MEMORANDUM

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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.
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Due to Technical Improvement works The Memorandum will be issued irregularly until the 11-03-2026. We will catch up with the African News flow.

SUMMARY

AFRICA NEEDS A STABLE POWER MIX

Electricity alters lives, shapes economies, changes cultures and drives development. If the bright future envisaged for the African continent is to become a reality, a stable power landscape is needed, together with an adequate and well-thought out mix of generation technologies.

Africa is poised for unprecedented transformation in the next 40 years. Many African countries, despite falling oil and commodity prices, are likely to remain among the world's fastest-growing economies.

Abundant natural resources, new markets, and some of the most promising gas finds in the world are increasingly being matched with improving stability, growing middle and consumer classes, and increasing urbanisation.

Given these socioeconomic factors, along with private sector and government interest in expanding into or increasing trade with growing economies, the region is poised to leap forward — provided the infrastructure and power it needs are put in place.

But powering up is not that simple. Large-scale, base-load power projects can take years to design, develop and bring online. Regional power solutions require co-operation across governments and investors. The push for sustainability influences planning decisions, while capital flows are constrained by a range of factors.

So what should Africa's future power mix look like, and more appropriately, how will Africa fund it?

Given the resources available on the continent, gas and coal will be the primary generation technologies. They will provide the base-load capacity needed to support industry's power needs — and build the excess power reserves that add resilience to the grid. But nuclear technology remains a major component of the future energy plan for Africa.

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WITH more than 7% of the world's gas — about 30-trillion cubic metres of potential and proven reserves — Africa's abundant natural gas reserves represent one of the critical keys for unlocking the continent's development potential, especially as a relatively cheap and quick solution for generating power that can serve both domestic and industrial use.

Collectively, more than half of the gas that will be available in Africa can be found in Mozambique and Tanzania, which are on track to become the continent's leading gas suppliers, along with Angola and Nigeria.

SA's new gas-to-power programme may also lead to investment of about R64bn in the next four to five years, and is intimately linked to Mozambique's reserves. Storage and other gas-transport infrastructure are critical needs to be tackled to ensure the success of the gas-to-power programme.

Similarly, coal is an important part of the power mix. Modern coal plants can be constructed with advanced technology to ensure they are more efficient, use less water, and reduce emissions. With Black & Veatch, Eskom's Kusile project has incorporated advanced environmental technology that will ensure a sustainable, cleaner source of electric energy is available for SA and Africa far into the future.

Renewables — wind, solar, biomass and hydro projects — too will contribute vital megawatts for Africa. Already, some of the most cost-competitive photovoltaic projects worldwide are located in the region.

The International Renewable Energy Agency notes in its Africa 2030 report that renewable energy has the potential to quadruple to 22%, compared to today's level of about 5%.

With the potential for rapid development and scalability, abundant solar energy potential (as much as 10 terawatts) and large wind resources in the eastern, northern and southern regions of Africa may provide up to one-quarter of electricity by 2040. SA's Renewable Energy Independent Power Producers Programme already represents one of renewable energy's successes.

A continued push towards electrification, funding constraints, advances in technology, and an increased focus on sustainability are also driving a continued shift towards the inclusion of distributed generation (generally categorised as generation less than 20MW).

These smaller-scale projects offer fewer capital requirements and a quick path to getting much-needed power on line.

Increasingly, African power blocs are also talking greater regional power pooling and integration. The Southern African Power Pool (SAPP) has an installed capacity of 58.3 gigawatts (GW); and SA alone provides 44GW — or 75% — of total megawatts.

SAPP's electricity demand is forecast to increase from 53.7GW to 77.7GW by 2018, and represents a transnational opportunity for pooling power resources.

Further potential exists as Mozambique and SA work together to facilitate the export of gas from the Rovuma Basin to meet demand across geographies.

Securing investment financing is Africa's greatest challenge — and a steady flow of capital is crucial to continued energy expansion. New build and operating plant spend estimates suggest $75bn a year — 10% of Africa's gross domestic product — is needed to close Africa's critical energy gap.

The Economist Corporate Network reports that of the $93bn of capital invested in Africa from 2009-14, the World Bank contributed 22% ($20bn) and the Development Bank of SA and the African Development Bank each contributed 18% — or $16.5bn and $16.2bn — respectively. That's nearly 60% of total foreign direct investment capital invested in Africa in the six-year period. It's an indication of the financial limits to, and sources of, investment.

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GIVEN the condition of most sovereign treasuries, infrastructure funding will need to involve public and private funds. Yet, the needs and business cultures of each country within Africa are different and present their own set of challenges and opportunities.

Securing private sector investment requires co-ordinated project-development and execution efforts, supported by a vast network of seasoned, well-capitalised participants. Africa's future is the capabilities of its people, not its resources. Achieving a balanced power mix is critical to reshaping economies fundamentally.

Widespread economic resilience and prosperity can emerge only with reliable power as its backbone. A balanced energy portfolio that includes a mix of small and large projects, and diverse technologies, will be critical to achieving this goal.(BD 01-03-2016)

BANK OF ANGOLA ISSUES PUBLIC DEBT AT AN INTEREST RATE OF 16.58 PCT

The National Bank of Angola (BNA) placed public debt issued in the form of Treasury Bills in the week from 22 to 26 January at interest rates between 14.15 percent and 16.58 percent, the Angolan central bank said.

In the week in question, the BNA, as the state operator, placed treasury securities in the primary market totalling 58.1 billion kwanzas, 43.3 billion in Treasury Bills and 14.8 billion kwanzas in Treasury Bonds.

Treasury Bonds, which have higher repayment periods than the Treasury Bills were placed with interest rates of 7.0 percent, 7.25 percent and 7.77 percent for maturities of two, three and five years, respectively.

Interest rates recorded in Treasury Bills amounted to 14.19 percent, 15.50 percent and 16.86 percent for maturities of 91, 182 and 364 days, respectively.

In the segment of direct sales of securities to the public last week the BNA also placed a total of 1.6 billion kwanzas, which reached interest rates of 16.86 percent (for a year).

In the primary exchange market, the BNA sold foreign currency in the amount of 321.3 million euros, of which 271.3 million was to cover general requirements for importing goods and services.

The central bank also sold 44.5 million euros for private operations, related to the Angolan company AAA Seguro and 5.5 million euros for private operations, related to family support, travel and remittances.

The average sale exchange rate in the primary exchange market, calculated at the end of the week was 159.736 kwanzas to the dollar and 178.747 kwanzas to the euro. (01-03-2016)

BOTSWANA, ZIMBABWE CONCERNED ABOUT INSTABILITY IN DRC

The 30th Zimbabwe-Botswana Joint Permanent Commission on Defence and Security expressed concern over the continued instability in eastern Democratic Republic of Congo (DRC) and political impasse in Lesotho, a joint communiqué from the two countries stated Tuesday.

The commission hoped for a speedy resolution to all issues impeding democratic principles.

The commission also expressed hope that the government of Mozambique and RENAMO would continue to make efforts to reach out to each other.

The commission further expressed concern over the recurring cases of terrorist activities on the African Continent particularly in Central Africa, East Africa, West Africa and the Maghreb region and further noted the potential link between transnational organised crime and terrorism.

In that regard, the Commission called on all parties to cut the demand and supply chain for all the commodities fuelling terrorism in the regions.

In the meantime, the commission noted the progress made on the reaffirmation of the international border between Botswana and Zimbabwe and encouraged responsible authorities to conclude the exercise with a view to meet the African Union Border Reaffirmation Programme deadline of 2017. (APA 01-03-2016)

BARCLAYS TO REDUCE BARCLAYS AFRICA STAKE OVER TWO TO THREE YEARS

Based Barclays plc will sell down its 62.3% stake in Barclays Africa over the next two to three years, it said on Tuesday morning.

Barclays Africa shares fell as much as 6.9% to R126.61 in early trade on Tuesday following the announcement.

Barclays Plc said although the African operations were well diversified and a high quality franchise, its investment presented challenges such as the level of capital it held in Barclays Africa.

"The (Barclays Africa Group) board notes that it is clear from this announcement that Barclays plc is reducing its shareholding in Barclays Africa due to recently introduced regulatory burdens specific and particular to Barclays plc as a UK-headquartered and globally significant financial institution," it said.

"These regulations significantly decrease Barclays Africa’s standalone returns for Barclays plc.

"We will now actively engage with Barclays plc and our regulators to ensure this process has an appropriate and satisfactory outcome for all our stakeholders."

The British bank’s divestment from SA would be its second in 30 years.

In 1987 a large portion of shares of the then Barclays National Bank was sold to Anglo American and its affiliates, De Beers and Southern Life.

Barclays National Bank was changed to First National Bank of Southern Africa, with the parent company’s share reduced from 100% in 1971 to 40.4% in 1985.

When Barclays sold, it was embroiled in controversy when its MD, Chris Ball, approved an overdraft facility for businessman Yusuf Surtee, a sympathiser of the United Democratic Front, an antiapartheid coalition. The money was used to pay for newspaper adverts, calling for the unbanning of the African National Congress.

In 2005, Barclays returned to SA when it bought a 55% stake in Absa for $5.5bn. It increased that to 62.3% in 2013 and created what is now called Barclays Africa. In that transaction, Absa Group bought eight of Barclays’s African operations for R18bn.

In response to reports of Barclays’s plans for Barclays Africa, Barclays Africa has moved to reassure customers and investors that it is an independent entity and well capitalised, "with a track record of generating strong returns".

It said that it had a strong and independent board and would "continue to operate in the normal course of business". (BD 01-03-2016)

BASIC INTEREST RATE IN ANGOLA UNCHANGED AT 12 PCT

The monetary policy committee of the National Bank of Angola decided to keep key interest rates unchanged, such as the basic rate of interest or BNA rate, which remained at 12 percent, the Angolan central bank said in a statement.

The committee, which met Monday in Luanda, kept the marginal lending rate at 14.00 percent the seven-day deposit facility at 1.75 percent [per year.

The decision to keep interest rates unchanged, according to the Monetary Policy Committee, is a result of the evolution of the main macroeconomic indicators, including the general level of prices, influenced mainly by the adjustment of administered prices and the variation in the exchange rate.

Last January, the monthly inflation rate, measured by the Consumer Price Index in the province of Luanda was 3.43 percent, up 1.83 percentage points against December 2015 and the annual inflation rate stood at 17.34 percent, up 3.06 percentage points compared to the last month of 2015. (01-03-2016)

FORMER ZIMBABWE VP LAUNCHES POLITICAL PARTY

Former Zimbabwean Vice President Joice Mujuru on Tuesday officially launched her long-awaited Zimbabwe People First political party made up of mostly expelled members of the ruling ZANU PF. Addressing journalists in Harare, Mujuru said her party would seek to rebuild Zimbabwe by restoring confidence in the economy, legal system and security forces as well as fighting corruption.

“We want to transform Zimbabwe into one of the emerging economies of the world… We will address the challenges affecting key economic sector like agriculture, mining, banking, manufacturing and tourism,” she said.

Some of the officials in the newly launched party include former Presidential Affairs Minister Didymus Mutasa, ex-ZANU PF spokesperson Rugare Gumbo, former Mines Minister Dzikamai Mavhaire and ex-Minister of State Sylvester Nguni.

Other senior party officials unveiled at the launch included businesspersons, retired army generals and former diplomats.

Mujuru and her colleagues were expelled from their government and ZANU PF posts in December 2014 following unsubstantiated allegations that they were plotting to overthrow President Robert Mugabe.

The launch of Zimbabwe People First is expected to shake Zimbabwe’s corridors of power at a time ZANU PF is itself facing internal fights among factions angling to succeed Mugabe should he retire before the end of his current term or should he be incapacitated to continue in office.(APA 01-03-2016)

SOUTH AFRICA: BANKS GIVE NOD TO DEPARTMENT’S BLACK INDUSTRIALISTS PLAN

Banks have put up their hands to be part of the Department of Trade and Industry’s multibillion-rand programme to create 100 black industrialists.

The department’s director-general Lionel October appeared before Parliament’s select committee on trade and international relations on Wednesday to talk about the black industrialists policy.

He said banks had approached the department, offering support for the initiative.

The department side-stepped questions about who would replace Deputy Trade and Industry Minister Mzwandile Masina should he become the African National Congress’s mayoral candidate for Ekurhuleni. Mr. Masina has been one of the main campaigners for the programme.

Trade and Industry Minister Rob Davies said last week that the scheme had received pledges of more than R30bn from the Land Bank, the Industrial Development Corporation (IDC) and the Small Enterprise Finance Agency.

Economic Development Minister Ebrahim Patel said last year that the IDC would spend R23bn to fund black industrialists in the next three years.

Mr October explained that the department would make finance available to prospective industrialists on a cost-sharing basis for the procurement of new capital equipment for qualifying entities.

The programme became official state policy this month. It is intended to create a single forum through which black industrialists can access finance and support.

"The financial support ... will depend on the level of black ownership and management, and the project value. Sector-specific dynamics and peculiarities will be taken into consideration when support is offered," Mr. October said.

Other support measures will also be available to increase black industrialists' visibility. These include establishing a portal for networking and mentoring.

The department would monitor and evaluate the policy every three years in collaboration with the Presidency, Mr. October said.

The department has put measures in place to prevent window-dressing, and intends setting strict criteria on who qualifies. These include influence in an enterprise or industry, and control through shareholding, as well as board and executive management presence.

Mr October said that given many black businesses were constrained by a lack of collateral and capital, the government had to provide more focused interventions to support black industrial start ups, while continuing to support firms that are broad-based black economic empowerment compliant.

Committee chairman Eddie Makue said it wanted to make sure that the Black Industrialist Programme used a correct approach to address economic challenges.

"Capitalisation and access to markets are critical in supporting black industrialists. The committee welcomes the assurance that this programme will not exclude people, but will prioritise a section of our society that was ignored for too long," he said. (BD 25-02-2016)

LARGEST DIAMOND FOUND IN ANGOLA SOLD FOR US$16 MILLION

The largest diamond ever found in Angola and the 27th globally with 404 carats was sold for 22.5 million Australian dollars (US$16 million), the Lucapa Diamond Company, based in Perth, said Monday.

In a statement, the company said the sale price achieved was "a spectacular per carat price of 55,585 Australian dollars (US$39,580 US dollars), which is a record value achieved with the sale of a white diamond mined in the Lulo concession."

The chief executive of the Lucapa Diamond Company, Miles Kennedy, said in February that the cash raised from the sale of this diamond would be used to expand operations in Angola, particularly in the Lulo concession.

The Lucapa Diamond Company (40percent) has as its Angolan partners in this project state company Empresa Nacional de Angola Diamonds (Endiama), with 32 percent and the private group Rosas & Pétalas, with the remaining 28 percent.

The Lulo concession lies 150 kilometres from the Catoca diamond mine, which has the largest kimberlite in Angola and the fourth largest in the world, and both are located in the same geological area. (01-03-2016)

KENYAN AIRPORTS WINS BEST-IMPROVED AIRPORT AWARD IN AFRICA

The Jomo Kenyatta International Airport (JKIA) in Nairobi, the Kenyan capital, on Tuesday was named as the best-improved airport in Africa in the prestigious 2015 Airports Council International (ACI) Airport Service Quality (ASQ) Awards, the Kenya Airports Authority (KAA) has announced.

Jomo Kenyatta emerged winner in the Best Improved by Region-Africa Category in what is considered as the aviation industry's most comprehensive passenger service-benchmarking program.

The ACI Survey captured passengers experience at all airport passenger contact points at more than 300 airports worldwide.

ACI ASQ has industry recognition as a world-class benchmarking program that aims to allow airports plan improvements and benchmark their customer services against other airports.

KAA Acting Managing Director, Yatich Kagungo noted that the recognition was timely, coming at a time when JKIA is undergoing major upgrading and modernisation works set to stamp its position as a regional hub.

"The stature of JKIA has grown significantly in recent years with increased passengers and cargo traffic into and out of the facility. We expect even further growth going forward as more capacity is unlocked by on-going works, which will improve level of service, security and controlled access to meet international standards, thus taking advantage of its strategic location of JKIA to position it as the premier aviation hub of Africa," Kagungo added in a statement issued in Nairobi on Monday.

On-going works at JKIA include the construction of arrivals Terminal 1A (T1A) and Terminal E (T1E); expected to be opened in February next year.

The recognition comes after the official opening of the airport's new Terminal 2, a prefab terminal with a capacity to handle 2.5 million passengers annually and which caters for both international and domestic departures and arrivals.

The additional capacity injected by the new terminal brings the capacity of JKIA to 7.5 million passengers annually. (APA 01-03-2016)

IMF SAYS NEW FINANCING FOR ZIMBABWE REMAINS 'A LONG PROCESS'

International Monetary Fund resident representative in Zimbabwe, Christian Beddies, says resumption of direct financial aid to Harare might be "a long process" and the answer might come in May after the conclusion of an assessment report on Zimbabwe.
Asked in an exclusive interview with VOA Studio 7 for Zimbabwe if the IMF was ready to give Harare fresh funding, Beddies said, "Look, we are not there yet, this is a very long process, you may know that as part of our annual meetings last year, together with the World Bank, the authorities (Harare) had an opportunity to present a strategy on how to clear the arrears to the international institutions."

The arrears are preventing the IMF from extending new loans to Harare. Finance Minister Patrick Chinamasa proposed a plan in Lima, Peru, that he claimed will see Harare clearing its arrears of US$1,86 billon to international creditors, including the Bretton Woods institutions by April.

Late last year, the IMF said it might resume financial support to Zimbabwe as early as 2016 if foreign creditors accepted Harare's arrears clearance plan and the government implemented economic reforms to boost growth.

But many economists doubt Harare can meet the ambitious target. Beddies concurred. "I think April was always a very ambitious sort of target and I think even after that you know, they were even more cautious in terms of the exact time when that was going to happen. I do not want to preempt some of the conclusion of our discussions now. But I think April would be too ambitious."

An IMF team is currently in Zimbabwe for two weeks to assess the final phase of the Staff Monitored Program and do the annual Article IV consultation. The IMF delegation is meeting government and business leaders.

The IMF team is on Tuesday expected to meet with the representatives of the Zimbabwe National Chamber of Commerce. Harare started the SMP - an informal agreement with the IMF to monitor implementation of its economic reforms - in December 2013, and claims that it has met its targets and is seeking a financial aid package.

Zimbabwe has suffered from a roll-back of investment from the West for the past 16 years. Without any balance of payment support and starved of foreign credit, Zimbabwe's economy is headed south punctuated by deflation and 90 percent unemployment.

The country's debt arrears to the three multilaterals, the International Monetary Fund, World Bank and African Development Bank, currently stands at $1,8 billion. As at the end of June 2015, Zimbabwe's public and publicly guaranteed debt stood at $8,4 billion.

This comprises an external debt of $6,7 billion, representing about 47 percent of Gross Domestic Product, and domestic debt of $1,7 billion.

Zimbabwe owes bilateral creditors $3,5 billion including arrears, Paris Club $2,8 billion, non-Paris Club $709 million, multilateral creditors $2,57 billion while the Reserve Bank of Zimbabwe owes external creditors $587 million. (Voice of America 01-03-2016)

HONG KONG COMPANY PAYS FIRST INSTALLMENT OF TIMBER BUSINESS IN MOZAMBIQUE

Global Timber Investment Limited, a company based in Hong Kong, made the initial payment of US$600,000 on an investment of US$900,000 to be paid by 1 June 2016, said Obtala Resources Limited. This investment will give the Hong Kong company a minority stake of 15 percent in Meradell (1) Limited, one of three special purpose companies established by Obtala Resources, a company based in Guernsey, as well as economic rights over an area of 20,000 hectares of forest concessions in Mozambique.

Last February, Obtala Resources announced it had established separate agreements with three international investors to secure capital of US$3 million to be invested in forestry projects in Mozambique.

These agreements gave the investing companies minority stakes of 15 percent in one of three special purpose companies – Meradell (1), Meradell (2) and Meradell (3) – and economic rights on a specific area of forest concessions in Mozambique.

The control of these concessions, which cover an area of 314,965 hectares, remains in the hands of Obtala Resources through its subsidiaries.

The forestry business in Mozambique is currently held by Argento Continental Corporation, a subsidiary 100 percent controlled by the Montara Continental Corporation (Seychelles), a subsidiary owned 75 percent by Obtala Resources.

In addition to Global Timber Management, George Miller, a private investor based in the United States will invest 1.61 million Canadian dollars and Basic Materials, a company with offices in Hong Kong and Russia, will invest US$900,000. (02-03-2016)

S/AFRICAN POWER TARIFF HIKE TO HIT BOTSWANA

This week's electricity tariff hike in South Africa is expected to have spill-over effects into Botswana and increase the cost of imports, Yarona FM reported here Thursday.
This was revealed by Botswana Power Corporation transmission director Nchena Mothebe in an interview with Yarona FM radio station.

Mothebe explained that currently Botswana buys about 300 megawatts of power from South African power utility Eskom as only one unit at the country's Morupule B was working, resulting in increased dependence on Eskom for supply.

Mothebe further said Botswana Power Corporation is looking to extend its contract with Eskom to 2018.

The National Energy Regulator of South Africa on Tuesday approved Eskom's application for a tariff hike. Tariffs will be increased by 9.4 percent for the 2016/17 year, effective on April 1.

Minister of Minerals, Energy and Water Resources Kitso Mokaila said the stability of the Morupule B power station "is quite impressive" as power supply remained sufficient despite occasional faults, which had seen some units having to be deliberately taken down to allow maintenance.

He explained that Unit 1 had to be taken down after insulation problems were identified and was expected back in operation by the end of next month.(APA 03-03-2016)

ALGERIA: EU DELEGATION PRESENTS ACHIEVEMENTS OF 'WATER II' PROGRAMME

The EU Delegation in Algeria has presented on its website the achievements in the domain of water and sanitation of the 'WATER II' programme (2011-2015), which benefited from EUR 30 million in aid from the EU. The beneficiaries of this aid were the Ministry of Water Resources and the organisations under its tutelage (ONA, CFMA, ESMRE, etc.). Fadhela Hamdaoui, Director of Planning and Economic Affairs at the Ministry, presented the project's achievements. "This programme gave us profound satisfaction", she declared. 'WATER II' has "assisted our structures, fine-tuned and shaped our frameworks", she said in an interview published on Sunday 28 February 2016, on the Delegation's website.

After presenting the programme and its management methods, she emphasised that "in the large modernisation programme for the management of public finances and the enhancement of good governance" in Algeria, the WATER II programme helped the Ministry to structure its management, "with the help of an information system for planning investment projects (SIPPI) along with another information planning system (SIP)".(EU 01-03-2016)

EU Delegation – Algeria

COMPANIES FROM MOZAMBIQUE, CHINA AND SOUTH AFRICA BUILD PIPELINE IN MOZAMBIQUE

Public and private companies from Mozambique, South Africa and China signed a cooperation agreement that focuses on building a large diameter pipeline with a length of 2,600 kilometres costing US$6 billion, reported the South Africa's SacOil.
The signatories of the agreement were the Mozambican state oil company ENH, Profin Consulting, a Mozambican private consortium, South African company SacOil Holdings Limited (SACOIL) and China Petroleum Pipeline Bureau, a subsidiary of the China National Petroleum Corporation (CNPC) specialized in building oil and gas pipelines.

This cooperation agreement, which aims to take advantage of the natural gas extracted in the Rovuma basin in northern Mozambique, includes construction of a pipeline between the producing region, Areas 1 and 4 of the Rovuma basin, and Gauteng, South Africa .

This pipeline will help South Africa to meet the growing demand for natural gas for electricity generation and will also supply regions of Mozambique along the route.

The countries of the Southern African Development Community (SADC) that would benefit from construction of this pipeline include Malawi, Zambia, Zimbabwe, Botswana, Lesotho and Swaziland. (02-03-2016)

NAMIBIA: PRESIDENT GEINGOB SET FOR FAT SALARY

Namibia's President Hage Geingob and his wife Monica Geingos would be among the highest paid first couples in Africa, if not the world, should parliament pass into law the proposed Presidential Remuneration and Other Benefits Bill.

Geingob will be earning a tax free $22, 317 per month.

Presidential Affairs Minister Frans Kapofi on Wednesday introduced the remuneration legislation in the National Assembly, which will seek to replace the current Presidential Remuneration and Other Benefits Act, 2012 (Act No 15 of 2012).

The law sets the salaries and other benefits including medical aid of the head of state and his/her deputy as well as their spouses.

With the ruling party Swapo commanding a majority in the 104 National Assembly, the Bill is expected to sail through parliament.

According to Kapofi, President Geingob will be earning a tax free N$350 000 ($22 317) per month, which is 15 percent more than former president Hifikepunye Pohamba whose monthly salary was N$175 000 ($11 158).

First Lady Geingos, will be earning N$760 000 ($47 822) per annum, which is equivalent to the salary of a permanent secretary in the Namibian government.

Former First Lady Penehupifo Pohamba's annual was salary was N$600 000 ($38 257), equivalent to a deputy director in public service.

Deputy President Dr Nickey Iyambo earns N$1 079 795 ($68 851) per year.

The deputy president spouse is earmarked to get a monthly allowance equal to that of a deputy permanent secretary in the employ of the public service.

In addition, the new remuneration law provides that the president's salary will be 30 percent more than that of the prime minister, with premier Saara Kuugongelwa-Amadhila currently earning about N$1.2 million ($76 515) per year.

The new law further makes provision for the payment of all medical aid costs to legally dependent children of the president and vice-president, in case they are full-time students, disabled or unable to provide for their own maintenance. (APA 03-03-2016)

CLOUDS GATHER OVER AFRICA AS BARCLAYS HEADS OUT

When Barclays bought South Africa's Absa in 2005, wading back into a market it quit in the 1980s under pressure from anti-apartheid campaigners, the deal was trumpeted as a "tangible vote of confidence" in Africa's future.

Eleven years on, as the British banking giant looks to end more than a century of involvement on the continent by putting the 'For Sale' sign above its Africa business, it is hard not to conclude the opposite.

Barclays said it was selling down its 62.3 percent, 70 billion rand ($4.5 billion) stake in its Johannesburg-based subsidiary - which runs Absa in South Africa and Barclays-branded operations in 13 other countries - because of British regulations.

Barclays Africa chief executive Maria Ramos also said the decision had nothing to do with the outlook for Africa, pointing to a 10 percent rise in annual profit and 17 percent return on equity to support her view.

But these numbers are in local currency terms.

When translated into pounds - the only currency that matters to Barclays bosses in London - they tell a very different story, in particular the return on equity, which falls to 8.7 percent, below the parent bank's 11 percent target.

Over the last year, South Africa's rand has shed 20 percent against the pound as mining exports have slumped, the economy has stagnated and President Jacob Zuma has rattled investors by firing two finance ministers in four days.

Over the decade since Barclays bought Absa, the decline is far larger, to the point that - despite a 70 percent share price rise - Barclays is likely to take home the same amount of money it spent in the first place.

SHORTAGE OF SUITORS

Furthermore, this assumes Barclays will be able to sell at Tuesday's share price of around 142 rand - an unlikely prospect given the absence of obvious suitors and the clouds looming over Africa's famously large horizons.

In its latest economic outlook, the IMF forecast sub-Saharan growth of 3.75 percent for this year, a sharp decline from pre-financial crisis levels and a prediction that gives the handful of potential Barclays Africa suitors a strong hand in any talks.

Analysts and mergers and acquisitions bankers say interest is possible from China - now Africa's largest trading partner - although the performance of the 20 percent in South Africa's Standard Bank bought by Industrial and Commercial Bank of China 601398.SS 1398.HK in 2008 has been underwhelming.

National Bank of Abu Dhabi and Qatar National Bank are also possible bidders for the whole portfolio, although Qatar's strained diplomatic relations with Cairo might complicate any deal due to its Egypt component, Middle East banking sources said.

Speculation is also bound to swirl around Africa-focused bank Atlas Mara, co-founded by former Barclays boss Bob Diamond, although it is hard to see Atlas, valued at just $320 million, raising sufficient quantities of cash.

Another option for Diamond's outfit is to team up with sovereign wealth funds or other financial investors and launch a joint bid as part of a consortium, one of the bankers suggested.

If these do not materialise, alternative outcomes for Barclays are breaking up the unit to sell off piecemeal, or keeping its hands on a minority stake. Barclays said on Tuesday it may keep a small non-controlling stake in Barclays Africa beyond the 2-3 year sale deadline.

ELUSIVE MIDDLE CLASS

The continent's prospects are nothing like as rosy as 2005, when Irish rocker Bob Geldof arm-twisted rich nations into writing off billions of dollars in defaulted African sovereign debt.

Freed from the burden of unpayable interest charges and boosted by a commodity price boom, the impact of technology such as mobile phones and a flood of 'Africa Rising' investment predicated on the emergence of a middle class, the continent embarked on a decade of unprecedented growth.

Last year's slowdown in China and the ensuing drop in demand for raw materials such as iron ore, copper and crude, has brought that to a juddering halt, exposing the fragility of African government finances and economies.

The case of Nigeria, its biggest economy, most populous nation and top crude producer, is telling.

Having relied on oil for 70 percent of its revenues and 90 percent of its dollars, Abuja has had to impose budget cuts and foreign exchange controls to protect the naira, which is now trading on the street at nearly half its official value.

Other commodity producers such as Ghana, Zambia and Angola have suffered similar fates.

Meanwhile, the hoped-for windfall has failed to materialise from a continental middle-class whose size varies from 327 million of Africa's billion plus population to just 16 million depending on whose daily income definition you accept - the African Development Bank's $2, or McKinsey's $55.

"It's become clear that most of the people portrayed as the new consumer class are not going to have jobs - and if you're not earning, you're not consuming and you're not borrowing," said Francois Conradie of NKC Africa Economists in Cape Town.

"Instead of having a big middle class, you're just going to have big slums - and that is a serious political problem." ($1 = 15.6701 rand) (Reuters 01-03-2016)

NORTHERN DEVELOPMENT CORRIDOR IN MOZAMBIQUE LEASES 100 RAILWAY WAGGONS

The Northern Development Corridor (CDN) company in Mozambique has signed a five-year lease contract with South Africa’s GPR Leasing Africa under which it will receive 100 grain hopper waggons, GPR said.

The CDN is a project that encompasses the northern region of Mozambique, Malawi and Zambia, and is focused on recovery and commercial exploration of the port of Nacala, the railway system in northern Mozambique and in Malawi.

In the statement released, GPR Leasing Africa said the lease followed an agreement between CDN and Bakhresa Malawi Limited, a company from Malawi that is a subsidiary of the Bakhresa Milling Group, which has a grain terminal in Nacala and milling and packing facilities in Malawi.

The waggons will be manufactured and purchased from South African company Galison Manufacturing, which has built and refurbished railway trucks and other rolling stock for the last 20 years.

The contract with the CDN was signed in mid-October 2015 and the first boxcars will be delivered this month. The complete order of 100 grain hopper waggons is due to be delivered to the Mozambican company by the end of the year.

GPR Leasing Africa is a partnership between Grindrod Freight Services, of the Grindrod group and the Pembani Remgro Infrastructure Fund, created to finance the railway companies of the African continent. (03-03-2016)

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

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