

# MEMORANDUM

N° 151/2015 | 23/09/2015

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 1,455 Memoranda issued from 2006 to Jun 2015. More than 17,300 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](mailto:fernando.matos.rosa@sapo) or [fernando.matos.rosa@skynet.be](mailto:fernando.matos.rosa@skynet.be).

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

## SUMMARY

New framework for Gender Equality/Women's Empowerment: Transforming Lives of Girls and Women	Page 2
Without power, Zambians grapple with toughest of times	Page 3
AU commission head backs Burkina sanctions	Page 4
B/Faso's political crisis dominates ECOWAS summit in Abuja	Page 5
Chinese group CITIC modernises agriculture in Angola	Page 5
South Africa tops for investors in Africa despite slide	Page 6
Angola and Mozambique are attractive countries for retail chains	Page 6
Zimbabwe to ease empowerment laws and chase investment	Page 7
Burkina suspended from AU after coup	Page 7
Chinese company sells military equipment to Angola	Page 8
Over 100 proposals received in first wave of new calls for Euromed Youth	Page 8
Kenya growth attracts 50 Norwegian businesses	Page 9
Maputo airport, Mozambique, will be able to receive A380 aircraft	Page 9
AngloGold and Randgold in mine deal	Page 10
Kenyan govt orders closure of schools	Page 10
Subsidiary of Mozambique's flagship airline takes delivery of Embraer aircraft	Page 11
Kellogg's inks Nigeria deal in Africa expansion	Page 11
Central Bank warns against de-linking Namibian dollar from S/African rand	Page 12

## **NEW FRAMEWORK FOR GENDER EQUALITY AND WOMEN'S EMPOWERMENT: TRANSFORMING THE LIVES OF GIRLS AND WOMEN THROUGH EU EXTERNAL RELATIONS (2016-2020) ADOPTED**

Yesterday, the European Commission and the European External Action Service adopted a new framework for the EU's activities on gender equality and women's empowerment in EU's external relations.

A new framework for the EU's activities on gender equality and women's empowerment in the EU's external relations for the 2016-2020 period was adopted yesterday by the European Commission and the EEAS. Its aim is to support partner countries, especially in developing, enlargement and neighbouring countries, to achieve tangible results towards gender equality which is at the core of European values, as well as the new Sustainable Development Goals (SDGs) to be formally adopted this week.

EU High Representative/Vice-President **Federica Mogherini** said: *"With this new framework the EU takes forward working for gender equality in all its external actions. Women's rights are human rights and human rights are women's rights. We want to provide our partners with the effective support they need in order to fight violence against women and girls and at the same time to empower them socially and economically, so that women can participate actively in the political, social and cultural life of their countries."*

EU Commissioner for International Cooperation and Development, **Neven Mimica**, said: *"It is my firm conviction that our new approach will not bring only words but concrete actions and results. It will be translated into real improvements in the livelihoods of women and girls in third countries – where progress needs to be accelerated if we are to transform our world and unlock a development that is really sustainable."*

The new framework for action will build on the achievements and lessons learnt brought about by the implementation of the Gender Action Plan in Development 2010-2015. It will be more focussed on tangible results. It will be financed through a variety of EU external action instruments (such as the Development and Cooperation Instrument) and aid modalities (for instance, budget support or assistance to Civil Society Organisations). About €100 million have already been allocated to concrete measures specifically targeted to improve women's and girls' rights, while gender will also be mainstreamed throughout other sectors of development cooperation.

EU Member States will discuss this new framework in the relevant Council bodies, including at the Foreign Affairs Council dedicated to Development in October. The new framework should apply as from 2016.

2015 is a pivotal year for gender equality and the empowerment of girls and women. It is the year when a new development framework will be agreed upon at the global level, with gender equality firmly at the centre of the proposed Sustainable Development Goals (SDGs).

The EU and its Member States are at the forefront of the protection and fulfilment of girls' and women's rights. The strong EU positioning in the post-2015 development agenda clearly contributed to gender equality being accepted as a central element within the new SDGs.

2015 also celebrates the 15th anniversary of the UN Security Council Resolution 1325 on Women, Peace and Security, and the 20th anniversary of the Beijing Declaration and Platform for Action. The international community is rallying round to ensure that girls' and women's rights are fulfilled and that empowering action is adequately supported through galvanised efforts.

The new framework is divided into four pillars, for which there are concrete indicators and targets set. These pillars are the following:

- **Fighting violence of any kind against women and girls** - this includes protecting women against violence in situations of conflict and the prevention of trafficking of girls and women, but also fighting harmful practices like Female Genital Mutilation and Cutting, and empowering women to have control over their sexual and reproductive life.
- **Economic and social empowerment** – by for instance increasing access of women and girls to quality education and training, including on entrepreneurship, facilitating their access to financial services, to decent jobs and to basic services like energy or clean water.

- **Strengthening voice and participation** – Concrete actions could include women's increased participation in policy and decision-making at all levels, enhancing their role as peace-builders, supporting them in changing social and cultural norms through grassroots organisations or media.
- **Shifting institutional culture** – to more effectively deliver on EU commitments, all EU actors are expected to analyse the development priorities in the third countries where they work, as well as the local context for women and girls, and implement those priorities that are most relevant to them; they should also further strengthen their coordination, coherence and leadership.

Accountability is essential to the success of this new approach. Every new EU-funded project will now have to include measurable targets and objectives on gender.(EC 22-09-2015)

## WITHOUT POWER, ZAMBIANS GRAPPLE WITH TOUGHEST OF TIMES

The endless drone and stench of diesel fumes are daily irritants but Zambian barber Victor Senti is grateful for the generator that has kept his business going through months of electricity shortages.

The 35-year-old is worried about the future as the southern African nation, the continent's biggest copper producer after Democratic Republic of Congo, grapples with what many say is the worst economic crisis since the end of one-party rule in 1991.

With gloomy newspaper headlines chronicling the impact of falling copper prices, the cost of daily necessities soaring and power cuts lasting up to eight hours, Senti has never felt so pessimistic.

"Things are getting tougher here, especially this year," he said. "The government has a responsibility to explain to the nation what is happening." Besides barbers, the power shortages have hit industry and the already struggling mines, pushing growth forecasts for 2015 to below 5% from the initial outlook of 7% and sending the kwacha into a tailspin, losing a third of its value against the dollar in the last two months. President Edgar Lungu's government insists it has no control over commodity prices and blames the power shortages on drought and low water levels in hydropower dams.

But Batraben Mwandila, who runs a small restaurant selling traditional food to office workers and tourists visiting a nearby curio market, is fed up with the excuses — an ominous sign for Lungu, who faces an election in a year's time.

"Cooking the food is one thing — we can use charcoal when the power goes — but we also sell beer here, and if people can't find cold beer they will go elsewhere," said a visibly angry Mwandila, 31.

"For a small business like ours, a generator is expensive and if you look at the cost versus revenue, you're not making any profit."

### Addicted to copper

Analysts say the crunch has been brewing for decades as successive governments, starting with Kenneth Kaunda's disastrous post-independence one-party state, failed to heed calls to reduce Zambia's over-reliance on hydropower and copper.

Now, with a budget deficit projected at more than 5 percent of GDP and public debt rising sharply, the government has scant resources to throw at either problem.

In the mining belt, thousands of direct jobs — and many more indirect ones — are on the line as the likes of Glencore, Vedanta Resources and China's CNMC Luanshya Copper Mines scale back operations.

Private investors are also reluctant to get involved in power generation and distribution due to Zambia's low tariffs, meaning the economy will continue to be hostage to the vagaries of the weather for the dams that provide more than 90% of its electricity.

"Organisations like the World Bank have been advising for a long time that there would be a potential power deficit and it was important to start investing in this area," said Chrispin Mphuka, President of the Economic Association of Zambia.

"From two or three decades ago, this has been on the agenda but there has been lack of political will." The government is reluctant to ask the International Monetary Fund for help, knowing that it would be likely to insist on politically damaging belt-tightening ahead of next year's election.

Finance Minister Alexander Chikwanda said this week Lusaka was anxious to curb borrowing as its interest payments have soared, but if need be would opt for longer-term external loans as opposed to short-term IMF money.

Whatever the case, the pain for ordinary Zambians is unlikely to ease as the ruling Patriotic Front (PF) scrambles to patch up the structural faults in the economy in the 12 months left before the country goes to the polls.

"Zambia is a very stable country and I do not foresee instability per se, but since we returned to multi party politics in 1991 I can say very honestly this is the worst crisis we have faced," said University of Zambia political scientist Alex N'goma.

"An answer must be found, and found quickly, otherwise people will get impatient and intolerant, and they will speak when the next election comes around." (Reuters 21-09-2015)

## **AU COMMISSION HEAD BACKS BURKINA SANCTIONS**

The African Union Commission chair, Nkosazana Dlamini Zuma has tweeted her full support to the body's Peace and Security Council for indefinitely suspending Burkina Faso from its activities and imposing sanctions following a coup which ended the country's one-year transition program. Tweeting on Friday from Norway where she is attending a conference on the so-called Blue Economy, Dr Dlamini Zuma also welcomed the decision to impose a travel ban and an asset freeze on all the leaders of the coup in Ouagadougou.

Those elements of the Presidential security forces involved in this destabilisation attempt shall be held accountable for their actions she added before calling on nations of the 54-member organization and the international community to defeat this attempt to undermine the transition in Burkina Faso.

The AU boss was tweeting shortly after the Peace and Security Council met in Addis Ababa, Ethiopia on Friday over the turn of events in Burkina Faso and decided to suspend the West African country from its activities until the return to a meaningful process that would lead to democratic governance.

The African Union Commission is in principle opposed to the unconstitutional change of government in Africa and joined the United Nations in officially condemning the coup which has been opposed by cross sections of the Burkinabe population some of whom have taken to the streets of Ouagadougou and the second largest city Bobo-Dioulasso.

One by one African diplomats including the Algerian, Kenyan, Ethiopian and Ugandan representatives took to the floor of the meeting in Addis Ababa to condemn in no uncertain terms Wednesday's coup in Ouagadougou which came a month before elections were due to be held.

The elections were supposed to put pay to the one-year transition process which was instituted following the fall of Blaise Compaore in October 2014 after a popular uprising.

Former colonial power France, and the United States have condemned the coup as a setback for a speedy return to democratic governance in Burkina Faso.

General Gilbert Diendere, the leader of the coup has been meeting Senegalese President Macky Sall and his Beninese counterpart Thomas Boni Yayi at the behest of the Economic Community of West African States to negotiate a way out of the situation.

The President of the National Transitional Council (NTC) Cherif Sy called on fellow compatriots to take to the streets en masse to denounce the coup leaders whom he dismissed as a bunch of terrorists.

Sy has since proclaimed himself interim President although his whereabouts are unknown.(APA 18-09-2015)

### **B/FASO'S POLITICAL CRISIS DOMINATES ECOWAS SUMMIT IN ABUJA**

The extraordinary summit of the Economic Community of West African States (ECOWAS) began works on Tuesday in Abuja, with the political crisis in Burkina Faso as the principal item on the agenda. During the summit, ECOWAS chief, Senegal's President Macky Sall will, to the appreciation of his peers, present the draft agreement developed after Ouaga consultations to end the crisis.

The Summit's official opening ceremony was followed by a debate session in camera which was attended by seven West African leaders present in the Nigerian capital.

Sall recalled that the summit will mainly discuss the 13-point preliminary agreement obtained on Sunday after three days of negotiations, to help Burkina overcome the crisis resulting from the last week coup staged by the elite presidential guard (RSP).

It is necessary to forgive and start fresh, president Sall proclaimed, speaking of amnesty for the coup plotters, one of the points objected by Burkinabe civil society groups and officials of the transitional government.

He also argued that the power of the military must be returned to civilians. Among other, the ECOWAS mediation proposes the acceptance of forgiveness and amnesty for the consequences of the coup d'état and the organization of elections by 22 November with the participation of the excluded candidates.

It also recommends the restoration of Michel Kafando as transitional president.(APA 22-09-2015)

### **CHINESE GROUP CITIC MODERNISES AGRICULTURE IN ANGOLA**

Chinese group CITIC is in talks with the Angolan government to be granted 30,000 hectares of land to farm in Bié province, Chinese state news agency Xinhua reported.

The agency said that the land would be allocated to rice production, as part of a project that has the financial support of Chinese banks.

The Chinese state group currently manages two major agricultural areas with a total of 20,000 hectares in the provinces of Uíge and Malanje, which are pilot areas for agricultural development in Angola.

"Angola has a lot of rainfall and we are trying to recover its status as a major grain producer in Africa," said Liu Guigen, general manager of CITIC Construction Africa group that is involved in the project.

The CITIC farm in Malange, 380 kilometres from Luanda, is considered the most modern and advanced farming unit in Angola, having harvested over 10 tons of grain last season.

The Uíge farm, in addition to agriculture, is also developing an animal husbandry project.

Angola consumes about 4 million tons of grain a year but needs to resort to imports from Brazil and Namibia, among other countries, as domestic production is only 1.5 million tons.

CITIC Construction, which is now involved in agricultural development projects in Angola, was responsible for building the satellite city of Kilamba Kixi on the outskirts of Luanda, which involved investment of US\$3.5 billion. (22-09-2015)

## **SOUTH AFRICA TOPS FOR INVESTORS IN AFRICA DESPITE SLIDE**

SA continued to be the most attractive investment destination in Africa but its status has continued to slide due to a slightly weaker business environment and a faltering growth outlook, Rand Merchant Bank has concluded.

The bank's Where to Invest in Africa 2015-16 report, launched on Monday, ranks Africa's 54 countries in terms of attractiveness to investors.

Countries are rated on the basis of their gross domestic product at purchasing power parity taken together with forecast economic growth rates and their operating environments. SA's global ranking by RMB has slipped to 41 from 33 last year.

The report noted a "seismic shift" over the past nine years in foreign investor perceptions of Africa, which accounted for 4.4% of global foreign direct investment flows last year.

The inflows have nearly doubled in this period.

It cautions that in a ranking of the investment appeal of 183 countries, Africa was still a relatively poor performer despite the positive developments in the investment climate in recent years that has generated superior returns relative to most emerging market economies.

Egypt jumped four places to recapture the number two spot from Nigeria, followed by Morocco, Ghana and Nigeria. Also in the top 10 were Ethiopia (6), Tunisia (7), Algeria (8), Tanzania (9) and Kenya (10).

"Nigeria's descent to number five is attributed to a combination of local deterrents and its relative economic underperformance over the last year," it noted. "We are encouraged by the peaceful transition of power and continue to believe in the country's long-term economic viability based on the sheer size of its economy and the prospect of a demographic dividend."

Egypt's attractiveness lay in the size of its domestic market, its relatively low unit labour costs and the rapid uptake of technology in the country. Morocco overtook Ghana as foreign investors were attracted by the integration of value chains in the economy and the collaboration between big firms and small-and medium-sized businesses. Ethiopia's position also improved because of its stable economic environment, strong investment guarantees, natural resources and programmes to develop skilled labour.

Tunisia fell two positions because of the struggling tourism industry and prevalence of terrorism. (BD 22-09-2015)

## **ANGOLA AND MOZAMBIQUE ARE ATTRACTIVE COUNTRIES FOR RETAIL CHAINS**

Angola and Mozambique have attracted major international retail chains and, according to the "African Retail Development Index" drawn up by A.T. Kearney, are among the 15 most attractive African countries for this type of investment.

The consultancy puts Angola in 3rd place among the most attractive African countries for international retail chains, behind Gabon and Botswana, and ahead of Nigeria, taking into account factors such as the size of the urban population, business efficiency and risk to investors, in the study published this month in New York.

Angola has one of the fastest growing African economies and retail and real estate are booming the consultancy said noting, however, that the Angolan middle class is still "small" and consumer spending is also low.

The sharp population increase and average income in Angola has made chains such as South Africa's Spar, following the example of other South African groups such as Shoprite, decide to invest in the country, after Brazilian group Odebrecht was called in by the government to partner in the logistics management of state supermarket chain Nosso Super.

Among the major international chains that have been expanding in Africa are US company Wal-Mart, but also giants from South Africa such as Woolworths and Pick 'n Pay Stores.

In the study by A.T. Kearney, Mozambique emerged as the 15th most attractive country for these bonds. The consultancy believes that the Mozambican retail sector is dominated by South African companies, particularly Shoprite, but also that the impact of economic growth, the highest in Africa, mainly related to mining activity is not felt to a great extent in the cities.

As in Angola, the Chinese community is strongly represented in the retail trade and has been investing in large stores.

In Mozambique a new hypermarket recently opened that is managed by "Number One Supermarket" offering food, beverages, household appliances and other products, following an investment of US\$2 million in the city of Quelimane, capital of Zambézia province.

According to Mozambican newspaper Notícias, in the medium term Chinese investors want to build a similar project in the city of Mocuba in central Zambézia province. (21-09-2015)

## **ZIMBABWE TO EASE EMPOWERMENT LAWS AND CHASE INVESTMENT**

Zimbabwe will make its black empowerment laws more flexible and set up a "one-stop" office to cut the time it takes to invest in the country, according to a speech tabled before parliament on Wednesday.

President Robert Mugabe mistakenly read the wrong speech at the opening of parliament on Tuesday, vice-president Emmerson Mnangagwa told legislators while tabling the correct speech.

The incorrect one was actually a state of the nation address made three weeks ago.

Mr. Mugabe's office blamed the incident on a "mix-up". The state will give the state-owned Mineral Marketing Corporation powers to explore for deposits, and rename it the Mineral Exploration and Marketing Corp, according to the speech.

Mr. Mugabe's administration was "carrying out a raft of measures to improve the business environment", including easing company and investment procedures and establishing special economic zones that would "boost industrialisation".

Zimbabwe is suffering its worst economic crisis since 2008 as tight liquidity forces company closures and the government struggles to meet a wage bill that swallows 83% of the revenue it collects. The economy has shrunk by about half since 2000, while about 1.5-million Zimbabweans face some hunger after drought slashed production of maize, the nation's staple food.

The government will also establish a land commission to bring about "fairness and transparency" in the farming industry, according to the speech.

Since 2000, mostly white commercial farmers have been forcibly evicted to make way for black producers, which led to a production slump and disputes over land ownership between new occupants. (Bloomberg 17-09-2015)

## **BURKINA SUSPENDED FROM AU AFTER COUP**

The African Union's Peace and Security Council (PSC) has announced it was indefinitely suspending Burkina Faso from its activities with immediate effect after a coup which swept the transition government in Ouagadougou from power midweek.

At the end of a series of meetings at its headquarters in the Ethiopian capital Addis Ababa on Friday, the PSC tweeted that it would also consider unspecified sanctions against the new military government in Burkina Faso.

It also described the detention of officials of the ousted transition government as an act of terrorism".

Members of the AU's Peace and Security Council have been holding talks on Friday to emerge with a common position following the turn of events in the West African country where the detained head of the ousted transition administration has been reportedly freed.

No word has been issued about the whereabouts of his prime minister and ministers who were also detained since the coup began to unravel on Wednesday.

The African Union Commission is in principle opposed to the unconstitutional change of government in

Africa and joined the United Nations in officially condemning the coup which has been opposed by cross sections of the Burkinabe population some of whom have taken to the streets of Ouagadougou and the second largest city Bobo-Dioulasso.

One by one African diplomats including the Algerian, Kenyan and Ethiopian representatives took to the floor of the meeting in Addis Ababa to condemn in no uncertain terms Wednesday's coup in Ouagadougou which came a month before elections were due to be held.

The elections were supposed to put pay to the one-year transition process which was instituted following the fall of Blaise Compaore in October 2014 after a popular uprising.

Former colonial power France, and the United States have condemned the coup as a setback for a speedy return to democratic governance in Burkina Faso.

General Gilbert Diendere, the leader of the coup has been meeting Senegalese President Macky Sall and his Beninese counterpart Thomas Boni Yayi to negotiate a way out of the situation.

The President of the National Transitional Council (NTC) Cherif Sy called on fellow compatriots to take to the streets en masse to denounce the coup leaders whom he dismissed as a bunch of terrorists.

Sy has since proclaimed himself interim President although his whereabouts are unknown. (APA 18-09-2015)

## **CHINESE COMPANY SELLS MILITARY EQUIPMENT TO ANGOLA**

State-owned China Xinxing and Export Corporation will sell to Angola uniforms and other military equipment worth US\$44.6 million, according to a presidential order approving the deal.

In the order, Angolan President José Eduardo dos Santos authorises the inclusion of this contract for the supply of uniforms and military use equipment to the Angolan Armed Forces in the Schedule of Annual Public Investment (PIP).

The order also said it was the responsibility of the Defence Minister, João Lourenço, to sign the supply contract with the Chinese company.

This year Angola expects to spend 847.300 billion kwanzas on Defence, Security and Public Order, according to the State Budget (OGE) revised in March, which accounts for 15.5 percent of total public expenditure for 2015.

The China Xinxing and Export Corporation was established in 1984, initially under the Ministry of General Logistics of the People's Liberation Army as the only company authorised to export military equipment. It is a large company for production and sale of uniforms, shoes and boots, backpacks, tents, bullet-proof clothing, and other products. (21-09-2015)

## **OVER 100 PROPOSALS RECEIVED IN FIRST WAVE OF NEW CALLS FOR EUROMED YOUTH**

More than 100 proposals for projects have been received in the four countries (Tunisia, Jordan, Palestine and Israel) that have launched the first calls for proposals for new projects within the EU-funded Euromed Youth IV Programme since the end of 2014.

After the end of the last phase of the program (2010-2013), Tunisia was the first country to start the new cycle of calls for proposals with a deadline of February 2015, followed by Jordan (April 2015), Palestine (June 2015) and Israel (July 2015).



The country that has received the largest number of applications is [Tunisia](#): **36**, of which 17 will be funded, 9 are on the reserve list (for lack of sufficient funds on this round) and only 2 rejected, sign of the high quality of the proposals received in this country.

[Jordan](#) is the only country so far to have launched its second call for proposals with a deadline on **25 October 2015**. For its first call it received **28** applications, 11 of which have been awarded, 9 on the reserve list, and 8 rejected.

**19** applications have been submitted in [Palestine](#) and **20** in [Israel](#) of which 10 have been rejected.

The **EuroMed Youth** programme aims at stimulating and encouraging mutual comprehension among youth in the Euro-Mediterranean region, fighting stereotypes and prejudices and enhancing the sense of solidarity among youth by promoting active citizenship. It also seeks to contribute to the development of youth policies in the Mediterranean Partner Countries. The programme promotes the mobility of young people and the understanding between peoples. (EU Neighbourhood Info 17-09-2015)

## **KENYA GROWTH ATTRACTS 50 NORWEGIAN BUSINESSES**

Norwegian companies are trooping to Kenya to tap emerging opportunities, buoyed by increased growth and the improving business environment.

The Norway minister for Trade and Industry Monica Maeland disclosed on Friday that 50 Norwegian companies have already set up operations in Kenya's different sectors through partnerships and joint ventures.

Norway has an internationally oriented economy. So we have to pay close attention when markets are shifting and new opportunities open up, she said.

Speaking in Nairobi during the launch of the Norway Business Forum, which brought together various players from government and private sector, Ms Maeland said Norwegian businesses are targeting opportunities in renewable energy, aquaculture as well as trade and investment.

The forum was officially opened by the Cabinet Secretary for Foreign Affairs and International Trade Amina Mohammed, who revealed that bilateral trade between the two countries had tripled over the last ten years from \$12 million in 2004 to \$42 million in 2014.

Kenya has implemented extensive social-economic and political reforms and is today ranked among the best investment destinations not only in Africa but also in the world, she said.

According to the United Nations Conference on Trade and Development (UNCTAD) World Investment report 2015, Kenya's foreign direct investment (FDI) inflows have reached \$97.8 billion. (APA 18-09-2015)

## **MAPUTO AIRPORT, MOZAMBIQUE, WILL BE ABLE TO RECEIVE A380 AIRCRAFT**

Modernisation work on the runways of Maputo International Airport, which is in progress, will allow the landing of the Airbus A380, currently the world's largest passenger airliner, said Friday the Minister of Transport and Communications.

Minister Carlos Mesquita visited the airport in order to get acquainted with the progress of works awarded last February to French company Razel-Bec and involving the upgrading of runways, taxiways, parking deck and lighting.

Supervision of the contract was delivered to Royal Haskoning DHV, a company based in Amersfoort, Netherlands.

The work, whose cost is estimated at US\$65 million, "will provide the airport in the capital of Mozambique with capacity to receive large aircraft such as the A380," said the minister.

The Transport and Communications Minister made the trip to Maputo International Airport to baptise a new aircraft of Mozambique Express (Mex), an Embraer 145. (21-09-2015)

### **ANGLOGOLD AND RANDGOLD IN MINE DEAL**

Anglogold Ashanti brought its partner at two African mines into a joint venture at its suspended Obuasi mine in Ghana to help redevelop the operation and restore it to production for \$1bn or less.

London-listed Randgold would operate Obuasi and would take responsibility to refine studies already done by AngloGold to ensure the perennially under-performing mine became a profitable operation at a gold price of \$1,000/oz, Randgold CEO Mark Bristow said on Wednesday.

AngloGold CEO Srinivasan Venkatakrishnan said: "That capital cost Mark mentioned of \$1bn or less may be much lower than that."

Redevelopment work could start in April next year. AngloGold suspended Obuasi, one of the poorest performing mines in its suite of assets, at the end of last year and treated tailings to keep the plant ticking over.

"For AngloGold, if a positive development plan was possible, it could be a significant catalyst for the stock, as, post putting the mine on care and maintenance, we believe the market is assigning no value to the asset," said Goldman Sachs.

Randgold will now fund and draw up a development plan to restart Obuasi and if both boards accept the plan a joint venture will be set up and each firm will equally fund the work ahead.

It would be critical for Obuasi to extract and process opencast gold opportunities over two years to help fund the underground development, Mr. Bristow said, pointing to the success at the equally held Kibali gold mine in Democratic Republic of the Congo as an example.

"In our view, Randgold's approach to social licences and attitude towards effectively dealing with local communities in sub-Sahara Africa differentiates it from many of its peers.

"We also note that Randgold had previously showed interest in the asset with an unsuccessful bid for Ashanti Goldfields in 2003," said UBS. (BD 17-08-2015)

### **KENYAN GOVT ORDERS CLOSURE OF SCHOOLS**

The Kenyan government on Friday ordered all public and private schools to be closed starting Monday following the ongoing teachers' strike that is now on its third week.

However, examination candidates in Standard Eight and Form Four will remain in school for their revision in preparation for the upcoming national exams.

The schools, which opened on August 31, will now close on September 21 the Education ministry.

An Education ministry circular said the closure of schools was occasioned by very little or no teaching and learning in the last three weeks due to the teachers' strike.

The revision of the term dates for primary and secondary schools has been necessitated by the fact that very little or no teaching and learning has been going on in most of these institutions in the last three weeks with an exception of examination classes, read the circular.

As a result, tension has been building up among learners, who have been left idle under the care of very few teachers. Some incidences of insecurity in schools have been reported by Heads of Institutions and

Field Officers during the said period, the circular quoted by the Standard newspaper disclosed.

The teachers went on strike after the government failed to effect a 50-60 percent pay rise awarded to them by the Supreme Court.(APA 18-09-2015)

### **SUBSIDIARY OF MOZAMBIQUE'S FLAGSHIP AIRLINE TAKES DELIVERY OF EMBRAER AIRCRAFT**

The airline Mozambique Express (Mex), a subsidiary of state-owned Linhas Aéreas de Moçambique (LAM), Friday received an Embraer 145 aircraft, which was named "Serule", the name of the kingfisher bird in one of Mozambique's national languages, the local press reported.

The ceremony to receive the aeroplane and name it was held at the Mex hangar and was attended by the Minister of Transport and Communications, Carlos Fortes Mesquita.

LAM holds 100 percent of Mozambique Express, which already has 20 years of uninterrupted activity, marked on the 1 September current, operating on domestic routes.

The Embraer 145, of Brazilian aircraft manufacturer Empresa Brasileira de Aeronáutica (Embraer), was acquired through a leasing scheme, as were two previous aircraft, bringing the cost of the three aircraft to US\$18 million. (21-09-2015)

### **KELLOGG'S INKS NIGERIA DEAL IN AFRICA EXPANSION**

Us-based cereal maker Kellogg's announced this week it is acquiring half of Nigerian food distributor Multipro for \$450m as part of its drive to expand on the continent.

This follows its acquisition in January of a majority stake in Egyptian biscuit manufacturer Bisco Misr for \$125m.

"We have the potential to double the size of our emerging-market business by 2020," said Kellogg's CEO John Bryant.

The growing middle class in sub-Saharan Africa, Latin America and Asia give multinationals such as Kellogg's the potential avenues for growth as developed markets stagnate.

"We are very aggressive in the emerging markets and our growth plans, and we believe now is the right time to make those investments," Mr. Bryant said.

Kellogg's, the second-largest cereal brand in SA behind Pioneer Foods, manufactures its products in 17 countries outside SA and distributes them to 180 countries worldwide.

Its cereal brands include Corn Flakes, Special K, Coco Pops and All-Bran.

Kellogg's said the growth potential for cereal was especially strong in sub-Saharan Africa. "As a region that is experiencing explosive growth — with a population of almost 1-billion people and an economy that is expected to more than double over the next 10 years — sub-Saharan Africa provides tremendous opportunity for our company," said Mr. Bryant.

The Frontier Strategy Group's practice leader for sub-Saharan Africa, Anna Rosenberg, said many multinational companies had decided to include African countries in their portfolios.

"Many executives hope to compensate for sluggish growth in the eurozone by making quick returns in Africa," she said.

"While Africa's economy is on track to be worth \$3-trillion by 2025, benefiting from sub-Saharan African growth is a long-term game. The region's development will likely span several decades."(BD 11-09-2015)

## **CENTRAL BANK WARNS AGAINST DE-LINKING NAMIBIAN DOLLAR FROM S/AFRICAN RAND**

The Bank of Namibia says the country does not have an intention of de-linking its national currency – the Namibian Dollar (NAD) from the South African rand (ZAR), even the rand continues to plummet in the international monetary markets.

The once South African strong currency has been weakening against major currencies, now trading at R14.0175 against the US dollar, compared to R7 about for years ago.

Despite this, Dangi Katoma, the Director of Strategic Communications and Financial Sector Development told reporters that by linking the Namibian Dollar to the Rand far outweigh the costs.

As country, Namibia is heavily dependent on South Africa, with 65 percent of our imports coming from there. With these levels of imports, the benefit NAD to the ZAR or the use of the rand as legal tender removes transaction costs and thus it makes more economic sense and benefits for Namibian importers, Katoma was quoted as saying by Windhoek Observer on Friday.

He further explained that linking the dollar to the rand has helped stabilise inflation, which has generally remained at a lower average than the average inflation in sub-Saharan Africa. (APA 18-09-2015)

Fernando Matos Rosa

[fernando.matos.rosa@sapo.pt](mailto:fernando.matos.rosa@sapo.pt)

[fernando.matos.rosa@skynet.be](mailto:fernando.matos.rosa@skynet.be)