

# MEMORANDUM

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## SUMMARY

Standard & Poor's lowers Angola's sovereign credit rating	Page 2
Ethiopia secures over \$531m for drought mitigation activities	Page 2
EU launches new European Medical Corps to respond faster to emergencies	Page 2
Chinese company announces date for delivery of motorway in Angola	Page 3
Ethiopian delegation discusses banking relations with Sudan	Page 4
Fearful tourists seek safer global destinations	Page 4
Egypt discusses project funding with African Development Bank	Page 5
Turkey injecting new blood in her Africa policy	Page 5
Rwanda: Turkish company to invest \$400m in peat power plant	Page 7
Nigeria to commence export of rice by 2019	Page 8
Nigerian power generation down by over 840mw	Page 9
Daimler unit to expand from South African base	Page 9
Burkina puts 30.7bn CFA in food insecurity, malnutrition fight	Page 10
ITC official stresses need to develop Liberia's tourism sector	Page 10
Sasol seeks to fuel performance in Africa	Page 11
Timor-Leste supports Guinea-Bissau with a donation of US\$250,000	Page 11
Ethio-Kenya joint committee discusses border issue	Page 12
IMF recommends Sao Tome and Principe to improve tax collection	Page 12

## **STANDARD & POOR'S LOWERS ANGOLA'S SOVEREIGN CREDIT RATING**

Standard & Poor's has downgraded the sovereign credit rating of Angola from "B +" to "B" due to the fall in the price of oil, the country's main export product leading to an increase in debt, according to a statement released Friday.

Maintaining a "stable" outlook, Standard & Poor's (S&P) said that in addition to oil prices being lower than expected in the 2016/2019 period, domestic and foreign loans that the government of Angola has taken on, along with the devaluation of the currency, mean that public debt is on an upward trajectory. "We anticipate that Angola's public debt this year will reach 50 percent of gross domestic product," the agency said.

S&P explained the "stable" outlook with the forecast of a gradual decline of the Angolan deficit, thereby reducing the risks to external financing, also taking into account the government's response to the crisis, to prevent the deterioration of the fiscal position and debt .

"We anticipate gross external financing needs of Angola of approximately US\$31 billion this year and next, of which about half will be short-term," noted Standard & Poor's.

In the same statement, the agency projects economic growth for Angola of 3.3 percent in 2016 and a budget deficit of around 7 percent by 2019, which will be funded mainly by external loans. (15-02-2016)

## **ETHIOPIA SECURES OVER \$531M FOR DROUGHT MITIGATION ACTIVITIES**

Of the \$1.4 billion needed to feed 10.2 million Ethiopians affected by the El Nino induced drought, over \$531 million has so far been obtained from the international community, the country's National Disaster Risk Management Commission said on Monday.

The government of Ethiopia allocated additional \$109 million besides the fund it previously committed to supply food to the needy until January next year.

Only 46 percent of the total funding required to feed the people and provide health care service for one year has so far been made available, MitikuKassa, National Disaster Risk Management Commissioner, said. The remaining 54 percent is however yet to be obtained, he said.

Currently, the drought has affected 10.2 million Ethiopians living in 429 woredas (districts) in eight regional states and one city administration.

They are currently receiving the necessary support from the government, the commissioner said.

According to the Commissioner, the number of the needy is expected to decrease in July as better rain was forecasted by the National Meteorology Agency. The government is importing 405,000 metric tons of grains in addition to the 222,000 metric tons already available.

The government has also committed \$380 million to tackle the problem. (APA 15-02-2016)

## **EU LAUNCHES NEW EUROPEAN MEDICAL CORPS TO RESPOND FASTER TO EMERGENCIES**

The European Union today launches the European Medical Corps to help mobilise medical and public health teams and equipment for emergencies inside and outside the EU

Through the European Medical Corps, EU Member States and other European countries participating in the system can make medical teams and assets available for rapid deployment before an emergency

strikes – thus ensuring a faster and more predictable response. The medical corps could include emergency medical teams, public health and medical coordination experts, mobile biosafety laboratories, medical evacuation planes and logistical support teams.

*"The aim of the European Medical Corps is to create a much faster and more efficient EU response to health crises when they occur. We need to learn the lessons from the Ebola response; a key difficulty was mobilising medical teams. I thank all the Member States that have already contributed so far, and encourage others to join so the EU's response will be able to meet increasing needs and will allow for better planning and preparation before any disaster."* said Commissioner Christos **Stylianides** who is hosting today's high-level inauguration event in Brussels.

The framework for the European Medical Corps is part of the EU Civil Protection Mechanism's new European Emergency Response Capacity (otherwise known as the 'voluntary pool'). So far Belgium, Czech Republic, Finland, France, Luxembourg, Germany, Spain, Sweden and the Netherlands have already committed teams and equipment to the voluntary pool.

## **Background**

A key difficulty during the Ebola virus outbreak response was the quick deployment of medical staff, as well as the logistical and management challenges which increased as a result. This led Germany and France in late 2014 to propose the "White Helmets" initiative, which laid the foundations. The European Medical Corps is now part of the European Emergency Response Capacity.

The EU Civil Protection Mechanism facilitates cooperation in disaster response among 33 European states (28 EU Member States, the former Yugoslav Republic of Macedonia, Iceland, Montenegro, Norway and Serbia). Turkey is also in the process of joining the Mechanism. These participating states pool the resources that can be made available to disaster-stricken countries all over the world. When activated, the Mechanism coordinates the provision of assistance inside and outside the European Union. The European Commission manages the Mechanism through the Emergency Response Coordination Centre.

In an effort to step up the EU's preparedness and response to disasters, the European Emergency Response Capacity ('voluntary pool') was created in 2014, bringing together a range of pre-committed relief teams and equipment, for deployment in emergency response operations all over the world.

The European Medical Corps will also be Europe's contribution to the Global Health Emergency Workforce being set up under the helm of the World Health Organisation. (EC 15-02-2016)

## **CHINESE COMPANY ANNOUNCES DATE FOR DELIVERY OF MOTORWAY IN ANGOLA**

The completion of the motorway linking the municipal headquarters of Nzeto to the city of Soyo, in Angola's northern Zaire province, is scheduled for June 2017, said the director-general of the Angolan subsidiary of Chinese state-owned Sinohydro Engineering Bureau No. 4 Co. Ltd.

Liu Yawming, who was speaking during a visit by the provincial governor of Zaire, José Joanes André, to the works in progress, said the financial impasse that prevented the progress of the work had been overcome and that work should resume soon based on a guarantee of financing through a new credit line granted by China to Angola.

Cited by Angolan news agency Angop Liu Yawming also said that five working areas had been opened along the 96 kilometer route, stressing that earthworks were underway, which should be completed by the end of 2016.

Construction work on this road has been at a standstill for about eight years, during which interventions focused on building bridges and culverts. (15-02-2016)

## **ETHIOPIAN DELEGATION DISCUSSES BANKING RELATIONS WITH SUDAN**

An Ethiopian delegation led by Teklewold Atnafu, Governor of the National Bank of Ethiopia (NBE), recently paid a two-day visit to Sudan, APA learns on Monday

Following the visit, a memorandum of understanding (MoU) has been signed between the Central Bank of Sudan and the National Bank of Ethiopia to strengthen the banking relations between the two countries.

The MoU is important to enhance the banking relations and to benefit the people of the two countries, Vice President of Sudan Hasabo Mohamed Abdurahman was quoted saying after the signing ceremony.

According to the Ministry of Foreign Affairs, the delegation also held discussions with Sudanese President Omar Hassan al-Bashir. (15-02-2016)

## **FEARFUL TOURISTS SEEK SAFER GLOBAL DESTINATIONS**

The world's tourism map is being redrawn at lightning speed as holidaymakers switch preferences, prompted by terror attacks, epidemics and migrant crises.

Jihadist attacks on tourists in Tunisia last year and the October 31 crash of a Russian plane that took off from its Egyptian Red Sea resort of Sharm el-Sheikh have devastated the tourism sectors in both countries.

Muslim countries everywhere are the main losers of the shift in tastes, sector professionals say, as tourists move to destinations they consider safe — so long as they are also sunny.

Overall, world tourism has never been in better shape. Nearly 1.2-billion people travelled abroad last year, an increase of 4.4% over the previous year, but the casual observer could be fooled by the sight of deserted North African beaches — once tourist hotspots.

Tunisia, which built its tourism industry on guaranteed sunshine and rock-bottom prices, is the most stunning example of the devastating effect of security fears after murderous attacks targeted foreigners. Visitor numbers to Tunisia fell by 2-million last year, leaving the economy in tatters.

Turkey is another victim of attack fears. Germany's TUI, the world's biggest tourism group, said on Tuesday that it had seen bookings to Turkey drop by 40% in the wake of an Islamic State suicide attack in Istanbul.

Turkish media, meanwhile, reported that visitor numbers to the top Turkish resort of Antalya dropped 17% last month, the lowest level for the month of January in a decade.

Some destinations are collateral damage from attack fears, as tourists appear to make little distinction between countries within the Middle East or North Africa, as Jordan has found to its cost.

"There was no attack, but we were affected tremendously by a drop of visitors coming from Europe," Jordan Tourism Minister Nayef al-Fayez said recently.

"All Muslim countries are suffering to a greater or lesser degree, even those which have been made totally secure, like Oman," said Jean-Francois Rial, chairman of French travel operator Voyageurs du Monde.

"The only exception is Iran, but they've started from scratch," he said, noting that many European agencies are offering travel to Iran since western powers have started dismantling sanctions.

"There is no doubt that the whole Middle East region is today associated with insecurity in the mind of the western tourist," said Wouter Geerts, analyst at the Euromonitor research company.

"We expect countries such as Greece, Portugal and Spain to largely benefit from the situation, offering similar weather, competitive prices and security."

Cuba, which already received a boost from the thawing of relations with the US in late 2014, is now also battling with bottlenecks, with daily arrivals of huge cruise ships in the Havana bay.

Tourism numbers in Cuba rose 17% last year, "but the country is not ready, they don't have the quality to justify prices that have gone up by half in a year. Everybody wants a piece of the cake," Stephane Ferrux, director of travel agency, Cuba Autrement, said.

Haiti's beaches are also becoming a magnet for tourists, six years after the country was devastated by an earthquake.

Battalions of tourists have been going to Colombia, Peru, Mexico and Argentina, but Latin American destinations could soon be affected by the Zika crisis, experts say, pointing to the effects on sub-Saharan Africa of Ebola, of the Chikungunya virus in the Caribbean and MERS Coronavirus, or Camel flu, in South Korea.

The migrant crisis has also taken a heavy toll on Greek islands, once a very safe bet for operators, but where masses of refugees have landed, scaring tourists. (AFP 11-02-2015)

### **EGYPT DISCUSSES PROJECT FUNDING WITH AFRICAN DEVELOPMENT BANK**

The Egyptian government, represented by International Cooperation Minister Sahar Nasr, began Thursday negotiations with a delegation of seven leaders of the African Development Bank over loans worth up to US\$3 billion (1\$=7.78EGP).

Luxor Governor Mohamed Badr and Secretary General of the Social Fund Soha Suleiman participated in the negotiations.

"The focus was on the priorities of the development projects of Luxor province and the rest of the provinces, especially in Upper Egypt," Nasr said.

Sahar expressed hope toward gathering funding to support the development of Luxor province, which is one of the provinces heavily dependent on seasonal tourism.

Luxor needs to rely on other industries for a source of income other than tourism, she added.

The African Development Bank mission sought to discuss bank-financed projects and discuss bank-financed future projects after the bank approved the cooperation strategy signed between Egypt and the bank for 2015-2019, according to the minister.

The bank will provide loans worth up to \$3 billion through the strategy, including \$1.5 billion for the state budget and \$1.5 billion for investment projects, Nasr noted.

The mission aimed to review the projects funded by the loans in Luxor, said Layla al-Moqadem, the African Development Bank representative in Egypt.

The African Development Bank launched a new initiative to empower youth in the fields of agriculture and agricultural industry, focusing on Upper Egypt provinces. (APA 11-02-2016)

### **TURKEY INJECTING NEW BLOOD IN HER AFRICA POLICY**

The head of the Africa Department of Turkey's ministry of Foreign Affairs, Mr. Hilni Ege Turemen has spoken of the option open to his country to strengthen ties with African countries, especially those in sub-Saharan Africa, through the building of mutually beneficial partnerships.

Turemen is in charge of Turkey's Africa policy.

In the presence of members of the Senegalese press who were invited to Ankara, in early February, the Turkish diplomat whose department oversees activities in 18 African countries said that his country was prompted to make this strategic choice following the Cold War which caused a shift in the world's economic centre of gravity which gravitated towards the Mediterranean basin.

Consequently, in 2000, Turkey initiated reforms including on its foreign policy by forging close working relations with neighbours and countries with which she shares the same ideological leanings.

This allowed her to benefit from further access to a new geography, play an active role in international organizations, develop further relationships with other countries through exchanges and conduct economic, commercial, cultural and humanitarian connections with those nations.

According to International Relations Professor, Mehmet Arda, a former employee of the United Nations Department for Africa/Economics, this choice is informed by the fact that despite her membership of NATO, Turkey was isolated and is still considered a non-European country thanks largely to Islam, its predominant religion (99 percent), and its supply of weapons to Algeria during its war of independence against France.

Moreover, Turkey's relations with Russia have deteriorated although she had cultivated and still maintains good ties with the United States and the EU thanks to its attractions tied to her young and qualified workforce and the value of her market populated by some 70 million inhabitants.

As the driving force behind the economy in order for her private sector to play its full role in the development of businesses against the backdrop of an inimical environment, Turkey is obliged as from 2016, to conduct second generation reforms characterized by research, growth and technological innovation.

Capitalizing from its crisis in 2000, Turkey has been able to fend of a similar predicament in 2008.

Today she is within the bracket grouping middle-income countries with her ultimate goal being to move up to the level of high-income nations.

Turkey's main handicap to get there is its high technology export rate which is still low, abysmally less than that of South Africa.

Another disadvantage is her ten-year long difficulty to surpass its 18th worldwide GDP ranking.

However, she has managed to reduce the poverty level to below that set by the World Bank.

Ranked the seventh economy in Europe and the 18th globally, Turkey managed through reforms to triple its GDP between 2002 and 2015 with a GDP of \$ 2,500/ht.

It projects a higher growth rate between 2016 and 2022 to achieve a \$25,000/ht GNP by 2023, the centenary year of the Turkish republic.

Through the course of ten years, development aid provided by Turkey has increased from \$0 to \$6 billion, representing 0.42 percent of her GDP which is well above the .007 percent scale set by the UN.

Turkey's humanitarian aid figure stands at \$1.6 billion, representing 0.21 percent of her GDP.

To achieve this goal by 2023, Turkish businesses are interested in several areas of cooperation in Africa, wooed on the basis of opportunities and distinctiveness.

For example, Turkey radiates a proven expertise in tourism on the one hand, attracting 35 million tourists for a revenue output estimated at \$25 billion in September 2015 and education on the other with the granting of 1,230 scholarships to sub-Saharan Africa.

It is also about sharing experiences and capacity building from a military perspective with 18 countries

including Senegal commanding very important positions in Turkey's priorities.

She is also poised to widen her web of international cooperation with other countries in these spheres.

In 2008, Turkey became a strategic partner of the AU, and in 2013, she developed partnerships with some countries and African regional and sub-regional NGOs such as ECOWAS.

Infrastructure which are tangible results of this cooperation abound in Somalia (airport, hospitals, Senegal (Abdou Diouf Diamniadio Conference Centre, drilling, Blaise Diagne airport Diamniadio, ...).

Official rapprochement with Africa began to be strengthened in 1998 with the implementation of the Turkey-Africa program, and in 2005, the establishment in Turkey of the Africa Year.

These first were dealings in the form of humanitarian aid and development assistance from which Somalia then in need, was the first to benefit as Turkey became keen to show her expertise in the field.

The Turkish International Cooperation Agency (TICA) has set up 15 regional offices with 32 African embassies located around Ankara.

These relationships have had the impact of doubling Turkey's volume of trade with Africa.

According to Professor Mehmet Arda, relations with Africa could help in this, if only Africans are capable of articulating their needs and Turkey could provide practical solutions for the implementation of the development plans of the Foreign ministry's Africa department. (APA 15-02-2016)

## **RWANDA: TURKISH COMPANY TO INVEST \$400M IN PEAT POWER PLANT**

A power purchase and concession agreement was signed Wednesday between the Government, through the Ministry of Infrastructure and a Turkish firm called HAKAN, to design, build, finance, own and operate an 80-megawatt peat power plant in Rwanda.

The \$400m (approx. Rwf300bn) investment project will produce electricity from peat extracted from south Akanyaru peat prospects in Gisagara District.

The construction period is 47 months from groundbreaking to the period when power is expected to go on line, at the end of March 2020.

According to the Minister of Infrastructure, James Musoni, the Government has for years struggled with another peat power project expected to provide 15MW in Gishoma in Rusizi District which did not deliver on time due to poor feasibility studies.

He however gave assurances on the new project, saying extensive studies on its feasibility have been conducted since 2011.

In December 2011, the Government and *HAKAN Mining and Electricity Generation Industry and Trade Inc.* signed an exploration deal to kick-start feasibility studies on peat prospects in Gisagara.

“Gishoma Peat project failed to deliver on time due to lack of better studies but it will by August this year be producing 15MW. Then we hope the new project with 80MW will deliver on effectively on time. In our agreement we signed that if they fail to produce that energy by 2020 in March, they will be penalized,” he said.



The Government has no share in the project but will only purchase the power once production starts, according to Musoni.

He said studies indicated enough and quality peat at the new site and Government would ensure the construction works are facilitated in terms of basic infrastructure like roads and electricity.

The purchase agreement was signed between Ahmet Karasoy, the Chairman of HAKAN, and the State Minister for Energy and Water, Germaine Kamayirese.

Other signatories on the Rwandan side were the Managing Director of Energy Utility Company Limited (EUCL), Jean-Claude Kalisa, and the Chief Financial Officer of Rwanda Development Board Marc Nkurunziza.

Musoni said: "We have an energy deficit...our target is to get over two times the capacity we have today. The 80 megawatts are a significant contribution to our energy sector from appreciated efforts by HAKAN. Such private initiatives and investments in the construction, development and maintenance of sustainable electricity generating plants provide great economic value."

Rwanda has installed electricity capacity of 185MW.

### **Employment opportunities**

On his part, Karasoy said they were attracted to the country by the good investment environment which he attributed to good public administration.

He said the project will provide over 700 jobs to Rwandans beginning from Gisagara while they will also invest in corporate social responsibility projects to support agriculture especially through irrigation technology.

The signing of the agreement is part of the efforts to increase levels of energy production by encouraging private sector to own and operate power plants.

Over a dozen small hydro-electricity plants, which were set up by Government have so far been handed to private investors to operate in a bid to boost efficiency as a means to achieve the country's energy needs.

The energy targets include connecting at least 70 per cent of the households in the country and, out of these, at least 48 per cent will draw their electricity from the national grid while the remaining 22 per cent will be connected through off-grid solutions like solar systems.

Rwanda targets 563 megawatts power production by 2018 and seeks to realize this target through both public private partnership (PPP) and Build Transfer and Operate (BOT) models(New Times 11-02-2016)

### **NIGERIA TO COMMENCE EXPORT OF RICE BY 2019**

The Country Manager of Afex Commodities Exchange Nigeria, Mr. Ayodeji Balogun, has said that rice farmers in Nigeria will commence exportation of rice by 2019 when the local consumption would have been met.

Balogun told journalists in Abuja that the organisation in partnership with the Federal Ministry of Agriculture and Rural Development has initiated a system that would link rural farmers directly to both local and international markets.



He explained that about 45,000 farmers had been provided with secured storage facilities and an Electronic Warehouse Receipt System to provide sufficient grains for local consumption and enhance export opportunities.

“We have 15 warehouses across the country and farmers in 30km radius can access these facilities. The farmers are broken into smaller units in terms of cooperatives to easily access the market.

“They are motivated to produce more while the market naturally adjusts itself. So, Nigeria in the next three years should be exporting rice,” he said.

Balogun noted that Nigerian farmers can now guarantee their price at the end of harvests and that maize price as at today is 80 percent higher than the price last year.

According to him, the big companies that would have imported maize from Argentina and Brazil into the country are now forced to buy at the local market because of the high exchange rate.(APA 15-02-2016)

### **NIGERIAN POWER GENERATION DOWN BY OVER 840MW**

Power generation in Nigeria has dropped by 488.7mw of February 8, after attaining a peak of 5,074.7mw on February 2, 2016.

The report by Nigeria’s Punch newspaper said that energy generation fell by 774.04mw in the same period to 4,300.66mw, resulting in a reduction in the amount of energy sent out to electricity consumers, which was put at 4,212.32MW.

Quoting figures from the Federal Ministry of Power, Works and Housing, the report said that the country’s peak power demand was still 12,800mw.

The report attributed the drop in power generation to issues around gas pipeline rupturing by vandals as well as oil theft that had often led to a plunge in electricity generation.

It added that the Federal Government was working tirelessly to address the problem.

The report said that the recent 488.7MW fall in electricity generation came after the Minister of Power, Works and Housing, Mr. Babatunde Fashola, had promised that the country would increase its power production by 2,000MW before the end of this year.

He stated that given the various plans undertaken by the present administration in the sector, power generation would increase by 2,000mw in the last quarter of 2016. (APA 15-02-2016)

### **DAIMLER UNIT TO EXPAND FROM SOUTH AFRICAN BASE**

German motor company Daimler has made SA the regional base for its new global truck and bus strategy — a decision expected to bring significant business to Mercedes-Benz SA (MBSA) and eventually new investment to its East London assembly plant.

MBSA’s Daimler Trucks and Buses arm was already responsible for the local market and for Namibia, Botswana, Swaziland and Lesotho. Daimler’s global board member for trucks and buses, Wolfgang

Bernhard, said on Thursday these countries had been joined by Mozambique, Zimbabwe, Zambia and Malawi.

Until now, the newcomers had been serviced mainly from Germany, but also from Japan, where one of Daimler's brands, Fuso, is based. Mr. Bernhard said the new Southern Africa region would allow Daimler and all its brands — which include Freightliner, Western Star and Mercedes-Benz — to respond faster to customer needs. Instead of foreign executives making decisions from thousands of kilometres away, "people running the business should read the same newspapers and understand the same problems as customers", he said.

Daimler has created two other African regions in Kenya and Dubai.

Kobus van Zyl, previously head of the South African truck business, is in charge of the expanded region. He said sales in many African countries were dominated by used vehicles and, in the short term, Daimler might rely on these for much of its business.

Mr. Bernhard said well-maintained vehicles coming to the end of lease agreements in SA, Europe and the US could be sold in Africa with new maintenance warranties.

Longer term, said Mr. van Zyl, the aim was to sell more new vehicles. Some would be sourced from overseas but there was also scope for MBSA to build more. East London — where the company also manufactures C-Class cars — had sufficient capacity in its truck and bus plant for immediate demand but that would change.

Mr. Bernhard said the plant could build new variants of existing product lines, with different African markets in mind. He said Daimler's regional strategy would help take advantage of projected strong economic growth in many African countries.

In the short term, it will also help MBSA counter the effects of a weak South African market, where new-vehicle sales are expected to decline again this year, for the third year in a row. (BD 12-02-2016)

### **BURKINA PUTS 30.7BN CFA IN FOOD INSECURITY, MALNUTRITION FIGHT**

Burkina Faso government has allocated 30.7 billion CFA to the implementation of a support plan for its vulnerable populations in order to fight food insecurity and malnutrition, the ministry of agriculture said Thursday.

Cereal production during the crop year 2015-2016 is estimated at 4,535,939 tons, an increase of 1.49 per cent compared to the previous campaign.

Despite this stable situation, food conditions will be difficult for the poor and very poor households, reports said.

This plan aims at strengthening the resilience of vulnerable populations by providing food assistance, improving their access to food but also support child victim of acute moderate and severe malnutrition.(APA 11-02-2016)

### **ITC OFFICIAL STRESSES NEED TO DEVELOP LIBERIA'S TOURISM SECTOR**

An official of the International Trade Center (ITC) has stressed the need to further enhance and develop Liberia's tourism sector so that the nation can also be known as a destination of great values.

The ITC Advisor on Export Strategy and Competitiveness, Mr. Rahul Bhatnagar, believes that this will also make Liberia not only to be known as a post-conflict nation or for the Ebola crisis, but also as a great destination for tourism.

Bhatnagar observed that Liberia's tourism sector has been under-developed as a result of the prolonged period of civil conflict, and pledged the ITC's willingness to assist the nation in developing its tourism sector so that it can benefit from its economic dividends.

He made the statement in Monrovia Monday in an interview with journalists following a Stakeholders' Consultative Meeting on Liberia's Tourism Trade Strategy.

The ITC is a subsidiary organization of the World Trade Organization (WTO) and the UN Conference on Trade and Development (UNCTAD), and provides trade-related technical assistance to developing nations.

The ITC is primarily concerned with helping and developing transition economies to promote their exports.

Relative to Liberia's export sector, Bhatnagar noted that the sector has a lot of potentials which when properly developed, will lead to the overall prosperity of the Liberian economy.

According to the ITC official, the meeting will help develop the capacities of various stakeholders, something which, he noted, is key in improving and enhancing ideas as well as developing the export and tourism sectors of a nation. (APA 15-02-2016)

## **SASOL SEEKS TO FUEL PERFORMANCE IN AFRICA**

Sasol has held discussions with various entities in Africa outside of SA on the long-term potential for a chemicals plant, the group's executive, vice-president for chemicals Fleetwood Grobler, said on Thursday.

The chemicals and energy group has production facilities in SA, Mozambique and North America. It is investing \$8.9bn in the state of Louisiana in an ethane cracker and processing plant that will treble its US chemicals capacity.

Mr. Grobler said in its last financial year Africa, the Middle East and India contributed just under a third of the R105bn turnover of Sasol's chemicals business. The short-to medium-term focus in Africa was on improving the performance of agents and distributors and selecting the best locations for a sales office. The focus in Africa is on countries with the fastest growth in gross domestic product (GDP), including Angola, Mozambique and Nigeria.

The effect on the South African business from forecast GDP below 1% this year would be mixed, Sasol's senior vice-president for base chemicals Brad Griffith, said.

Mining was under pressure, which would affect demand for explosives. Sasol was working with its mining customers to improve their cost position through better planning.

The polymers division, which sells to manufacturing and packaging firms, should benefit from continued consumer spending but building applications would be affected by the capacity problems in municipalities. Sasol was working with government departments and municipalities to bring projects together.

In Sasol's 2015 financial year its chemicals business contributed 57% of group turnover.

Mr. Grobler said the group would report on March 7 on its interim results to December, when it would also update the market on the progress of the Louisiana project. He said the group was reassessing the project's timelines, but was confident the Gemini joint venture with Ineos to make high-density polyethylene would be completed this year.

As oil prices have slumped in the past two years, naphtha cracker plants in Europe and Southeast Asia have become less competitive than ethane crackers, which use feedstock from shale gas, Mr. Grobler said. The Louisiana ethane cracker project would give Sasol a competitive advantage in selling products to China.

Asked about the effect of lower oil prices on the group's chemicals business, Mr Grobler said it would vary. On some products margins would be squeezed but the performance chemicals division was more robust.(BD 12-02-2016)

### **TIMOR-LESTE SUPPORTS GUINEA-BISSAU WITH A DONATION OF US\$250,000**

The government of Timor-Leste (East Timor) has provided its counterpart in Guinea-Bissau with a cheque for US\$250,000 as part of the funds pledged at a Brussels roundtable meeting, in a ceremony held in Bissau.

The representative of the Timor-Leste Cooperation Agency in Guinea-Bissau, Alberto Xavier Pereira, said the donation was half the amount promised at the roundtable and was intended to support reconciliation activities in Guinea-Bissau.

On presenting Terra Ranka, the name given to the strategic and operational plan that Guinea-Bissau took to the Brussels roundtable on 25 March, 2015, Timor-Leste committed to a donation of US\$500,000.

The president of the National Reconciliation Commission, Father Domingos da Fonseca, thanked Timor-Leste for its donation that will help Guinea-Bissau to hold the National Conference for the Consolidation of Peace and Development. (12-02-2016)

### **ETHIO-KENYA JOINT COMMITTEE DISCUSSES BORDER ISSUE**

The 3rd Ethio-Kenya Joint Technical Boundary Committee (JTBC) meeting kicked off in Naivasha, Kenya on Monday, Ethiopia's Ministry of Foreign Affairs said in a statement on Monday.

The meeting will review the boundary inspection and maintenance works carried out on what is called Sector 2 of the boundary between Ethiopia and Kenya, the statement said

It will also deliberate on challenges faced during 2015 joint inspection and maintenance of the boundary.

The outcome of 3rd JTBC will be submitted to 31st Boundary Commissioners/Administrators meeting for adoption and guidance.

The 2nd JTBC was held in Hawassa town of Ethiopia last year.(APA 15-02-2016)

### **IMF RECOMMENDS SAO TOME AND PRINCIPE TO IMPROVE TAX COLLECTION**

A mission from the International Monetary Fund urged the government of Sao Tome and Principe to "improve tax collection and strengthen the financial system" at the end of a three-day visit during which it met with various representatives of the country.

The director of the IMF's Africa department, Antoinette Saieh, stressed the need for the government to "strengthen the economy and consolidate growth at a higher level" and should therefore proceed with other important reforms, according to Portuguese news agency Lusa.

“Right now, Sao Tome and Principe has an encouraging economic outlook” said Saieh, predicting that the gross domestic product of the country would grow 5 percent this year, “due to greater public investment, a recovery in cocoa production and an increase in foreign investment in tourism.”

The director of the IMF’s Africa department, in Sao Tome for the first time, met with Prime Minister Patrice Trovoada, President of the National Assembly (parliament), José da Graça Diogo, the Minister of Finance and Public Administration, as well as parliamentarians and representatives of the private sector and civil society.

Sao Tome and Principe has been implementing and Adjustment Programme with the IMF and the World Bank for the last 30 years. (12-02-2016)

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