

# MEMORANDUM

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## *Edition extra*

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## CAP SUR LA COP 22 : LA BEI, PARTENAIRE CLEF DE L'ACTION CLIMATIQUE DANS LE BASSIN MEDITERRANEEN

Le 8 septembre 2016, à Rabat, la Banque européenne d'investissement (BEI) a organisé une conférence internationale entièrement dédiée à l'action climatique dans la région, en partenariat avec le gouvernement Marocain et l'Union pour la Méditerranée (UpM). « Une conférence importante et hautement symbolique à l'approche de la COP 22, » a souligné le Vice-Président de la BEI Roman Escolano. « L'action climatique est source de croissance, de développement économique et d'emplois. C'est pourquoi, en tant que premier financeur international de l'action climat, la BEI mobilise moyens, compétences et expertise pour financer des projets concrets au Maroc et dans les différents pays. A l'exemple d'ailleurs du projet emblématique de Ouarzazate dont la BEI a été le chef de file des financeurs européens. » et de conclure : « La COP 21 a permis de cristalliser la volonté des pays signataires, la COP 22 doit être un catalyseur d'action pour un développement durable, inclusif et pérenne avec le soutien de la BEI. »

Les nombreux participants à cette conférence internationale ont pu ainsi explorer :

- les graves répercussions des changements climatiques dans le bassin méditerranéen particulièrement touché par l'érosion, la désertification, la pénurie d'eau, ce qui a un impact réel sur la production agricole et la sécurité alimentaire dans un contexte de concentration de la population dans les zones urbaines côtières;
- approfondir les questions de l'adaptation et de l'atténuation du changement climatique, notamment en termes de besoins de financement;
- mieux connaître les outils spécifiquement dédiés au financement de projets en matière climatique dans le bassin méditerranéen.

Une conférence riche en échanges et force de propositions :

1. Tout d'abord, la conviction parmi les décideurs publiques, les acteurs de la société civile et le secteur privé que l'action en faveur du climat est une priorité publique, un passeport pour un développement durable et pérenne.
2. Le rôle accru et nécessaire qu'est appelé à jouer le secteur privé dans l'action climatique dont les demandes de financement sont de plus en plus importantes et pressantes. En ligne avec sa stratégie en faveur de l'action climatique adoptée fin 2015\*, la BEI apporte une palette diversifiée d'outils financiers et techniques : prêt, micro-finance, capital-investissement, appui technique permettant de générer des projets viables économiquement et financièrement.
3. La nécessité de pouvoir financer des projets concrets et diversifiés dans le secteur des énergies renouvelables dont la région méditerranéenne est particulièrement bien fournie, mais également dans celui de l'efficacité énergétique des bâtiments, de l'eau, des déchets solides et liquides, des transports et de l'agriculture. Des projets qui puissent concerner les petits et grands projets industriels, comme les initiatives de Recherche et de Développement. Dans ce cadre, les dispositifs d'appui technique dédiés au climat en Méditerranée tels que l'enveloppe CAMENA\* de la BEI jouent un rôle essentiel.

Forte de l'engagement pris à COP 21 de dédier 35% de son activité à l'action climatique, la BEI a d'ores et déjà consacré depuis 2011. 630 millions d'euros à l'action climatique au Maroc avec notamment le projet emblématique de Ouarzazate, ce qui représente 33% de l'activité de la Banque dans ce pays.

2015 a été une année record pour la BEI en matière d'action climatique avec un investissement global de 20,6 milliards d'euros. (BEI 09-09-2016)

[http://www.eib.org/attachments/strategies/eib\\_climate\\_strategy\\_fr.pdf](http://www.eib.org/attachments/strategies/eib_climate_strategy_fr.pdf)

## **GOVERNMENT OF ANGOLA WANTS TO SET THE PRICE OF AIRLINE TICKETS**

Airlines operating in Angola will now set their ticket prices based on the country's economic reality, according to the Regulation on Air Transport, whose draft presidential decree has been approved by the Cabinet. The Transport Minister, Augusto Tomás, said the measure is intended to regulate the market and protect passengers, as the airlines, particularly foreign ones, apply tariffs that are not always realistic.

Cited by state newspaper Jornal de Angola, the minister avoided talking about reducing ticket prices but stressed it did not make sense that an airline set a certain price abroad, based on the route travelled and associated costs, and that in Angola the prices are different for that same route.

The legislation also aims to adapt current legislation to market requirements and clearly defines the conditions and procedures for access to and exercise of scheduled and non-scheduled domestic and international air transport.

The Cabinet also approved the Regulation on Compulsory Liability Insurance, to protect passengers, their baggage and other users of air services from business risks.

The imposition of compulsory insurance follows an increase in the number of aircraft, air operations and the development of airport infrastructure in the country.

The five documents approved by the Ministry of Transport also include a diploma to set the guidelines to be followed for the allocation of slots for regular air transport operations at Angolan airports and airstrips.

Known as Regulation on Scheduling Fees at Airports, the document improves coordination between the airlines operating in the different airports and aerodromes in the country and the fulfillment of the Civil Aviation Act. (09-09-2016)

## **EGYPT IN TALKS WITH WB, AFDB FOR 1.5BN LOAN AGREEMENT**

The Egyptian Minister of International Cooperation Sahar Nasr and the Minister of Trade Tarek Kabil met with representatives from the World Bank and the African Development Bank (AfDB) to discuss the second tranche of the \$1.5 billion in soft loan to the Egyptian government, according to a statement from the Ministry of International Cooperation Thursday.

On August 16, Nasr announced in a press conference that the World Bank will vote on a \$500-million loan to Egypt for development of industrial areas in Upper Egypt on September 17.

In another note, Egypt is in advanced talks with Saudi Arabia to secure a new deposit worth \$2-3 billion as part of about \$6 billion in bilateral financing required to seal an IMF loan, the finance minister said in comments published by Al Borsa newspaper on Thursday.

Borsa quoted Amr El-Garhy as saying that negotiations with Saudi Arabia were due to be completed in the next few weeks.

It was however not clear whether Egypt was to agree on the disbursement of a \$2 billion deposit agreed with Saudi Arabia in April or if the country was seeking new funding.

Egypt reached a preliminary agreement with the International Monetary Fund in August for a \$12 billion three-year lending program to help it plug its funding gap and stabilize markets. But the deal requires Egypt to secure a further \$6 billion in bilateral financing.(APA 08-09-2016)

## ZIMBABWE'S GRADUATES ARE UNLIKELY TO HEED THE BAN ON PROTESTS



Zimbabwe is in the throes of a popular revolt. Since May 2016 hundreds of activists — informal traders, unemployed young people and others — have taken to the capital's streets to protest against President Robert Mugabe's government, which responded on Friday, September 2 by banning all demonstrations in the capital, Harare.

The government seems unable to revive the country's flatlining economy. Activists' frustrations stem from the government's failure to meet people's basic economic expectations: a labour market that provides jobs; a public workforce that is paid on time; a trustworthy, stable currency; and an affordable price regime.

Two of the protesting groups involved after the initial #ThisFlag demonstrations were the Zimbabwe National Students Union and the Zimbabwe Coalition of Unemployed Graduates. There is a long history of student activism in Zimbabwe, but this is the first time that young people who have completed their university education have mobilised as graduates.

On August 3, these young men and women marched into downtown Harare under the banner of #ThisGown — a reference to the robes they wear at graduation.

They have good reason to be angry. They are unable to find jobs that match their skills or meet their expectations. The country's economy is in crisis and their future in doubt. So what difference will their protests make? If it is to secure their expectations for employment, the outlook is grim.

The ruling Zanu (PF) party has failed to create 2.2-million jobs over the past few years as promised in their 2013 election manifesto. Instead, as the economy has deteriorated, employers have been forced to cut back on staff. This has pushed many graduates from all disciplinary backgrounds into the informal sector where they try to scrape together a living. (BD 08-09-2016)

## TANZANIA RECEIVES \$110M FROM POLAND FOR TRACTOR FACTORY



Tanzania has received a loan of \$110 million from Poland aimed at setting up a factory for manufacturing tractors, power tillers and warehouses for storing food crops.

Talking to investors Poland in Dar es Salaam on Monday, the permanent secretary at Tanzania's Ministry of Industries, Trade and Investment, Adelhelm Meru said the factory will be built in October at Kibaha area with eight service centres.

He said the Polish government will provide the technology for the manufacture of farm implements, while producers from Europe will also provide up-to-date technology.

According to Meru, the factory is expected to produce new and quality products that will be sold at reasonable prices.

Meru also called on investors to grab the opportunities afforded as the government's vision was to transform Tanzania into an industrialized country by 2025. (APA 05-09-2016)

### EGYPT: FOREIGN RESERVES UP BY \$1.028 BILLION IN AUGUST - CBE

The Central Bank of Egypt (CBE) said on Monday that foreign reserves increased by \$1.028 billion to hit \$16.564 billion in August, compared to \$15.536 billion in July.

The CBE stated in its statement that the balance of foreign currency has risen by about \$1.031bn in August 2016, reaching \$13.022bn from \$11.991bn in July.

Tariq Amer, the governor of the Central Bank of Egypt, was announced last month that negotiations with an IMF mission were successful and that Egypt agreed with the fund on a 3-year loan programme worth \$12 billion.

The IMF loan sends a message of international confidence in Egypt's economy, Amer said. (APA 05-09-2016)

### CALL FOR APPLICATIONS TO REINFORCE GENDER EQUALITY IN THE MEDITERRANEAN



The Euro-Mediterranean Women's Foundation, in partnership with the European Institute of the Mediterranean, has launched a call for applications in Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine and Tunisia for the mobilisation of gender equality actors at local level. This call for applications is part of the WoMED (Women of the Mediterranean) project, labelled by the Union for the Mediterranean.

Associations interested in applying can follow this link to consult the call and fill in the application form: <https://www.surveymonkey.com/r/localcluster16>

The deadline for applications is **12 September 2016** at midnight (CET).

The seven selected associations (one in each country) will form and coordinate local clusters of gender equality stakeholders. These clusters consist of a maximum of five actors who work towards gender equality. They can be: a research or teaching unit on women and gender; a local or regional community or a governmental service in charge of enhancing equality; a company or a trade union committed to gender equality; or media committed to gender equality.

Each local cluster will have to mobilise equality stakeholders from its territory around a pilot action on a concrete theme linked to gender equality. This pilot action can take the form of activities related to the exchange, consulting, research, debate and follow-up of gender equality public policy. An assessment will be drafted at the local level, and a project will be identified to overcome the obstacles identified.

The pilot actions should refer to one of the three themes that were addressed at the third UfM ministerial conference on the role of women in society:

- an equal right to participate in political, economic, civil and social life;
  - the fight against all forms of violence and discrimination towards women and girls;
  - a change of attitude and behaviour to reach equality between men and women in order to favour women's empowerment, not only in terms of rights but also in practice.
- (EEAS 09-09-2016)

### **NIGERIA: NEW GARMENT FACTORY TO EMPLOY 300 WORKERS**

The Calabar Garment Factory built by the Cross River State Government is to employ 300 workers, reports said on Friday.

A report by a local newspaper, The Punch said that the Cross River State Governor, Prof. Ben Ayade, has approved the employment of 300 applicants to work in the factory.

It added that the governor said the gesture was not only in fulfilment of his dream to create jobs for citizens of the state, but to inspire young people who were not from privileged homes.

He promised the newly employed workers good salaries and welfare package, while reiterating the commitment of his administration to the welfare of the poor in the state.

“When we set up this factory, the intention was not just to create jobs but to guarantee that young men and women, who have been challenged by circumstances of their births, have the opportunity to better their lots.

“I’m so excited at what I am seeing here today – the number of people and their energy – and it is an indication that our factory has taken off. Remember, the factory has the capacity to create 3,000 jobs,” he said.

Ayade urged the new employees, who he tagged ‘great fashion engineers’, to leverage the opportunity to express their innate potential and be the pride of the state.

“We want to show to the world that we have skills, great fashion engineers. I call you engineers because you are going to provide the skills that we have not seen before,” he added. (APA 09-09-2016)

### **RAM AIRLINE ADDS NEW CASABLANCA-WASHINGTON ROUTE**



Moroccan airline, RAM on Thursday launched a new air link between Casablanca and Washington, its third destination in North America after New York and Montreal.

RAM offers three times a week flights between Casablanca and Washington operated by Boeing 787-8 Dreamliner that can accommodate 18 passengers in Business Class and 256 in Economy.

Departures are scheduled on Tuesdays and Saturdays at 16:00 (arrival at 19:25) and Thursdays at

18:30 (arrival at 21h55); return flights leaving the US capital Tuesdays and Saturdays at 21:10 (arrival day at 9:20 am) and Thursdays at 23:40 (arrival at 11:50 the following day).

RAM said in a statement that the times and days of the new link services “offer a fully connected route to the national and international network of Royal Air Morocco via its Casablanca hub (over 90 destinations), and particularly suited to networks in Africa, including the recently opened Casablanca-Nairobi air route.

Moreover, Washington DC is one of the fastest growing platforms in terms of air connections with other American cities.

The US capital is the third new long-haul destination inaugurated in 2016 by the company, after Rio de Janeiro and Nairobi.

RAM already offers up to ten Dreamliner flights per week between Casablanca and New York-JFK.

The company put into service four of its five expected Dreamliner, the last will be delivered before the end of the year. (APA 09-09-2016)

## WHEN IN NIGERIA, DO AS THE NIGERIANS WOULD HAVE YOU DO



South African business investments in Nigeria are under the spotlight again after hotel and casino group Sun International announced it is pulling out of the country. The company cited poor economic conditions and regulatory challenges. It joins a growing list of high-profile South African business failures in Africa’s second largest economy. The Conversation Africa business and economy editor Sibonelo Radebe asked Mills Soko, who is associate professor of international political economy for the Graduate School of Business at the University of Cape Town, to unravel the complexities of the Nigerian market.

- What are the conditions for doing business in Nigeria?

Nigeria has the largest population in Africa and one of the biggest in the world. It boasts dynamic, entrepreneurial, ambitious and well-educated people. The country was, until recently, one of the fastest-growing economies in the world, prompting investment bank Goldman Sachs to include it in a group of countries called The Next Eleven. These are countries with a potential to be among the biggest economies in the 21st century.

Nigeria’s economy has traditionally been dominated by the oil sector. But it has become more diversified, with sectors such as telecommunications, real estate and financial services experiencing fast growth.

The country has become one of Africa’s major banking markets. Ten of its banks made the Top 1,000 World Banks ranking by Financial Times. These factors, coupled with the promise of higher returns, make the country attractive to potential investors.

Although Nigeria has a history of economic mismanagement, successive governments have in recent years introduced reforms. These are aimed at improving the macroeconomic environment and business climate to attract foreign investment. The reforms have also laid the foundation for further diversification of the economy. They have created new investment opportunities in other sectors including manufacturing, mining, agriculture, engineering, retail, construction and hospitality.

But the business environment in Nigeria continues to be hobbled by many challenges. These include deficient infrastructure, erratic power supply, foreign exchange shortages, high inflation, currency volatility, corruption, high capital cost, red tape and high rentals, as well as excessive and unpredictable regulations.

In a nutshell, Nigeria embodies the economic promise of the African continent as well as its challenges and problems.

- Are Nigeria's challenges exceptional?

Nigeria shares many of the business risks and challenges that plague African countries. But what distinguishes the country from other African countries is its population size and its complex social structure straddling divergent social, political, economic, religious, ethnic and family dynamics.

There is a sense that the size of the country's market and its enormous economic potential make it a testing ground for companies that want to expand into African markets. Running a business successfully in Nigeria is seen as a guarantee of success elsewhere on the continent.

- Are South African companies doing something wrong?

There are over 100 South African companies operating in Nigeria and only a handful are commercial failures. The list of well-known failures includes Telkom, Woolworths and Tiger Brands. But they aren't representative of the wider experiences of South African firms.

It is in the nature of doing business that some companies succeed and others fail. There are many reasons why some have not done as well in Nigeria. These include not conducting proper due diligence before entering the market, selecting the wrong acquisition target, inappropriate market strategies, choosing the wrong partner and mismanaging stakeholder relations.

These are mistakes that firms can avoid or mitigate. But there are also factors beyond a firm's control that can have a negative impact on business, such as the fall in oil prices. Nigeria, an import-dependent country, is heavily reliant on oil for foreign exchange earnings. The recent fall in oil led to a sharp currency devaluation. This made it more expensive for the country to pay for imports.

- Which South African businesses are getting it right in Nigeria? How are they doing it?

MTN, Standard Bank, Shoprite, Pepkor and MultiChoice are among the South African companies that have thrived in Nigeria. Although there is no one specific blueprint for business success in the country, or any other African market for that matter, there are several lessons that can serve as a guide to success.

These lessons are informed by the experiences of several companies that have done business in the country. They include the importance of carrying out detailed market research, undertaking thorough due diligence, executing the right market strategy, choosing the correct acquisition target and finding a suitable local partner.

The list of critical things to focus on to mitigate risk also includes building relations and managing stakeholder relations, learning from peers' coping strategies, being flexible and open-minded, investing in hard and soft infrastructure such as mortar and skills, staying focused and taking the long-term view.

The case of MTN shows that even if a firm has cracked the Nigerian market, it must never become complacent. When it ventured into Nigeria in 2001, MTN had to overcome formidable technical, operational, political and legal challenges. It did so impressively. Given the challenges it faced, it could have opted to quit the market. But MTN decided to stay the course because it was confident in the Nigerian market and was determined to succeed.

Yet last year the telecommunications giant took its eyes off the ball. MTN failed to obey an order from the Nigerian authorities to disconnect 5.1-million unregistered subscribers. This resulted in the authorities imposing a fine of \$5.2bn, later reduced to \$1.67bn. The lesson here is that companies must always respect the sovereignty of a host country. This includes complying with the laws and regulations governing business. (BD 08-09-2016)

## **MOODY'S COMMENDS EGYPT'S APPROVAL OF LONG-AWAITED VAT**

Moody's Investor Services has commended the Egyptian parliament's approval of the long-delayed value-added tax (VAT).



Although the 13% VAT rate is lower than the government's proposed 14% rate, and the list of exempted goods and services is 57 versus the proposed 52 items, the VAT is credit positive, Moody's said in a statement issued here Monday.

The VAT forms an integral part of the government's reform program over the coming three years and together with reforms of the tax administration, will gradually increase Egypt's low tax receipts and support its fiscal consolidation efforts. Implementation of VAT will also unlock external funding from multilateral sources such as the World Bank (Aaa stable) and the African Development Bank (Aaa stable).

The VAT takes effect 1 October and replaces the current 10% goods and services tax.

The VAT's lower 13% rate and the higher number of exempted goods and services will result in a revenue shortfall of 12 billion Egyptian pounds, equal to one third of the VAT revenue increase assumed in the current budget for fiscal 2017 (which ends 30 June 2017).

However, some of the shortfall will be made up in fiscal 2018 when the VAT rate increases to 14%.

"As a result, we expect the government to underperform its revenue and fiscal deficit targets.

"Our fiscal deficit forecast is 12% of GDP for fiscal 2017, compared to the government's target of 9.9%. Our forecast takes into account potential slippages in revenue targets, reflecting both difficult implementation of revenue-raising measures and our GDP growth projection of 3.5% in fiscal 2017, which is lower than the official growth projection of 4.0%," the statement said. (APA 05-09-2016)

## **TANZANIAN FARMERS URGED TO PREPARE FOR DRY SPELLS BY YEAR END**

The Director General of the Tanzania Meteorological Agency (TMA), Agnes Kijazi, has cautioned farmers to prepare their farms early as Tanzania is most likely to experience La Nina weather in October and December.

Speaking Tuesday when briefing journalists in Dar es Salaam, Kijazi said that Tanzania is likely to experience dry spells in major parts of the country causing inadequate moisture that could affect crop production.

She explained that soil moisture levels could be stifled due to expected frequent dry spells thereby affecting normal cropping season in most parts of the country.

"A majority of the country might experience below normal rains linked to late start of a short rainfall season," she said.

She therefore called on farmers to keep stock of existing yields in order to ensure food security for their families.

Kijazi said areas most likely to be affected by unsatisfactory rainfall include Lake Victoria Basin regions and the southern parts of the country, including Mtwara and Lindi. (APA 06-09-2016)

## SOUTH AFRICA: FIRSTRAND HAS R7BN FOR AFRICA DEALS



Banking group FirstRand says it has R13.8bn to spend on growth strategies including developing investment products for its domestic customers and acquiring banks in Nigeria and Kenya.

FirstRand had set aside R7.5bn to acquire predominantly corporate and commercial banks in Kenya and Nigeria, CEO Johan Burger said on Thursday. It was carefully analysing the banking market in Nigeria, and engaging with the regulator in Kenya, but had not yet found a suitable platform.

It had R2.4bn for its existing organic strategy in the rest of Africa, he said.

The group, which owns FNB, RMB, and WesBank, had set aside R2bn to capture a larger share of profit from the domestic financial services market.

This involves growing FirstRand Insurance, Ashburton Investments, and its value-added insurance business MotoVantage, which is a joint venture between WesBank and Hollard.

For the year to June, FNB had sold 500,000 policies, mostly funeral, on the FirstRand Life licence. Its unit trust funds, called the FNB Horizon Series, had attracted R100m of client inflows since July.

FNB would use its knowledge of customers' spending habits and risk profiles to sell them insurance and investment products, said CEO Jacques Celliers. Its execution would be more efficient, since compliance requirements were already met through the banking relationship.

"Banks are under pressure in terms of returns on lending and are looking to diversify," said Harry Botha, an analyst at Avior Capital Markets. To grow meaningfully in insurance and investments, FNB would need a strategy to win business from independent financial advisers, Botha said.

Neelash Hansjee, a senior investment analyst at Old Mutual Equities, said FNB had a strong customer franchise to sell more products to.

He said it was positive to see the rapid uptake by FNB clients of new products such as funeral policies, adding: "It shows they trust the brand."

FNB's retail business in SA grew 6% to R14.3bn for the year to June, as bad debt began to trend upwards in line with a worsening economic cycle.

FirstRand's credit loss ratio, or the percentage of losses it was making on its overall loan book, grew from 0.77% to 0.86% during the period.

This was still below its expected charge of about 1%, but Burger expected it would increase as the current credit cycle fully emerged.

More of FNB's customers were opting for debt counselling, Celliers said, which was a function both of financial pressure and more advertising by debt counsellors.

"The credit loss ratio at 0.86% was a slight damper, given the high levels of provisions the group has. Perhaps, more could have been released to manage the rising credit loss ratio," Hansjee said.

FirstRand has R8.4bn in provisions for potential future bad debts as a cushion, which is about 1% of its total performing loan book.

"FirstRand maintains levels of capital that are higher than what other banks have reported," Hansjee said.

Given such high levels of capital, some investors might have expected a higher dividend, he said.

FirstRand declared a dividend of 226c a share, an 8% increase from the previous period.

Surplus capital had been earmarked for opportunities that would support future growth, Hansjee said.

The risk of a sovereign debt downgrade towards the end of the year also made it prudent to safeguard capital, he said. (BD 09-09-2016)

## **MOZAMBIQUE LAUNCHES CAMPAIGN TO REDUCE MALNUTRITION**

Mozambican Health Minister Naziara Abdulla has launched a nutrition campaign intended to last for two years and aimed at reducing the rate of chronic malnutrition among children under five years of age.

Speaking at the launch of the campaign on Monday, Abdulla said the target was to reduce the proportion of children suffering from chronic malnutrition from the current 43 percent to no more than 35 percent over the next two years.

The target figure mentioned in the government's Five Year Programme for 2015-2019.

Abdulla said the campaign is intended to guide and inform households about the importance of breastfeeding infants, and transmit knowledge about the components of a healthy and nutritious diet for older children.

He revealed that educational activities will be undertaken intended to drive social and behavioural change.

Channels to be used in the campaign will include talks given in communities and places where there are large concentrations of people, radio programmes and messages sent by cell phone.

With this initiative, we hope to strengthen the interventions under way and speed up the reduction in the nutritional problems that affect our population, Abdulla said.

Among the existing interventions mentioned by Abdulla is the National School Feeding Programme.

The government's cooperating partners, represented by the United Nations Children's Fund, recognized the importance of the campaign as the start of effective communication leading to social and behavioural changes towards health and nutrition among communities and households. (APA 08-09-2016)

## **ANGOLA HAS THE WORLD'S LARGEST DECORATIVE ROCK COMPLEX**

The Cunene decorative rock complex, with an area of 45,000 square kilometres, is the largest in the world, the Secretary of State for Geology and Mining of Angola, said in the city of Lubango cited by newspaper Jornal de Angola.

On starting a tour of the south of the country, due to end on Sunday, Miguel Júnior also said that the National Geology Plan (Planageo) notes considerable progress in aero-geophysical surveys and the construction of the central and regional laboratories of the Geological Institute of Angola, based in Luanda, Saurimo and Lubango.

Some 40 experts from several countries are taking part in the tour, including from Angola, South Africa, Brazil, Portugal, the United States, Australia and Spain, who have visited the zones of ornamental rocks in the municipality of Chibia that are part of the Kunene complex.

The Secretary of State said it was a good time for geological excursions in the provinces of Huila and Namibe, with a focus on the Cunene, Tchivira and Bonga complexes, the Cassinga iron mines and Tundavala gorge by experts who took part in the 35th International Geological Congress, held in Pretoria. (08-09-2016)

## VW'S SOUTH AFRICA PLANT TO SEND KIT-FORM CARS TO KENYA



Volkswagen is to supply Kenya with up to 5,000 Polo Vivo cars a year in a move that could extend the manufacture of the car in SA beyond 2018.

The German parent company on Wednesday signed a deal with the Kenyan government to build the Vivo at a new joint-venture plant in Thika, near Nairobi.

The cars will be exported in kit form from VW's Uitenhage assembly plant, in the Eastern Cape, and reassembled in Kenya.

Production, by Kenya Vehicle Manufacturers, is due to begin in early 2017.

This is not the first time VWs have been built in the East African country. The Beetle was produced there in the 1960s.

VW on Wednesday said the Vivo project could be the start of broader vehicle production in Kenya. The ultimate intention is to replace kit assembly eventually with full manufacture.

VW is helping create a local production training centre. "It is planned to review local production of further VW models should the new vehicle market show positive development further," a spokesman said.

Two cars are currently built in Uitenhage — the Polo and Polo Vivo. The latter is based on the previous-generation Polo and, until now, has been sold only in SA and its immediate neighbours.

Under a R4.5bn investment plan announced in 2015, VW's MD in SA, Thomas Schaefer, said the two cars would be replaced by new models in 2018.

On Wednesday, however, the spokesman said the Kenya deal could extend SA production of the Vivo, which has consistently been SA's best-selling car since its launch in 2010.

Its volumes in SA also make it the leading car in the whole of sub-Saharan Africa.

Kenya will become the third African country to assemble VWs.

In addition to Uitenhage, which will have capacity to build up to 150,000 vehicles annually once the R4.5bn investment is complete, there is also a reassembly operation in Nigeria, which VW's SA operation does not supply.

The Polo Vivo was the ideal entry model for the promising Kenyan market, Schaefer said on Wednesday in Thika.

"With this move, we are strengthening the brand's overall position in Africa and taking an important step towards expanding our commitment in the region." (BD 08-09-2016)

## BOTSWANA FREEZES NEW POSTS, CITING DECLINE IN DIAMOND SALES

Botswana's President Ian Khama says his government is constrained in its ability to create new vacancies due to budgetary constraints caused by economic meltdown and a decline of diamonds sales.

Khama was quoted by the state-run DailyNews on Tuesday as telling public service employees in the Thamaga village in southern Botswana recently that though there were signs of economic recovery, the Botswana government could not manage new posts because it would only bloat the civil service.

He is quoted as saying that there were over 2,000 vacant positions at the Ministry of Health and over 300 at the Ministry of Local Government and Rural Development.

The Botswana leader said shortage of personnel could be avoided if ministries could utilise internship programme graduates and filling vacant positions, the paper reported.

He warned that bloating the public service might, in instances of recession, lead to government to go the unpopular route of downsizing its personnel to manageable numbers. (APA 08-06-2016)

## ETHIOPIA: ADDIS ABABA-DJIBOUTI RAILWAY LINE TO BEGIN TRIAL SERVICE



The Addis Ababa-Djibouti railway line will start its trial service early in the next Ethiopian New Year, which will begin on Sunday as 99 percent of the project is completed, the Ethiopian Railways Corporation (ERC) said on Thursday.

ERC Communication and Public Relations Head, Dereje Tefera told APA that 1,171 locomotives and wagons, which are now at Sebeta, Dire Dawa and Djibouti, will shortly start transporting passengers and cargo between Addis Ababa and Djibouti. Some 2,000 commuters can be transported daily and 3,500 tons of cargo in a single trip, according to him.

The 656-kilometre Addis Ababa-Djibouti line is projected to take 10 hours to cover the distance.

It is estimated that about \$3.4 billion has been spent on the project and it is expected to provide over 3,000 permanent and temporary jobs. (APA 08-09-2016)

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