

MEMORANDUM

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AFRICA'S LARGEST ECONOMY IN DOLLAR TERMS IS SOUTH AFRICA, FOLLOWING THE RAND'S IMPROVEMENT



SA's economy has regained the position of Africa's largest in dollar terms, more than two years after losing it to Nigeria, as the value of the nations' currencies moved in opposite directions.

Based on GDP at the end of 2015 published by the International Monetary Fund (IMF), the size of SA's economy is \$301bn at the rand's current exchange rate, while Nigeria's GDP is \$296bn. That is because the rand has gained more than 16% against the dollar since the start of 2016, and Nigeria's naira has lost more than a third of its value after the central bank removed a currency peg in June.

Both nations face the risk of a recession after contracting in the first quarter of the year. The Nigerian economy shrank 0.4% in the three months to end-March from a year earlier, amid low oil prices and output, and a shortage of foreign currency. That curbed imports, including fuel.

In SA, GDP contracted 0.2% from a year earlier as farming and mining output declined.

"More than the growth outlook, in the short term the ranking of these economies is likely to be determined by exchange rate movements," Alan Cameron, an economist at Exotix Partners, said in e-mailed responses to questions on August 2. Although Nigeria is unlikely to be unseated as Africa's largest economy in the long run, "the momentum that took it there in the first place is now long gone".

No growth

The rand rallied as investors turned to emerging markets with liquid capital markets to seek returns after Britain voted to leave the EU on June 23, even as the South African Reserve Bank forecast that the economy would not expand in 2016 and the nation risked losing its investment-grade credit rating.

The ANC's lowest support since 1994 in the August 3 local government vote led to further gains, on speculation that it would pressure the party to introduce economic reform that would boost growth and cut unemployment.

In Nigeria, investors did not flock to buy naira-based assets after authorities removed the peg of 197-199 naira per dollar. The Central Bank of Nigeria raised its benchmark interest rate to a record in July to lure foreign money, even as the IMF forecast the economy would contract 1.8% this year.

READ THIS: S&P doubts poll will inspire reform

Nigeria was assessed as the continent's largest economy in April 2014 when authorities in the West African nation overhauled their GDP data for the first time in two decades. The recalculation resulted in the Nigerian economy in 2013 expanding by three-quarters to an estimated 80-trillion naira.

The rand gained 1% to 13.2805 per dollar at 4.03pm in Johannesburg on Wednesday. The naira weakened 2.7% to 320 per dollar. (Bloomberg 10-08-2016)

MOZAMBIQUE ECONOMY WILL RECOVER NEXT YEAR - EIU



The Economist Intelligence Unit, (EIU) has said Mozambique's economic growth is expected to gradually accelerate from 2017, as the macro-economic stability and improved investor confidence recovers.

In its latest report released late on Tuesday, EIU says that this growth, an average of 5.1 percent in the period 2017-2020, will be away from the average of 7.2 percent the previous decade.

Coal production will remain a key factor for growth, due to the expected increase in ore prices between 2017 and 2018, the robust demand from India and the efforts of the mining companies to reduce operating costs.

In the EIU country outlook sent to investors, analysts speculate that Mozambique will accelerate structural reforms and that the International Monetary Fund, will resume financial support to the country towards the end of the year.

The London-based organisation also mentions the risk associated with worsening security conditions in the mining regions of Mozambique, as well as disturbances in the logistics network that allows the flow of coal and other minerals, but said that mining companies should remain involved in their projects.

Agricultural production is expected to resume in 2017 as slacken the effects of El Niño but growth will remain low due to the low productivity of family farms, mostly subsistence and low prices associated with the main crop rendimento- sugar, tea and cotton.

Meanwhile, the Mozambican government said late on Tuesday after a cabinet meeting that, the country's economic growth slowed to 4 percent in the first half of 2016 compared with 6.1 percent in the same period last year.

The government has forecast that the economy will grow by 4.5 percent in 2016 from its initial estimate of 7 percent.(APA 10-08-2016)

KENYA GDP TO GROW BY 10 PERCENT IN 2030

Kenya's Gross Domestic Product (GDP) is projected grow to 10 percent by the year 2030, Principal Secretary, State Department for Trade Chris Kiptoo said on Wednesday.

He was upbeat about the growth saying that the government is taking measures to boost economic growth and human development by supporting and enhancing small and Medium Enterprises (SMEs).

Speaking in Nairobi, he said that for Kenya to be competitive in Africa, it was critical to support SMEs in a bid to boost human resource development.

"This will result in the expansion of employment opportunity," he said during a Pre-Tokyo International Conference of Africa's Development (TICAD VI) Seminar held in Nairobi.

Kenya is gearing to host the TICAD conference which will attract over 30 heads of state and government from 27-28 August.

Kenya will host the conference on behalf of the African Union which is being held for the first time outside Tokyo.(APA 10-08-2016)

GAMBIAN APPOINTED HEAD OF REGIONAL MONETARY UNION

The Gambian, Momodou Bamba Saho, has been named as the new Director General of the West African Monetary Agency (WAMA).

Saho was appointed following a competitive recruitment exercise, according to a statement by the Bank of Sierra Leone in Freetown on Wednesday.

The Freetown-based organization is an autonomous body of the Economic Community of West African States (ECOWAS) tasked with realizing the bloc's monetary cooperation programme.

Founded in 1975, WAMA serves as a multilateral payment facility to promote trade within the West African sub region.

Mr. Saho previously served as Governor of the Central Bank of The Gambia.

He also worked with the IMF, during which period the Gambian was responsible for 22 Sub – Saharan countries, including Sierra Leone.(APA 10-08-2016)

LA DOLCE VITA IS A BLUE LAGOON ON THE COAST OF KENYA



Sticky ice cream melts down my hands in the humid coastal breeze that sends tourists scurrying into the nearest pizzeria for relief from the midday heat.

Surrounded by restaurants with names such as Hosteria Romana, Lo Spontino and Bahati Gelateria Italian, you might be mistaken for thinking I was standing in a small Italian town, but the men in their kofias and the women in their colourful shweshwe dresses carrying children, appliances and packets of food belie a distinctly Kenyan way of life.

Since aeronautical engineer Franco Esposito arrived in Malindi in 1964 to scout out and build a launch pad for a joint initiative between Jomo Kenyatta's government of the time and the University of Rome, Italians have flocked to and settled along the picturesque beaches stretching from the mouth of the Galan river to the small headland of Blue Lagoon that marks out Watamu bay.

Known as "African Italy", the main roads are lined with matuki shops, kikoyo and tourist bric-a-brac alongside local chicken and chips shops and Italian restaurants serving up pasta and pizza. It's a maze of shops and vendors stretching down towards the ocean.

Malindi and its surrounds are home to some of the poorest in Kenya, and this has meant that many rely on the tourism trade around the resorts that peer out of the forests and palm trees leading towards the ocean. Yet a local motorbike or "boda boda" ride away down the road from the main town, turning left at a crowded junction where one road continues on to Mombasa, lies a small village a mere 20km from Malindi: Watamu.

The name translates from Swahili as "sweet people". Offshore coral formations line the edges of bays — Blue Lagoon Bay, Ocean Breeze, Turtle Bay, Kanani Beach. Watamu is not often listed in the big hitters of Kenya's must-see attractions. Yet, sitting between Mida Creek and picturesque beaches, it is as close to a small town paradise as you can get.

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THE streets are less congested with traffic, both human and machine, the sweeping mass of trade giving way to a more residential landscape, larger villas huddling the coastline, village huts lining Mida Creek and the Arabuko-Sokoke forest. Intermittent electricity and a chorus of cicadas fill the evening hours with sound.

The people who call this part of the world home are dedicated conservationists passionate about their environment and the people who live in it. This is a productive and bountiful ecosystem, a vital nesting point for turtles and the largest single block of indigenous coastal forest remaining in East Africa.

Water laps up against the mangrove roots that jut out at twisted angles. We climb and scramble through the mesh of evergreens, smelling the tang of the earthy sediment that flows in the creek water. Every

few steps, a cluster of huts peeks through the tangle of roots, just out of reach of the high-tide mark. This is the area where the largest species of spitting cobra in the world was discovered, a fact that is not lost on me as I follow gingerly behind my eco-guide, Kahindi, his deft steps showing no signs of hesitation. I feel as though I am walking into a Tolkien novel, narrated by Kahindi's melodic descriptions of life alongside the mangroves. He goes along pointing out species of plants and forest creatures. Sadly, parts of the mangrove forest have been destroyed over time by the consistent over-harvesting of the mangrove trees. With the flood of tourists came demand for the industry to support them, and the construction of restaurants, bars and housing that use the mangroves for poles. It's an education on the trot, striding through red sands encased by the roots of the *Cynometra* trees that form a thicket. It opens up to long stretches of soft white sand falling into the coral blue waters of the Indian Ocean. The benefits of ecotourism are not always obvious. It is a fast-growing sector that can sometimes fall short of its promises when unscrupulous people use the label only for personal profit. The people who call Watamu home have found a way to effectively foster that deep connection of how we relate to and make use of the world around us, an ecotourism model that combines community empowerment, job creation and environmental education with the preservation of species and habitat.

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THE Swahili phrase "pole pole" (slowly, slowly) is the mantra for this village. There will never be enough time to take in everything that Watamu has to offer, but that is the beauty of places such as this. Repeat visits are almost guaranteed when there are local people dedicated to improving and preserving the spectacular landscape. It is more than a holiday destination. It offers every imaginable beachside pleasure, in surroundings that are working towards being managed sustainably.

Getting there: Fly to Nairobi with Kenya Airways and SAA direct domestic flight to Malindi, a 20km drive from Watamu village.

Where to stay: Winding up a spiral staircase above the tree tops is the wondrous [Watamu Treehouse](#) with panoramas of the Indian Ocean and forest in Swahili-styled rooms and stained glass lounges created by local artists, a truly unique experience for those not afraid of heights.

What to do: Visit Watamu Turtle Watch rehabilitation centre to see a turtle release, nest hatching, mangrove tour or antipoaching walk or a tour of BioKen Snake Centre (BD 12-08-2016)

CHINESE INVESTMENT IN KENYA TOPS \$6BN



The total value of Chinese investments in Kenya has reached \$6.5 billion, according to China's Foreign Affairs minister Wang Yi who is on a visit to the East African nation.

Speaking while holding talks with Kenyan leader Uhuru Kenyatta at State House on Wednesday Mr. Wang said his country's investments and commitments to Kenya over the last three years were mainly in infrastructure and the establishment of industrial parks in Kisumu, the second largest city Mombasa and the capital Nairobi.

"It is our hope that mega projects like the Standard Gauge Railway (SGR) will leverage Kenya's position as a regional trade and investment hub" Wang remarked.

The Chinese diplomat said it was reassuring that the SGR has created over 40,000 jobs for Kenyans, and vowed that more economic benefits including the promotion of businesses along the railway line will follow with the completion of the first phase of the project next year.

He claimed China views Kenya as an important link in Africa and expressed optimism that the economic and political cooperation between the two countries will help the East African country reach its Vision 2030 targets.

According to Wang, China is poised to scale up its efforts in assisting Africa achieve her development aspirations especially after witnessing some progress thanks to its intervention in strategic areas of economies on the continent.

President Kenyatta lavished praise on the increasing partnership between Kenya and China, saying it was playing a big role in bringing to fruition his country's socio-economic agenda of improving the welfare of its citizens.

The Kenyan leader said SGR is an important project that will not only benefit Kenya but also open up the whole of the East and Central Africa region for trade and investment.

“As a country, we play a pivotal role in opening up the region. We welcome the win-win partnership we have with China, especially in these infrastructure projects,” President Kenyatta said.

According to him, the frequent exchange visits by senior Chinese and Kenyan government officials signified their mutual determination to deepen ties for the benefit of the peoples of both countries. (APA 10-08-2016)

NIGERIA: ETISALAT AND YUUZOO LAUNCH SME E-COMMERCE PORTAL

Etisalat Nigeria and YuuZoo Singapore have launched an e-commerce platform, SME Arena, to facilitate the growth of Small and Medium Enterprises (SMEs) in Nigeria. It allows SMEs to converge, network, collaborate, showcase their products and interact with customers and business partners in the digital segment, thereby enhancing efficiency, productivity and profit optimisation.

The partnership gives YuuZoo prime access to the booming e-Commerce and social networking market in Nigeria, with a specific focus on the huge SME market. YuuZoo's business strategy is to provide complete turnkey platforms that offer e-Commerce, social networking and entertainment to partners with large customer bases. YuuZoo gains access to Etisalat's 24 million Nigerian subscribers, and the Nigerian population is 182 million.

The Nigerian e-Commerce and social networking market had about 82.19 mobile subscriptions per 100 people in 2015. The total number of mobile subscriptions in Nigeria is put at 150.83 million and the country had the highest mobile internet traffic against total web traffic ratio in the world, at 82 percent in the first quarter.

SME merchants can choose to open a store and sell their products in the online marketplace with support for delivery, and list their businesses on the portal for free through the directory. This feature helps SMEs expand their client base and gain increased awareness for their businesses. (IT News Africa 11-08-2016)

CANADIAN FIRM CONFIDENT OF LANDING BURKINA MINING LICENSE SOON

West African Resources, a Canadian company remains optimistic about snapping up a mining license for the Tanlouka Gold mine in central Burkina Faso from the Ministry of Environment before the year runs out.

The firm has just received a favorable notification from the Burkinabe Ministry of Environment, Green Economy and Climate Change, for its relocation plan and its assessment of the environmental and social impacts of the gold project.

This is the last but one step in the process of acquiring a mining license for the project.

The potential of the Tanlouka gold mine has been revised upwards, following different estimates of its deposits.

These new estimates have allowed the company to update the overall assets of the Tanlouka project, which now amount to 695,000 ounces of inferred resources.

These new data on the rise are expected to have a significant impact on the economic viability of the gold project.

The company hopes to complete the definitive feasibility study between October and December, and to be able to start the project before the end of the year.

In the future West African Resources is prepared to explore other minerals in line with the government's desire to diversify the mining sector. (APA 11-08-2016)

500 BUSES, 1,000 TAXIS TO STRENGTHEN TRANSPORT NETWORK IN ADDIS

500 new city buses and over 1,000 taxis will strengthen Addis Ababa's transport system by the next Ethiopian New Year, Transport minister Dr. Workneh Gebeyehu revealed on Thursday. While presenting to cabinet a report on his ministry's annual performance Dr. Gebeyehu said the government has provided over \$71 million loan to investors for the purchase of vehicles which will arrive in Ethiopia in time to render services to the public by the next Ethiopian New Year which falls in September.

The purchase of additional vehicles is part of the government's plans to increase the number of state owned buses and taxis in the capital where transportation problems remain critical.

Currently, well over 30,000 privately owned taxis provide services in Addis Ababa whose population is estimated to exceed nine million.

Speaking on last year's performance, the minister said upgrading works on bus stations were carried out, enabling Ethiopia to handle up to 17,000 tonnes of goods from ports every day.

He said Ethiopian Airlines transported 7.2 million foreign and 6.4 million domestic passengers in the concluded Ethiopian budget year.

According to Dr Workneh, his ministry also terminated agreements with two local and two foreign road contractors due to problems associated with quality and delay in the execution of road projects. (APA 11-08-2016)

CANARY ISLANDS INSTITUTE TO PREPARE RURAL ELECTRIFICATION PROJECT IN CABO VERDE

The Cabo Verdean government and the Luxembourg Development Cooperation Agency (LuxDev) have chosen the Canary Islands Technological Institute (ITC) to draw up technical plans for rural electrification projects in the Cabo Verde islands, reports the newspaper A Semana.

The ITC's mission will be to develop a sustainable plan for micro-networks with renewable energies and micro-network projects for rural communities in the Santiago Island interior, which still does not have an electric power network.

The public tender carried out by LuxDev and the Cabo Verdean Ministry of Economy and Employment also counted the involvement of four more companies from Germany, the United Kingdom, France and Cabo Verde (Cape Verde).

That tender is part of the renewables segment of the fourth Indicative Cooperation Programme (ICP IV) signed by the governments of Luxembourg and Cabo Verde on 12 March 2015.

ICP IV, to be implemented in 2016-2020, is endowed with 45 million euros and has four main action focuses: renewable energies, water and sanitation, stronger education and employability in the island country, and maritime economy. (11-08-2016)

ZIMBABWE PLANS ECONOMY THAT WILL LOOK LIKE A MILLION DOLLARS



Zimbabwe, whose economy has halved since 2000, said it will boost output growth to almost 10% next year through agriculture and manufacturing, and by giving more people access to banking services. The government is targeting an average annual growth rate of 6.6% between now and 2018, according to a document given to Bloomberg by the Finance Ministry. The economy is projected to expand by 9.5% in 2017 and 8.9% 2018, according to the document.

The sub-Saharan African nation needs to repay \$1.8bn of debt to the International Monetary Fund (IMF), the World Bank and the African Development Bank to be able to resume borrowing as it seeks to revive an economy that the IMF projects will expand by 1.4% this year. Zimbabwe, which has been led by President Robert Mugabe since 1980, is currently experiencing a liquidity crisis that has led to limits on daily cash withdrawals and resulted in civil servants being paid late last month.

Growth will be sustained by "pillars" of the economy, such as agriculture and manufacturing, and the inclusion of very small businesses, according to the document. The poverty-reduction plan, which the government aims to implement after cabinet approval, will seek to provide banking access to at least 90% of the population by 2020, up from an estimated 69% now.

"Ordinary citizens still lack confidence in the formal banking sector because of the 2008 experience," the Finance Ministry document says, referring to the era of hyperinflation, which reached 500-billion percent according to the IMF. That experience left Zimbabweans suspicious of both banks and Zimbabwe's local currency, which was abandoned in 2008. The southern African nation now relies on the US dollar, the South African rand, the yuan, the pound and the euro.

To improve confidence in banks and promote savings, the Finance Ministry will form savings and credit co-operative societies, according to the report.

While Zimbabwe's mining and manufacturing industries continue to struggle, that is largely due to low commodity prices and fluctuations in the value of the rand, the report said.

"The depreciation of the rand against the dollar in particular has weakened Zimbabwe's competitiveness vis-à-vis its main trading partner, South Africa," says the report. Zimbabwe remains a net importer, with a current account deficit of 22% of gross domestic product, it said. (Bloomberg 11-08-2016)

MOZAMBIQUE: INFLATION JUMPS TO 20.68 PERCENT IN JULY

Mozambique's National Institute of Statistics, (INE) claimed inflation in July quickened to 20.68 percent from 19.72 percent in June.

In a report released on Thursday, INE says the consumer price index was measured for the three largest cities of Maputo, Nampula, and Beira and this compares with a rate of 0.76 percent in June.

It claims that as usual, inflation was due overwhelmingly to rises in food prices.

This was particularly true of the price of cooking oil which rose by 7 percent, rice by 2.2 percent, onions by 5.5 percent, maize by 11.8 percent, maize flour by 1.3 percent, and dried fish by 4.8 percent. (APA 11-08-2016)

GOVERNMENT SAYS MOZAMBIKAN ECONOMY WILL GROW 4.5% IN 2016

The Mozambican economy should grow at a rate of 4.5 percent this year, with inflation between 10 and 12 percent, said the spokesperson for the Council of Ministers, Mouzinho Saíde.

Saíde, who is also deputy health minister, explained that the country's gross domestic product grew at a rate of 4 percent during the first half-year.

Standard Bank Moçambique announced about a week ago that it had revised downward its forecast for Mozambique's economic growth in 2016, from 5.6 percent to 2 percent.

In his comments on Tuesday in Maputo, Saíde said that Mozambican state budget implementation in the first half-year indicates tax collection of 72.3 billion meticaís, 41 percent of the expected figure for the current year.

Expenditure stood at 95.2 billion meticaís, 19.6 percent of what is budgeted for 2016, he said, as reported by AIM news agency.

At the end of the Council of Ministers meeting, Saíde highlighted that analysis of performance of the first-half-year indicators for the 2016 Social Economic Plan shows that targets will be achieved. (11-08-2016)

EXPORTING AGRI-FOOD PRODUCTS TO THE EU: EGYPTIAN AND TUNISIAN EXPORTERS TO GET TRAINING THROUGH EU PROJECT



Two workshops aimed at informing and advising local exporters about EU market access rules for agricultural products and foodstuffs will be organised by the EU-funded EUROMED Invest programme in Alexandria, Egypt (26-29 August) and Tunis (14 September).

During the workshops, a detailed set of practical training materials will be used to allow ongoing support for Egyptian and Tunisian exporters after the trainings. With these tools, such as a checklist on EU market access rules, a structured approach can be followed for offering valuable guidance.

Support will also be provided to help companies to draft clear and attractive trade proposals and to give guidance on promoting them towards importers in the EU.

The aim of the **EUROMED Invest** project is to boost private business and investment within the Euro-Mediterranean region to contribute to an inclusive economic development. The project activities aim to empower Euro-Med business and investment networks to implement targeted strategies in support of SME development in specific sectors: agri-food, water and alternative energies, tourism, transport and logistics, cultural and creative industries. (Euromed 11-08-2016)

[Alexandria workshop](#)

[Tunis workshop](#)

BURKINA: AFDB, BADEA CO-FUND MAJOR ROAD WORKS

Burkina Faso will start the construction and asphaltting of the 96-km road between Kongoussi and Djibo, with funding from the African Development Bank (AfDB) and the Arab Bank for Economic Development in Africa (BADEA), the Infrastructure ministry has told APA.

This road connects the regions of the Central-North, the North and the Sahel, which are known for their agro-pastoral and mining potential.

The construction and asphaltting, which will last 24 months, will also enable the rehabilitation and marking of the cattle trail and the development of rest areas, drilling and water troughs.

The AfDB financing is part of the Internal Access Road Development Project, for which the bank intends to allocate eventually CFA77.2 billion.

It aims to open up areas with high potential for economic growth and allow the construction and asphaltting of roads, which serve areas of high agro-pastoral productivity.

BADEA will fund the Kongoussi-Yargo section, with a loan of about CFA4.5 billion. (APA 11-08-2016)

MOZAMBICAN PRESIDENT AIMS TO BOOST POPULATION'S ACCESS TO FINANCIAL SERVICES

More than 90 percent of Mozambique's population does not have a bank account and there is a consequential need to bring financial services closer to citizens, said President Filipe Nyusi in Maxixe, Inhambane province.

In his recent comments at the third Financial Inclusion Fair, an event organised by the Ministry of Land, Environment and Rural Development, Nyusi recalled that every district will have a bank branch within four years. But financial services must also be taken to more remote areas, he added.

Under the One District One Bank project, an agreement was signed on that occasion between the National Rural Development Fund and the banks Millenium bim, BCI, Moza Banco and Nosso Banco, concerning the establishment of bank branches in all districts where they are still lacking.

The project aims to minimise suffering among people who are forced to travel long distances to access financial services, said Nyusi, cited by the daily Notícias.

Figures released at the fair show that a third of the Mozambican population take at least one day to reach a financial institution. Despite growth in the number of the country's financial institutions, from 12 to 18, district bank coverage is under 50 percent, while formal lending is only available to 3 percent of the adult population.

Bank branches are currently only present in 78 of Mozambique's 150 administrative districts. (11-08-2016)

EGYPT AND IMF AGREE \$12BN LOAN PROGRAMME

Tariq Amer, the governor of the Central Bank of Egypt, on Thursday announced that negotiations with the International Monetary Fund have been successful with an agreement for a 3-year loan programme worth \$12 billion.

The loan by the IMF sends a message of international confidence in Egypt's economy, Amer said.

The International Monetary Fund said during a press conference on Thursday it has reached a deal to assist Egypt with a three-year loan programme worth about \$12 billion tied to economic reforms.

The loan agreement is subject to approval by the IMF's executive board, which is expected to consider Egypt's request in the coming weeks.

The Egyptian government, the Central Bank of Egypt (CBE), and the International Monetary Fund (IMF) reached a staff-level agreement on a three-year extended fund facility (EFF) of \$12bn according to Chris Jarvis, head of the IMF mission to Cairo.

SDR is an international reserve asset that is used by the IMF that can be exchanged for usable currency.

Jarvis said that the agreement is subject to approval by the IMF's executive board, which is expected to consider Egypt's request in the coming weeks.

Based on the preliminary findings of the IMF mission, the staff will prepare a report that, after obtaining management approval, will be presented to the IMF's executive board for discussion and reaching a final decision.

Jarvis added that Egypt is a strong country with great potential, but it is suffering from some problems that need to be urgently fixed.

The EFF supports Egypt's comprehensive economic reform programme, as stated in the government plan approved by the parliament.

Jarvis noted that the government recognises the need for quick implementation of economic reforms in Egypt to restore macroeconomic stability and to support strong, sustainable, and job-rich growth.

Jarvis revealed that the program aims to improve the functioning of the foreign exchange markets, bring down the budget deficit and government debt, and to raise growth and create jobs, especially for women and young people.

It also aims to strengthen the social safety net to protect the vulnerable during the process of adjustment.

"The government's fiscal policy will be anchored to placing public debt on a clearly declining path toward more sustainable levels. Over the program period, general government debt is expected to decline from about 98 percent in 2015/2016 to about 88 percent of [the gross domestic product] in 2018/2019," Jarvis said.

"The aim is to raise revenue and rationalise spending, to reduce the deficit, and to free up public funds for high-priority spending, such as infrastructure, health, education, and social protection.

"As indicated in the budget approved by the parliament, the government will adopt the [value-added tax] law after approval by the parliament, and will continue the program begun in 2014 to rationalise energy subsidies," he added.

The head of the IMF mission pointed out that the CBE monetary and exchange rate policy will aim to improve the functioning of the foreign exchange market, increase foreign reserves, and bring down inflation to single digits during the program.(APA 11-08-2016)

MOZAMBICAN ENTREPRENEURS AIM TO PRODUCE SUGAR IN ANGOLA



The Angolan government will support a sugar production project that Mozambican entrepreneurs and their Angolan partners plan to implement in Uíge province, Industry Minister Bernarda Martins said in Luanda.

In comments after a Wednesday meeting with Mozambican Industry and Trade Minister Oldemiro Baloi, Martins said that the project in question was being studied, given that “Angola does not produce enough sugar to supply the country.”

Regarding a memorandum of understanding for bilateral cooperation in the industrial sector, she stressed that Angola would benefit “from Mozambique’s experience, specifically in institutional terms and in quality, support for SMEs and training.”

Cited by Angop news agency, Martins said the level of trade between the two countries was very low. She highlighted that under the signed memorandum of understanding steps would be taken to reverse the current situation.

“We’ve been talking to private sector entrepreneurs from the two countries and there are Mozambican companies interested in investing in Angola as well as Angolan entrepreneurs interested in developing industries in Mozambique, above all for the supply of raw materials such as clinker for cement production,” she added. (11-08-2016)

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