MEMORANDUM

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SUMMARY

SOCIÉTÉ GÉNÉRALE TAKES CONTROL OF MAURITIUS COMMERCIAL BANK MOÇAMBIQUE

French banking group Société Générale completed the acquisition of a stake in the share capital of Mauritius Commercial Bank Moçambique (MCBM), which will be called Société Générale Moçambique, the group said in a statement.

The statement, released Tuesday, said that following a capital increase reserved for the group, Société Générale became the main shareholder of MCBM, controlling 65 percent of the share capital of the bank.

The Société Générale group on 18 March 2015 reached an agreement with the Mauritius Commercial Bank to acquire a stake in MCBM through a capital increase, although the statement gave no details about the financial aspects of the deal.

The French bank also announced the appointment of Laurent Thong Vanh as Executive Director of the Société Générale Moçambique.

The Société Générale Group is present in 18 African countries, where it has a portfolio of more than 3 million customers, including 150,000 businesses. (08-10-2015))

CREDIT SUISSE CEO WARNS ON AFRICAN DEBT 'MADNESS'

Credit Suisse group CE Tidjane Thiam says it is "madness" for African nations to rely on loans in foreign currencies to fund vital infrastructure including roads, power and clean water.

Lenders in African nations must instead find domestic savings to invest in local projects, said the Côte d'Ivoire-born banker who took charge of Zurich-based Credit Suisse in June.

Mr Thiam's warning comes after countries on the continent where he was born sold $11bn of foreign-currency bonds in 2013 and a further $8bn last year, raising concerns among some analysts that a new debt crisis may be developing. The International Monetary Fund and the UK's Overseas Development Institute, an independent research group, have written about the risks of African governments taking on too much debt.

Borrowing costs "could increase unexpectedly during periods of uncertainty," the IMF said earlier this year.

"In particular, sub-Saharan African borrowing costs are expected to increase as yields in US bond markets start to climb.

"I did a lot of infrastructure development in my life," Mr Thiam said in a dinner speech at Claridge's hotel in London on Monday evening.

"To fund them with foreign currency is madness. Okay? Madness."

Mr Thiam worked on infrastructure and privatisation projects for the Côte d'Ivoire government in the 1990s, where his final job was minister of planning and development. His time in government occurred between two stints at consulting company McKinsey & Co.

The 53-year-old banker said there are "many reasons for being bullish about Africa," as investment, economic growth, and education rates improve. Africa is "absolutely strategic" and "at the heart of the future of the world economy," he said.

He cited the peaceful presidential election in Nigeria earlier this year as a significant positive step, before stating the importance of funding development in a balanced way.

"We are not going to reach the kind of growth trend that we need if we are unable to do this successfully. You can't just borrow internationally," he said at the dinner organised by the Financial Times newspaper to conclude a conference on African business.

"You have to be ready to discriminate between those who have reasonable funding strategies and those who have just borrowed in dollars.

"Warren Buffett joked when the tide goes down you see who has been swimming without trunks. Some of those economies will fall on their face because of that, that currency mismatch," he said.

"You cannot control your economic destiny if you are not able to mobilise savings and then turn them into productive investment," Mr Thiam said.

"If you can’t develop infrastructure, if you can’t develop the energy, if you can’t provide clean water, if you don’t have roads, there is absolutely no future possible."

Mr Thiam made his argument as an appeal for well-functioning financial institutions to assist the economic development of African nations.

"My usual pitch is life insurance companies are very important — but banks too," the former CEO of London-based insurer Prudential said, prompting laughter from the audience. (WSJ 07-10-2015)

KENYA, TANZANIA PRIVATE SECTOR URGED TO PROMOTE TRADE

Kenya's President Uhuru Kenyatta on Tuesday challenged the business communities of Kenya and Tanzania to play their role effectively to accelerate trade between the two countries.

He said governments could create the necessary environment for investment including delivering good policies and building infrastructure but nothing will be achieved if the business community does not step in.

We as a region can no longer afford businesses which are either corrupt, insensitive to our neighbours' cultures or which do not act with the imagination and innovation that we need to achieve our goals,• Kenyatta said.

The President was speaking in Nairobi during a Kenya-Tanzania Business Forum which was also addressed by visiting President Jakaya Kikwete.

Kenyatta emphasized that the two countries need businesses that are committed to the region and innovation, businesses that will compete hard but fairly.

It is in doing so that we can be sure of prosperity, President Kenyatta said.

He asked the private sector in Kenya and Tanzania to establish framework similar to that created by the Joint Commission for Cooperation to promote business between the two countries.

The President said such ties would hasten growth and accelerate prosperity and integration.

He observed that although Kenya is a leading African investor in Tanzania with exports amounting to 43 billion shillings ($417 million), there was room for trade expansion if the innovation and entrepreneurial potential of the people were fully exploited.

Describing Kenya as the largest African investor in Tanzania, President Kikwete assured of continued availability of labour force considering that 50 percent of the country's population is below 30 years.

Tanzania and Kenya need one another in all spheres and should always strive to enhance trade and investment between them, said President Kikwete.(APA 06-10-2015)

ANALYSIS: IS THE MIRACLE OF MICROFINANCE ILLUSORY?

Mohammad Yunus, the founder of Grameen Bank in Bangladesh, transformed the lives of millions of poor women through unsecured micro loans or micro credit to self-help groups. Microcredit evolved into microfinance that also includes savings and basic forms of insurance and transfer mechanisms. Within a few years, microfinance became a global phenomenon. Although microfinance continues to grow, the enthusiasm for it shows signs of waning.

In recent years, there has been a great deal of scepticism regarding the “miracle” of microfinance. Critics have questioned whether the rhetoric has moved far ahead of the evidence, with some even suggesting that microfinance can spell the death of local economies. Meanwhile, its defenders present robust evidence to substantiate their claims that microfinance delivers enormous benefits. We argue that the miracle is largely intact but needs strengthening.

According to data from MIX, which tracks microfinance institutions (MFIs), there is a solid and growing base of microfinance providers, with a global loan portfolio amounting to US$ 81.5 billion in 2012 with an outreach of 91.4 million low income clients. Women make up 80 per cent of the clients of the world’s largest 34 microlenders. Yet half of the world’s adults still do not have accounts in financial institutions and 76 per cent of the poor are unbanked. When you add all this up, the case for vigorous expansion of financial inclusion in the SDGs is patently obvious.

Recent shift of the focus to financial sustainability raises serious concerns about dilution of the outreach of microfinance [for example, the number (breadth) and socioeconomic level (depth) of the clients served by MFIs.] That the trade-off exists is undeniable but little is known about its extent. It is often emphasised that large-scale outreach to the poor on a long term basis cannot be guaranteed if MFIs are not financially sustainable. Consequently, donors, policy makers, and other financiers of microfinance have shifted from subsidising MFIs towards financial sustainability and efficiency of these institutions.

Analysis of a large cross-section of countries reveals that MFIs providing mainly individual loans are more profitable, but the fraction of poor borrowers and of women in the loan portfolio is lower than in institutions that concentrate on group lending. Moreover, MFIs that provide individual loans increasingly focus on wealthier clients, a phenomenon that is often referred to as “mission drift,” while this is less so for the group-based MFIs. So the importance of institutional design in reducing the trade-off cannot be overlooked. Besides, sustainability is feasible without mission drift by reducing costs and gaining efficiency through innovative use of information and communication technology.

Research has documented that social networks help the diffusion of microfinance. A survey in Guatemala demonstrated that individuals imitate the choices made by other members of the same network – in this case a household’s access to credit was closely related to membership in a church network. In another example, a majority of representatives of financial institutions in India concurred that self-help groups (SHGs) were more likely to be successful in villages with a high density of social networks and associations.

Not only do SHGs benefit from the presence of networks, they themselves also contribute to trust, reciprocity and associational capital (such as through strengthening of local institutions). Moreover, presence of successful SHGs induces quicker formation of other SHGs at a much cheaper cost and the self-reinforcing process gathers momentum over time.

Group lending not only reduces transaction costs of small loans but also ensures high repayment rates. However, group liability may also impose a “cost.”

The incentive for group participants is to reduce the risk taken by their fellow members, since participants do not benefit from the upside of any risky investment, but are liable for the downside. As a result, members of a group may impose excessive risk aversion. Our analysis of selected Asian countries – especially India – offers insights.

Drawing upon Indian evidence, assortative matching into poor and rich groups was reported by about 71 per cent of members of SHGs.

Few believed that the poor were excluded because of high interest rates and/or stringency of financial discipline. However, remoteness of villages, absence of functioning local institutions and lack of awareness of benefits of group lending were identified as major impediments in covering larger segments of the poor – especially by representatives of financial institutions.

A cross-country analysis establishes robustly that gross loan portfolio (GLP) of MFIs benefits not just the poor but also the poorest. In other words, GLP of MFIs is negatively associated with the incidence, depth, and severity of poverty. Hence sustained flows to MFIs may help avert accentuation of poverty as a consequence of the slow and faltering recovery of the global economy.

Much of micro evidence (such as that which is gathered at the household level) on poverty reduction is mixed. A striking case is that of Bangladesh, where the impact in some studies is positive and large, while in others the impact has been insignificant or weak. In Peru, it is the “better-off” rather than the core poor who benefit most from microfinance. By contrast, there is a substantial positive effect on a multi-dimensional welfare indicator in India. In China, while microfinance is welfare enhancing, the main beneficiaries are the non-poor. Experimental evidence for Thailand, the Philippines and India (Hyderabad slums) suggests that the (relatively) affluent benefit more.

An important insight for Bangladesh and elsewhere is that the exit from poverty requires longer-term participation. Household entrepreneurs require time to achieve productive efficiency or to earn higher returns from self-employment activities. Since existing members of microcredit generally obtain larger amounts, MFIs should be encouraged to offer larger loans sooner rather than later.

Before the 2004 Tsunami in Sri Lanka, access to microfinance helped income convergence among the borrowers – a process that was disrupted by this natural disaster. However, microfinance loans after the Tsunami helped in reducing the income gap between those who were hit by it and others who were not. This process of recovery was fast. There is thus strong evidence for the effectiveness of microfinance as a recovery tool.

Women in higher loan cycles of Kashf's microfinance programme in Pakistan experienced a significant increase in empowerment compared to their counterparts in the first loan cycle. Being in a higher loan cycle affects the ability of a female borrower to decide how to use the loan. Microlending thus leads to higher financial empowerment. Besides, there was social empowerment as mobility restrictions were much fewer among them.

A detailed analysis for India has a much broader focus on women's empowerment and offers a positive role of microfinance. A large majority of SHG participants themselves reported that they had gained self-confidence, greater respect within the family, a more assertive role in family decision-making, a more important role in children's health and education and that there was a reduction in domestic violence. In the broader community sphere, however, a considerably lower share of respondents gave a positive response.

But these indices of empowerment do not reveal the "costs." Higher incomes and a broadening of spheres of activities entailed greater responsibilities for women and extra hours of work. In the absence of reallocation of domestic responsibilities, some of the welfare gains from extra incomes earned were partly offset by longer hours of work.

In conclusion, while the miracle of microfinance has eroded somewhat with financial sustainability overriding social goals, there are ample grounds for optimism about recreating it.(IPS 07-10-2015)

BRICS IN DANGER OF COLLAPSING AS MEMBERS FAIL TO COHERE

With China's economy in slowdown mode and continuing to cause turmoil across the world, doubts have once again surfaced about the prospects of the Brics bloc (Brazil, Russia, India, China and SA).

Economic growth has been vital to sustaining the rise of the five emerging powers on the international stage. They played a pivotal role in enabling developing economies to weather the global financial crisis of 2008-09, with Brazil, Russia, India and China heralded as the main drivers of future growth in the global South.

However, the "big five" are in trouble. China is experiencing its lowest rate of growth — 7% in the second quarter of this year — in 25 years. India has matched China's growth but has not met expectations. Brazil and Russia are both in recession. SA's economy is contracting.

Are the Brics crumbling? And what would this mean for SA? As the most industrialised economy in Africa, SA has sought to position itself as the gateway to the rest of the continent. Participation in Brics has offered an opportunity to deepen and broaden the country's bilateral engagement with its allies, while enhancing its international profile.

China is SA's largest bilateral commercial partner, with total trade increasing from R5.6bn in 1998 to R262bn last year. In turn, SA is China's largest trading partner in Africa, accounting for 31% of Beijing's trade with the continent in 2013. Unsurprisingly, SA ranks fifth among African countries most exposed to the Chinese economic slowdown. The sixth Forum on China-Africa Co-operation, to be hosted by SA in December, will be keenly watched.

Bilateral trade between SA and India has similarly grown at an annual rate of 30% since 2004, to reach R90bn last year. However, this economic engagement is yet to reach its potential. More worrying, SA's trade with both India and China is heavily weighted in favour of primary products from SA and manufactured goods from India and China. SA has run persistent trade deficits with the two Asian countries.

Leveraging its inclusion in the Brics bloc to promote more equitable and mutually beneficial trade with New Delhi and Beijing, while obtaining access to technologies and skills in support of SA’s industrialisation, remains a critical concern for Pretoria.

In comparison, SA’s economic ties with Brazil and Russia have lagged. This has been reflected in low bilateral trade volumes, with SA-Brazil trade amounting to a modest R21bn and SA-Russia trade totalling a mere R8bn last year. While several Brazilian firms maintain offices in SA, these serve mainly as headquarters for their operations in other African countries. South African companies have a similarly limited presence in Brazil.

Russian business interests in SA are concentrated in mining and petrochemicals.

Nuclear power is an emerging area of co-operation in SA’s relations with both Brazil and Russia. Pretoria and Moscow, for example, signed a $50bn nuclear framework agreement last year. In the same year, SA negotiated an agreement on nuclear technology with Brazil. Defence ties between the two countries have grown, with the development of the A-Darter air-to-air missile by SA’s Denel in collaboration with Brazil.

Even so, SA’s commercial and cultural ties with Brazil and Russia remain weak. This is at least in part due to a lack of mutual communication, both in the Brazilian and Russian media, about Africa, and also in the South African media about Moscow and Brasília. In Brazil, there is scant reporting on Africa, while in Russia, many elites have a view of Africa that often reinforces negative stereotypes about a continent of conflicts, disease, famine and safaris.

Beyond bilateral relations, there is a larger question facing SA and its Brics counterparts: is the bloc more than the sum of its parts? The presence, in 2011, of all five Brics countries on the United Nations (UN) Security Council for the first time since the grouping’s formal inception two years earlier created an opportunity to collaborate on security issues of common concern and to challenge the dominance of the council by the US, France and the UK.

However, the responses of the Brics countries to the crises that the security council faced — particularly over Libya — raised serious questions about the bloc’s ability to craft cohesive foreign policy positions. SA voted for the council resolution authorising the Anglo-French-led intervention in Libya, while Brazil, Russia, India and China abstained.

Deeper tension exists within the bloc on the issue of the international community’s responsibility to protect populations at risk from egregious human rights abuses. SA has been supportive of this responsibility, which is enshrined in the African Union’s Constitutive Act of 2000. China and India have been more reluctant to accept deviations from the principle of nonintervention, in particular the embrace of military intervention. Russia has offered rhetorical support for the responsibility to protect, invoking the principle when its interests are at stake, as in Crimea last year.

Brazil has proposed a new concept — responsibility while protecting — that stresses the accountability of interveners to the security council and the need to monitor how council resolutions are implemented.

The Brics umbrella also provides an opportunity for the five emerging powers to pursue reform of Western-dominated multilateral institutions such as the World Bank and the International Monetary Fund (IMF). Their dissatisfaction with the status quo gave impetus to the creation of the Brics’s New Development Bank.

However, the Brics countries do not necessarily agree on how the architecture of global governance should be reshaped. This has led to an unresolved debate about whether they are status quo powers, or revisionist actors with a transformative vision for an alternative world order. For example, the bloc was unable to unite behind a common candidate to fill the top posts at the IMF and the World Bank in 2011 and 2012, respectively. The Brics countries have also seemed divided on developing solutions to key global challenges such as international financial instability and climate change.

Notwithstanding its regular summits, Brics is still a relatively new grouping with an evolving agenda for co-operation. Questions persist about its ability to coalesce into an agenda-setting actor with a harmonised approach to addressing global issues.

For China, the bloc is a tool to achieve its economic objectives, whereas for Russia the grouping is a means to challenge Western political hegemony. Brazil, India and SA, by contrast, follow a predominantly economic agenda within the Brics.

In this respect, the different priorities and expectations of the five Brics members — as much as their economic woes — could weaken their collective endeavour of creating a more democratic and equitable world order.(BD 09-10-2015)

MALAWIAN PRESS REPORTS ON WORLD BANK ECONOMIC ASSESSMENT, FOOD AID

World Bank advises Malawi on some of the policies within its economic programme that are weighing down on its growth, World Food Programme (WFP) to provide food aid to 2.4 million people faced by the food crisis are the stories making headlines in the local press on Tuesday.

The Daily Times newspaper reported that the World Bank had advised Malawi that there was a fair amount of fiscal stress in terms of the absence of strong fiscal discipline.

According to the bank's chief economist, Punam Chuhan-Pole, Malawi is undergoing a fair share of fiscal stress citing the subsidies, wage bill and rising debt which are weighing on the country's growth.

He said Malawi need to properly balance its revenue coming through taxes and structural reforms aimed at alleviating domestic impediments to growth.

The Nation newspaper wrote that the WFP started distributing food aid to 2.4 million people nationwide, representing 85 percent of the starving Malawians.

WFP country representative said his agency had targeted 2.4 million for the food relief and the remaining 400,000 people would be covered by other partners.

According to her, based on the Malawi Vulnerability Assessment findings, 70 per cent of the food insecure population is recommended to receive in kind food assistance while the remaining 30 percent will be targeted with cash based assistance.(APA 06-10-2015)

BANCO MILLENNIUM ANGOLA MERGES WITH BANCO PRIVADO ATLÂNTICO

Banco Millennium Angola will merge with Angolan bank Banco Privado Atlântico under a memorandum of understanding signed Thursday, Portugal's Banco Commercial Português (BCP) said in a statement to the market.

in the statement issued through the Portuguese Securities Market Commission (CMVM), BCP also said the MoU was signed with the largest shareholder of Banco Privado Atlântico, Global Pactum – Gestão de Activos.

The current shareholder structure of Banco Millennium Angola is composed of BCP África, with 50.1 percent of the capital, Angolan oil company Sonangol, with 29.9 percent, Banco Privado Atlântico, 15 percent and Global Pactum, with the remaining 5 percent.

In turn, Banco Privado Atlântico's shareholders are the management company of Global Pactum, with 58 percent, state oil company Sonangol with 9.5 percent, Portugal's Banco Millennium Angola with 10 percent and bank staff with the remaining 22.5 percent.

In a statement BCP said this merger allowed Banco Millennium Angola to meet conditions to grow in adverse conditions and at the same time adapt to the implications of the change on supervisory equivalence.

The Memorandum of Understanding provides for a new Board of Directors with 15 members, of which five are appointed by BCP, as well as an Executive Committee of seven members, including two appointed by BCP, who will be responsible for risk analysis and credit.

Following the merger the new bank will be the second largest private bank in Angola in terms of credit to the economy, with a market share of about 10 percent. (09-10-2015)

AFRICAN UNION TROOPS TO PASS SOUTH AFRICA CITIES EN ROUTE TO DRILL

Large convoys of military vehicles will drive through a host of South African towns and cities from next week and residents have been warned not to be alarmed as the troops entering the country will be part of an African Union (AU) military exercise.

South African National Defence Force chief of joint operations Lt-Gen Derrick Mgwebi told a news conference on Wednesday that more than 5,000 troops from all over Africa would participate in the Amani exercise to determine the continent's readiness to launch the African Standby Force.

Soldiers from SA's neighbours would move by road to the combat training centre at Lohatla near Upington.

Lt-Gen Mgwebi said the field-training exercise, hosted by SA, would be conducted by the AU "with the intent of evaluating the state of readiness of the African Standby Force and its rapid deployment capability towards the achievement of full operational capability by December".

Convoys will pass Bloemfontein, Upington, Kimberley and many smaller towns in between. The exercise will simulate intervention in a violent situation and the peacekeeping needed after a successful intervention. These will be governed by United Nations rules.

The AU website records that the first Amani exercise in 2010 focused mostly on validating policies and processes at the continental strategic level, in employing the African Standby Force within the broader African Peace and Security Architecture.

Last month, Defence Minister Nosiviwe Mapisa-Nqakula referred to renewed efforts to get the African Standby Force, first mooted in 2003, off the ground. "(The) truth of the matter is there have been too many excuses" and, given the security challenges on the continent, "we can't postpone anymore".(BD 07-10-2015)

OVER A MILLION MOZAMBICANS ARE FOOD INSECURE

Mozambique cabinet spokesman and Deputy Health Minister Mouzinho Saide has said over a million people about four percent of the total population of 23 million are facing food shortages, APA can report on Wednesday.
Addressing a media briefing at the end of the weekly cabinet meeting late on Tuesday, Saide pointed in particular to the southern provinces of Gaza and Inhambane, where drought has put 137,000 people at risk.

He said the lack of rainfall has led to a severe shortage of water for people and livestock alike and to minimize the situation, water is being distributed to the worst hit areas in tanker trunks, while additional boreholes are being drilled and small dams built.

He added that agricultural and livestock fairs have been organized and medical care is being stepped up to reduce the impact of food shortage on health.

The official said the situation is also affecting education, with children dropping out of schools particularly in the Gaza districts of Guija and Chigubo. In these two districts alone, 4,799 pupils have stopped attending school.

“Pupils have been staying away from school”, he said. “So programmes have been undertaken to supply water directly to schools, and also to strengthen the distribution of snacks at school to make the situation less critical”, he said.

Saide said that measures are being taken to reverse this situation and persuade children to return to classes. (APA 07-10-2015)

ANGOLA USES WORLD BANK GUARANTEE TO TAKE ON NEW LOAN

The government of Angola plans to borrow US$1 billion on the domestic and international market using a guarantee granted by the World Bank, said in Lima, Peru, the spokesman for the delegation of the Angolan Ministry of Finance.

The ministerial delegation spokesman participating in the annual meeting of the International Monetary Fund (IMF) and the World Bank was referring to a deal signed last July by the government of Angola and the World Bank, through which the country has already obtained a loan US$450 million.

“It was an agreement that included a liquidity support amounting to US$450 million that has already been disbursed and a guarantee for US$200 million, which will be used to raise funds of around US$1 billion,” said João Boa Quipipa.

Quipipa, who is also director of the Research and Relations Office of the Ministry of Finance, was speaking after the Angolan delegation’s meetings with the World Bank management and said this funding from the institution will count towards the 2015 budget, at a time when pubic accounts are strongly affected by the slump in oil prices, as well as towards “next year’s budget.”

The Angolan Ministry of Finance on 1 July announced an agreement for this loan, noting it was the first financial transaction with the World Bank for management and development of fiscal and public investment policies in Angola. (09-10-2015)

AFRICA’S MOBILE TELECOMS GROWTH SET TO SLOW

Growth in Africa’s mobile phone usage is set to slow sharply in the next five years, a study showed on Thursday, heralding an end to the boom in an industry that has spurred the continent’s growth.

A report by global industry body GSM Association (GSMA) found subscriber growth was likely to slow to 6% between 2015 and 2020 compared with 13% growth in the first half of the decade, citing a lack of commercial logic in setting up network coverage in some rural areas, where more than half of the population lives.

"I am bit surprised by this development because I expected strong growth to continue because the penetration rate in Africa is still well below 100%," GSMA Africa director Mortimer Hope said.

"One reason for the slowing growth is that some areas, especially in remote, rural communities, are not economically viable for mobile phone companies to deploy their network because of the low spending power of people living there."

By 2020, a little more than 500-million people, or just under half the continent’s population, will have subscribed to a mobile service compared with the global average of almost 60%, the association said in the report.

Mobile phones have been one of the factors behind Africa’s recent growth spurt, by freeing people from the shackles of the continent’s awful landline infrastructure and allowing them to communicate and transact at low cost.

The simple SMS and more recently mobile social media have also become powerful political tools, used by grassroots political movements to mobilise support against oppressive states, such as in the north African "Arab Spring".

While relatively low penetration rates suggested significant growth potential in most markets, the negative effect of increasing competition on profit margins was raising the prospect of more consolidation in the region, Mr. Hope said.

"Smaller players don’t have the economies of scale to drive their prices down and compete for long periods, so you’ll probably see some consolidation in the market," he said.

There has already been deal activity in the sector in recent years with Vodacom buying fixed-line operator Neotel, which struggled to mount serious competition against Telkom.

United Arab Emirates’ Etisalat sold its struggling Tanzanian mobile phone business, Zantel, to Sweden’s Millicom in June. (Reuters 08-10-2015)

TURKISH BUSINESS DELEGATION IN NAMIBIA TO EXPLORE OPPORTUNITIES

A Turkish business delegation is Namibia to attend the first ever Turkey-Namibia Business Forum that will be opened by the Minister of Industrialisation, Trade and SME Development, Immanuel Ngatjizeko in Windhoek on Thursday.

The main objective of the business forum co-organised by Namibia Chamber of Commerce and Industry and the Turkish Exporters Assembly to build on developing trade and economic relations between the two countries.

The group of 21 Turkish business people also seek to explore business investment and trade opportunities in Namibia.

This is in line with the Turkish Africa Strategy, which aimed at promoting that country's economic interest in Africa since its initiation in 2003, the Turkish Embassy in Windhoek said in a statement.

The embassy said that Turkish volume to sub-Sahara Africa has reached $4 billion since 2003.(APA 07-10-2015)

PRIVATE INVESTMENT IN ANGOLA HAS NEW REGULATIONS

The new regulations for carrying out private investment in Angola stipulates the creation of a "fast lane" to speed up procedures and technical support units in each ministry, according to a presidential order.

"The investment process must be urgent and benefit from the practice of a 'fast lane' (via verde), with expedited and automated processing, dedicated, personalised support and computer integration of public services at a 'service desk' within each ministerial department," according to paragraph 5 of Article 12.

Presidential order 182/15, of 30 September, entered into force immediately after its publication and is intended as an incentive for investment in Angola, which has experienced a significant drop in tax revenues due to the fall in oil prices and is now trying to accelerate economic diversification, reducing dependence on oil.

Investments of less than US$10 million will be analysed by the "the ministerial department responsible for the main activity of the private investment," and above this amount the responsibility passes to the President, who can still delegate analysis of the investment to the appropriate Ministry.

Outside this scheme, and therefore the sole responsibility of the President, are proposed investments in sectors with "special legal regimes, including financial, mining and diamonds, as well as others provided by law, except when these regimes stipulate statutory assignment of responsibility to another body."

The document defining the new rules for private investments also addresses the issue of ministry responsibility according to the dominant activity of the investment area, stipulating that, "when the dominant activity of the investment to be made is the responsibility of more than one ministerial department, the leaders of the ministerial departments concerned are considered responsible."

The law cited by Portuguese news agency Lusa also requires creation of specific units to support investors, both at the ministries and provincial governments, called Technical Units to Support Private Investors (UTAIP), which are "responsible for the investment of procedure outlined in this regulation."

In the provinces, these UTAIP should work alongside the provincial governor's office and will be charged with "facilitating, preliminary contacts and guidance of the private investor." (09-10-2015)

ECOBANK DITCHES PLAN TO SELL NIGERIA STAKE

Pan-African lender Ecobank Transnational has scrapped the sale of part of its Nigerian business because falling market values mean it will not get a good enough price, said CEO Ade Ayeyemi.

"The market is not right for us to be selling part of that unit," Mr Ayeyemi, who started the job last month after quitting as Citigroup's CEO for sub-Saharan Africa, said this week. "We will not be doing any dilution at the moment.

"You cannot sell an asset that you don't have to sell at the time when market prices are at the bottom of the trough."

Mr Ayeyemi's predecessor, Albert Essien, said in June the lender would sell a stake in Ecobank Nigeria by the end of 2015 to boost the unit's capital. This was planned because the Nigerian central bank raised minimum capital thresholds.

Ecobank's shares have fallen 12% in Lagos since the end of June, amid concern among investors that a slowdown in China and a looming rise in US interest rates may weigh on economic growth.

Togo-based Ecobank operates in 36 African countries, more than any other lender.

Ecobank was considering raising as much as $400m with a sale of up to 25% of the Nigerian subsidiary, Arqaam Capital said in a September note.

"We are adequately capitalised at the moment," Mr Ayeyemi said. "If there are business opportunities that require us to have more capital, we will support that. We always have the option in future. Nothing is off the table."

The bank's biggest shareholder, Nedbank Group, said it was against being diluted by a sell-down of the Nigerian business. The lender spent almost $500m to buy a 20% stake less than a year ago. "By raising Tier 1 capital at subsidiary level, you're possibly diluting those who own Ecobank from the holding company level," said Nedbank chief operating officer Mfundo Nkuhlu.

Ecobank would shun acquisitions "for the moment" to concentrate on boosting shareholder returns, said Mr Ayeyemi. "The building has been done. We now need to deliver on the promise both to customers and shareholders."

A legal dispute with former CEO Thierry Tanoh, who is claiming about $24m from Ecobank for unfair dismissal and defamation, would "get resolved positively in the end", Mr Ayeyemi said. (Bloomberg 08-10-215)

GAMBIAN PRESS FOCUS ON $8.5MN AGRIC PROJECT, VISIT OF GUINEA BISSAU ENVOY

The approval of an 8.5 million dollar-agricultural project in the Gambia by the African Development Bank, the visit of a special envoy from Guinea Bissau's president dominate Gambian newspapers on Wednesday.

The Point newspaper reports that the African Development Bank (AfDB) has approved US$8.5 million for the Gambia's new agricultural project, which seeks to enhance Livestock Value Chain and Rice Value Chain production in the country.

The project agreement to be implemented in three villages in the Upper River Region of the country was announced at a stakeholders' workshop on the Gambia Agricultural Value Chain Development Project (GAVDEP) appraisal held at a local hotel in Banjul on Tuesday.

"It is a framework that outlines strategic policy thrust, guiding project design, resource mobilization, allocation and implementation across the agriculture sector," The Point quoted Deputy Minister of Agriculture, Ousman Jammeh as saying, while hailing the project agreement.

The Daily Observer zoomed on talks between the Gambian leader, Yahya Jammeh and Bissau-Guinean emissary, Antonio Cabral, defence adviser to the Guinea Bissau president.

The paper quotes the Bissau Guinean envoy saying that his visit to Banjul is anchored in the framework of the relationship that exists between the two sister countries.

"We are used to consulting each other on different issues. This is the reason I am here as a special envoy of my president for our regular contacts and consultation with the Gambian authorities. It has been a long time since my president visited the Gambia. So this is why he sent me to his brother and friend to explain to him what is the situation in Guinea Bissau. This is normal between the two countries," he told the local press at the presidency in Banjul on Tuesday.

Other local dailies also reported on these and other burning issues making news in the country on Wednesday.(APA 07-10-2015)

MATCHEDJE MOTORS AWARDED “MADE IN MOZAMBIQUE” SEAL

The Matchedje Motors company, which assembles Matchedje cars in Matola, near Maputo, has been awarded the “Made in Mozambique” seal at a ceremony held at the factory premises, the Mozambican press reported.

The document awarding the seal to the company was signed by the Director General of Matchedje Motors Sandra Song and the Director for National Products Promotion, of the Ministry of Industry and Trade, Ernesto Mafumo.

The “Made in Mozambique” seal requires that companies that use it comply with strict rules that guarantee the quality, durability and comfort of goods and services supplied to the market.

In October 2014 the company sold the first vehicle that came off the Matola assembly line.

Created about three years ago in Machava, on the outskirts of the Mozambican capital, Maputo, the Matchedje Motor project is the result of an investment by the China Tong Jian Investment Co., Ltd. This first phase runs on two assembly lines, a painting area and another one for inspection and the factory has an annual production capacity of 30,000 vehicles.

In the complex covering about 20,000 hectares, which was previously home o a park of state rail and port company CFM, now has a track for testing vehicles as well as an area for the the company’s offices.

In the second phase of the project, planned for 2016/2017, the factory’s assembly capacity will be increased to 100,000 vehicles a year, after which it should be increased further to 500,000 vehicles.

Currently, Matchedje Motor has its production geared towards for all-terrain vans, buses and electric scooters, but with the expansion of the Machava unit it hopes to extend its range to other types of vehicle. (09-10-2015)

NO MORE DELAYS’ FOR AFRICAN STANDBY FORCE

The long-awaited African Standby Force could be taking the first step towards becoming a reality, with SA due to host an exercise to test the force’s multinational defence capability next month.

This is according to Defence Minister Nosiviwe Mapisa-Nqakula who was speaking on Wednesday at the South African high commission in London to launch the African Aerospace and Defence exhibition 2016 in Pretoria.

"(The) truth of the matter is that there have been too many excuses", and, given the security challenges on the continent, "we can’t postpone anymore," Ms Mapisa-Nqakula said. "This was a decision taken by the continent in 2003 already, and we’ve not been able to get it off the ground. But hopefully this time around, now that we have this exercise, we’ll be ready for it."

The minister noted that: "Two or three months ago, when ministers of defence met at Victoria Falls, we took a decision that come December, we’ll usher in the standby force."

From conflict in west and central Africa, instability in Lesotho, to growing terror threats and the scourges of rhino poaching and piracy, Africa faced too many security challenges to delay the continental peacekeeping force any longer, she said.

The defence minister denied she was in London on a "shopping trip" for a second arms deal.

"Some people in SA are saying that this delegation is here shopping for equipment. Not yet. But it’s also good to know what’s out there and what’s available," she said, adding that her attendance of the Defence and Security Equipment International exhibition in London was to support the 25 South African companies showcasing their wares, including Denel and Armscor.

Denel is poised to increase its already healthy R35bn order book — triple the value of secured orders of a few years ago and a six-fold annual revenue cover — as CEO Riaz Saloojee told Business Day that discussions at this week's expo would lead to contracts.
"We've had lots of important meetings with certain clients and we're hoping in the next 12 to 18 months, our presence here will translate into some contracts, which we have begun discussing at this show," he said. "Recently Denel broke into the top 100 of defence companies internationally. It's a huge thing for us."
Ms Mapisa-Nqakula and Mr Saloojee said the Middle East and the African continent remained the major markets for the South African defence industry.(BD 18-09-2015)

TROIKA URGES S/SUDAN LEADER TO WITHDRAW PROPOSAL TO CREATE MORE STATES

The Troika countries' comprising the United States, United Kingdom and Norway, have urged the President of South Sudan Salva Kiir Myradit to immediately withdraw his decision to divide South Sudan into 28 states.

In a joint statement issued Wednesday, the three countries expressed serious concern about President Kiir's October 2 announcement that he plans to replace South Sudan's 10 states with 28 new states, describing it as a violation of the recent peace agreement signed last August.

"This announcement directly contradicts the government of South Sudan's commitment to implement the peace agreement it signed on August 26. One of the primary tasks of the soon to be formed Transitional Government of National Unity is to initiate and oversee a process to complete a permanent constitution that will address such fundamental issues as the structure of the state," the statement said.

"We recognize that the people of South Sudan have long been interested in the issues of federalism and decentralization. However, we strongly urge President Kiir to the defer action on this fundamental matter until the Transitional Government of National Unity is formed and a national constitutional dialogue can take place," the statement read in a part.

It has further condemned the violation of the ceasefire in the oil-rich region of Unity state, calling on all the parties to commit to the implementation of the agreement.

"We strongly condemn the current resumption of fighting in Unity State. This underscores the urgent need for all South Sudanese stakeholders and members of the IGAD Plus to move forward with the full and timely implementation of the peace agreement, especially the prompt establishment of the Joint Monitoring and Evaluation Commission and mandated security arrangements. We also call on the opposition to resolve outstanding security-related issues and both to allow for full and unfettered humanitarian access," it further added.

Meanwhile, the European Union also on Tuesday called on President Kiir to revise his decision to further divide the country into more states, describing the presidential decree as a violation of the peace agreement. (APA 07-10-2015)

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