

MEMORANDUM

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EU OBSERVERS WARN GABON'S PRESIDENTIAL POLL LACKED TRANSPARENCY



Gabon's presidential election "lacked transparency", the head of the 73-strong EU electoral monitoring team in the country said on Monday, a day before the official results were due out.

Bulgarian MEP Maryia Gabriel said in the capital Libreville, that Saturday's vote in the oil-rich Central African country, was "managed in a way that lacked transparency".

"The mission condemns the lack of transparency in the electoral bodies which failed to make essential information available to the campaigns, like the electoral roll or a list of polling stations," she said.

The remarks came after a bitterly disputed election in which both sides accused the other of electoral fraud. Official results will not be published until Tuesday, and there are fears that the tensions may erupt into a repeat of the violence seen after the disputed 2009 election.

Opposition candidate Jean Ping, who has claimed victory in the vote which pitted him against the incumbent Ali Bongo, on Monday accused the Cenap national election commission of "manipulation" and tampering with the outcome of the poll.

"The people of Gabon, who have mobilised massively... and want me to run the country will never accept having the victory, their victory, stolen from them," the 73-year-old said at his campaign headquarters in Libreville.

"(They) will defend by all means the victory that civil and military hawks now want to steal," he said, flanked by figures formerly associated with the Bongo regime who have supported his campaign.

Ping also vowed to "guarantee complete security" for Bongo and his family if he stepped down from the presidency and pledged there would not be a "witch hunt" once he had departed.

UN secretary-general Ban Ki-moon on Monday urged both sides to avoid commenting on the results until they are announced officially.

The EU monitoring team said that in the run-up to the election, incumbent Bongo enjoyed an unfair advantage over his rivals.

"Before the official start of the campaign, the mission observed a confusion between the campaigning activities and (Bongo's) official duties," they said.

Media coverage was heavily skewed in favour of Bongo to the detriment of his opponents, including Ping, the EU mission said.

Ping worked for many years in the administration of Omar Bongo, Ali's father. He also served as head of the African Union Commission and president of the UN General Assembly.

After his claim of victory on Sunday, Bongo responded by saying that he was "calmly" awaiting the results while his supporters said that it was "dangerous and illegal" to declare a victor before the official announcement.

Presidential spokesman Alain-Claude Bilie-By-Nze claimed that Bongo "was ahead with a lead that could not be overturned".

Fearing a repeat of the violence that followed Bongo's victory in 2009, many residents have stocked up on food and are staying indoors.

On Sunday, the streets of Libreville were deserted and shops and stalls that are usually open were closed. The embassy of former colonial power France warned its citizens not to travel within the country unless absolutely necessary and to keep themselves informed.

"We want to get the results soon," said a man in Libreville called Honore. "We'll see how the candidates react. I hope it won't be like last time."

In 2009, several people were killed in clashes, buildings were looted and the French consulate in Port Gentil, which saw the worst of the violence, was torched.

Ping's campaign co-ordinator, Jean Gaspard Ntoutoume Ayi, has previously claimed that Bongo would attempt to retain power by force. (AFP 29-08-2016)

EU INJECTS CFAF 1.7 BN INTO CAMEROON'S RURAL ELECTRIFICATION PROJECT



The European Union (EU) delegation in Cameroon has allocated 1.7 billion CFA for the implementation of the Rural Electrification Development Project in the Haux-Plateaux Department, West of the country, the EU announced Friday.

This funding comes as part of the 10th anniversary of the European Development Fund (EDF).

Since 2013, the project has been allowing several communes in the western region to connect to the electricity network allowing several households to access electricity, the EU body said.

Eventually 150,000 inhabitants will benefit from this initiative.

With an overall financial package estimated at 2.2 billion CFA, the EU is committed to inject 74 percent of the funds through the Energy Facility for ACP country Programme.

In Cameroon, the energy deficit is a serious concern for the government and for its partners as far as 86 percent of the rural population has no access to electricity. (APA 26-08-2016)

AFRICA IS STEERING ITS OWN DESTINY, JACOB ZUMA SAYS IN NAIROBI



Africa is increasingly taking ownership and responsibility for its socioeconomic destiny, President Jacob Zuma says.

Addressing the sixth Tokyo International Conference of African Development (TICAD) in Nairobi, Kenya, Zuma said Africa was a substantially different place from when TICAD was launched in 1993.

"It is vibrant, and rapidly changing, with some of the fastest-growing economies in the world.

"Most importantly, Africa is increasingly taking ownership and responsibility for its socioeconomic destiny.

"We are committed to placing the continent firmly on a path to sustainable economic growth and development, and thus addressing the scourges of inequality, poverty and unemployment," Zuma said.

Bearing this in mind, collaboration and investments by both the public and private sectors in infrastructure, manufacturing and ICT were essential for regional and continental growth, he said.

"Furthermore, continental integration, boosting intra-African trade and improving the continent's capacity to resolve its own challenges, as identified by Agenda 2063, have been woven into every discussion I have had across the globe, from climate change, to governance and industrialisation."

Zuma's trip to Nairobi prevented him from delivering the eulogy at former Eastern Cape premier Makhenkesi Stofile's funeral, where former foreign affairs director-general Siphon Pityana caused a stir with calls for Zuma to step down. (BD 27-08-2016)

MALI: TEXTILE COMPANY CLOSES IN ON CFA20BLN LOAN

Malian Textile Development Company (CMDT) will receive a loan of CFA20 billion from a consortium of six banks operating in the country.

They include the 'Banque de Développement du Mali' (BDM), the 'Banque Ouest-africaine' (BOA), Coris Bank Mali, the 'Banque Internationale pour le Commerce l'Industrie au Mali' (BICIM), the 'Banque Atlantique' and Ecobank.

The loan is the remainder of a CFA35-billion investment package to which the 'Banque Ouest-africaine de Développement' (BOAD) has already contributed CFA15 billion.

Thus, CMDT will build two new cotton ginning units in Kadiolo and Kimparana and proceed with the renovation of three other industrial units in Sikasso (Plant II), and Dioila Koumantou.

For Modibo Kone, the CEO of the textile company, the ginning capacity of its structure will increase by 120,000 additional tons, which will add to the 575,000 tons already achieved.

"When these industrial units enter their full operational phase, they will bring a whopping additional capacity of 700,000 tons," Mr. Kone said. (APA 26-08-2016)

JAPAN PREMIER LEADS CONFERENCE BID TO WOO AFRICA



FOR many years, the motorcycles on the streets of Dar es Salaam were almost exclusively Japanese. Now, it is hard to find a Japanese model and most are at least five years old.

"They're being driven out by the Chinese," said Caroline Mwazapi, a resident of Tanzania's commercial capital.

"The Chinese bikes are often less than half the price, but people don't mind if they don't last as long. They'll just buy another and still save money."

Such trends are largely the result of Beijing's aggressive approach to capturing African markets by flooding the continent with affordable goods. But Shinzo Abe, Japan's prime minister, is hoping that Japanese corporates will shake up Africa's trade dynamics as Tokyo goes on a new charm offensive with the continent.

Abe arrived in Nairobi last week accompanied by 75 business leaders to launch the sixth Tokyo International Conference on African Development (Ticad), Japan's premier African investment initiative held on the continent for the first time.

"Japan will work hand in hand with Africa to realise the African dream," Abe said. "This is exactly what Ticad is all about," he said.

Japanese officials acknowledge that emerging economies such as India and Turkey, as well as China, have been more proactive in building business ties with Africa. Tokyo's engagement with the continent has traditionally been aid-led, and health and peacekeeping will be on Ticad's agenda. But its investment has been relatively limited, focusing on infrastructure and consumer goods. Japanese investment into Africa declined from \$17bn in 2014 to \$14bn in 2015, according to the African Development Bank.

Tomohiko Taniguchi, an adviser to Japan's government, said the number of top Japanese executives at the Africa conference was "testament that, finally, otherwise risk-averse Japanese companies have finally come to be aware that Africa can provide them with real growth opportunities.

"For a long time, Africa meant little for Japan economically, but a lot for Tokyo to showcase its commitment in universally shared value."

Dating back to 1993, the Ticad conferences were held every five years in Japan. In contrast, China — Africa's biggest trading partner — holds its equivalent event every three years and rotates it between China and Africa.

The conference comes as many African nations face their toughest economic challenges in years. The IMF forecasts that sub-Saharan Africa's growth will dip to 1.6% in 2016, from 3.5% in 2015. As a result, much attention will be paid to the amount of money Japan pledges at its conference. At the most recent one, in 2013, Tokyo committed \$32bn. This compares with \$60bn that Beijing promised at its Africa conference in December.

Japanese officials insist they are not competing with other Asian economies or western countries for African pre-eminence. "It's synergy rather than competition or a race," said Yasuhisa Kawamura, Japan's foreign ministry spokesman.

"China is one of the most enthusiastic investors in Africa and as a leading partner, we share their experience and learn from each other."

Both the Chinese and Japanese stress their relations with Africa are all about developing beneficial partnerships. But China poured scorn on Ticad.

The overseas version of the People's Daily, the Communist party newspaper, wrote an editorial accusing Japan of wooing Africa to secure support for its campaign to win a UN security council seat, a move Beijing opposes.(FT)

FRENCH HUMANITARIAN AID TO CAMEROON NEARLY CFA2BN

France has pledged CFA1,738,286,050 in humanitarian aid to Cameroon since the beginning of the year, the French Embassy disclosed to APA on Friday.

These funds were donated to the local offices of the UN High Commissioner for Refugees (UNHCR), the UNICEF, the Red Cross, the World Food Programme (WFP) and the Alliance for International Medical Action (ALIMA).

According to the embassy, this money has been used to support 200,000 IDPs fleeing Boko Haram's abuses in Cameroon.

They were also used to "manage malnutrition, medical assistance, and pediatric, neonatal and obstetric care."

Moreover, France's contribution to UNHCR's regional actions in the Lake Chad Basin crisis amounts to CFA819,946,250, the source said.(APA 26-08-2016)

JAPAN PLEDGES \$30BN FOR AFRICA OVER THE NEXT THREE YEARS



Japan's Prime Minister Shinzo Abe told African leaders on Saturday that his country will commit \$30bn in public and private support for infrastructure development on the continent.

Resource-poor Japan has long been interested in tapping Africa's vast natural resources, even more so since dependence on oil and natural gas imports jumped after the 2011 Fukushima nuclear disaster shut almost all of Japan's nuclear reactors.

Abe, in the Kenyan capital Nairobi to attend the sixth Tokyo International Conference on African Development (Ticad), said the package would be spread over three years from this year and include \$10bn for infrastructure projects on the continent, to be executed through co-operation with the African Development Bank.

"When combined with investment from the private sector, I expect that the total will amount to \$30bn. This is an investment that has faith in Africa's future, an investment for Japan and Africa to grow together," he told a gathering of at least 34 heads of state and government from across Africa.

The \$30bn announced on Saturday is in addition to \$32bn that Japan pledged to Africa over a five-year period at the last Ticad meeting in 2013. Abe said 67% of that had already been put to use in various projects.

"Today's new pledges will enhance and further expand upon those launched three years ago. The motive is quality and enhancement," he said.

Japan's overall direct investment in Africa totaled \$1.24bn in 2015, down from about \$1.5bn a year earlier, according to the Japan External Trade Organization, which does not provide a breakdown of sectors.

In comparison, rival China made a single investment of \$2bn in oil-rich Equatorial Guinea in the month of April, 2015, alone.

Abe said the new pledge will also go towards improving labour productivity and healthcare. (Reuters 27-08-2019)

LAST YEAR'S REMITTANCES TO AFRICA TOP \$60BN

African countries have received remittances amounting to \$66 billion in 2015, according to an African Union statement on the subject released on Friday.

Remittances are monies transferred by mostly foreign workers to their home countries, literally standing out as the largest financial inflows to the developing world, outstripping international aid to poor nations over the past ten years.

The AU statement claimed international remittances have become a major source of foreign currencies for most African countries and have been found to be more stable and dependable than other forms of foreign currency inflows such as Foreign Direct Investment (FDI) and Overseas Development Aid (ODA).

It said the top five countries of origin for remittances to Africa in 2015 were the United States, Saudi Arabia, France, the United Kingdom and Italy in that order.

Intra-Africa remittances represent 20 percent of the total remittances, the AU statement said, adding that Cameroon (\$2.15 billion), Cote d'Ivoire, (\$1.66 billion), South Africa (\$1.06 billion), Ghana (\$1 billion) and Nigeria (\$0.9 billion) were the top five African senders of remittances to other countries within the continent last year.

The AU said the top ten African destinations for remittances last year were Nigeria, Egypt, Tunisia, Algeria, Ghana, Senegal, Kenya, Uganda, Mali and South Africa, ranging from \$20.66 billion to \$0.87 billion. (APA 26-08-2016)

FRANCE PRAISED FOR BAN ON IVORY TRADE

It comes after French environment minister Ségolène Royal signed a decree banning the trade.

This follows an earlier French governmental move to suspend re-exports of elephant ivory.

The EU is the world's largest exporter of pre-convention ivory - ivory acquired before the entry into force of the convention on the international trade in endangered species of wild fauna and flora (CITES) in 1975.

Between 2011 and 2014, member states reported seizures of around 4500 ivory items reported as specimens and an additional 780 kg as reported by weight.

Between 2003 and 2014, 92 per cent of EU exports of pre-convention tusks went to China or Hong Kong.

The French ban goes far beyond the current EU wildlife trade regulations, and comes just weeks ahead of the next CITES meeting.

The move was greeted by Humane Society International/Europe's executive director Joanna Swabe.

She said, "We warmly salute the French government for taking decisive action to halt the cruel trade in elephant ivory and rhino horn.

"The demand for these wildlife products has led to a poaching epidemic that has not only decimated elephant and rhino populations across Africa and Asia, but also helps to fund organised crime and terrorism."

Swabe went on, "We strongly applaud Royal's commitment to stamping out poaching and wildlife trafficking and urge other EU member states to follow suit."

However, another member state, the UK, has come under fire for failing to clampdown on the domestic ivory market.

Jonathan Baillie, director of conservation programmes at the Zoological Society of London, said, "The UK's domestic ivory market provides ample cover for illegal activity. As we plan for a future outside the EU, we must not turn away from our international responsibilities.

"The UK government must make a clear announcement on closing the UK market, and call on others to do the same."

The French action is seen as particularly important since the measures adopted go far beyond the current EU wildlife trade regulations that permit the trade in ivory procured before 1947.

The French decree includes provisions to ban the trade and commercial use of raw ivory, plus the production of artefacts using ivory, irrespective of its age.

It also prohibits both the restoration and sale of ivory products bought after July 1975, even if they were purchased legally.

The African Elephant Coalition, representing 70 per cent of the African elephant range states, has put forward a proposal to list all African elephant populations under what is known as Appendix I, thereby prohibiting all international commercial trade in ivory.

The Coalition has also tabled additional proposals calling for closure of domestic ivory markets and restricting the trade in live elephants to in situ conservation programmes only.

The European Commission has voiced opposition to the African Elephant Coalition's elephant protection proposals.

The EU has the largest voting block at the CITES Conference of Parties and, according to campaigners, "holds the key" to the success or the failure of elephant protection measures.

HSI/Europe has now urged the Commission and its member states to support the African Elephant Coalition's proposals.

The group says that all five rhino species are threatened with extinction. In 2015, more than 1300 rhinos were killed in South Africa alone, out of a remaining 28,000 left in the wild.

From 2010 to 2012, 100,000 elephants were killed for their ivory. In Central Africa, between 2002 and 2013, 65 per cent of forest elephants were killed.

According to the Great Elephant Census, poachers killed half of Mozambique's elephants in five years, while Tanzania lost a catastrophic 60 per cent of its elephants during the same period.

The majority of ivory trafficking is destined for China or southeast Asia.

However, once smuggled ivory leaves Africa, their trafficking routes could go through Europe or the Middle East to reach Asia. Germany, Switzerland and the United Arab Emirates are among the numerous airports that have seized or intercepted smuggled ivory from Africa to Asia. (EUR Parliament 26-08-2016)

NIGERIA'S WHEAT IMPORT BILL HITS \$6B ANNUALLY

The director of Nigeria's Institute for Agricultural Research (IAR) in Zaria, northern Nigeria, on Thursday disclosed that Nigeria's wheat import bill stood at \$6 billion annually.

Speaking in Abuja on Thursday, Professor Ibrahim Umar-Abubakar said that Nigeria produced only three per cent of wheat it consumed, while the remaining 97 per cent was being imported.

Prof. Abubakar however said the country had the capacity to produce enough quantity of wheat needed for local processing and consumption.

"We have the capacity to produce enough wheat not only for our consumption, but also for export. Remember, we eat many products made from wheat every day.

"You can imagine what will happen if Nigerian farmers today decided to go on strike, can the oil money buy all the food we need in this country?

"Agriculture contributes 24 per cent of GDP, while oil contributes only seven per cent," he said.

Prof. Abubakar said that there was no formidable policy to accelerate agricultural development in the country and pleaded with the government to stop paying lip service to it.

He called for collaboration with members of the press to publicise activities of the institute, especially research findings not only for the benefit of farmers, but the nation at large.

Earlier, Malam Mohammed Bello-Habib of Blueprint Newspapers, said the essence of the visit was to build long lasting relationship with the institute.

Bello-Habib appealed to the institute to organise training workshops for journalists to acquaint them with basic knowledge in agriculture to sharpen their skills in reporting the sector.

He pledged to extend maximum support and cooperation to the institute to enable it record maximum success.(APA 25-08-2016)

LARGEST SPECIAL ECONOMIC ZONE IN ANGOLA OPENS UP TO PRIVATE INVESTORS



The largest Special Economic Zone in Angola, the Luanda-Bengo SEZ (ZEELB), which was built with the support of China, will open most of its industrial units to private investment in an effort to rationalise resources and stimulate economic diversification.

The latest investment project in the ZEELB belongs to CITIC Construction (Angola), which will invest US\$40 million in an aluminium smelter to reduce imports of this material, with a positive impact on Angola's balance of trade.

The Economist Intelligence Unit (EIU) said in its latest report on Angola's the decision was "a positive step" in a context of slow economic growth due to the downturn in the oil sector, as the "involvement of private companies will help boost the non-oil sectors for a government which remains highly state focused."

The sale of the industrial units, 53 of a total of 73 in the ZEELB, is an effort by Angolan state oil company Sonangol, which since 2011 has managed this 8,300 hectare facility, to reduce costs and increase efficiency.

"The sale will help the authorities to raise revenue in the short term and reduce maintenance costs, although it involves loss of long-term income," said the EIU.

"The measure is in line with the government's wider policy response to the oil price crisis, which is to raise skills and private sector capital to help expand non-oil production and create more jobs," it added.

Funded in part with Chinese credit lines, the ZEELB was intended to support the diversification of the economy, offering preferential terms to companies that set themselves up there, such as electricity, road access, customs clearance and administrative support and tax incentives.

The project has attracted several companies and led to the creation of nearly 5,000 jobs, but, according to the EIU, various units are only half full or completely empty, in a context of adverse economic and financial difficulties facing industrial companies.

The SEZ includes plants linked to engineering, metal containers, taps, plastic bags, electroplating and metal pavilions, and for manufacture of furniture and mattresses, among others.

Published in June, the presidential order stipulated the sale of industrial units in the ZEELB by the end of August to private companies with capital, skills and enough technology to leverage those industries.

In 2006, the China-Africa Forum gave "significant priority" to the objective of creating up to 50 SEZ abroad, which are now being implemented, with investment of US\$700 million by Chinese companies in 16 SEZ, according to figures from the Chinese Trade Ministry.

In the recent study entitled "The role of special economic zones in the development of African countries and Chinese foreign direct investment," researchers Fernanda Ilhéu and Hao Zhang of the Lisbon Institute of Economics and Management noted that over 35 years, the special economic zones have had "a decisive role in the development of places like Shenzhen, Zhuhai, Xiamen, Shantou, Hainan and Shanghai and that African countries can and should take advantage of this experience. (28-08-2016)

THE GROWTH OF CONSUMERISM IN AFRICA



Consumerism in Africa is growing at a rapid rate. Africa Inc speaks to Shoprite's CEO Whitey Basson about what the continent's largest food retailer is doing to gain market share and also looks at how informal trade still has a place in the retail sector, while online shopping grows in popularity.

The African Development Bank expects Africa's middle class to grow by 1-billion by 2060 and it is this section of the population that is expected to drive consumerism.

Shoprite, Africa's largest retailer, plans to open more stores in Nigeria, Angola and Zambia.

Basson told Business Day that the rest of its African operations "have now surpassed the total business of some of our local competitors".

He explains how the company is cashing in on retail and a consumer goods market that is growing rapidly.

pic

Jason McCormick, managing director of McCormick Property Development, says the company is looking to provide retailers with the space to take advantage of the growth in consumerism in Africa.

He says the trend in South Africa's townships and developing areas is a move towards bigger, fancier malls as income levels and aspirations of consumers increase. In the rest of Africa however, the company has noticed a decrease in the size of malls as commodity rich economies face a slow down.

The company has 26 shopping malls in South Africa and is working on seven developments in five African countries.

pic

As Africa's millionaires continue to grow at a faster rate than the rest of the world, Dion Chang, CEO of Flux Trends, says the problem with the steady growth of African millionaires is that these individuals buy European luxury goods and can afford to travel to Europe to buy them.

He says Africa should be focusing on pioneering African luxury goods which are unique to the continent but also speak to a European market.

Chang explains the strategy that luxury retailers are employing to target African consumers. (BD 28-08-2016)

EGYPT'S CONSTRUCTION FIRM CARRIES OUT EGP \$56M PROJECTS

Egypt's leading construction firm, Arab Contractors is carrying out infrastructure projects along with other roads projects in four North African countries with total value of EGP500 million (\$56 million), said its Chairman Mohsen Salah on Thursday.

He added that his company has suspended all its business which is worth 180 million pounds in Libya; however it is currently implementing housing, roads, bridges and services projects in Algeria, Morocco and Tunisia.

On the other hand, Arab Contractors is present in 22 African countries and is implementing bunch of projects namely infrastructure, roads, service and housing projects.(APA 25-08-2016)

OIL BLOCK IN ANGOLA HAS ACCUMULATED PRODUCTION OF 2 BILLION BARRELS



The accumulated production of Block 15 in the Angolan sea has reached 2 billion barrels since it started operating in 2003, Angolan state oil company Sonangol said in a statement issued in Luanda.

“Achieving these significant numbers is the result of seventeen commercial discoveries, which have made Block 15 one of the most successful offshore oil concessions in West Africa,” said the Angolan state oil company in a statement last Thursday.

The deepwater block’s production currently stands at about 320,000 barrels of oil per day.

Block 15 covers an area of 4,144 square kilometres and is located approximately 145 kilometres west of Zaire province.

Sonangol is the concessionaire of Block 15, whose operator is Esso Angola (40%), and associated companies are BP Exploration (Angola) Limited (16.67%), ENI Angola Exploration B.V. (20%) and Statoil Angola Block 15 AS (13.33%). (29-08-2016)

MOZAMBIQUE LEADER TO ATTEND TICAD

Mozambican President Filipe Nyusi, is expected to attend this year's sixth edition of the Tokyo International Conference on African Development (TICAD VI), due in the Kenyan capital, Nairobi later this month, reports said on Friday.

A media statement from his office says the arrival of Nyusi in Nairobi is scheduled for Thursday next week and he will be leading a delegation that includes the ministers of Foreign Affairs and Cooperation, Baloi; Agriculture and Food Security, José Pacheco; Transport and Communications, Carlos Mesquita; Deputy Ministers of Health, Mouzinho Saide; Industry and Trade, Sousa Ragendra; Ambassador Extraordinary and Plenipotentiary of the Republic of Mozambique in Japan, Jose Maria Morais.

President Nyusi will join other 35 heads of state or African Governments who have confirmed their participation at the event.

The Nairobi conference is held under the slogan "Advancing African Sustainable Development agenda in Africa - TICAD Partnership for Prosperity".

This is the first time that an African country hosts an event of this nature, since its launch in 1993.

The African Union estimates that the event will have the presence of more than six thousand participants from Africa, Japan and several international organizations.

The launch of the TICAD had a catalytic effect to refocus international attention on Africa's development needs.

Over the past two decades, TICAD has evolved to take as a major multilateral and open global forum for the mobilization and maintenance support for the development of the African continent.

Japan believes that its relationship with Africa, along with other cooperation partners, is to help the continent out of dependence on foreign aid to self-sustainability and the organizers believe that about 150 Japanese companies will participate in the event.

This is the largest delegation in the history of Japan to Africa and includes branch companies of information and communication technologies, construction, manufaturação, trade, among others.

Entrepreneurs will, during the summit, seek to identify investment opportunities with its African peers. (26-08-2016)

INVESTORS IN NIGERIA MUST LEARN HOW TO NAVIGATE THE POTHOLES

A South African-developed mall opened in Lagos last week, attracting shoppers in droves, who took time off from their economic woes to visit more than 100 shops in the new centre.

First-day trading at the centre was reported to be good, particularly at Shoprite and Game. Shoprite had to restrict access during the day because of the number of people in the store.

Shoprite's queues for freshly baked bread have become a phenomenon in Nigeria. Other tenants include Adidas, MTN, Spur, Nike, Stanbic IBTC bank, Pep and local chain HealthPlus.

The mall, on the Lekki Peninsula, serves a large catchment area that lacks shopping facilities, despite the fact that hundreds of middle class Nigerians are moving into new residential estates in the area.

Developed by Cape Town-based Novare Real Estate Africa at a cost of R1.2bn, the Novare Lekki Mall, which covers 22,000m², is one of the two biggest malls in sub-Saharan Africa's biggest city.

It doesn't begin to compare with the regional malls South Africans have become used to, such as the 130,000m² Mall of Africa.

But it is still early days for Nigeria's mall culture. Since 2005, when the first such mall opened in Lagos, there are still fewer than 10 malls in the city of 20-million people, and less than 20 countrywide.

It is not easy to build a shopping mall in Nigeria.

Everything is a challenge, from the availability of land to cost of construction, lack of municipal services and congested ports. There is also the competition from traditional shopping outlets, smuggling, as well as low levels of domestic industry and skills and a dearth of local tenants. South African retailers, used to consumers with easy access to credit, have struggled with Nigeria's cash-driven retail model.

Analysts estimate that just 2% of Nigerians shop in formal shopping centres, compared to 60% of South Africans and 30% of Kenyans.

Now the market is even more challenging as the country battles serious liquidity problems, foreign exchange shortages, restrictions on imports, currency depreciation and other macroeconomic issues that are undermining consumer spending.

Landlords and tenants with long leases negotiated in easier times are finding new ways to work together to ensure the malls are able to ride out the challenging economic environment. There is little room for manoeuvre.

Most malls are funded in dollars and investors require their returns in hard currency.

With the local currency, the naira, having lost 30% of its value in 2016, this is not an insignificant issue. Nigeria is not alone in this regard. At the API property investment summit in Johannesburg, speakers discussed similar problems in markets such as Zambia and Mozambique, which are also grappling with currency depreciation.

Nigeria's challenging market has also affected the ability to attract international retailers from outside the continent. Despite the fact that three South African chains — Woolworths, Truworths and Foschini — have left Nigeria in the past few years, South African-based companies still dominate the funding of malls and trading.

Developers say they will continue to invest in the market.

Novare, for example, has two more property developments in the pipeline in Nigeria.

Investing in the country is a strategy that requires not only nerves of steel but a long-term vision and patient capital. And the interest is there. Earlier in 2016, for example, Actis announced it had raised commitments of more than \$500m for its third real estate fund.

One property investor likens operating in Africa's most populous country to driving down a potholed road: when you hit the first pothole, you are scared and vulnerable; but once you are out, you quickly learn how to deal with the other potholes, knowing that if you don't, you will not reach your destination.

Nigeria, for all the pain investors are feeling right now, he says, is still a market you cannot ignore. (BD 29-08-2016)

NATIONAL BANK OF ANGOLA CAREFULLY MANAGES FOREIGN RESERVES

The National Bank of Angola (BNA) is carefully managing net foreign reserves, estimated at US\$24 billion, on the basis of a minimum amount to ensure financial and exchange rate stability, the governor said when speaking in the Angolan parliament.

Valter Filipe said the BNA is working with commercial banks to understand the level of assets of each bank and its foreign exchange position, in order to replace it by selling foreign currency to begin, in a prudent and organised way, to allow transactions of accounts in foreign currency, according to daily newspaper Jornal de Angola.

Providing information to members of parliament as part of discussions of the bill to revise the state budget, the governor of the BNA said foreign currency will be made available through credit cards, transfers and very little through actual cash, because within the international financial system American and European regulators are making efforts to reduce the use of physical currency for control and to combat money laundering and financing of terrorism.

The governor of the BNA said the drastic reduction in oil revenues "caught everyone off guard including the financial system."

Filipe acknowledged that "families have been having a difficult experience with the availability of foreign exchange," but explained that the BNA does not have enough foreign currency and is supplying currency on a weekly basis for basic needs, travel, grants and health expenses.

The governor of the BNA said that to protect financial stability, the only guarantee the state has from the point of view of its financial reputation, are reserves of about US\$24 billion and therefore advocated a strict and limited management taking into account the priorities and essential needs of the economy. (29-08-2016)

SOUTH AFRICAN AIRLINES ANNOUNCES PLANS TO RAISE R16BN DAYS AFTER SAYING IT CAN PAY ITS DEBTS



Cash-strapped South African Airlines (SAA) is planning to raise R16bn from banks and other financial institutions, a newspaper notice showed, days after the airline said it could pay its debts.

SAA was seeking secured and unsecured funding with a three- to 15-year duration and wanted to start drawing down the amount within two weeks of signing the loan agreement, it said in the notice published in the Sunday Times newspaper.

"Three drawdowns are envisaged starting end October," the airline said, adding that bidders could submit proposals for part or all of the required funding from Monday until September 16.

"South African Airways requires funding to meet its working and capital requirements as well as to consolidate its current debt portfolio," the airline said.

The airline's spokesman Tlali Tlali could not immediately comment when reached by Reuters.

Hong Kong's tax authorities last week threatened to ground SAA planes if the airline did not provide financial statements by September 6.

The airline has failed to submit financial statements for the past two years, with results for 2015-16 held back by the Treasury's refusal to grant the loss-making carrier R5bn in additional guarantees.

The DA on Friday called for a parliamentary meeting to work out how to prevent the airline from missing payments to creditors, but SAA has said it is able to pay its debts. (Reuters 29-08-2016)

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The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Corporate Council on Africa (USA), ELO,HTTC ,NABA,NABC (by posting selected news) and SwissCham-Africa to their Members.



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Fernando Matos Rosa

fernando.matos.rosa@sapo.pt

fernando.matos.rosa@skynet.be