

# MEMORANDUM

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## **SENEGAL'S LEADER URGES ECOWAS TO RELEASE \$1M TO VICTIMS OF B/FASO COUP**

Senegal's president Macky Sall, who is the West Africa regional bloc ECOWAS' current chairman, has asked the regional bloc to release \$1 million to compensate victims of last week military coup in Burkina Faso.

He made the proposal Tuesday at the ECOWAS Summit on the political crisis in Burkina Faso.

He also called on all Burkinabe politicians, civil and military authorities to save the country from an unfortunate conflict.

If the country is plunged into violence, we will no longer be talking about electoral deadline to meet, (ballots to count; we will be conveying weapons, counting the dead and the injured, President Sall said. (APA 22-09-2015)

## **EU RAISES FUNDS TO REPAIR INFRASTRUCTURE IN MOZAMBIQUE**

The European Union (EU) is seeking to raise about 300 million euros to support the recovery of infrastructure in Mozambique, said the European Commission representative in Mozambique, Sven Kühn von Burgsdorff.

Von Burgsdorff told online newspaper Canalmoz that all of the funding would be used to repair roads, bridges, health facilities and schools destroyed by bad weather at the beginning of the year that seriously affected the central and northern areas of the country.

The government of Mozambique has reported it needs US\$500 million to repair a number of facilities destroyed by flooding.

In addition to the infrastructure sector, the EU is also currently supporting several business sectors in Mozambique, mainly agriculture, having recently provided 4 million euros to support agricultural development in two districts of Maputo province.

The initiative is being carried out in partnership with Banco ABC in the districts of Manhica and Magude, where the two institutions are financing a sugar production project involving 362 small-scale producers in an area of 530 hectares. (21-09-2015)

## **LOW-COST CARRIERS EXPAND AFRICAN HORIZONS**

Before Fastjet launched low-cost flights between Harare and Dar es Salaam last year, Zimbabwean businessman Jonathan Jabangwe had to brave a hair-raising, three-day bus journey to meet his clients in Tanzania.

Fastjet is among a wave of low-cost airlines launching or expanding in Africa as they seek to lure middle-income travellers who are tired of dangerous road journeys but cannot afford major carriers.

The new airlines hope to undercut larger carriers by offering "no frills" services.

Where low-cost routes have opened in Africa, prices have dropped by around 40% and passenger numbers have risen by almost half, a study by consultancy Intervistas shows.

"It makes a big difference to me. The roads are very slow and you take your life into your own hands," Mr Jabangwe says. "Why aren't these flights all over Africa?"

Africa's aviation industry is growing at 4.7%, faster than any other regions, and passenger numbers are set to double to 300-million a year in the next two decades, according to the International Air Transport Association (IATA).

Growth is, however, off a very low base and widespread expansion of low-cost aviation is hampered by government protectionism, high taxes and stringent regulation.

An "open skies" agreement, similar to the European Union pact that led to a boom in low-cost air travel, was signed 28 years ago but has never been properly implemented.

New airlines say governments block competitors from flying international routes to protect state-owned airlines such as Kenya Airways, South African Airways (SAA) and Ethiopian Airlines.

African countries continue to champion national airlines, despite losses or bankruptcies.

If governments were more pro-competition and reforms were imposed, it could add \$1.3bn a year to African economies and create 155,000 jobs, the IATA says.

"Government protectionism is ... what's inhibiting low-cost aviation moving forward and why Africa is so far behind the rest of the world," Fastjet boss Ed Winter says.

African air fares are on average four times higher than in Europe, Mr. Winter says.

Most low-cost airlines focus on domestic operations in SA, the continent's most developed economy.

Comair's kulula.com and SAA-owned Mango are well established, while FlySafair and Skywise have launched in the past year.

Comair posted lower profits this week and warned that SA was no longer a growth market.

Airlines seeking faster growth are starting to branch out. Fastjet, started by Easyjet founder Stelios Haji-Ioannou, is based in Tanzania.

FlyAfrica.com, launched last year, is run from Zimbabwe and announced plans on August 30 to expand routes in West Africa.

The biggest missed opportunity is Nigeria, home to Africa's biggest economy and largest population.

Widespread corruption and mismanagement mean the Lagos hub is much less developed than Nairobi, Addis Ababa and Johannesburg.

"Nigeria is an anomaly. A huge potential market but very difficult to operate in," says Erik Venter, Comair's CEO. "You would expect in a market of that magnitude the likes of a Comair should be climbing in there enthusiastically but we honestly don't want to touch it."

Yet experts see African low-cost aviation taking off, eventually.

Its young population and rising incomes bear similarities with southeast Asia, where low-cost capacity increased fourfold to 200-million in the past decade, according to the Centre for Aviation, a Singapore think-tank.

"Eventually, it will break through, but when?" asks Brendan Sobie, the chief analyst at the Centre for Aviation. "Things can happen fast if governments start changing policies and the right conditions are there." (Reuters 17-09-2015)

## US DEMAND FOR CRUDE OIL FROM NIGERIA RISES FOR OCTOBER DELIVERY

Nigerian crude oil differentials were stable on Thursday, with traders saying that demand from Europe and the United States has offset weaker demand from Asian buyers.

According to reports by Nigeria's This Day newspaper, traders said purchases of Nigerian oil for October from the US were at significantly higher levels than for earlier months.

It added that the Nigerian National Petroleum Corporation (NNPC) had raised its official selling price for Bonny Light to dated Brent plus 60 cents and Qua Iboe to dated Brent plus 94 cents.

The reports quoting agency sources noted that Nigerian oil is well suited to meet a gap in the market met by what some analysts see as lower production on shale oil.

Traders were waiting to gauge whether demand for November-loading Angolan cargoes would be any better than that for October. Differentials for October fell due to a sharp drop in demand from China.

Angola is set to export 55 cargoes, about 1.77 million barrels per day (bpd), of crude oil in November, down from 1.83 million bpd planned in October, a provisional loading schedule showed on Thursday. (APA 18-09-2015)

## **OIL PRODUCTION TARGET IN ANGOLA DIFFICULT TO ACHIEVE IN 2016**

Angola is unlikely to produce 2 million barrels of oil per day in 2016, said the office of economic and financial studies of the Portuguese bank BPI, adding that this is “an overly optimistic goal.”

“The Angolan authorities remain hopeful in achieving an increase in average daily production to 2 million barrels per day by 2016, but this scenario could prove overly optimistic,” according to the September analysis of the Angolan economy.

In the chapter on oil, the main source of tax revenues in Angola and that accounts for over 95 percent of exports, the BPI analysts said, “Angola managed to slightly increase average daily production, which should help partly offset the fall in revenues,” but noted that prices will remain low, undermining the country’s public finances.

“Oil production in the first quarter of 2015 rose to 1.76 million barrels per day and in the following quarter to 1.77 million,” according to oil ministry figures cited in the report.

These figures are positive, said the BPI analysts cited by Portuguese news agency Lusa, given that “in recent years, Angola had had some difficulty in recovering production levels because of technical problems and production falling at older wells.”

The problem, they said, was that “excess supply worldwide continues to threaten prospects for a recovery in oil prices,” because “the latest forecasts are that the adjustment process between demand and supply in the market is slower than originally expected, with fears that the price will remain at lower levels than expected by the end of the year.” (21-09-2015)

## **EU AND MEMBER STATES LAUNCH FACEBOOK PAGE TO PROMOTE EUROPEAN CULTURAL ACTIVITIES IN EGYPT**

The EU Delegation to Egypt and EU Member States have launched a Facebook page to showcase various European cultural activities and events they are partnering or launching in Egypt. A total of 34 European embassies and cultural centres are participating under the EU umbrella in this platform with diverse activities, such as movie screenings, art festivals, galleries, music, and heritage.

Among others, the EU is funding a project called “Support to Cultural Diversity and Creativity in Egypt” with a contribution of €3 million. This is the first- bilateral programme in the field of culture in the Mediterranean region. The project focusses on modern cultural expressions and builds on the direct cooperation with the Bibliotheca Alexandrina, as well as through grants to cultural operators. The EU is constantly supporting cultural institutions interested in promoting social inclusion and encouraging the diversity of cultural and artistic expressions in Egypt. (EU Neighbourhood 16-09-2015)

## **NIGERIAN BANKS ARE WELL REGULATED**

The Deputy Governor of the Central Bank of Nigeria (CBN) in charge of economic policy, Mrs. Sarah Alade, has said that banks operating in Nigeria are one of the most regulated in the world and expressed optimism that the era of bank failure was gone.

Alade said at the second Adegboyega Awomolo and Associates Colloquium in Abuja, that the insinuations that the action of JPMorgan would lead to the collapse of the Nigerian banks were not tenable.

Nigeria’s This Day newspaper report on Friday said that Alade stated that the various economic policies already put in place by the apex bank to supervise and monitor banks in Nigeria would prevent the financial institutions from collapse.

The CBN deputy governor, who spoke through a director in the bank, Mr. Emmanuel Ukeje, explained that the JPMorgan was just an international bank whose action cannot in anyway spell doom for the country with its removal of Nigeria from the index.

She disclosed that the international bank felt angry with Nigeria when the authorities refused to succumb to its recommendation that the country's currency, the naira, be further devalued.

Apart from her point that the JPMorgan's delisting of Nigeria's bonds would not adversely affect the banks, Alade also hinted that the foreign investors would not suffer any setback in their investment in the country.

The CBN deputy governor appealed to Nigerians to shun economic crimes in order to make the country a great nation of the world. (APA 18-09-2015)

### **CASHEW NUT HARVEST DECREASES IMPACT OF THE CURRENT POLITICAL CRISIS IN GUINEA-BISSAU**

The record level of the cashew nut harvest this year in Guinea-Bissau has cushioned the economic impact of the political crisis affecting the Portuguese-speaking West African nation, said the country's former finance minister.

Geraldo Martins, who was finance minister before the government's resignation over a month ago, said that exports had already reached 170,000 tons, beating the previous record set in 2011.

This new performance comes at a time when the price of cashew nuts is higher.

"If the current political crisis has a solution in the coming weeks, the economic impact will be minimal," he told the Reuters news agency, referring to the fact that the country has been without a government for 36 days.

Forecasts for the cashew season in Guinea-Bissau point to production of 200,000 tons. (21-09-2015)

### **SOUTH AFRICA: CONSTITUTION PROTECTS FOREIGN INVESTORS' RIGHTS**

The Department of Trade and Industry defended its Promotion and Protection Investment Bill on Wednesday despite a slew of submissions claiming the bill was investor unfriendly.

A host of organisations, including the European Union Chamber of Commerce in SA, the American Chamber of Commerce in SA as well as Anglo American and the Banking Association of SA, have told public hearings by Parliament's trade and industry committee the bill does not sufficiently protect foreign investments in SA.

They have predicted capital flight, saying some companies are already looking to other African countries as possible bases for regional operations.

The committee was also told that projects had been put on hold as a result of the bill.

The bill seeks to replace SA's bilateral investment treaties with a single piece of legislation.

In his response to the submissions, Department of Trade and Industry director-general Lionel October said SA had an ambitious development agenda, which required new policies and regulations while ensuring it remained open to foreign investment.

"SA is the favourite destination for foreign direct investment in Africa by a long way and we want to put to rest the notion that there is less protection under the bill," Mr. October said.

SA had one of the highest levels of investor protection most of which was contained in the Constitution, according to Mr. October. He stressed that once established in SA, foreign investors benefited from the legal protection of property rights by the Constitution.

"While the bill applies generally to investment, other policies will address the more specific issues contained in the bill ... which policies are inclusive of the Expropriation Bill, the Property Valuation Act and the Infrastructure Development Act," Mr. October said.

The possible expropriation of a foreign investment and the compensation paid is a key issue with the bill, particularly because the Expropriation Bill is still being processed by Parliament. Mr. October said section 25 of the Constitution effectively meant that compensation would be at market value.

The department's deputy director-general, Xolelwa Mlumbi-Peter, told the committee that one of the dangers of bilateral investment treaties was that they allowed huge claims to be made against the state by offended companies.

The core principles in the bill were affirmed by the United Nations Conference on Trade and Development, she said.

Democratic Alliance MP Geordin Hill-Lewis said every investor making submissions had said the bill would deter investment and "that is cause for serious concern, particularly when the DTI (Department of Trade and Industry) says the opposite".

He said the bill should be rewritten by the committee or sent back to the department for redrafting.

Mr Hill-Lewis also expressed concern about compensation, saying the bill contradicted the Southern African Development Community's foreign investment protocol and should be delayed until the proposed changes to the protocol had been made. (BD 17-09-2015)

## **EGYPTIAN CENTRAL BANK AUCTIONS \$766MN IN TREASURY BONDS ON MONDAY**

The Central Bank of Egypt (CBE) on behalf of the Ministry of Finance auctioned 6 billion Egyptian pounds (\$766 million) in treasury bonds Monday, according to the bank's official website.

"The T-bonds are to be offered in three installments; the first valued at 1.5 billion Egyptian pounds with an 18-month term, the second worth 2.5 billion Egyptian pounds with a three-year term, and the third worth 2 billion Egyptian pounds with a seven-year term," the CBE added.

Egypt's central bank usually holds T-bonds auctions every Monday.(APA 21-09-2015)

## **CHINA MAINTAINS ITS SUPPORT FOR THE INDUSTRIALIZATION OF ANGOLA**

China will continue to support the industrialisation of Angola under the current bilateral cooperation framework, the new Chinese ambassador to Angola, Cui Aiming, said Monday in Luanda.

The diplomat, who was speaking after delivering his credentials to President Eduardo dos Santos, said Angola was a very important country in Africa and "also an important partner for China," according to Angolan news agency Angop.

Cui Aiming stressed that both Angola and China are currently going through a phase of transformation of their economies but gave assurances that this would in no way affect the fulfilment of existing cooperation programmes.

"From now on we will further strengthen our cooperation in various fields, with emphasis on agriculture, market services as well as training of personnel," said the Chinese ambassador, who called for further promotion of mutual trust between Angola and China in the political arena. (22-09-2015)

## **NIGERIAN FIRMS MAY STRUGGLE TO REPAY DEBT IF DOLLAR SHORTAGES PERSIST**

Already feeling the pinch from slumping oil prices and slowing economic growth, Nigerian companies are finding it increasingly hard to get hold of foreign currency due to central bank restrictions and may struggle to repay their debts.

Yields on a number of dollar corporate bonds have risen close to record highs this week, reflecting investors' anxiety, despite an assertion by Nigeria's richest businessman that no borrower will default due to the currency shortage.

Since 2007, Nigerian financial and energy firms such as FBN Holdings and Seven Energy have issued more than \$5bn of dollar-denominated debt on international capital markets, including almost \$3bn in Eurobonds since the start of 2014, according to Thomson Reuters data.

But storm clouds have been gathering over Africa's top oil exporter and biggest economy as benchmark crude has again fallen below \$50 a barrel, less than half the mid-2014 level.

Plunging energy revenues, which make up 70% of government income and 90% of foreign currency earnings, have hit public finances and the naira. It has lost about 15% in the past year, with devaluations in November and February before Nigeria pegged the national currency.

Companies across the board have started feeling the dollar shortage due to restrictions imposed by the central bank to halt the naira's fall and preserve its foreign currency reserves.

The foreign currency rationing is hurting.

"This is an enormous problem for the organisations ... which have issued Eurobonds but also some of the more local corporates who are in the manufacturing business, trying to access dollars to get the interest payments made on time," said Angus Downie, head of economic research at regional lender Ecobank.

"If the oil price does not rise soon for some companies that have borrowed in dollars, they will struggle to make payments and the end result would be that they would have to default."

When the US Federal Reserve finally raises its Fed funds rate — effectively the base rate underpinning borrowing costs around the world — the burden will increase yet further for Nigerian borrowers.

The Fed may start ending the era of ultra-low interest rates as soon as Thursday, hurting all the emerging market companies that loaded up with cheap debt during the past seven years.

### **Buhari's vacuum**

Foreign bond and equity investors are also fretting over a policy vacuum as President Muhammadu Buhari has yet to appoint a cabinet or economic team more than three months after he took office. They are ever more reluctant to put money into Nigeria.

In another sign of investor frustration, JP Morgan said last week it would remove Nigeria from its influential Emerging Markets Bond Index (GBI-EM) due to a lack of liquidity and the currency restrictions — a move that might prompt more capital outflows and increase costs to borrow abroad.

Yet Aliko Dangote, Nigeria's most prominent businessman and Africa's richest man, who produces anything from spaghetti to cement, disagrees. He told Reuters that those "looking for dollars to pay interest will get it from the central bank".

"I have not seen anybody who has defaulted on the paying of interest. It won't happen," said Mr. Dangote, giving his backing to central bank restrictions that have been unpopular with those who have struggled to secure dollars needed to import goods.

### **Rising yields**

Yields for corporate dollar-denominated issues reflect the rising premium investors demand to hold Nigerian debt.

Access Bank's seven-year Eurobond issued in June 2014 yielded 14.8% on Wednesday, hovering just below a five-month-spike hit earlier in September. Fidelity's four-year Eurobond changed hands with a yield of 14.879, just off a record high hit on Tuesday.

The only international debt issue this year was made in April by Lagos-based development financier Africa Finance Corp.

The squeeze on the financial sector is also worrying policymakers. Minutes from the last meeting of the central bank's monetary policy committee show that one member, Adedoyin Salami, voiced concerns about a "disconcerting rise" in the number of non-performing loans in the banking sector.

"So far the central bank has in principle enough ammunition to deal with this risk," said Samir Gadio, Standard Chartered's head of African strategy, adding that the difficulties were probably more with loans and dividend payments abroad than with Eurobonds.

Reserves have fallen by 9% since the start of the year. The latest data on Wednesday showed they have dropped almost 3% in the past month, leaving them down more than 22% in the past 12 months.

Most investors are expecting the naira to be devalued another 10%-15%. However, Mr. Buhari spoke out against this on Wednesday.

Mr Buhari aims to appoint his cabinet this month and has promised to diversify the economy from oil, but has not announced any firm plans or commented publicly on the dollar shortages.

The policy vacuum was felt in the interbank market this week. Traders said banks refused to make bids until authorities clarified how a new system would work under which all government revenues should go into a single central bank account, part of Mr. Buhari's drive to fight corruption.

Bismarck Rewane, CE of Lagos-based consultancy Financial Derivatives, said Nigerian banks and firms were still able to keep up with interest payments and he expected the central bank would probably relax the rules at some point.

But the dollar shortage will hit businesses as they need to take on more loans at local banks to spend more on imports.

"Some companies are going to die," Mr. Rewane said.

"Typically, there will be around five percent or 10% of companies that will be in jeopardy." (Reuters 17-09-2015)

## **SIERRA LEONE GETS US MCC FUNDING**

The United States Millennium Challenge Corporation Board of Directors has approved a crucial funding for the provision of essential services to Sierra Leonean capital, Free Town, the US embassy said on Monday.

In a statement, the embassy said \$44.4 million was approved by the Board of Directors of the MCC, which is an innovative and independent US Government agency working to reduce global poverty through economic growth.

It does so with the goal of promoting democratic governance. Developing countries eligible for funding are scored on a number of indicators around governance and the rule of law, among other factors.

According to the statement, the MCC threshold programme, which Sierra Leone has qualified for, will support the government in implementing significant policy reforms and improving governance in the provision of water and electricity services throughout greater Freetown.

MCC and the Government of Sierra Leone may now enter into negotiations and sign a four-year agreement to begin implementation.

"This programme shows Sierra Leone's commitment to providing critical services to the public," said the US Ambassador John Hoover.

"Access to clean water and reliable and affordable electricity are essential to sustainable development. The United States looks forward to working with Sierra Leone to finalize and then implement this important programme," the statement added. (APA 21-09-2015)



## **MOZAMBIQUE RECEIVES FINANCIAL SUPPORT OF US\$273 MILLION FOR 2015-20**

The Programme Aid Partners (PAP) in Mozambique this year will provide US\$273 million to support the General State Budget for the 2015-2020 period, under the terms of a memorandum of understanding (MoU) signed Monday in Maputo.

The MoU was signed by the Mozambican Minister of Economy and Finance, Adriano Maleane along with the ambassador of Portugal, José Duarte, on behalf of the partners, who are no longer the G19 and have now become the G14, following the exit of Germany, Belgium, Denmark, the Netherlands and Norway.

Duarte said that in 2004, the first year an MoU was signed, the amount donated was US\$159 million, according to Mozambican news agency AIM.

Based on the previous MoUs, Mozambique about US\$4 billion in General Budget Support, with average annual disbursements of US\$400 million, equivalent to an annual average of 4 percent of gross domestic product (GDP) and 12 percent of total revenue.

The Portuguese ambassador said the latest MoU was clearer and easier to use, both for Mozambique and the partners, whose responsibility is to manage its operation.

"It is now a simpler structure that is more agile and light and that will force everyone to be more efficient and should result in work that is more focussed on substance rather than the process itself," said Duarte. (22-09-2015)

## **SOUTH AFRICA: 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-Saharan 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 17-09-2015)

## **US BOOSTS SIERRA LEONE'S CRIME FIGHTING POWER**

The United States will fund the construction of a permanent headquarters for the Transnational Organized Crime Unit (TOCU) of the Sierra Leone Police, the United States embassy said in a statement on Monday.

It added that the US Ambassador to Sierra Leone John Hoover joined Sierra Leonean Minister of Internal Affairs, Joseph Bandala Dauda, for the groundbreaking ceremony to initiate the construction of the building, which will be located in the small town of Hastings, outside Freetown.

TOCU is a joint security forces outfit comprising 12 law enforcement units, including the National Drug Law Enforcement Agency, the Anti-Corruption Commission, the Republic of Sierra Leone Armed Forces, and the Sierra Leone Police.

It is part of the United Nations Office on Drugs and Crime's West Africa Coast Initiative.

According to the statement, the United States has contributed \$1.7 million towards establishing TOCU since 2010 and Monday's ceremony at Hasting featured a signing of a 'Letter of Agreement' by the US envoy and the Internal Affairs Minister marking the allocation of an additional \$1 million to further law enforcement cooperation.

In addition, Ambassador Hoover handed over equipment to TOCU to enhance its operations.

"TOCU provides an excellent structure for Sierra Leone's law enforcement agencies to share information, coordinate their efforts, and enhance effectiveness in providing public safety and security through countering transnational organized criminal networks and their illicit activities," the embassy said in a statement.(AP 21-09-2015)

### **MOZAMBIQUE'S ECONOMIC GROWTH HAS LITTLE EFFECT ON SMES**

The economic growth that Mozambique has experienced in recent years has had little effect on small and medium enterprises (SMEs) in the country, the vice president of the Confederation of Economic Associations of Mozambique (CTA) said recently.

Agostinho Vuma also said that in order for SMEs to be impacted by the growth the country it was necessary to extend the business productive base, which will provide more jobs and a significant improvement in access to goods and services by the population.

"By promoting the expansion of the business production base, domestic SMEs would become more competitive and able to provide services to the mining industry as well as other cross-cutting sectors such as hospitality and logistics," said Vuma at the first International Conference on National Content organised by the CTA, in partnership with the Fund for the Business Environment (FAN).

The conference also aimed to discuss how Mozambique's trade policy could support industrial development and the use of and access to certification and quality standards by small and medium-sized enterprises, according to Mozambican newspaper Notícias.

The vice president of the CTA also said that the issue of local content cannot be restricted to large companies involved in the exploration of mining resources and hydrocarbons, "since our exports are mainly raw materials."

Vuma stressed the need to add more value to exports through business links between small farmers and industry to reduce imports, creating value chains and encouraging business development. (22-09-2015)

### **EGYPTIAN MINISTER URGES AFRICAN COUNTRIES TO STRENGTHEN TRADE, ECONOMIC LINKS**

The Egyptian Foreign Minister, Sameh Shoukry, has stressed the need for African countries to strengthen trade and economic links amongst them.

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Speaking in Cairo at the inauguration of the Headquarters building of the African Export-Import Bank (Afreximbank) on Sunday, Mr. Shoukry, who was represented by Mohamed Edrees, Assistant Foreign Minister for African Affairs, said that Egypt was focusing more on building increased economic ties with other African countries in order to promote the growth of the continent.

A statement by Afreximbank on Monday said that the minister reiterated Egypt's support for Afreximbank and assured that the government would work to address the challenges the Bank had encountered in its Headquarters operations in the country.

Earlier, Afreximbank President Jean-Louis Ekra, thanked Egypt for "the instrumental role they played in the birth of Afreximbank, first as a founding shareholder and later as the host nation for the Bank's Headquarters."

"I would like to particularly thank the Egyptian authorities for the prime land they provided to host the Bank's Headquarters Building and for the exceptional assistance they provided in the formative years of the Bank," Mr. Ekra said.

Also speaking, Dr. Denny Kalyalya, Governor of the Bank of Zambia and Chairman of the General Meeting of Shareholders of Afreximbank, said that the support of the Egyptian Government to Afreximbank and the partnership between the two parties had worked well as reflected in the bottom line and profitability ratios of the Bank.

He urged the Egyptian authorities to take advantage of the inauguration of the Headquarters Building to renew their commitment and support in order to keep the Bank in a long-run growth path, saying that sustaining the growth of the Bank in the coming years and decades would be critical for its continued relevance, both in terms of development impact and shareholders satisfaction.

The activities marking the inauguration of the Headquarters building included in a panel discussion by Dr. Babacar Ndiaye, former President of the African Development Bank, and Christopher Edordu, pioneer President of Afreximbank, on the theme "The implications of building a global multilateral Exim bank".

The foundation stone for the \$14-million Afreximbank Headquarters Building was laid on 18 December, 2003 and construction completed in May 2007. Afreximbank began use of the building on 10 November 2010.

The building is a 12-floor complex, including 10 over-the-ground floors and two underground floors, and boasts a number of meeting rooms, a board room, an auditorium, a staff cafeteria, conference facilities, a state-of-the-art library and knowledge management centre, and extensive underground parking space, storage and service facilities. (21-09-2015)

## **NETHERLANDS PAY FOR ROAD AND SOCIAL HOUSING IN MOZAMBIQUE**

The government of the Netherlands will help pay to build a road to the port of Beira and low-cost housing, according to memos signed at the end of an investor conference, said the mayor of the Beira Municipal Council.

Daviz Simango said the Embassy of the Netherlands had pledged to provide technical support and pay half of the US\$250,000 needed to build the access road.

With regard to low-cost housing, Simango said each house was expected to cost from US\$1,000 to US\$1,500, and that the municipality was studying its viability in order to minimise costs, and that various solutions would be presented on 20 August 2016, according to Mozambican daily newspaper Notícias.

Speaking after the meeting organised by the Beira Municipal Council and port and rail company Portos e Caminhos de Ferro de Mozambique (CFM), which for two days brought together a variety of people and national and international banking institutions, Simango said he was optimistic that the meeting's objectives would be achieved. (22-09-2015)

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