MEMORANDUM

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SUMMARY

AFRICA HAS MIXED REACTION TO GERMANY'S 'MARSHALL PLAN' PROPOSAL

German Development Minister Gerd Müller [C] backs the plan, but it has faced criticism that maintains that it is only a way for Germany to externally control migration.

Germany's planned 'Marshall Plan' for Africa has been greeted with both optimism and scepticism, with its supporters hailing it as a cure for Africa's age old development problems and its critics questioning Germany's true intentions.

The original Marshall Plan was initiated by the Unite States and was meant to jumpstart European economies following the end of World War Two at a cost of $100 billion. The plan, implemented within four years, chaperoned the fastest period of economic growth in European history that saw industrial production jump to 35%.

Germany now wants to transfer a similar plan to Africa, with a view to creating a conducive environment and opportunities for the African youth in particular, by making them stay and find meaningful employment at home rather than looking for work in Europe.

It is seen as a stab at containing the unprecedented inflow of migrants to Germany, following its open door policy for refugees.

According to the International Organisation for Migration, IOM, close to 160,000 Africans have crossed the Mediterranean so far this year and 4,220 have died while trying.

Germany wants to put a stop to this with its proposal. According to Development Minister Gerd Müller, who called on developed countries to back the plan, the time is right to introduce a different model in Africa away from development aid, if nations of the world were to tame the migration crisis, which he said would see millions of Africans making their way to Europe.

The key areas of focus for the plan include education, youth, strengthening of the economies and the rule of law.

Critics of the plan have poured cold water on the idea, arguing that it is a classic example of comparing apples and oranges.

Jacob Kahenya, a political scientist in Kenya, argues that the plan misses the point by comparing the African situation now to what happened in Eastern Europe after the Second World War.

"Situations and circumstances between the Marshall Plan of 1948 and what Germany is trying to introduce now are completely different. 21st century Africa requires serious and multi-faceted approaches in addressing the problems bedevilling it, part of which include some serious home grown solutions. This plan would be an outright flop," Kahenya insisted.

Dr Naseeb Mapunda, a diplomatic expert based in Tanzania, agreed, arguing that Germany is acting in its own interests to bring immigration under control and warned that Berlin would dictate what it sees as priority areas in spending, which might not be in tandem with Africa's.

"We have to admit that Germany is acting on its own interest. Would Germany have rolled out such grand plans if it wasn't grappling with the migrant crisis? While a plan of this nature is meant to spur a country or region's economic growth through targeting all sectors of the economy, chances are Germany will dictate where the support will go, and definitely this will be towards areas that will curtail movement of people out of Africa, this however might not be African governments priorities, which will defeat the spirit of the plan," Dr Mapunda warned.

Kahenya added that each African nation has its own problems and its priority areas, and that the plan risks running into headwinds if it generalises the continent's varied problems.

"Priorities are different across many African countries, as are problems. You just don't decide that one solution will address the problems facing the 54 African nations. Each problem requires its own plan and this is where the Marshall plan fails. Then there is the problem of how the resources will be distributed, going by tradition, misappropriation in Africa calls for a well thought out and different mode of execution to stem pilferage," the political scientist said.

But supports of the plan said that it is exactly what Africa has been waiting for and that its focus on job creation would not only empower young Africans but become a precursor to addressing other crucial economic activities, including increased and balanced trade and improving relations with Europe.

"It is a very unique and different model that changes the way of doing business, from making Africans mere receivers to being partners with a view to empowering them and giving them a chance to increase their participation in international trade," said Nairobi-based economist Mathias Okwemo.

He added that it is also about "being at the forefront of transforming their continent. Targeting the youth to become self-reliant entrepreneurs is perhaps the most ingenious aspect of the plan."

With the plan now set to redefine Africa-Germany relations from one of just development aid to one of homegrown economic empowerment, the jury is still out on if Africans will warm up to the idea.(EurActiv 07-12-2016)

EU PLEDGES $20M BUDGET SUPPORT FOR NIGERIA'S NORTHEAST, NIGER DELTA REGIONS

The European Union (EU) has pledged $20 million to support the Nigerian Government to rebuild mainly markets and warehouses in the North-East and Niger Delta regions.

The EU Ambassador to Nigeria, Mr. Michael Arrion, who gave the pledge during a visit to the Minister of Finance, Mrs. Kemi Adeosun on Tuesday in Abuja, said the funds would be offered to the two regions in form of budget support.

Some time ago, we talked about budget support, but we will be able to do that only at the state level, using a special instrument meant for countries emerging from war.

We can look at States in the North East and the Niger-Delta and look at specific projects in terms of financial support to their budgets, he said.

He said the quest to invest in Africa was largely informed by the need to discourage migration to Europe, pointing out that several thousands of Nigerian citizens have continued to migrate to Europe.

We have specific objective for creating this instrument and it is to address the root cause of migration. We are presenting this initiative within the framework of the global response to irregular migration.

Today we have a few thousand Nigerians in Europe, and we feel we have the responsibility of attracting them to come back to Nigeria.

According to him, by investing in Africa, jobs will be created and that grants will be mixed with loans and that grants will have a leveraged effect.

Arrion said that the EU had in the last two years invested over 300 billion Euros in Africa.

Responding, Adeosun said all the financial analysis needed to facilitate support to the states had been put in place.

She highlighted the Fiscal Sustainability Plan which was a 21-point fiscal reform programme that enhanced transparency, accountability and efficiency.

According to her, the funding arrangement will help in healing the wounds caused by the activities of insurgents in the North East.

She said it would also give hope to the Niger Delta people, who have been impacted by pipeline bombings and the attendant environmental problems in the area. (APA 07-12-2016)

EU WON'T NEGOTIATE WITH NIGERIA ON ECONOMIC PARTNERSHIP AGREEMENT

The Head of Delegation to the European Union, Mr. Michel Arrion, says the EU is not negotiating with Nigeria on the Economic Partnership Agreement (EPA).
Nigeria has refused to sign the EPA agreement, which has already been signed by the Economic Community of West African States (ECOWAS).

A local newspaper, The Leadership said that Arrion told the members of the Abuja Council of the Nigeria Union of Journalists (NUJ) during a seminar in Abuja on Wednesday that the EU has an agreement with ECOWAS and the EPA is an economic partnership between the ECOWAS and EU.

According to him, while ECOWAS has signed on behalf of its 50 member states Nigeria does not want to sign the EPA.

So it is primarily a problem between ECOWAS and Nigeria, we are not negotiating with Nigeria we have closed the negotiations with ECOWAS. So if there is an issue in Nigeria over the EPA, they should try to sort this issues with the ECOWAS, he said.

Mr Arrion said he found it strange that Nigeria refused to sign the EPA in spite of its many benefits.

I find it a bit strange that the strongest country with the most concern about what would become probably the most key economic agreement between Nigeria and the EU and very much regret that some who are contributing to the decisions of the EPA do not understand all the advantages that EPA would bring to Nigeria, he said.

It will be recalled that all ECOWAS Heads of States committed to sign the EPA at its Summit of July, 2014 in Ghana and that as at December 2014, only the 28 EU member states and 13 of the 16 West African States actually signed, excluding Nigeria, Gambia and Mauritania.(APA 01-12-2016)

AVIATION SAFETY: COMMISSION UPDATED THE EU AIR SAFETY LIST

Today the European Commission updated the EU Air Safety List, the list of airlines that do not meet international safety standards, and are therefore subject to an operating ban or operational restrictions within the European Union.
All air carriers from Kazakhstan were removed from the list, while Iran Aseman Airlines was added.
Today the European Commission updated the EU Air Safety List, the list of airlines that do not meet international safety standards, and are therefore subject to an operating ban or operational restrictions within the European Union. The EU Air Safety List seeks to ensure the highest level of air safety for European citizens, which is a top priority of the Aviation Strategy adopted in December 2015.
Following today's update, all airlines certified in Kazakhstan are cleared from the list, following further improvements to the aviation safety situation in that country. On the other hand, Iran Aseman Airlines was added to the list due to unaddressed deficiencies.
Commissioner for Transport Violeta **Bulc** said: *"The EU Air Safety list is one of our main instruments to continuously offer the highest level of air safety to Europeans. I am particularly glad that after years of work and European technical assistance, we are today able to clear all Kazakh air carriers. This also is a positive signal for all the countries that remain on the list. It shows that work and cooperation pay off. The Commission and the European Aviation Safety Agency are ready to assist."*
The EU Air Safety List not only helps to maintain high levels of safety in the EU, but it also helps affected countries to improve their levels of safety, in order for them to eventually be taken off the list. In addition, the EU Air Safety List has become a major preventive tool, as it motivates countries with safety problems to act upon them before a ban under the EU Air Safety List would become necessary.
Following today's update, a total of **193 airlines** are banned from EU skies:

- 190 airlines certified in 18 states[1], due to a lack of safety oversight by the aviation authorities from these states.
- Three individual airlines, based on safety concerns: Iran Aseman Airlines (Iran), Iraqi Airways (Iraq) and Blue Wing Airlines (Suriname).

An additional six airlines are subject to operational restrictions and can only fly to the EU with specific aircraft types: Afrijet and Nouvelle Air Affaires SN2AG (Gabon), Air Koryo (Democratic People's Republic of Korea), Air Service Comores (the Comoros), Iran Air (Iran) and TAAG Angola Airlines (Angola).

Background information

Today's update of the Air Safety List is based on the unanimous opinion of the safety experts from the Member States who met from 22 to 24 November within the EU Air Safety Committee (ASC). This Committee is chaired by the European Commission with the support of the European Aviation Safety Agency (EASA). Assessment is made against international safety standards, and notably the standards promulgated by the International Civil Aviation Organisation (ICAO).

As part of the Aviation Strategy presented in December 2015, the Commission announced its intention to evaluate Regulation (EC) No 2111/2005 which establishes the Air Safety List. This evaluation will assess the most efficient ways to further improve the protection of passengers against unsafe air carriers.

One such way is to work with aviation authorities worldwide to raise global safety standards. With the support of the European Commission, EASA is therefore implementing technical cooperation projects with partner countries and regions. One example is the Eastern Partnership/Central Asia Project. Through this project, EASA works with Eastern European and Central Asian states to ensure their effective participation in the pan-European civil aviation system and supports the civil aviation authorities in fulfilling their international obligations in terms of air safety and security. More information on technical cooperation projects is available here. (EC 08-12-2016)

List of airlines banned within the EU

Importance of aviation for the European economy

EASA Technical Cooperation Projects

[1]Afghanistan, Angola (with the exception of one airline which operates under restrictions and conditions), Benin, Republic of the Congo, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Gabon (with the exception of 2 airlines which operate under restrictions and conditions), Indonesia (with the exception of 7 airlines), the Kyrgyz Republic, Liberia, Libya, Mozambique, Nepal, São Tomé and Príncipe, Sierra Leone and Sudan.

UGANDA TO RESUSCITATE ITS NATIONAL CARRIER

The Ugandan authorities have set August 2017 to resume flights of the defunct Uganda Airlines, according to the State Minister for Transport Aggrey Bagiire.

Bagiire told Ugandan legislators Thursday that a committee comprising technocrats from the Works, Justice and Finance ministries and the Uganda Development Corporation, the Uganda Investment Authority (UIA) and the National Planning Authority (NPA), is currently working out modalities for the airline to kick off.

About 70 million US dollars have been set aside as the initial capital for the project, which will also see the government get two airplanes, as it also sources for investors to lease them from.

The minister says by October 2017, Ugandans will be able to see the first airplane up in the skies.

Rama Makuza, the Executive Director of the Uganda Civil Aviation Authority (CAA), says an experienced team will be appointed to run the airline and facilitate recruitment of staff.

In June this year, President Yoweri Museveni announced that the government will kick start plans to revive the airline, established in May 1976 during the late Idi Amin's reign. In his justification, the President said a national airline would help the country save 420 million dollars annually spent on air travel.
Uganda Airlines was liquidated in 2001 due to debts amounting to about
5.8 million US dollars.(APA 01-12-2016)

MOZAMBIQUE APPROVES LAW REQUIRING WOOD TO BE PROCESSED IN THE COUNTRY

Mozambique's Parliament on Thursday approved a law prohibiting the export of timber logs and establishing a value added tax, which varies depending on the level of processing carried out in the country, state news agency AIM reported.

One of the articles in the law specifies that the processed wood can be categorised as boards, planks, beams and floor tiles and the value added tax will be 15% for boards and 3% for floors.

The Mozambican government plans with the approval of this law in the National Assembly to create jobs for nationals, increase tax revenues from timber exports, promote the domestic wood processing industry and contribute to the sustainable management of forest resources in the country.

Members also approved the law for the protection, conservation and sustainable use of biological diversity, an instrument that obliges public or private entities that explores forest resources to contribute financially to the development of the area where they operate. (02-12-2016)

CITROËN IS LEAVING SOUTH AFRICA

After years of speculation, Citroen is leaving SA.

Peugeot Citroen SA MD Francis Harnie confirmed that the famous chevron-wearing marque will no longer be available in the country.

"Although we will concentrate on the Peugeot brand, both Citroen and DS customers will be looked after," Harnie said.

"Each dealership will retail Peugeot models, but will all offer the entire after-sales service to customers of all three brands. Citroen parts will be handled as Peugeot parts in the future."

The decision comes as no surprise. This year, Citroen has sold just 440 vehicles in the country and had already said it will not bring its vital new C3 model to our shores.

Its withdrawal comes at a time when the brand is actually enjoying a resurgence elsewhere in the world.

Citroen is the most recent brand to leave the country, after the departure of Daihatsu, Dodge and Chrysler.

Director at the National Association of Automobile Manufacturers of South Africa (Naamsa) Nico Vermeulen said that it was sad to see Citroen go because it was a great brand, with great technology. The auto maker's departure from SA was a result of very difficult trading environment domestically, he said.

The automotive industry in SA has taken strain this year. The latest figures from the Department of Trade and Industry show that new vehicle sales declined again in September, down 14.3% to 47,399 units compared to September 2015.

Vermeulen said that all importers in the country were exposed to very difficult trading environment and Citroën was not a unique case.

Economist Jeffrey Dinham from Econometrix said that the direct impact of Citroën closing shop was negligible, given that car maker was a relatively small importer into South Africa.

The larger impact was indirect, on business and consumer confidence.

"Citroen, Peugeot South Africa, pulling out the country will worry consumer and business purchasers who will turn to more established brands that can ensure a presence in the country throughout the life of their vehicles, for maintenance, parts and of course resale values. This will impact smaller players in the industry, but benefit the larger car makers," he said.

According to the latest Naamsa report, Peugeot Citroen sold 75 vehicles within South Africa in November, placing them 24th out of roughly 32 manufacturers in SA.

In comparison, market leader Toyota sold over 10,000 vehicles locally and exported over 4,000 in November.(BD 08-12-2016)

NATIONAL BANK OF ANGOLA KEEPS KEY INTEREST RATE AT 16%

The Monetary Policy Committee of the National Bank of Angola (BNA) decided to keep key interest rates in the country, such as the BNA rate, which remained at 16%, the Angolan central bank said on Wednesday in Luanda.

The marginal lending facility interest rate was kept at 20.00% and the facility seven-day liquidity absorption rate at 7.25%, according to the decisions from the 28 November meeting of that committee.

On analysing the economic situation in Angola, the Monetary Policy Committee noted there had been a slowdown in inflation in October, which happened for the third consecutive month.

Even taking into account this slowdown, the inflation rate measured by the average of the indices of the last 12 months over the preceding 12 months in October reached 40.04%.

In October, the commercial banks bought foreign exchange worth US$1.268 billion, of which US$1.092 billion from the BNA and the remainder from its customers, down by 9.24% on the previous month.

This month, the average exchange rate of the kwanza against the dollar stood at 165.90 kwanzas, remaining relatively stable. (01-12-2016)

TWINNING PROJECT LAUNCHED TO HELP TUNISIA STRENGTHEN ITS CIVIL AVIATION

A new twinning project between Tunisia and France in the area of civil aviation was launched yesterday in Tunis. The twinning, funded by the EU with a budget of EUR 1.2 million, seeks to modernise and strengthen the Tunisia civil aviation.

This twinning will contribute to the restructuring of the civil aviation administration in Tunisia, the establishment of a governance in line with international practices, strengthening the safety and security of civil aviation, and improving the efficiency and performance of all sectors related to the aviation sector.

Some 20 French experts will be mobilised to provide Tunisian managers and technicians with the necessary know-how to strengthen and perfect their knowledge, ensure the convergence and approximation of regulatory texts with international requirements, ensure a high level of aviation safety and civil aviation security in accordance with international standards and to redefine together a new air transport organisation and strategy able to face the future challenges of a rapidly changing sector. (EEAS 23-11-2016)

CHINESE BANK FUND CONSTRUCTION OF DAM IN ANGOLA

The Industrial and Commercial Bank of China (ICBC) has granted a loan of US$4.5 billion to Angola to finance the construction of the Caculo Cabaça hydroelectric dam, under a contract signed on Wednesday in Beijing, the Angolan press reported.

Finance Minister Archer Mangueira, who signed the loan contract on behalf of Angola, said the dam's construction project is considered to be structural and is included in the public investment programme. It is expected to allow exports fo electricity produced on the Kwanza River to Namibia or South Africa.

Mangueira is visiting China, having already met with the Deputy Minister of Commerce Wang Shouwen, with whom he discussed issues of a bilateral nature and the need to speed up the approval process of projects included in Angola's development plan that has a credit line from China.

Angolan news agency Angop reported that the concern expressed by the minister was overcome at a meeting with ICBC officials who pledged their total support in the approval process of projects that are part of that development plan.

The Caculo Cabaça hydroelectric dam, located in the Middle Kwanza, will, when completed, have a production capacity of 2,171 megawatts of electricity, which will help achieve the target set by the government to reach 2025 with an installed capacity of 9,000 megawatts.

The project was awarded by the government of Angola to a consortium made up of the China Gezhouba Group Corporation (CGGC) and Niara Holding. (01-12-2016)

EU, UFM AND KEY ACTORS DISCUSS ROLE OF CLIMATE ACTION IN SUSTAINABLE DEVELOPMENT AND STABILITY OF THE MEDITERRANEAN REGION

High-level personalities including the EU Commissioner for Climate Action and Energy, Miguel Arias Cañete, the Minister of Environment of Jordan, Yaseen Al-Khayyat, and the Secretary General of the

Union for the Mediterranean, Fathallah Sijilmassi, discussed yesterday at the COP22 in Marrakech, the benefits that low carbon development could bring for the stability of the Mediterranean region.

The event saw the presentation of the UfM publication "Key players' perspective on Climate Change in the Mediterranean", a unique compilation of views from the key Mediterranean actors currently involved in the field of climate action, including Ségolène Royal, President of the 21st Conference of Parties to the UNFCCC, Hakima El Haite, Moroccan Minister of the Environment, Miguel Arias Cañete, EU Commissioner for Climate Action and Energy, and Fathallah Sijilmassi, UfM Secretary General.

"Climate action is a great opportunity to achieve sustainable and inclusive development models in the Mediterranean. It is essential to seize this opportunity to leverage investment, foster technology transfer, create job opportunities for our youth, promote the role of women and develop low carbon production and consumption patterns that contribute to greater integration, sustainable development and stability in our region," said UfM Secretary General Fathallah Sijilmassi.(UfM 18-11-2016)

UFM Climate Change Expert Group (UFMCCEG)

CAMEROON ALLOTS CFA462 BILLION TO PUBLIC WORKS

The envelope allotted to the public works sector in Cameroon in 2017, especially construction and maintenance of the national road network, amounts to CFA461.904 billion.
This is in accordance with the Finance Act voted by Cameroon's National Assembly.

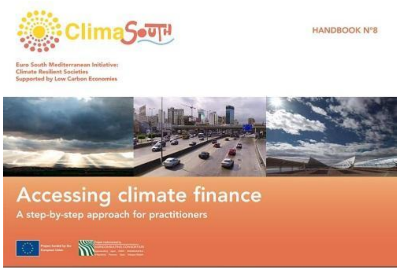
This allocation, which has increased by nearly CFA60 billion compared with last year's budget, aims to upgrade physical infrastructures throughout Cameroon.

Of these CFA461.904 billion, the public investment budget stands at CFA398.032 billion, including CFA100 billion for the 2015/2017 Triennial Contingency Plan (PLANUT).

The operating budget, for its part, amounts to CFA63.872 billion.

For the next two years, Cameroon, with support from its donors, plans to asphalt 1000 km of roads, which will open up large agricultural areas of the country. (APA 06-12-2016)

ACCESSING CLIMATE FINANCE: CLIMA SOUTH PUBLISHES HANDBOOK PROVIDING STEP BY STEP APPROACH FOR PRACTITIONERS



The EU-funded Clima South project has published a new handbook providing a step-by-step approach for practitioners to access climate finance. The handbook was produced by the Clima South project in collaboration with the EU-funded Facility for Regional Policy Dialogue on Integrated Maritime Policy and Climate Change (FacIMP/BE CC).

The handbook was conceived as a toolbox for key government and other stakeholder. The tools provided focus on the preparation and assessment of project applications. The handbook is seen as a living document, to be regularly updated based on experiences and lessons learned through its use.

The Clima South series of e-handbooks are produced to enhance climate change strategic planning, and tailored to the needs of the South Mediterranean region.

The **Clima South project** seeks to enhance regional cooperation between the EU and its southern Mediterranean neighbours and among the partner countries themselves (South–South) on climate change mitigation and adaptation, mainly through capacity development and information sharing. The overarching goal is to support the transition of ENP South countries towards low carbon development and climate resilience. (Clima South 01-12-2016)

Handbook on accessing climate finance

MOZAMBICAN PARLIAMENT APPROVES NEW CUSTOMS TARIFFS

The new Customs Tariff of Mozambique was approved on Wednesday at the country’s National Assembly and is intended to provide incentives to various sectors of the economy, including agriculture and livestock, said the Minister for the Economy and Finance.
Minister Adriano Maleiane gave the agricultural sector as an example, which will have a new tariff of zero on imports of irrigation systems, accessories, including pipes, joints, bends, flanges and fittings, as well as on cattle identification ear tags.
The exemption also extends to imports of pure-bred breeding cattle, seed, fertilizers and certain farm equipment and all types of wheelchairs, orthopaedic or fracture devices, prosthetics and other medical equipment.
Maleiane, quoted by Mozambican news agency AIM, also said the new tariff list is also intended to adapt practices to the requirements of international trade.
The sixth edition of the Harmonised Commodity Description and Coding System, an instrument of the World Customs Organisation (WCO), of which Mozambique is a member, should come into force in the country by 1 January, 2017.
This government proposal is expected to have a budgetary impact of around 896 million meticais (about US$12 million). (01-12-2016)

CHINA SAYS TOTAL OVERSEAS DEVELOPMENT AID TOPS $58 BLN

China has given around 400 billion yuan ($58.01 billion) in development aid to 166 countries and international organisations over the past six decades, the government said on Thursday, less than the European Union and its members gave for just last year.
China only began offering details of its foreign aid, which has attracted attention for China's support of governments with poor human rights records and lack of transparency, in 2011, when it gave a figure of $41 billion over six decades.
In the early days following the Communist revolution in 1949, China's limited aid was focused on helping fraternal socialist states in places like Africa, but Chinese programmes are increasingly global as Beijing's wealth and influence grow.

The white paper issued by the State Council, or cabinet, gave no breakdown for the 400 billion yuan and no details of which countries got help.

While the number pales in comparison with foreign aid from the European Union and its member states, some 68 billion euros ($72.09 billion) for 2015, China frequently says its aid has no political strings attached, unlike many Western countries.

The policy document, carried by the official Xinhua news agency, said the world's second largest economy had trained more than 12 million people from developing countries, and sent more than 600,000 people to work on development schemes overseas.

Of those sent abroad, 700 "gave their lives in the course of these programmes", it said, again without giving details.

Going forward, China will raise its investment in the least developing countries, write off some countries' debts and establish an "International Development Knowledge Centre", the white paper said.

In the next five years, China will roll out six "One Hundred Programmes" targeting developing countries, with 100 poverty reduction schemes, 100 agricultural cooperation programmes, 100 trade aid programmes and 100 hospitals and clinics, among others, the government said.

More than 100,000 training opportunities in China and 150,000 scholarships would be made available to developing countries, and 500,000 vocational technical personnel would be trained for developing countries, the white paper said.

Some in Africa say many Chinese projects benefit local people little, with materials and even labour imported directly from China. Dam schemes have proved divisive too.

China's close links with oil-rich African states, including Angola, have fuelled criticism as well that Beijing only cultivates relations to secure access to energy and raw materials to power its surging economy.

China strongly denies this. ($1 = 6.9 yuan) (Reuters 01-12-2016)

IMF PROJECTS CABO VERDE'S ECONOMY TO GROW 3.2% IN 2016

The economy of Cabo Verde (Cape Verde) is expected to see real growth of 3.2% this year, supported by foreign direct investment, domestic demand, agriculture and tourism, as well as a slight recovery in Europe, said the International Monetary Fund (IMF) in a report released on Wednesday in Washington.

The growth forecast in 2016 is contained in the final report of the technical mission that visited Cabo Verde in October in which it forecasts that the archipelago will grow 3.7% in 2017 and 4.1% in the years 2018, 2019 and 2010.

The report notes the beginning of the recovery of consumer and investor confidence, expects inflation will remain stable and points out that in 2015 economic growth was only 1.5%, four tenths of a percentage point lower than the rate of 1.9 % recorded in 2014.

In the first half of 2016, tourism growth remained robust and foreign direct investment accelerated, reflecting a large increase in planned projects, according to the report.

The report notes a decrease in the budget deficit to 4.1% of GDP in 2015, about 3.4 percentage points lower than a year earlier, mainly because of better revenue performance.

Total financial requirements (including loans to public enterprises) decreased by 2.3 percentage points to 8.3% of GDP due to a reduced investment programmes intended to slow the accumulation of public debt.

"Total public debt reached an estimated 125.8% of GDP at the end of 2015, reflecting an increase in public investment with external financing since 2008, along with slow growth, falling prices and the recent appreciation of the US dollar," said the IMF. (01-12-2016)

PLAN TO ALIGN UK AID WITH TRADE POLICY COULD SIDELINE POOR COUNTRIES

UK aid will be more closely allied with trade policy after the British government signalled a new approach to development assistance that may risk sidelining poorer countries.

Two long-awaited reviews published on Thursday promised to change the focus of British aid, with the government pledging to do more in fragile and conflict-riven states and to expand work across the “arc of instability” that bends from north Africa to the Middle East.

MPs on the parliamentary watchdog tasked with scrutinising the use of British aid noted “a more overt link between the UK’s aid and trade policies” through a £1.3bn “prosperity fund”. They said this could lead to more development assistance being directed to middle-income countries, such as Mexico, India and China. (01-12-2016)

ANGOLAN OIL COMPANY SONANGOL NEEDS US$1.569 BILLION TO GUARANTEE PAYMENTS UNTIL THE END OF THE YEAR

Angolan state oil company Sonangol needs to undergo financial restructuring and US$1.569 billion to guarantee payments until the end of this year, said on Thursday in Luanda the chairman of the Board of Directors, Isabel dos Santos.

Dos Santos also said that revenues from Sonangol have been falling since 2013 “without operating costs falling in line with this drop, “she estimates gross revenues of US$15.325 billion and that this year the company will not pay dividends to the State.

“Sonangol’s gross revenue in 2013 was US$40.070 billion, in 2014 was US$24.657 billion, in 2015 it was US$16.212 billion and this year, 2016, we estimate gross revenues of US$15.325 billion,” according to a statement issued by the company.

The statement added that “at the same time the company’s operating costs have not fallen as much as the drop in revenue, estimated at US$11.957 billion in 2016, a decrease compared to US$14.443 billion in 2015.”

Isabel dos Santos was appointed to chair Sonangol last June and on Thursday revealed that the valuation carried out since then, for “full knowledge of the initial situation,” detected “inconsistencies between the accounts and the real information of the company” and “a lack of control over various investments.”

The Chair of the Board of Directors even said that the situation, “is much more serious than scenario originally outlined,” forcing “management decisions as a matter of urgency.”

The financial debt of the group for 2016 is estimated at US$9.851 billion, there is currently “a need to take on new financing” based on financial commitments “yet to be funded,” so that Sonangol “can make payments until the end of the year, “a need that totals US$1.569 billion.”

The management of Sonangol was led from 2012 until the appointment, in June 2016, of Isabel dos Santos, by Francisco de Lemos Jose Maria, who in turn succeeded Manuel Vicente, who was then became vice president of Angola.

Isabel dos Santos also said an “oversizing of the structure” of the group had been detected, with about 22,000 people linked to Sonangol, 8,000 active workers, more than 1,100 non-active workers and more than 8,000 workers from temporary employment agencies.

The statement said that the investment portfolio is currently characterized by problematic projects such as the Lobito Refinery and the Barra Ocean Terminal and large investments with no return, outside of Sonangol’s core business, namely investments in areas such as health, hospitality, real estate and renewable energy. (02-12-2016)

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Fernando Matos Rosa

fernando.matos.rosa@sapo.pt
fernando.matos.rosa@skynet.be