MEMORANDUM

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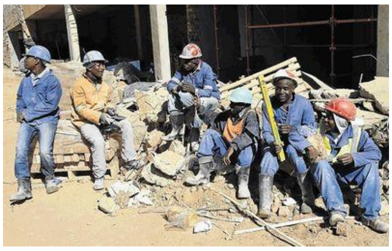
SUMMARY

ZIMBABWE TO AXE MORE THAN 8,000 STATE EMPLOYEES TO CUT COSTS



Zimbabwe, which has not been able to pay its more than 300,000 state workers on time this year, will start firing employees at its agriculture ministry, as it seeks to trim a civil service where wages absorb more than 80% of government revenue.

The state-controlled Herald newspaper on Wednesday reported that 8,252 posts at the ministry, or 43% of its workforce, had been abolished, citing the Public Service Commission, which oversees government departments.

The government has ordered a freeze on hiring and promotions across all departments, a finance ministry document obtained by Bloomberg shows.

"We're aware of the recommendations that were made by the Public Service Commission because we had oral evidence from the permanent secretary, who told us they were going to lay off workers, but we did not know that it was going to be this huge number," Goodluck Kwaramba, chairman of Zimbabwe's Parliamentary Portfolio Committee for Public Service and Labour, said in an interview.

Zimbabwe missed a self-imposed June deadline to pay arrears of $1.8bn to lending institutions as it seeks to get financial assistance from the International Monetary Fund (IMF), World Bank and African Development Bank, which can only resume when its debts are paid.

The economy has halved in size since 2000. A shortage of cash has resulted in withdrawals being limited from ATMs, and the economy is suffering deflation due to a plunge in consumer demand.

"This retrenchment is part of the re-engagement effort with the IMF," Prosper Chitambara, an economist at the Labour and Economic Development Research Institute, said in an interview.

Phone calls to the commission and to deputy agriculture minister Paddy Zhanda were not answered when Bloomberg sought comment on Wednesday. Questions e-mailed to the commission were not immediately responded to. (Bloomberg 24-08-2016)

SIERRA LEONE URGES CHINESE MINER TO PROCESS RAW MATERIAL LOCALLY

The Sierra Leonean government has called on the leading mining company in the country to consider processing its raw materials locally instead of exporting from the source.

A statement attributed to Sierra Leone's ambassador in China indicated that he called on the management of Sandong Iron/Steel Group in China to start processing raw ore to finished products in Sierra Leone,
citing their large presence in the country.

Shandong is the successor to the defunct African Minerals Limited (AML), which was taken over by the Chinese firm recently.

According to a statement from the Sierra Leone diplomatic mission in China, Ambassador Almamy Philip Koroma, was on a visit to the city of Jinan where the
company is officially headquartered.

Koroma said processing of ore would not only help boost the local economy, but that it would also create more jobs in the country.

Shandong is thought to be the largest single employer in Sierra Leone, a position inherited from AML. The company upped its hitherto 15 percent stake in AML in 2015 after buying the latter's 75 percent shares.

Shandong, as a junior partner, had invested over a US$1billion in the iron ore mine located in the northern Tonkolili District of Sierra Leone.(APA 24-08-2016)

ANGOLA IS THE LARGEST SUPPLIER OF OIL TO CHINA IN JULY

Angola overtook Saudi Arabia and Russia last July to become the main supplier of oil to China for the first time this year, according to figures from the Chinese Customs authority.

In July, China imported 4.72 million tonnes of oil from Angola, or 1.11 million barrels per day, a figure which represents annual growth of 23.3%.

During the first seven months of the year, Chinese imports of Angolan oil increased 18% to 26.94 million tonnes or 923,200 barrels per day, making Angola the third largest supplier after Saudi Arabia and Russia.

In July there was greater demand for oil from Angola compared to Russia due to the fact that Angolan oil make sit possible to obtain a smaller amount of light products per barrel, providing refineries with a greater amount of traditional fuels. (25-08-2016)

INVESTORS SELL BANKING SHARES AS NIGERIA SUSPENDS NINE BANKS FROM FOREX DEALS

Investors sold shares in Nigerian banks on Wednesday, a day after the central bank suspended nine lenders from foreign exchange transactions for failing to remit money owed to the government.

The central bank suspended FCMB, First Bank, United Bank for Africa (UBA), Heritage Bank, Keystone Bank, Skye Bank, Diamond Bank, Sterling Bank and Fidelity Bank on Tuesday for withholding government dollars from the national treasury, banking sources said.

Shares in Diamond Bank fell the most, shedding 7.32% in early trade, followed by Sterling bank, which was down 3.88%. FCMB fell 2.5%, FBN Holdings shed 1.5% and Skye Bank was down 1.54%.

According to the central bank, the banks had failed to remit $2.1bn, which was the government's share of dividends from the state-owned gas company NLNG. The banks were supposed to pay the money into the government's account at the central bank.

Last year, Nigerian President Muhammadu Buhari ordered government payments to be made into a single, central bank account as part of his pledge to fight graft.

UBA denied late on Tuesday that it had withheld any government funds.

"We wish to state very categorically that UBA has completely remitted all NNPC/NLNG dollar deposits," Charles Aigbe, the bank's spokesperson said in an e-mail.

FCMB has said it was working with the central bank to solve the issue, while the other banks either had no immediate comment or were not reachable for comment.

The suspensions came after the central bank tightened restrictions on the flow of dollars to domestic lenders in March. That has forced banks to delay hard-currency loans and trade repayments and increased their risk of default.

Nigeria, Africa's largest economy, is suffering its worst financial crisis in decades as a slump in oil revenues hammers public finances and the naira. The central bank governor has said a recession was likely.

The bank floated the currency in June to attract investment, allowing the naira to fall 40% against the dollar. But foreign investors have remained on the sidelines, making the central bank the main supplier of dollars.

The naira traded at 305.50 to the dollar after the central bank intervened shortly before the close of the market — the same level it closed at on Tuesday. (Reuters 24-08-2016)

CONGO AND CUBA INK COOPERATION DEAL

Congo's chief minister of Agriculture, Henri Djombo, and the Cuban ambassador to Brazzaville, Manuel Maria Serrano Acosta, have signed a memorandum for cooperation in the fields of agriculture, livestock and fisheries.

A statement from Djombo's office seen by APA on Wednesday said Tuesday's agreement was reached with a view to enhancing the food security situation in Congo.

It said it aims at "reinforcing Congo's capacity to tackle food insecurity."

Under the terms of the deal Cuba will provide expertise to Congo in terms of the analysis and pedagogical studies for the certification of soils and to achieve milk production in rural areas and support the breeding of large and small ruminants, pigs and poultry.

"Cuba will set up an agricultural development program in rural, urban and suburban areas and in the field of aquaculture, fish farming and shrimp farming" the statement said.

Expressing his satisfaction after the signing of the memorandum, Henri Djombo said that "Congo will benefit from Cuban expertise in the field of agriculture to develop the various sectors.

The cooperation between the two countries dates back to the 1970s, with the signature at the time of agreement for the creation of an experimental center for the production of dairy products.(APA 24-08-2016)

COBALT ANNOUNCES THE END OF THE DEAL WITH ANGOLA'S SONANGOL

The sale of stakes in two oil blocks in Angola to state oil company Sonangol for US$1.75 billion has been scrapped, US company Cobalt International Energy Inc. said on Wednesday.

In a statement, the group added that the government authorisation should have been granted within a year and, as it has not be issued, the deal has not gone ahead, and the stakes would immediately be put up for sale.

In August 2015, the US group said it had sold the stakes it owned in the two blocks to Sonangol for US$1.75 billion, minus US$19.7 million in taxes.

At the beginning of August, the group announced it would endeavour to sell the two 40% stakes in two oil blocks in Angola to “third parties” after state company Sonangol had given up on the deal, the group said in a market filing.

In a statement issued in Houston, the group also said it CEO Tim Cutt had met with the chairwoman of Sonangol, Isabel dos Santos, to discuss the sale of those two stakes.

At that meeting, the statement said, the parties agreed that Cobalt International Energy would seek to sell the stakes in blocks 20 and 21 to “third parties.” (25-08-2016)

ZAMBIANS BATTLE TO SURVIVE AMID ECONOMIC TURMOIL

With their country in post-election disarray over allegations of vote rigging and the economy in a tailspin, Zambians such as pensioner Memory Musonda are struggling to cope and fear help will not come soon.

Depressed global commodity prices have slashed Zambia’s receipts for copper, its top export, and in turn have caused a 9% fall in the kwacha against the dollar since April, exposing the economy’s over-reliance on the metal.

All of this has compounded the daily woes of ordinary Zambians like Musonda, 69, a retired school teacher, already grappling with soaring food bills and power shortages caused by a searing drought.

The kwacha’s plunge means Musonda’s meagre income cannot keep up with soaring prices for staples including sugar, milk and cooking oil mostly imported from SA, whose companies dominate Zambia’s retail sector.

"Life is hard — prices have shot up and we are struggling to survive and it is obvious the government has no money," said Musonda. She used the bulk of her pension to buy a house, gets a monthly payout of 420 kwacha ($43) from the remainder and supplements that by renting out a room.

Consumer inflation in the southern African country of 16-million people has nearly tripled to 20% year-on-year from 7% a year ago, and unemployment has jumped to 13.3%, driven by mine closures.

Downtown Lusaka bears testimony to increasing economic hardship. Makeshift stalls line most streets as residents try to eke out a living selling anything from traditional medicine to imported second-hand underwear.

About 54% of the population in Zambia were found to be living in poverty in 2015, according to Central Statistical Office data released in April.

Zambians see no clear or easy way out of their plight.

Any aid from global lenders such as the International Monetary Fund is likely to have painful austerity terms attached.

China has invested heavily in modernising Zambia’s infrastructure, especially roads and water supply systems. But many Zambians accuse China of poor work-site safety standards, paying poor wages and muscling out local firms from infrastructure projects — complaints echoed in other African states where Beijing has a major economic footprint.

Chinese companies in Zambia have said they operate within the country’s labour laws.

IMF or chinese aid?

"We need help, but an IMF programme will probably come with conditions such as the removal of fuel subsidies; on the other hand, it always takes time for the benefits of Chinese investments to trickle down," said Musonda.

Economists say the IMF talks are more likely to bear fruit faster than seeking Chinese help.

But Zambians have been wary of IMF aid since the global lender imposed austerity in the 1980s in exchange for bailing Africa's No2 copper producer out of another debt crisis. That led to a surge in food prices, which triggered riots.

"We have been on such a programme before and still remember the hardships it brought," said Bruce Phiri, a 45-year-old artisan who repairs damaged pumps for a living.

"I have to fight hard to put food on the table for my family and my fear is that things will be worse when the IMF comes in.

"The Chinese also come with conditions," he said.

Lubinda Habazoka, an economist at Zambia's Copperbelt University, said Chinese financing often came on condition that Chinese firms were given an infrastructure contract. This meant that Zambian firms lacking the resources to run such projects on their own were being elbowed aside.

Election wrangle

Prospects for resuming critical budget support talks with the IMF have been dimmed by delays in swearing in a new head of state, after opposition leader Hakainde Hichilema challenged President Edgar Lungu's August 11 re-election in court.

The election row — which followed violence between rival campaign supporters in what is otherwise considered one of Africa's most stable democracies — could damage Zambia's ability to attract investment critical to reviving the economy.

Moody's downgraded Lusaka's rating to B3 with a negative outlook in April, saying its credit metrics had deteriorated more than expected since another cut in September 2015, and the negative trend would likely continue for at least two years.

That is bad news for a country which needs to borrow more to service an external debt of around $5bn, more than 18% of GDP. The domestic debt burden is close to $4bn, about 14% of GDP, according to the finance ministry.

"The prospect of a legal and political crisis is likely to weigh on investor sentiment in the next few months, which could lead to a further depreciation of the kwacha and a rise in yields on Zambia's eurobonds," Capital Economics analyst Liam Carson said. *(*Reuters 25-08-2016)

EGYPT: TURKISH AIRLINES TO RESUME ITS FLIGHTS TO SHARM EL-SHIEKH

After the security scare caused by the terrorist attack on a Russian airliner, the Turkish Airlines has decided to resume its flights to Egypt's resort city of Sharm el-Sheikh starting September 10, the Turkish embassy in Cairo said in a statement on Wednesday.

According to the statement, the airline will operate four flights per week to Sharm El-Sheikh.

The Turkish decision comes few days after Russia, who had also suspended its flights to Egypt, revealed its intentions to ease restrictions on air flights heading to Egypt.

Turkey's national flag carrier suspended its flights to the Red Sea resort of Sharm el-Sheikh in the wake of the downing of the Russian airliner in the Sinai Peninsula in October 2015, killing all 224 people aboard.

The Islamic State group later claimed responsibility for the explosion, saying it had planted a bomb onboard the plane that was heading from Sharm el-Sheikh to St. Petersburg in Russia.

Egypt maintains that there is no evidence proving that this was a terrorist attack.

Russia said it would send a trial flight to Cairo prior to possible resumption of flights between the two countries.

The number of tourists coming to Egypt fell by 51.7 per cent in July, according to the Central Agency for Public Mobilisation and Statistics (CAPMAS).(APA 24-08-2016)

SOUTH AFRICA: ATLAS MARA TO CUT JOBS AND COSTS

Atlas Mara, co-founded by former Barclays CEO Bob Diamond, said it would cut jobs and costs as weaker African currencies and slowing growth caused a 71% drop in first-half profit.

"We have executed a group-wide cost-reduction programme to align our cost base with the current revenue environment," the company, incorporated in the British Virgin Islands and traded in London, said on Wednesday.

Headcount in its shared services unit would be reduced as much as 35%, which might cut operating expenses by $8m from 2017, Atlas Mara said.

Atlas Mara is seeking to trim a cost-to-income ratio that climbed to 102% in the six months to June from 95% a year earlier as operating expenses accelerated at a faster pace than revenue. With businesses in seven African countries — including Nigeria, Zambia, Zimbabwe and Rwanda — the company is struggling to convince investors of its strategy of building a bank spanning the continent, as growth across the region slows to a 15-year low.

The stock slid 3.5% to $3 as of 9.48am in London on Wednesday, a record low, and extending declines since its initial public offering in December 2013 to 72%. That values the company at $209m, compared with the more than $600m it spent buying African assets.

The landscape across Africa has shifted under Diamond's feet since the company went on an acquisition spree to gather operations as a drop in commodities from copper to oil hit the economies in which his businesses operate. Its biggest investment is in Nigeria, where a currency devaluation has hit earnings when translated back into dollars, and the country is teetering on the brink of a recession.

Net income had fallen to $1.2m in the first half from $4.1m a year earlier, while impairments had risen to $9.1m from $6.1m, Atlas Mara said on Wednesday. The company's reported equity declined 7.8% to $577m, largely due to $83m of foreign-exchange translation losses, driven by the depreciation of Nigeria's naira.

"Our current market valuation does not reflect the economic value we expect to deliver to shareholders from our businesses over time," CEO John Vitalo said. "We also recognise that the market capitalisation of the company is below what we paid for our investment and subsequent capital injection into our principal operating entity BancABC or what we paid for our associate interest in Union Bank of Nigeria."

Atlas Mara was focused on growing its existing operations, it said. "We expect a better operational performance from our businesses during the second half of the year as the cost and revenue initiatives that we have implemented begin to deliver results," Atlas Mara said.

"Our medium-term financial targets and strategic goals remain unchanged and we remain optimistic about our ability to achieve them." (Bloomberg 25-08-2016)

KENYA TO BEGIN EXPORTING OIL IN JUNE 2017

Kenya will start exporting oil in June 2017 after British oil exploration firm-Tullow Oil confirmed on Wednesday that they will start oil exportation in June 2017.
Briefing President Kenyatta in Nairobi, Tullow Oil Chief Operating Officer Paul McDade said his company has made good progress and will be ready to start oil exportation in June 2017.

The oil will be transported by road from Lokichar in Turkana County to Mombasa where it will be exported.

He said initially 2,000 barrels will be produced per day, adding that Tullow Oil is committed to aggressive exploration that will see at least eight more wells drilled in North Lokichar to scale up production.

“This will take the mean recoverable resources to over a billion barrels from the current estimated 750 million barrels,” McDade said.

Energy Cabinet Secretary Charles Keter said the construction of a pipeline to transport oil from Lokichar to Lamu Port is still on course.

He said the government and its upstream partners, Tullow Oil, African Oil and Maersk Companies, have concluded a Joint Development Agreement (JDA) for the development of the pipeline.

Kenyatta emphasised the need to move with speed in the implementation of the pipeline project.

“We have started and we are not moving back. We want to be at the top of the pile. So, we have set a path and by 2019, Kenya is going to be a major oil producer and exporter,” Kenyatta said in a statement.

Kenya first struck oil in 2012 in Turkana after decades of futile search. (APA 24-08-2016)

COMPANHIA DO SENA PLANTS STEVIA IN MOZAMBIQUE TO INCREASE SUGAR PRODUCTION

Companhia do Sena, a sugar company based in Marromeu district, in the Mozambican central province of Sofala, will start planting stevia (Stevia rebaudiana) to complement sugarcane, the company’s managers said.
The officials told the President of Mozambique, who was visiting the district as part of a four-day trip to Sofala province starting on Monday, planting stevia is intended to diversify the crops that supply the factory.
Stevia is a plant from South America whose leaf is 10 to 20 times sweeter than cane sugar and “steviol” extract (a white powder, made from the essence of its leaves) is up to 300 times sweeter.
The sweetener extracted from the plant can be consumed by diabetics, is calorie-free, does not change blood sugar levels, is non-toxic and inhibits dental plaque and caries.
Kenya is the largest producer of this plant in Africa, and the leaves are sent to China, the only country with manufacturers specialised in extracting the sweet molecules, according to Mozambican daily newspaper Notícias.
The managers of Companhia do Sena also reported that the company already has six hectares reserved for stevia planting, and the area is likely to be expanded to 50 hectares to provide four annual harvests. (25-08-2016)

KENYA CAPS BANKS' LENDING RATE

Kenyan President Uhuru Kenyatta signed into law a bill limiting how much interest banks can charge for loans, despite assertions by top government officials that the legislation would damage access to credit in East Africa’s biggest economy.

MPs in the nation, which eliminated interest-rate limits in July 1991, voted for an amendment to the Banking Act that would require lenders to peg credit costs at 400 basis points above the benchmark central bank rate. The law also compels financial institutions to pay interest of a minimum of 70% of the so-called CBR on deposits.

"I have consulted widely and it is clear to me from those consultations that Kenyans are disappointed and frustrated with the lack of sensitivity by the financial sector, particularly banks," Kenyatta said in a statement. "These frustrations are centred on the cost of credit and the applicable interest rates on their hard–earned deposits. I share these concerns."

Kenyan lenders extended loans at a weighted average rate of 18% in June, according to the most recent statistics from the central bank, compared with 15.7% a year earlier. In comparison, the central bank has cut the CBR by 1 percentage point to 10.5% this year. It also also lowered the Kenya Bankers’ Reference Rate, or KBRR, by 97 basis points.

‘Negative’ Decision

The decision is negative for Kenya’s banking industry, Alistair Gould, chief executive officer of African Alliance’s Nairobi-based unit, said.

"The new law will cause a decline in net interest margins by at least 200 basis points, causing banks to charge other fees to customers tomake up for the lost income," he said. "We expect reduced earnings growth from banks in the medium-term, which could further dampen sentiment towards the listed banks on the Nairobi Securities Exchange."

Central bank governor Patrick Njoroge also pposed the move to cap rates, saying it would harm the $61bn economy, though he has repeatedly asked lenders to reduce what he termed as "remarkably high" loan costs.

Kenyatta’s decision comes a year before he will seek a second term in elections set to take place next August and signal that electoral politics has taken centre stage in the economy, Teneo Intelligence Senior Associate Ahmed Salim said in an e-mailed note.

Promise Fulfilled

"Kenyatta has his eyes firmly fixed on the upcoming polls," Salim said. "Kenyatta’s signature under the banking bill enables the president to make good on his promise to bring down interest rates."

Two previous attempts by MPs to legislate borrowing costs failed and lenders did not "live up to their promises" to cut rates and reduce the spreads between deposit and lending rates, Kenyatta said.

Commercial banks say the government’s insatiable appetite for funds from the domestic market was the main reason their lending rates have remained high.

Kenyatta said that despite having one of the most efficient financial markets, the country had one of the highest returns-on-equity in Africa. The government will implement the new law "noting the difficulties it would present", including credit becoming unavailable to some consumers, he said.

Since the central bank’s July 28 decision to cut the reference rate for Kenyan banks, lenders including HF Group and National Bank of Kenya have said they would reduce lending costs. Kenyatta’s statement on Wednesday was sent after the market closed. (Bloomberg 25-08-2016)

TANZANIA CONSIDERS RECOGNITION OF DUAL CITIZENSHIP

The head of communications at Tanzania's Foreign Affairs and East African Co-operation ministry, Mindi Kasiga says her government is considering allowing dual citizenship to allow Tanzanians living abroad or those who changed their citizenship enjoy their rights as other citizens born and living in the country.

Briefing journalists in Dar es Salaam on Wednesday, Kasiga said when the decision is affected Tanzanians who changed their citizenship will enjoy privileges such as to purchase land in Tanzania like any other citizen for either personal use or investments.

She said the issue has been on discussion for several years and but that a decision is yet to be decided but it is still being considered.

"The country has put restrictions on Tanzanians who have changed their citizenship especially when they require to work in Tanzania," she said.

Because the country does not allow dual citizenship there is no system that recognizes the contribution of Tanzanians living abroad.(APA 24-08-2016)

GREEN RESOURCES WILL PRODUCE PULP FOR PAPER IN MOZAMBIQUE

Norwegian company Green Resources will start producing pulp in Mozambique from 2018 in order to feed the paper industry, Arlito Cuco, a company official, told daily newspaper Notícias.

Green Resources, along with Florestas do Niassa, explores 24,000 hectares in the districts of Chimbonila, Majune, Muembe, Lago and Sanga, in the northern province of Niassa.

The company will also produce poles for power transmission lines and telecommunications, reducing the costs of imports. It already has a factory in the city of Lichinga running on an experimental basis for processing the poles.

Industrial production of pinewood and eucalyptus poles is due to start in 2017 and, according to the Green Resources business plan, the domestic market will be a priority to replace imports that are currently brought in from South Africa, Zimbabwe and Swaziland.

The company currently employs 860 workers in various tasks and, according to Cuco, the number of staff is expected to increase to about 1,500 people when it starts processing the wood for furniture and posts.

Green Resources is one of the largest forestry companies in Africa, with 41,000 hectares of forest in Mozambique, Tanzania and Uganda and operating the largest sawmill in Tanzania and charcoal production units in all three countries. (25-08-2016)

SADC TO HELP RESCUE SWAZILAND FROM LOSING EU MARKET

Swaziland is hoping to retain its European Union (EU) market following a promise by the Southern African Development Community (SADC) to help rescue the country's economy, APA learns here on Wednesday.

SADC Director of Policy, Planning and Resource Mobilisation, Dr Angelo Mondlane said SADC has a trade negotiation committee that handles issues such as the one faced by Swaziland.

"Swaziland should bring up the issue and it will then be negotiated," he said during a press briefing at the Royal Swazi Convention Centre in Ezulwini.

Swaziland has 20 only days to ratify the SADC-Economic Partnership Agreements (EPAs) that were recently signed by the EU Commissioner for Trade Cecilia Malmstrom on behalf of the EU with Swaziland, Mozambique, Lesotho, Botswana, Namibia and South Africa.

In order to fully qualify, Swaziland has to meet the same benchmarks set for the African Growth Opportunity Act (AGOA), two of which have not been met as they are pending approval by Parliament. These are the Suppression of Terrorism Bill and the Public Order Bill.(APA 24-08-2016)

CAR MAKERS FLAG SOUTH AFRICA AS BASE FOR DRIVE INTO AFRICA

The global automotive industry produced more than 91-million vehicles in 2015, 1.1% up from 2014.

Of that number, Africa accounted for 960,527 units, with SA producing the bulk of these at 615,658.

In 2016, Ford announced a R2.4bn investment in SA to build its Everest sports utility vehicle (SUV). BMW is spending R6bn to switch production at Rosslyn from the 3 Series to the X3 in 2018. Chinese car maker Beijing Automotive Industry Company will invest R12bn in a new plant in the Eastern Cape.

Nissan SA is expected to announce it will join its global counterparts in producing the new NP300 Navara. Renault SA CEO Nicholas de Canha has confirmed that his company is keen to see the Nissan factory also produce the future Renault Alaskan bakkie, which shares a platform with the Navara.

All these investment announcements come a year after speculation was rife that SA was facing a threat from automotive manufacturing further north in Africa.

Former trade and industry minister Alec Erwin has been instrumental in creating an automotive industry policy framework in Nigeria and its neighbouring countries.

The policy is based on SA’s Automotive Production Development Programme.

But in Nigeria, automotive companies are partnering with vehicle assemblers, not to boost the country’s local industry but to bypass import duty legislation on new vehicles. The industry is not at full tilt and operates to put components together.

These semi-knock down kits are still manufactured in SA.

This explains why SA-based car companies are at the forefront of a new organisation, the African Association of Automotive Manufacturers (AAAM).

"The aim is promoting a policy environment that is conducive to the development of the automotive sector," says Jeff Nemeth, AAAM chairman and president and CEO of Ford sub-Saharan Africa.

Nemeth is in Nigeria for meetings with President Muhammadu Buhari as well as representatives of the country’s National Automotive Design and Development Council and its National Automotive Manufacturers Association.

The push towards supplying the rest of the continent with kits and components, together with lucrative export contracts, has been widely credited for the recent investments into SA.

"The investments did come as a surprise," says Byron Messaris, senior industry analyst at Frost and Sullivan. "But when you look at the export model, it starts to make sense.

"It is all about return on investment," says Craig Parker, programme manager for mobility at Frost and Sullivan.

Messaris remains confident the government is committed to the local industry and expects more uptake.

Commenting on the possibility of a hub further north on the continent, Messaris says: "Alec Erwin and others are almost gleefully optimistic."

Parker is confident planned transport corridors will open things up over the next 10-15 years and points to the new Techno City north of Nairobi as one area of opportunity.

However, he expects much of the demand to be for commercial vehicles.

There is potential for commercial vehicle manufacturing, and Parker predicts that some companies will seek a first move advantage. Is China likely to play a major role in this?

"We can't underestimate the bilateral agreements in place through Brics (Brazil Russia, India, China and SA)," says Messaris, but he points out that companies such as FAW have been battling to compete against established rivals such as Daimler and Isuzu Trucks.

Volatility in West Africa is also creating a situation in which people are questioning buying a new car. Consumer confidence is low and, unlike in SA, people in Nigeria and Kenya have limited access to finance. In these countries, the largest purchases are by governments and corporates.

On the strength of this, SA looks set to maintain its dominant position as the number one auto manufacturing country on the continent, but there continue to be some risks.

"The recent announcements of investments are based on risk versus reward," says Parker. "The automakers have seen the risks as being acceptable."

But there is one country that SA might need to be aware of.

"There is a lot of noise coming out about Morocco," says Messaris. "There has been lots of investment ."

Morocco increased its automotive production 24.3% in 2015 to a total of 288,329 vehicles. It is now the second-largest automotive manufacturing country in Africa after SA.

It is ideally placed for access to both European and African markets, and continues to be mature and stable. It is a market that investors are banking on, and vehicle makers expect Morocco to be one of the top 20 manufacturing nations in the world by the end of 2017.(BD 24-08-2016)

BOTSWANA PROCURES GOATS FROM NAMIBIA

In an effort to address the challenge of backlog on the supply of goats under the poverty eradication initiative, the Department of Animal Production under the Ministry of Agriculture has resolved to procure goats from Namibia, State run DailyNews reported here Thursday.
The first batch of 400 goats is expected to be bought this quarter.

The paper reported that addressing Letlhakeng sub council in southern Botswana head of the department in Letlhakeng, Bakang Keinyatse said the decision was reached after they failed to find enough stock locally to meet the high demand of goats for their small stock projects.

Keinyatse reportedly said on arrival from Namibia, the goats will be kept under observation at the department's farm at Mantshwabisi village in Southern Botswana before being distributed to the beneficiaries in the waiting list.

He is also quoted as saying that the farm is still being renovated and that as soon as the renovations are complete, the procurement process will kick off.(APA 25-08-2016)

SAO TOME AND PRINCIPE TO HAVE TOURIST INFORMATION WEBSITE

Sao Tome and Principe will have a tourist information website that will be launched by the end of the month, said the manager of “Welcome to”, a project that aims to develop a digital platform for tourist information about the Portuguese-speaking countries.

"We started in Angola ('Welcome to Angola'), four years ago, as the country was in a period of great economic growth and various components allowed to start there," Paulo Costa told Portuguese news agency Lusa.

Now it is Sao Tome and Principe's turn and in the meantime contacts have been made to launch websites in Mozambique, scheduled for early 2017, and Cabo Verde (Cape Verde), followed later the other Portuguese-speaking countries.

Costa said the team in Sao Tome and Principe is collecting all sorts of information and photos, sending them on to the "Welcome to" content management team, which is based in Lisbon and frequently updates the website, as it already does for Angola.

"We're going to map Sao Tome and also the island of Principe, identifying the places of tourist interest to visit, including the country's cultural and historical heritage," he said.

Costa said the website will contain information on all tourist services and other attractions on the two islands, such as hotels, restaurants, car hire and supermarkets, which may be of interest to those who wish to visit Sao Tome and Principe. (25-08-2016)

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www.nabc.nl www.swisscham-africa.ch

16th September 2016

Oslo: NABA-Norway meeting with Prof. Joseph Stiglitz

NABA members are welcome to a meeting with Prof. Joseph Stiglitz, leading Economist and professor at Columbia University, and recipient of the Nobel Memorial Prize in Economic Sciences and the John

Bates Clark Medal. Venue: Håndverkeren, Rosenkrantz' gate 7, Time: 15:00 - 16:00, members can register for the event by e-mailing: ef@norwegianafrican.no

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