

MEMORANDUM

N°226/2016 | 15/11/2016

The Memorandum is issued daily, with the sole purpose to provide updated basic business and economic information on Africa, to more than 4,000 European Companies, as well as their business parties in Africa.

More than 1,556 Memoranda issued from 2006 to end of 2015. More than 18,350 pages of Business Clips issued covering all African, European Institutions and African Union, as well as the Breton Woods Institutions. The subscription is free of charge, and sponsored by various Development Organisations and Corporations.

Should a reader require a copy of the Memoranda, please address the request to fernando.matos.rosa@sapo or fernando.matos.rosa@skynet.be.

2006 – 2016, 10 Years devoted to reinforce Europe – Africa Business and Development

SUMMARY

Air France to fight Gulf carriers with new airline	Page 2
Mozambique: Chinese firm wins controversial digital migration contract	Page 3
Swaziland wants 20.19 percent hike in power tariff	Page 4
African climate plans in doubt amid slow aid flows	Page 5
Morocco's aeronautics sector taking off	Page 5
EgyptAir to review ticket prices following currency flotation	Page 7
Mozambican employers receive business delegation from China	Page 7
Premier prêt de la BAD à l'Algérie depuis dix ans	Page 7
Attorney General of Mozambique hires Kroll to audit debt	Page 9
Morocco's application for readmission to AU sent to all members	Page 9
De Beers targets big year-end sales	Page 10
Cabo Verde and Mozambique among the African countries most favourable to Chinese interests	Page 11
Morocco's King visit to Senegal aims at strengthening relation	Page 11
World's first forest bond beats expectations	Page 13
Botswana explores Chinese beef market	Page 13
Sierra Leone: Environmental agency refutes alleged misuse of fund	Page 14
Sierra Leone records inflation rate of 10.85% in September	Page 14
Cameroon: 59% of AfDB projects deemed satisfactory	Page 15

AIR FRANCE TO FIGHT GULF CARRIERS WITH NEW AIRLINE



Air France-KLM is planning to launch a new stand-alone airline that will fly long- and medium-haul international routes for the company as it looks to push back against fast-growing Middle East rivals. The new unit – so far unnamed -- would fly international routes where heavy competition and fare-discounting have made it difficult for Air France-KLM to be profitable. Air France-KLM said the airline would fly up to 10 aircraft by 2020 and that newly opened routes would make up about a third of its schedule.

“It will be focused on ultra-competitive markets and will enable (Air France-KLM) to go on the offensive by opening new routes, re-opening routes closed due to their lack of profitability and maintaining routes under threat,” Air France-KLM said in a [statement](#).

The company described the new unit as "an additional tool ... adapted to ultra-competitive markets and positioned on structurally loss-making routes, or those that have been closed in the past few years."

Air France-KLM said it would operate with fewer frills than on its standard international service, but pushed back at the idea it would be a full-fledged discount unit.

“This new company will propose a simple, modern and innovative offer, whose positioning will not be low cost,” [Air France-KLM said](#). “It will offer its customers business and leisure destinations with standards comparable to those of Air France in terms of product quality and the professionalism of the crews.”

The first flights are expected to begin operating from Paris Charles de Gaulle sometime in late 2017.

The initiative was [announced as part of a broader nine-point plan](#) that Air France-KLM says is needed to boost its competitiveness. Among other items in the plan – dubbed “Trust Together” – are increased cooperation with U.S. partner Delta, more-efficient use of the company’s planes and the strengthening of Air France-KLM’s two biggest hubs (Paris Charles de Gaulle and Amsterdam).

The “Trust Together” initiative comes as Air France and merger partner KLM – both part of the Air France-KLM group – increasingly find themselves warding off competition on two fronts.

In Europe, no-frills discount airlines are expanding their footprint -- offering cut-rate fares on an increasing number of routes that compete with Air France and KLM.

At the other end of the spectrum, Air France, KLM and other European carriers face growing pressure from the three big “Gulf carriers” of the Middle East: Emirates, Etihad and Qatar Airways. Those airlines – along with Istanbul-based Turkish Airlines – have been growing their marketshare on routes connecting Asia to Europe and North America, using their geographically advantageous hubs to siphon away connecting passengers from the likes of Air France, Lufthansa and others.

“With Trust Together, Air France-KLM regains the offensive with a project which is both ambitious and realistic,” Air France-KLM CEO Jean-Marc Janailac said. “It will enable us to capture our share of air transport industry growth by improving the competitiveness of our businesses. With our nine strategic priorities, we shall be fighting back on every front. Our strength lies in the fact that we are challengers. The status quo is not an option. We must launch a new dynamic to return to a leadership position in our markets.”

It’s the incursions from the Gulf carriers that’ are spurring Air France-KLM to launch the new international unit.

"This new company will constitute the Group's response to the Gulf State airlines which are developing at low production costs on key markets where Air France-KLM is pursuing its growth ambition," Air France-KLM said.

It's not the first time that Air France has tried to create a lower-cost offshoot, though previous efforts have been scuttled by union resistance.

This time Air France-KLM hopes to push ahead with the new unit by allowing pilots to voluntarily move to the new carrier while maintaining the pay they had at Air France.

"It will operate with Air France pilots on a volunteer basis at work conditions adapted to its competitive positioning," Air France-KLM said. "For cabin crews, an independent career path will be created to enable this new company to be operated at the level of market costs."

AirFrance-KLM also said that it would also look for a way to "optimize" ground operations, adding that the "HR (human resources) framework for this new company will be negotiated with the unions in the coming weeks."

Christophe Pillet of the SNPNC cabin crew union expressed concern to The Associated Press that the new unit's staff wouldn't have the same labor benefit protections. Pillet also worried that the new company could even "supplant" Air France some day.

"The new company will not really be low-cost for customers, because they will find the classic fee conditions in different classes that they already see at Air France. However it will be low-cost for the cabin crew," he said to radio outlet Europe-1.

Still, Janaillac insisted the new company would represent only a small fraction of Air France-KLM's overall operation. (AF 04-11-2016)

MOZAMBIQUE: CHINESE FIRM WINS CONTROVERSIAL DIGITAL MIGRATION CONTRACT



Mozambique has controversially selected the Chinese company Startimes Software Technology to implement the transition from analogue to digital broadcasting systems, APA learnt on Friday. Local media reported that Startimes won the digital migration contract from the government of then President Armando Guebuza in 2014 without any public tender worth \$133 million and was signed by the then Minister of Transport and Communications, Gabriel Muthisse, and the chairperson of the Startimes board, Pang Xinxing.

On Friday, the chairperson of the regulatory body, the Mozambique National Communications Institute (INCM) told a media briefing that the purpose of the tender was to select a company that would handle the digital migration as cheaply as possible.

The tender documents stipulated that the Chinese loan to the government to pay for the contract must carry an interest rate no higher than two percent, a grace period of seven years, and an overall

repayment period of at least 20 years.

20 companies initially expressed interest, but only six of them submitted bids. Four of these companies were Chinese, and the others were from Italy and Mauritius, the INCM said.

A jury had analysed the bids and opted for Startimes.

The company, which in 2014 had originally said the digital migration would cost \$223 million and was chosen for the operation has since dropped its bid to \$156 million.

The deal to hand the contract to Startimes was immediately controversial because of the ties between the firm and the family of then President Armando Guebuza.

Guebuza's daughter, Valentina, is the chairperson of Startimes Mozambique Media, a local subsidiary of the Startimes Group.

Then Minister of Transport and Communications Muthisse had denied any conflict of interest, because the contract was not with Startimes Mozambique but with Startimes Software Technology, which is 100 percent Chinese owned.

He justified the lack of a public tender on the grounds that the money for the contract was a soft loan from the Chinese Exim Bank, and that the company chosen had to be Chinese.

However, Startimes did not do the job.

Digital migration should have been accomplished by June 2015.

When that date was missed, the government gave Startimes Software Technology a final deadline of December 2015 to unblock the promised funding from the Exim Bank.

The government had denied that after the tender was refloated there had been any trafficking of influence to ensure that the contract would again fall into Startimes' hands.

It insisted that the procedure was completely transparent, and invited prospective investigators to study documents of the tender when they become available in January.(APA 04-11-2016)

SWAZILAND WANTS 20.19 PERCENT HIKE IN POWER TARIFF

The Swaziland Energy Regulatory Authority (SERA) will conduct public hearings on the proposed 20.19 percent hike in the cost of electricity, APA learnt Friday.

This will take place starting from November 21 to December 10, 2016 where people and stakeholders are expected to submit their comments on the proposed increase.

A media statement send by SERA CEO Vusi Mkhumane said people who will be allowed to make submissions during the public hearings will only be those who have submitted their comment to the Authority on time and within the November 18 deadline.

In April 2015 electricity tariffs increased by 11.7 percent after the South African Rand went into a free-fall against the dollar, making foreign currency denominated purchases more expensive.(APA 04-11-2016)

AFRICAN CLIMATE PLANS IN DOUBT AMID SLOW AID FLOWS



Climate finance is not flowing fast enough for African countries to deliver on their national contributions to the Paris climate deal, delegates warned on the sidelines of COP22 in Marrakech on Tuesday.

The Democratic Republic of Congo is one example. It has vast rainforests and asked for US\$20 billion through the UN-backed REDD+ programme to help protect them.

So far it has received just \$200,000, said negotiator and co-author of the plan Trinto Mugangu – and with GDP of just \$400 a head, can't meet the need from its own budget.

"Delivering on the [climate plans] is becoming unrealistic because the money is not there," he said. "I think three quarters of Africa will not deliver."

All of the climate plans submitted by African countries in Paris, to protect people from the impacts of global warming and green their development, are partially or entirely conditional on international aid. Mugangu's concerns were echoed by other African delegates on Tuesday at a side event of the annual UN climate conference in Marrakech on knowledge-sharing.

The Africa Low Emission Development Strategies Partnership (LEDS), introduced to an audience of African policy makers, is one of many initiatives to help countries get ready to embrace a low carbon economy and build their own capacity, eventually boosting south-south cooperation.

But there is a long way to go to meet the level of ambition shown in Paris.

"We aim at the sun to get to the moon [with climate progress]," said Esther Wagombe, deputy director at the Ministry of Energy and Petroleum of Kenya. "We are ambitious, but also pragmatic about the basic needs of our people. Whether we use clean sources or fossil fuels, people need to use energy to cook and move around. And we also want to develop as a country."

At the meeting, Wagombe presented Kenya's plan to add 5,000MW of energy to the national grid by 2030. The plan involves the use of renewables but also of a significant amount of fossil fuels.

As [revealed by Climate Home](#), a coal plant being built in the coastal region of Lamu will contribute more than 20% the energy target, but clash with the country's climate goals.

"We should not forget that the [climate plans] are short term, aspirational goals" said Janet Strachan, director of the LEDS program with the Overseas Development Institute.

"The transformation that Africa is undertaking is completely mind boggling. Think of the infrastructure that will be put in place to cater for the needs of an incredibly changing population. Water, sanitation, clean energy, these are the key sector that must be part of a long term strategy, a progressive dialogue that will underpin the low carbon path."

Addressing poverty remains top priority in Africa, well before the aspirational climate goals.

John Yeboah, project manager at the Center for Renewable Energy and Energy Efficiency (ECREEE) of Cabo Verde said that rich countries had time to build their energy structure before shifting to sustainable sources.

"But developing countries have to build their energy system now, from scratch. Can we really afford to go green from the outset? We need to develop a stable energy system and build better [infrastructural] capacity, or the implementation of the NDCs will remain a mirage," he said. (IPS 08-11-2016)

MOROCCO'S AERONAUTICS SECTOR TAKING OFF



Morocco's close geographic proximity to Europe has made the country a perfect platform for American and European businesses looking to move manufacturing offshore to lower costs. Nowhere is this clearer than in the aeronautical industry.

The sector has grown rapidly from less than a dozen firms to now seeing over 100 international companies operating in the country. Bolstered by a welcoming tax and regulatory climate, the industry enjoys high growth rates of around 15% annually and represents \$1bn, or 5%, of [Morocco's](#) total exports.

Although the ['Arab Spring'](#) destabilised many governments in the region, Morocco proved resilient to political turmoil, leading aeronautics firms to increase investment in the Kingdom. Last week Morocco signed a major deal with Boeing to create an ecosystem that could attract 120 suppliers, boost aeronautics exports by \$1bn and create almost 9,000 jobs, with the 'Boeing ecosystem' impact being felt across the country.

"The Boeing ecosystem is of great value for many reasons, especially in that it will attract other players to follow suit," says Jean AbiNader, Executive Director of the Moroccan American Trade and Investment Center. "But it's not only Morocco's aeronautics industry that benefits, with Bombardier recently announcing that it was moving its cluster for railroad production to Morocco. Aeronautics is the leader and thus has a key voice in building stronger supplier networks."

The aeronautics industry in Morocco is already home to some of the world's leading aerospace manufacturers. Matis, a joint venture between Boeing and Safran, employs over 1,000 workers and exported €70m worth of products in 2015, with Boeing also relocating more jobs from Northern Ireland to Morocco earlier this year. Bombardier has plans to invest close to \$200m by 2020 in the tax-free Midparc zone and French firm Daher is on track to open its third plant in Morocco in 2017, at a cost of more than \$16m.

Skills gap

The creation of the Midparc Casablanca free zone, located close to the Mohammed V International Airport and offering complete tax exemption for companies during the first five years of operation, has brought in many companies and helped build up a burgeoning industry, but if the sector is to double in size by 2020 as hoped, a well-trained workforce is vital.

For example, the Moroccan machinists at Baccarat Precision, a French aerospace contractor, needed far more training to construct complex cylinders than their French counterparts, according to a 2012 Wall Street Journal report. Errors caused by the Moroccan workers caused a rejection rate for the cylinders to be much higher than the 2% target, leading to unprofitability for the manufacturer.

In response to the skills gap shortage, a number of new institutions have opened to specially cater to the needs of the aerospace sector. "The industries have already come up with a solution, and that is public-private partnerships that have industry and government collaborating in curriculum development and training across all technical specialties," says AbiNader. He also believes that Moroccans have now proven they are able to quickly and effectively absorb technical training because of new a planning and delivery systems that have been implemented.

Trading partners

Morocco's King Mohammed VI has undertaken a wide-ranging reform programme since coming into power in 1999, with the Arab Spring driving forward further democratic changes. A raft of [free trade agreements](#) with the US, European Union and several Arab countries has also played a central role in developing the industry.

The unrestricted free trade with the EU may have contributed to the industry's success, but there are concerns that there has been too high a focus placed on attracting EU firms. According to some reports, up to 90% of foreign aerospace companies are French, although in recent years this figure has fallen somewhat as American businesses set up in the country.

A broader base of businesses will not only help to increase competition but it would also lessen the impact of stagnating growth in EU states, which could lead to a drop in investment and demand. Additional work by Morocco's government is required to promote the country's aeronautics industry in North America, with both the US and Canada being strong potential trading partners.

The North African country still has key challenges to overcome which could impact the long-term viability of the aerospace industry. This includes ballooning national debt, high levels of unemployment and faltering growth rates. It is essential that Morocco maintains an investment-friendly business environment if major multinationals are going to continue investing in the country.

While Morocco's aeronautics industry is going from strength to strength, the rise of Tunisia, Turkey and Malaysia as low-cost competitors cannot be understated. However, as AbiNader says, competition is about more than just salaries.

"It's also about competencies, adequate supplies, labour regulations, and quality, and on all of these criteria and more, Morocco holds its own and is better situated geographically to access its target markets without competition from South Asia or Latin America," says AbiNader. (African Business 31-10-2016)

MOZAMBICAN EMPLOYERS RECEIVE BUSINESS DELEGATION FROM CHINA

The Confederation of Economic Associations of Mozambique and entrepreneurs from China intend to strengthen bilateral and existing cooperative relations between the businesspeople of the two countries, officials said in Maputo at the end of a meeting between the management of the employers' association and a business delegation from China.

Led by Ji Peiding, a member of the Advisory Committee on Foreign Policy of the Ministry of Foreign Affairs of China and former Deputy Foreign Minister, the Chinese delegation was composed of 17 businesspeople operating in the sectors of agriculture, construction, energy and automotive, according to Mozambican daily newspaper Noticias.

The parties exchanged information on business and investment opportunities in both countries and the Chinese entrepreneurs expressed interest in investing in Mozambique, and sought more information on the sectors with the greatest potential.

The vice president of the Confederation of Economic Associations of Mozambique, Rui Monteiro, explained the mission, vision and objectives of the CTA and the existing mechanisms for dialogue with the government and stressed the geographical location of Mozambique, a factor that gives it advantages over other African countries, with the exception of South Africa. (11-09-2016)

EGYPTAIR TO REVIEW TICKET PRICES FOLLOWING CURRENCY FLOTATION



EgyptAir will review the cost of its tickets next week in light of a decision by the Central Bank of Egypt to float the Egyptian pound on Thursday, the head of the airline said Friday.

EgyptAir Holding Company Chairman, Safwat Musallam released a statement, saying the airline has not yet decided on raising air fares.

On Thursday morning, Egypt's Central Bank announced the floatation of the Egyptian pound, setting an initial guidance rate of EGP 13 to the USD, plus or minus 10 percent.

The USD exchange rate on Friday reached 14.75 EGP for purchase against the Egyptian Pound.

This was after past weeks of stability at 8.88 EGP to the dollar.

The selling rate of the US greenback has reached 15.75 EGP. The Euro exchange rate reached 16.31 EGP for purchase and 17.51 EGP for sale.(APA 04-11-2016)

PREMIER PRET DE LA BAD A L'ALGERIE DEPUIS DIX ANS



Abdelmalek Sellal, le Premier ministre algérien, et Akinwumi Adesina, le président de la BAD, le 19 avril 2016, à Alger.

Le conseil d'administration de la Banque africaine de développement (BAD) a approuvé mercredi un prêt de 900 millions d'euros. C'est le premier à être sollicité par Alger auprès de l'institution financière panafricaine depuis 2006, alors que le pays essaie de mettre sur les rails une transformation structurelle de son économie.

Une petite bouffée d'air bienvenue : la Banque africaine de développement (BAD) a approuvé le mercredi 2 novembre un prêt de 900 millions d'euros en faveur de l'Algérie. Les conditions de ce financement n'ont pas été détaillées.

Ce montant est alloué officiellement au Programme d'appui à la compétitivité industrielle et énergétique en Algérie (Pacie), l'un des volets du Nouveau modèle de croissance économique (NMCE) discuté à l'occasion de la réunion de consultation entre le gouvernement, le patronat et les syndicats le 4 juin 2016 et approuvé le par le Conseil des ministres le 26 juillet 2016.

Le « Nouveau modèle » vise une transformation structurelle et une diversification de l'économie du pays, de manière à réduire la dépendance de l'Algérie à la rente pétrolière (49 % des revenus de l'État et 96 % des recettes d'exportations). Les priorités dans l'agriculture, l'industrie, l'énergie, le tourisme et les TIC doivent ainsi être revues.

Les revenus pétroliers algériens ont été divisés par deux depuis le début de la chute des cours mi-2014. À 62 milliards de dollars en 2014, ils ne devraient pas dépasser 25 milliards à la fin de 2016. Le Fonds de régulation des recettes (FRR), qui sert à éponger le déficit, est presque totalement asséché. Les réserves de change ? De 194 milliards de dollars début 2014, elles sont tombées aujourd'hui à 110 milliards. Certains économistes les situent même au-dessous de 40 milliards à l'horizon 2018.

Une inquiétude que partage la BAD qui note que « le déficit budgétaire a atteint 20% du PIB en 2015, tandis que celui du compte courant a presque triplé pour se chiffrer à 16 % du PIB ».

Une première depuis 10 ans

Le prêt approuvé par l'institution panafricaine survient six mois après la visite de son président, le Nigérian Akinwumu Adesina, à Alger, en avril dernier.

Si la BAD est active depuis 1971 en Algérie (quatrième actionnaire africain de la Banque avec 4,21 % du capital), où elle a approuvé 40 opérations pour un total de 3 milliards de dollars environ, le pays d’Afrique du Nord « est restée un État non-emprunteur au sein de la Banque [depuis 2006] », est-il noté dans le document de stratégie-pays de la BAD également approuvé par le conseil d’administration mercredi.

« Les autorités algériennes ont sollicité la Banque pour appuyer le NMCE 2016-2019. [...] Les interventions de la Banque s’articuleront autour [de] l’appui à l’industrialisation [et du] soutien à la transformation du secteur énergétique », indique la BAD qui ne compte dans le pays qu’une petite dizaine d’opérations d’assistance technique (d’un montant total de 9 millions de dollars), suite au désendettement extérieur algérien engagé en 2004. (JA 03-11-2016)

ATTORNEY GENERAL OF MOZAMBIQUE HIRES KROLL TO AUDIT DEBT

New York-based company Kroll Inc. has been hired by the Attorney General’s Office (PGR) of Mozambique to audit public companies Ematum, Proindicus and Mozambique Asset Management (MAM), according to a statement published Friday in Maputo.

The statement from the Attorney General also said that Kroll was selected from five internationally-reputed companies, and that the audit should be completed within 90 days starting from the date the contract is signed.

“After this deadline, the Attorney General of the Republic of Mozambique shall publicly disclose the audit results,” the statement said.

The statement recalls that preparatory instructions are ongoing in order to verify the existence of criminal offenses, among others, in the process of setting up, financing and operation of Proindicus, Ematum and MAM, which took external loans backed by the State.

Given the complexity of the process, especially because it involves institutions with headquarters abroad, where the main contractual operations were performed, the Attorney General’s Office has requested the Mozambique Government to carry out an audit of all three companies, the statement said. The government agreed with the International Monetary Fund (IMF) to conduct an international independent audit, under the direction of the PGR, to analyse the financing contracts and the funds obtained, the acquisitions and the identification and analysis of possible irregularities in the management and use of the funds.

Kroll is a global risk consultancy based in New York, founded in 1972 by Jules B. Kroll and among various activities, acts in all areas related to the mitigation of business risks. (07-11-2016)

MOROCCO’S APPLICATION FOR READMISSION TO AU SENT TO ALL MEMBERS



Morocco’s request for reinstatement to the African Union (AU) has been distributed on Friday to all members of the pan-African organization, the President of the African Union Commission (AUC), AU chairperson Nkosazana Dlamini-Zuma has announced.

Thus, the president of the AUC informed the Moroccan Foreign Minister, Salaheddine Mezouar "that Morocco's application for membership of the African Union will be distributed on Friday 4 November to all AU members", a statement from the Foreign Ministry says.

The announcement comes three days after a telephone conversation between King Mohammed VI and Chadian President Idriss Deby Itno, President of the AU.

During the telephone conversation, the King asked the Chadian President, in his capacity as Chairman of the 27th Summit of the African Union (AU) "to intervene with Nkosazana Dlamini-Zuma for the dissemination to all State members of the organization, of Morocco's membership application which was presented to him on last 22 September. (APA 05-11-2016)

DE BEERS TARGETS BIG YEAR-END SALES

De Beers expects "reasonable" year-end diamond sales in the US, the single largest market, and has largely worked through the inventory it built up during a difficult year for rough diamond sales last year, says CEO Bruce Cleaver.

De Beers, the largest producer of diamonds by value and second to Russia's Alrosa in volume, had no immediate plans to increase production from its mines in SA, Botswana, Namibia and Canada because of the short-to medium-term outlook for the market as new mines came into production, he said.

Year-end sales in the US, starting the day after Thanksgiving up to Christmas, account for half of all diamond jewellery sales in that country, which makes up nearly half of global diamond demand. De Beers targets the bulk of its annual \$120m advertising spend at this time of year on American consumers.

"The US market has continued to grow quite well in the past few years. Last year we saw about 5% growth and this year we expect roughly that kind of number or slightly less, but a good, positive number," Cleaver said.

"The mood amongst our sightholders (clients) is good and all indications are that we should expect a reasonable Christmas," he said.

Throughout the year, De Beers has been selling its stockpile of unsold rough diamonds. "It's fair to say we are pretty close to working down our excess inventory. This excellent trend of working through this inventory has continued through the year," he said.

So far this year, De Beers has sold \$4.68bn worth of rough diamonds in eight out of 10 sales, with the 11th under way in Gaborone this week.

Diamond analysts said there were increasingly positive signs of recovery in the diamond markets, and Macquarie analysts said they thought the recovery was sustainable.

Diamond prices have increased 7% so far this year — "not a massive win to be sure, but enough to signal a return to positivity in the sector", the analysts said in a report.

"The industry is increasingly relying on solid growth in the US, which has now delivered 11 consecutive quarters of growth.

"On the one hand, we think the US market is stable and strong enough to support global diamond demand, but we do worry about all the eggs being in one basket," they said.

Cleaver said he was satisfied with the performance of the sales, with about 80 clients attending each of the 10 sales in Gaborone, Botswana.

"The industry is in a better place than last year and our customers are in a good space, but I must stress we live in a volatile, real world and I don't see 2017 being a stellar year by any means. Hopefully, next year will be one of continued, steady growth," he said.

"In the longer term, we are very positive, but in the medium term we are cautiously optimistic," he said, referring to the next two to three years of outlook for demand and pricing.

The increased output from new diamond mines, including De Beers' own Gahcho Kue mine, was ramping up production quickly as it tapped into fresh ore, Cleaver said.

"There will be more production next year than this year when there were more sales than production as the industry sold unsold stock," he said.(BD 10-11-2016)

CABO VERDE AND MOZAMBIQUE AMONG THE AFRICAN COUNTRIES MOST FAVOURABLE TO CHINESE INTERESTS



Cabo Verde and Mozambique are among the most favourable African countries to the economic and political interests of China, and especially value investment in infrastructure and business, according to the first survey on the subject in Africa.

The Afrobarometer survey, which reveals a generally positive reception by Africans to Chinese interests, places, in the chapter on the welcoming the economic and political influence of China, Cabo Verde in 5th place with 78% of positive reviews and only 5% negative.

Also in this chapter, Mozambique appears above the average, with 65% of positive reviews and only 9% negative and the third Portuguese-speaking country included in the study, Sao Tome and Principe, the balance of opinion is also highly favourable – 53% positive and 6% negative – although there are no diplomatic relations between the archipelago and China.

"In particular, the investments it makes in the development of infrastructure and business, as well as its low-cost products, contribute to positive perceptions of China," the report said.

"Most (Africans) value the development aid provided by China and see its influence as more rewarding than detrimental to the development prospects of their countries," it said.

Cabo Verde is also among the countries where the influence perceived by its citizens is higher: 78% say it is significant and only 9% reduced.

In Mozambique, 68% of respondents identify significant influence and 11% reduced influence, which results are higher than in Sao Tome and Principe, the last in this ranking, with 17% pointing to a reduced influence and 43% in the opposite direction.

In relation to the main external influences identified, all Portuguese-speaking countries are below average in terms of China's influence.

Among the citizens of these countries, Mozambicans (52%) are those that identify a greater Chinese influence (compared with only 8% of the United States and 5% of the former colonial power, Portugal), followed by Sao Tome (24% China, 17% Portugal) and Cabo Verde (25% Portugal, 27% China and 31% the United States).

Regarding the perception of China and the United States as development models, Mozambicans strongly favour the Chinese model (36% compared to 15% who prefer the US, the Sao Tome population is divided, with a slight preference for the US and Cape Verdeans with a strong preference for the US.

"For Africans, China rivals the United States in influence and popularity as a development model," says the study.

"Despite frequent criticism in the media about Chinese interests in Africa," it says, "Africans see the emergence of China as a positive addition to the economic playing field." (07-11-2016)

MOROCCO'S KING VISIT TO SENEGAL AIMS AT STRENGTHENING RELATION



Moroccan King Mohammed VI's visit on Sunday to Senegal, "is part of strengthening old and privileged cordial friendship and multifaceted cooperation" between Dakar and Rabat, the Senegalese presidency said in a statement.

According to the statement, the opportunity will be taken by President Macky Sall and his host to hold "detailed discussions on issues of common interest", and "the signing of agreements on cooperation for development between the two countries".

Moreover, the Senegalese presidency says that, the Moroccan Sovereign "will also carry out important social activities for the benefit of the Senegalese population".

President Macky Sall said that "Senegal and Morocco relationship is beyond traditional and diplomatic relations, but rather in a perspective of "particular friendship and special love" relationships.

01, to his last visit in May 2015, Mohammed VI has always helped strengthen the Dakar-Rabat axis relation.

"Senegal is delighted to welcome on Sunday 6 November, His Majesty Mohammed VI as part of his African tour and the symbolism of this visit is that during his stay in Dakar, the King will deliver his historic speech for a historical event of the Green March, for the first time outside Moroccan territory", president Sall said in an interview with the Moroccan TV channel 2M.

This unprecedented initiative by the King "is a sign of friendship, a sign of confidence made to the Senegalese people", the Senegalese head of state added before extensively insisting upon the symbolism attached to the choice of Senegal by the sovereign to speak to his people.

Anticipating the scope of the speech, President Salla said: "Certainly, it is also a speech that will be listened to and heard. Anyway, this is my wish. I hope it will be so".

Pending the royal address, President Sall went on to speak about Mohammed VI's friendship to Senegal.

"Comments are not naturally sufficient to justify and explain why during his reign, he is in his 9th trip to Senegal and, I remember his last trip, a year and half ago, the king stayed nine days in Senegal" he rejoiced, pointing out that the fact of seeing the sovereign traveling the "savannas, forests, cities and country sides" of the continent means that he "has a vision of what should be Africa of tomorrow. He has ambitions for the continent".

As the result of the last visit by Mohamed VI to Senegal, in May 2015, Dakar and Rabat signed thirteen agreements including on industry, animal health, tourism and environment.

These agreements include a Memorandum of Understanding to strengthen the economic partnership and foster emergence of actors. Its operationalization resulted in the establishment of a group of economic momentum between Senegal and Morocco.

This broad-based cooperation that Morocco and Senegal have been enjoying since the establishment of diplomatic ties on 15 November 1960 is based on a strong religious foundation, through the Tijania Zawia.

The Dakar Grand Mosque built by Morocco in 1964 and inaugurated in the presence of King Hassan II,

is the best illustration of this faith based friendship. (APA 06-11-2016)

WORLD'S FIRST FOREST BOND BEATS EXPECTATIONS

LONDON, A green investment that for the first time channels private money into protecting forests has raised twice as much planned, its issuers said on Tuesday.

A branch of the World Bank and miner BHP Billiton are backing the bond, which is also a first in allowing investors to opt to be paid in carbon credits rather than cash.

Three years in the making, the forest bond has raised \$152 million from institutional investors, such as pension funds, to combat deforestation, seen as crucial to meeting a U.N. goal to keep global warming below 2 degrees Celsius.

Christian Grossmann, director of the climate change department at the World Bank's International Financial Corporation (IFC), said the aim was to be "a catalyser and have a demonstration effect" to inspire other issuers.

The IFC said the bond, issued on Oct. 31, had been intended to be half the size, but was increased because of demand.

It coincides with a two-week meeting of U.N. delegates that began in Morocco on Monday on implementing last year's Paris Agreement on climate change, which seeks to phase out greenhouse gas emissions this century.

Forestry is one of the issues that has proved a sticking point in previous negotiations and carbon credits, meant to be used for planting trees or reducing emissions in other ways, did not translate into action.

The IFC says its five-year bond followed extensive checks to ensure the money tackles a problem that is wiping out an area of forest the size of Costa Rica each year and accounts for 20 percent of greenhouse gases.

The bill to tackle deforestation amounts to many billions, but so far the green bond market - which Moody's Investor Service has said could reach \$75 billion this year - has focused on energy saving and renewable projects, such as wind and solar.

"The most important aspect of this landmark transaction is that it shows how institutional investors in the debt capital markets could be an important source of (forestry) finance," Abyd Karmali, Climate Finance Executive, BofA Merrill Lynch, said.

The credits paid to investors will be for the Kasigau Corridor U.N. project to protect 200,000 hectares (500,000 acres) of dryland forest in southeastern Kenya, which is under threat from slash and burn agriculture.

Those who opt to receive credits - or permits to emit one tonne of greenhouse gas - can either use them to cover emissions or sell them on the carbon credits market.

Among mining companies, BHP has sought to be a leader in addressing climate risk.

For the new bond, it has provided a price support mechanism, meaning it could be called upon for a maximum of \$12 million if investors chose the cash coupon rather than the carbon coupon. (Additional reporting by Susanna Twidale Editing by Ruth Pitchford) (BD 07-11-2016)

BOTSWANA EXPLORES CHINESE BEEF MARKET

The Botswana Meat Commission (BMC) has said it is making concrete steps to reach niche markets such as China to sell its beef products.

Speaking during a tour of the BMC abattoir in Lobatse town, 78 kilometres from the capital Gaborone on Monday, the commission's Chief Executive Officer, Dr. Akolang Tombale advised farmers to up their game by meeting the required standards for such an ambitious drive to be realized.

He said to this end the BMC have already attracted the interest of Israelis and Russians who are in

Botswana to inspect their facilities with a view to assessing whether they could meet required standards, which could result in meat exports to their markets.

As for the so-called red zones, where recent outbreaks of a Foot and Mouth Disease (FMD) were reported, Tombale said they are also working around the clock to secure markets for them in countries such as Mozambique, Zimbabwe, and Angola.

He said they have sent a container to the Middle East for inspection and are awaiting a response.

Meanwhile, Tombale said the deal to send a container to Albania flopped due to an FMD outbreak.

He encouraged farmers in the red zone to join hands with other relevant stakeholders to control FMD so that their meat can also be sold to more markets to make profits to sustain their abattoirs. (APA 07-11-2016)

SIERRA LEONE: ENVIRONMENTAL AGENCY REFUTES ALLEGED MISUSE OF FUND

The National Environmental Agency of Sierra Leone (EPA-SL) has vehemently denied receiving money for projects it allegedly failed to implement.

The EPA SL, which is officially responsible for protecting the environment, in statement on Monday damned a report by one of the country's local dailies, which alleged that it received some US\$200m from the Global Environment Facility (GEF) for projects it did not implement.

The GEF is an instrument of the global environmental efforts against climate change and other environmental issues. It came into being on the eve of the Rio Earth Summit in the early 1990s with the overall goal of tackling the planet's major environmental issues.

EPA Sierra Leone said it was not in existence when the GEF came into being in 1992 and that it couldn't have received any such money. The agency first came on the spotlight over the issue at a parliamentary hearing where it was raised by the Majority Leader in the House, Ibrahim Bundu.

EPA said the publication last week was a misrepresentation of the MPs comments and that it accused the author of being "mischievous and disingenuous.

The article is nothing but sensational diatribe, aimed at tarnishing the hard earned reputation of the Environmental Protection Agency, it said, hinting at the possibility to institute legal action over the report.(APA 07-11-2016)

SIERRA LEONE RECORDS INFLATION RATE OF 10.85% IN SEPTEMBER

Inflation in Sierra Leone went up by 1.01 percent in September, recording double digits for the first time in months, APA has learnt here on Monday.

According to Statistics Sierra Leone, the agency responsible for providing statistical data in the country, the inflation rate in September was 10.85 percent, up from 9.96 percent in August.

The agency noted that like in previous months, the increase in price level was mainly due to the increase in the prices of educational materials across the country as schools and colleges reopened as well as the continued depreciation of the local currency, the Leone, against foreign currencies, particularly the US dollar.

As of Monday, the exchange rate between the leone and dollar is Le7, 400. This is said to have seriously impacted on the prices of food and non-food items like exercise books and pens.

Samuel Turay, head of price and labour statistics at Statistics Sierra Leone, was quoted by the Freetown-based Awoko newspaper as saying that the agency and the International Monetary Fund had come to a final conclusion for the country to have a single Consumer Price Index starting from September. (APA 07-11-2016)

CAMEROON: 59% OF AfDB PROJECTS DEEMED SATISFACTORY

Fifty-nine percent of the projects funded by the African Development Bank (AfDB) in Cameroon are conducted satisfactorily, a mission of the financial institution visiting in the country told APA on Monday.

However, given the delays observed in the disbursements made by the state of Cameroon, the two sides agreed to reactivate the "Performance Improvement Plan of the AfDB portfolio in Cameroon" established in 2013.

According to sources, the AfDB investment portfolio in Cameroon is currently estimated at about 440 billion CFA francs.

This includes all the financing made available by the continental financial institution for the implementation of 19 projects including five in collaboration with the private sector.

These projects cover several sectors including energy, for example the construction of the Lom Pangar dam, roads like the tarring of the Bamenda-Enugu road linking Cameroon with Nigeria, water supply, sanitation or telecommunications. (APA 07-11-2016)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa Business Council, SwissCham-Africa and other organisations.

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



www.acp.int



www.aheadglobal.hu



www.bcafrica.co.uk



www.camaratenerife.com



www.elo-online.org

www.ccafrica.ca



www.helafrican-chamber.gr

www.corporatecouncilonafrika.com



www.htcc.org.hu



www.norwegianafrican.no



www.nabc.nl



www.swisscham-africa.ch

Fernando Matos Rosa

fernando.matos.rosa@sapo.pt

fernando.matos.rosa@skynet.be