical to the balanced development of the economy and employment growth in Angola, said in Luanda the minister of Economy, cited by state newspaper Jornal de Angola.
Abrahao Gourgel also said the government was watching closely and considers promoting conditions for growth of investment without direct support from the state a priority for the country's economic and industrial policy.
The minister said that in Angola private investment is less than 5% of GDP, which according to the World Bank, is less than the figures of between 10% and 15% in South Africa and 15% and 20% in Namibia and Botswana.
During a conference on private investment in manufacturing, Gourgel admitted that the drop in oil prices had also led to a sharp drop in the growth trend, which slowed to 3% in 2015 and had a huge impact on the main macroeconomic variables including State expenditure.
The Minister for Industry, Bernarda Martins, present at the conference, acknowledged that domestic industry was running at below installed capacity and some units are at a standstill or near standstill due to difficulties in importing raw materials and spare parts. (29-07-2016)

BELGIUM BANKROLLS BURKINA WATER, HEALTH PROJECTS

Belgium has signed with Burkina Faso two financing agreements worth CFA9.2 billion for the implementation of development projects to ensure access to water and health, the Economy and Finance Ministry told APA Friday.
The first agreement, to the tune of CFA6 billion will help finance the implementation of the project to support the right of access to safe water and sanitation in the eastern city of Fada Ngourma, bordering Niger and Benin.

This project aims to contribute to the achievement of the Sustainable Development Goals (SDGs) in the water and sanitation sectors in urban areas, through the increase in sustainable access to safe drinking water, the development of sanitation and the promotion of the right of access to such services in the region.

The second agreement amounting to CFA3.2 billion will finance the implementation of the project to accelerate the attainment of sexual and reproductive health rights in Burkina Faso, the execution of which will take place in the east and central-east regions.

The disbursement of these funds marks the launch of the cooperation program between Belgium and Burkina Faso, which was formalized and signed in February 2016.

The signing of the agreements marks the resumption of relations between the two countries, after a 12-year interruption.

In January 2004 Burkina Faso was withdrawn from Belgium's list of development partner countries over what Brussels described as its poor human rights records.(APA 29-07-2016)

ZIMBABWE EXPECTS LOWER DIAMOND OUTPUT THIS YEAR

Zimbabwe will not be able to meet the six million carat target for this year due to the reorganisation of the diamond-mining sector earlier this year, a cabinet minister said Friday.

In a revelation that exposes the challenges of policy inconsistencies, Finance Minister Patrick Chinamasa said the move by the government to close mining firms in the Chiadzwa area of eastern Zimbabwe early this year and the subsequent formation of a consolidated operation is expected to have a telling effect on overall rough diamond output.

"We have set ourselves a target of six million carats this year, but we are nowhere near that because of the disruptions that came about as a result of the reorganisation of that sector," Chinamasa told the state-run New Ziana news agency.

The reorganisation of the diamond-mining sector was necessitated by allegations that the six firming operating in the Chiadzwa area were deliberately under-reporting their production figures and prejudicing the government of billions of dollars. The government was ironically a shareholder in all the six firms.

The effect of the consolidation process began to show at the beginning of the year when rough diamond output declined by more than 76 percent to 152,475 carats in the first quarter of 2016 compared to 639,377 carats in the corresponding period in 2015. (APA 29-07-2016)

PORTUGUESE COMPANY PLANS TO MOVE SOME PRODUCTION TO ANGOLA

Portuguese meat products company Sicasal is preparing to transfer some of its production to Angola following a 50% drop in exports to the West African country, the company’s chairman said on Thursday in Luanda.

Alvaro Santos Silva, who is in Angola as part of a Portuguese business delegation that, together with the Minister of Agriculture, Luis Capoulas Santos, is visiting the country to strengthen institutional bilateral and business cooperation, also said that in 2015 the company exported 40 million euros’ worth of products to the Angolan market.

The chairman of Sicasal told Portuguese news agency Lusa the company had already invested US$10 million buying equipment and an area of 10,000 square metres in Viana, on the outskirts of Luanda, where it already employs about 60 people.

The company is initially considering importing raw materials from Portugal and later move on to raising livestock depending on availability of foreign currency in the market.

Sicasal mainly exports canned goods and frozen pork to Angola. (29-07-2016)

20 SHIPS ARRIVE LAGOS PORTS

Twenty ships are currently discharging petroleum products and other commodities at the Apapa and Tin-Can Island ports in Lagos, the Nigerian Ports Authority (NPA) said on Friday.

The NPA explained that the 20 ships are at the ports discharging general cargoes, buck wheat, bulk fertiliser, base oil, containers, bulk gypsum, diesel and petrol.

It added that 40 ships laden with petroleum products, food items and other goods are expected to arrive in Lagos ports between July 29 and Aug. 20.

According to the NPA, the expected ships will ferry into the country buck wheat, bulk sugar, base oil, bulk salt, containers, bulk charcoal, diesel, Low Pour Fuel oil, bulk corn and petrol. (APA 29-07-2016)

TOTAL GROUP EXPANDS NETWORK OF SERVICE STATIONS IN MOZAMBIQUE

French oil group Total plans to invest US$50 million in Mozambique to achieve a 30% share of the service station market by the end of 2017, said the group’s managing director for Mozambique.

The group, which on Thursday opened a service station in the suburb of Magoanine in Maputo, aims to have 60 stations by the end of 2017, compared to the current 43, said Joseph Kouamé, quoted by Mozambican news agency AIM.

Kouamé said the portfolio of projects in the fuel distribution sector in Mozambique is quite ambitious and gave assurances that the group intends to consolidate its presence in the Mozambican market.

According to information on Total Moçambique’s website the company has service stations throughout the country, and more than half are concentrated in the Maputo and Matola region. (29-07-2016)

BRAZILIAN FIRM SUSPENDS COAL TRAINS IN MOZAMBIQUE OVER SECURITY CONCERN

Global miner, Brazil's Vale, has suspended coal trains along the Sena railway line from the Moatize coal basin to the central Mozambican port of Beira after gunmen from rebel group Renamo attacked one of its trains on its way to a coal mine, injuring the driver's assistant.
State-controlled Radio Mozambique says the train was ambushed as it passed through Inhamitanga, in Cheringoma district in the central province of Sofala. Its driver was shot in the back whilst a security guard received cuts from flying glass.

This is not the first time that members of Renamo’s militia have attacked the line. In early June, two attacks were carried out on trains in the same area. As a result of these actions, Vale suspended its trains for a fortnight. However, just over a week ago the service was reinstated.

In an unrelated incident, three people died and forty injured when a bus belonging to Nagy Investments drove carelessly over a level crossing and was hit by an oncoming train belonging to Vale.

The accident happened near the town of Cuamba in the northern province of Niassa, along the rail corridor to the port at Nacala-a-Velha.

MORE THAN 2,000 MOZAMBICANS FLED TO NEIGHBORING MALAWI IN JANUARY AS FIGHTING FLARED UP BETWEEN GOVERNMENT FORCES AND REBELS IN THE TETE PROVINCE.

Renamo is stepping up hostilities after previous ambushes have been against traffic on the main roads.

Renamo, which is also the official opposition in Mozambique, never completely disarmed after a civil war with the governing Frelimo party and launched a low-level guerrilla campaign in late 2012. (APA 29-07-2016)

VALE MOÇAMBIQUE POSTS LOSS OF US$100 MILLION IN THE 2ND QUARTER

Mining company Vale Moçambique recorded a loss of US$100 million in the second quarter of 2016, compared with a loss f US$112 million in the first quarter, according to its parent company, Brazilian group Vale.
The improvement of US$12 million in results in the second quarter was due to a drop in costs and expenses of US$58 million, according to the annual report and accounts for the second quarter.

The production cost per tonne of coal placed at the port of Nacala decreased by 39%, from US$168 in the first quarter to US$103 in the second quarter, "and there should be an even better performance in the coming quarters, with increased production in Nacala and Moatize II."

The subsidiary of the Brazilian group also reported that the Nacala Logistics Corridor continued to expand its business as planned. The railway carried 1.655 million tonnes of cargo in the second quarter against 761,000 in the first quarter.

Vale Moçambique made 19 shipments through the port of Nacala in the amount of 1.567 million tons in the second quarter compared to 13 shipments and 982,000 tonnes in the first quarter.

In this period, the price of ton of Australian high grade coking coal increased from US$81 to US$84, similarly to other varieties, reflecting increased demand from China and constraints on global supply.

Overall, the coal segment led the Vale group to a loss of US$110 million in the second quarter 2016, which compares with a loss of US$93 million dollars in the first quarter.

In the second quarter the Vale group as a whole posted profit of 3.58 billion reais (US$1.094 billion), a decrease of 30% year on year and 43% compared to results in the first quarter.

The drop in results was due to the need to make provisions to honour the agreement signed in March by the company and by BHP Billiton in the amount of 20.2 billion reais to recover and compensate regions affected by the disaster occurred in Mariana, over the next 15 years, after the Samarco dam burst. (29-07-2016)

EXXONMOBIL AND ENI NEGOTIATE SALE OF STAKE IN OIL BLOCK IN MOZAMBIQUE

Oil group ExxonMobil is in advanced talks with Italian group ENI to buy a minority stake in new offshore natural gas discoveries in Mozambique, reported financial news agency Bloomberg.

Rex Tillerson, CEO of Exxon, discussed the deal with the President of Mozambique, Filipe Nyusi last week in Maputo, according to the sources cited by the agency.

ExxonMobil is also in talks with US group Anadarko Petroleum to take a stake in Area 1 in the Rovuma basin in Mozambique, according to the same sources.

Three years ago, the China National Petroleum Corporation purchased an indirect stake in the Area 4 block in the same basin, from ENI for US$4.2 billion.

The chairman of ENI, Claudio Descalzi, said last May that the group was negotiating the sale of a stake in the block in Mozambique where it acts as operator and that a final investment decision should be taken before the end of the year. (29-07-2016)

COMMUNICATIONS FROM THE INTERNATIONAL MONETARY FUND

Central African Republic - http://www.imf.org/fr/News/Articles/2016/07/21/20/54/PR16352-Central-African-Republic-IMF-Executive-Board-Approves-Three-Year-Arrangement-Under-the-ECF

Chad - http://www.imf.org/en/News/Articles/2016/07/25/21/37/PR16360-Chad-IMF-Executive-Board-Concludes-2016-Article-IV-Consultation

Equatorial Guinea - http://www.imf.org/en/News/Articles/2016/07/18/19/14/PR16344-Equatorial-Guinea-IMF-Staff-Concludes-2016-Article-IV-Mission

Guinea - http://www.imf.org/en/News/Articles/2016/07/25/21/03/PR16359-Guinea-IMF-Executive-Board-Concludes-the-2016-Article-IV-Consultation

Guinea - http://www.imf.org/external/pubs/cat/longres.aspx?sk=44152.0

Liberia - http://www.imf.org/external/pubs/cat/longres.aspx?sk=44101.0

Liberia - http://www.imf.org/external/pubs/cat/longres.aspx?sk=44100.0

Morocco - http://www.imf.org/en/News/Articles/2016/07/22/18/38/PR16355-Morocco-IMF-Executive-Board-Approves-US3-47-billion

Niger - http://www.imf.org/External/NP/LOI/2016/NER/062416.pdf

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Nigeria - http://www.imf.org/en/News/Articles/2016/07/20/13/39/TR071916-WEO-Transcript-of-the-Press-Conference-on-the-Release-of-the-July-2016-Update

Sierra Leone - http://www.imf.org/external/pubs/cat/longres.aspx?sk=44099.0

Sierra Leone - http://www.imf.org/external/pubs/cat/longres.aspx?sk=44098.0

Sierra Leone - http://www.imf.org/External/NP/LOI/2016/SLE/061616.pdf

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