

# MEMORANDUM

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## AFRICA AND THE 'BACK WAY' MIGRATION PHENOMENON

It is really heart-rending to hear news of deaths virtually on a daily basis of young Africans on the high seas while trying to reach Europe across the Mediterranean Sea.

While many analysts have tried to give reasons for such tragedies falling on Africa's most valuable future assets; the young people, with many of them heaping the blame on Europe for not welcoming African immigrants, but that is just half the story.

While the European attitude towards immigration from Africa is an important factor in the equation, but the poor governance environment and the wanton mismanagement of Africa's human and material resources by our own leaders is definitely more to blame for the phenomenon.

What do we expect Europe to do to help ameliorate the situation? Most people think that if Europe were to relax their immigration policies and make travel to the continent much easier for Africans, many of those who take the back way will be able to obtain visas and travel through the beaten track.

However, if that were to happen, then there is a tendency that virtually everyone would want to go to Europe and of course Europe would not be in a position to accommodate everyone.

Therefore, Europe has no other choice but to tighten their immigration policies in order to protect the living standards of their populations.

While we have seen the European Union holding an emergency meeting to discuss the issue, but one would wonder why the African Union is keeping so mute as if it does not concern them, even though the vast majority of those who lose their lives on a daily basis are Africans.

Why is the African Union not ready to tackle the phenomenon or is it because our leaders are not prepared to confront their own ineptitude and their disregard for the welfare of their people?

Like I said earlier, the blame for this tragedy lies squarely on the shoulders of our leadership in Africa whose bad governance and economic policies have made life unbearable for ordinary Africans.

The small clique of those in high positions often have the tendency of being intoxicated with power and greed that they hardly have enough regard for the welfare of the people who put them into power.

As a result therefore, their main pre-occupation is always to remain at the top and they would not hesitate to use all available means to stay there at the expense of the people.

Let us take for example the unusually large number of Gambian youths in proportion to its population who continue to perish at sea while trying to reach Europe.

This is no doubt because of the regime's bad social and economic policies and no doubt its poor governance environment, young Gambians are hardly left with any space to realise their potentials and as such, they resort to risking their lives to travel to Europe through the back way.

A good case in point is the recent almost one week stand-off between the police and the opposition United Democratic Party (UDP) simply over the issue of a permit to hold a meeting.

If the leadership cannot obey the very constitution that they had sworn to protect, and the police and security forces allow themselves to be used by the politicians to intimidate and harass the very people they are supposed to protect, then it is hard to see how justice will prevail in the country.

That alone is enough reason to make the young people lose confidence in the ability of the system to protect their rights to enjoy the most basic freedoms in their own country.

Therefore, there is no other way to tackle the problem of illegal migration than to improve the governance environment in Africa and make everyone an equal stakeholder in the development of our countries rather than allowing a small cabal of people to unfairly lord it over the rest of the population.(APA 22-04-2015)

## **GHANA: E-REGISTRAR PORTAL NOW LIVE**

According to [ghana.gov.gh](http://ghana.gov.gh), Ghana has launched an e-registrar portal. The portal is aimed at streamlining business registrations in the country. According to the media release, the Portal will be integrated with the Ghana E-Payments Portal (GEPP) and the Ghana Revenue Authority e-Tax Portal and make use of the Tax Identification Number (TIN) to identify portal users. Users can access the portal via [www.rgd.gov.gh](http://www.rgd.gov.gh) or [www.rgdservices.com](http://www.rgdservices.com).

According to the statement, the Minister for Communications, Dr Edward Omane-Boa The portal is aimed at streamlining business registrations in the country. (Image Source: <http://starrfmonline.com>) mah, stated that: "The portal was a strong statement of commitment by government to Ghanaians as the online community was an emerging digital economy."

The portal, Dr Omane-Boamah said, would enhance efficiency and effectiveness in securing business and company registration, estate administration and marriage registration through prior booking, particularly as it came with an electronic payment facility.

"This will enable clients to access the services from their homes, offices, anywhere around the earth and at the same time, pay for the services through the government online payment system studied by the National IT Unit through the Ministry of communication", Dr Omane-Boamah.

Furthermore, he said, the E-Registrar portal was intended to provide trust and confidence to accessing services online on the benefits of time saved and cost reduced, and give others the opportunity to enjoy the convenience it brought, as well as eliminate middlemen, popularly known as "Goro Boys" and long queues.

The statement revealed that Dr Omane-Boamah reiterated government's commitment to transforming service delivery within the public agency to enable them deliver electronic services to the citizenry by focusing on building trust for the users and consumers as well as establishing ground rules for the digital market place while enhancing the information infrastructure for new commas and maximizing the benefits of E-services. (IT News Africa 20-04-2015)

## **NAMIBIAN BEEF IN US MARKET SOON- OFFICIAL**

The US Ambassador to Namibia Thomas Daughton who met President Hage Geingob at State House on Wednesday has vowed to work toward strengthening bilateral relations between the two countries and pave the way for the introduction of Namibian beef in his country.

Addressing the media after a closed door meeting, Daughton said he had fruitful discussions with the Namibian leader on issues of common interest, including the energy sector in Namibia.

We discussed US programmes and activities in Namibia, including the issue of Namibia exporting beef to America, said the American ambassador.

The American diplomat, who took up his post in October 2014, noted that although it was a long process of negotiations, it is now nearing conclusion in terms of obtaining approval for Namibia to export beef to America.

The permanent secretary in the ministry of Industrialisation, Trade and SME Development Malan

Lindeque earlier told media that Namibia is hoping to benefit from the new African Growth and Opportunity Act (AGOA) which is expected to be signed this year with the United States government.

We are now in the final regulatory stage of obtaining clearance to export beef to the USA, thus the potential remains high to benefit from AGOA if it is extended he was quoted as saying by The Namibian on Wednesday.

AGOA, which was approved by the US Congress in May 2000, seeks to improve economic relations between the US and Africa. (APA 22-04-2015)

## **NAMIBIA: SADC MEETS IN WINDHOEK TO DISCUSS ICT**

The annual information and communication technology (ICT) conference for the southern African Development Community (SADC) has opened on Wednesday in the capital, with experts in the industry attending the three days event.

The conference is expected to prepare and approve the projects, programmes and budget for the new financial year of the Southern African Telecommunications Association (SATA).

The association is a specialised membership comprises telecommunication operators (both fixed and mobile) and suppliers in the ICT sector in the region.

In her opening statement, Telecom Namibia Board member, Feitjie Veldskoen applauded SATA members for advancing ICT in the SADC, which she describes as catalysts for sustainable economic development and growth.

Veldskoen noted that: ICT has a huge and positive impact on economic growth as it has the potential to make supply chains more efficient, offer richer collaboration, make financial transactions faster, and more dynamic pricing and transparent processes. □

ICT can accelerate the flow of goods and services across SADC national borders, underpinned by effective competition; ICT stimulates and improves trade by connecting people and places previously not connected, Veldskoen added.

The conference, which is held under the theme: ICT for the Benefit of All: Transforming our Society through Broadband and ICT Development is attended by participants from Angola, Zambia, Mauritius, Zimbabwe, Lesotho, Swaziland, Mozambique, South Africa and Zambia.(APA 22-04-2015)

## **MOZAMBIQUE SET TO MISS DIGITAL SWITCH DEADLINE**

Deputy Minister of Transport and Communications, Manuela Rebelo, has revealed that analogue television signals will not be switched off in June 2015 as completing the transition to digital will be impossible by then.

"The government accepts that it will not be possible to comply with the deadline for ending analogue broadcasts. So we are informing all Mozambicans that there will be no black-out of analogue signals after June," this is according to a report revealed by [rapidtvnews](#).

According to the report, Rebelo added that despite the International Telecommunications Union's universal digital migration deadline, switching off the analogue signal was "a sovereign decision" for Mozambique.

The funding procedure by the Exim Bank of China, with whom the government in 2014 signed a US\$223 million agreement for the provision of digital transmission equipment, has been delayed – and in turn

delayed the implementation of digital terrestrial television (DTT) in Mozambique, Rebelo stated according to the report.

Eight new digital transmitters will be acquired by public broadcaster Mozambique Television (TVM) by October to help mitigate interference from neighbouring countries' DTT transmissions, Rebelo added.

Mozambique has signed agreements with South Africa and Malawi to avoid the risk of cross border interference, in line with recommendations by the Executive Secretariat of the Southern African Development Community (SADC). (IT News Africa 22-04-2015)

## **TOBACCO TO BOOST NAMIBIAN ECONOMY**

The heavily scrutinised tobacco project envisaged for the Zambezi region by Chinese investors will be beneficial to the Namibian economy according to the Chinese Ambassador to Windhoek, Xin Shunkang.

Last month, many Namibians, including former health and social services minister Dr Richard Kamwi have criticised the government's decision to sell 10 000 hectares of communal land to a Chinese company, Namibia Oriental Tobacco cc to produce tobacco.

The former minister has stressed that such plantation is not in the best interest of Namibians, and that it will negatively affect the surrounding communities.

Ambassador Shunkang who was accompanied by 15 Chinese experts in agriculture was quoted on Wednesday as telling journalists that a similar tobacco project in Zimbabwe has benefited that country's economy, which is now among the top tobacco exporters in the world.

Zimbabwe's tobacco quality is very good and they have earned a lot of money through it.

"So, I have suggested that Chinese companies teach Namibian farmers how to plant tobacco, for them to also earn money through this, said the Chinese ambassador.

Namibia Oriental Tobacco cc intends to set up over \$81 million tobacco plantation in the north eastern region.

I want to clarify that the tobacco produced here will not be sold or used in Namibia.

Once there is a plantation and after the processing, it will be moved to the Chinese market, he said adding that Chinese investors are ready and waiting to commence with the project. (APA 22-04-2015)

## **SOUTH AFRICA'S ELIGIBILITY FOR AGOA BENEFITS TO BE REVIEWED**

The Senate finance committee on Wednesday night voted to require the Obama administration to launch a review of SA's eligibility for trade benefits under the African Growth and Opportunity Act (Agua) within 30 days of the act being renewed.

Legislation to renew Agua for 10 years introduced last week by senator Orrin Hatch, the Utah Republican who chairs the committee, had left such a review to the administration's discretion.

On a voice vote, the committee accepted an amendment by senator Jonny Isakson to make the review mandatory. The Georgia Republican, with senator Chris Coons, Democrat of Delaware, has been championing the US chicken industry complaints about South African anti-dumping duties.

"SA is the largest beneficiary of Agua and should be the most co-operative with Agua," Mr. Isakson said. He said his amendment would hold SA "accountable for its trade policies" and had the support of the US trade representative Michael Forman and the Obama administration.

The bill now goes to the full Senate. (BD 23-04-2015)

## LESOTHO: BEDCO APPEALS FOR MORE BUDGETARY ALLOCATION

The Basotho Enterprises Development Corporation (BEDCO), a unit under the Ministry of Trade and Industry, has appealed to the new Lesotho coalition government to increase its budget so that it will be able to meet all its objectives.

BEDCO chief executive Robert Likhang made the request on Wednesday during a meeting with the new Minister of Trade and Industry Joshua Setipa in Maseru.

Likhang noted that due to limited budget, the BEDCO has been struggling to accomplish its assignments, which include improving small and medium enterprises.

He said the economies of most countries rely on domestic enterprises making therefore important for the BEDCO to be allocated adequate funds to help it grow small Basotho businesses and fight poverty.

“We are in the pipeline of drafting documents that would allow us work with other countries such as Botswana and Swaziland that have the same business agenda like us,” explained Likhang.

He announced that because of low salaries offered at BEDCO, they had already lost a great deal of their human resources since their remunerations have remained unchanged for more than ten years.

He reiterated that BEDCO has already signed Memorandum of Understanding with small enterprise agencies in South Africa in order to get acclimated with new ways of working and exchanging business skills. (APA 22-04-2015)

## FOR CHINA, THE PRIZE IN AFRICA IS ITS MARKETS

If you’re a student of China in Africa and haven’t read Howard French’s, *China’s Second Continent: How A Million Migrants are Building a New Empire in Africa*, you need to remedy that.

French was probably the best correspondent the New York Times ever posted to Africa between the Democratic Republic of Congo and the Sahara. The newspaper then made him bureau chief in Shanghai, where he mastered Mandarin and was struck by the growing flow of visiting African bigwigs. That led to scores of interviews in six African countries, and the book.

To see China’s involvement as a “raw materials play” is “a failed appreciation of China’s ambition with regard to Africa and, indeed, the world”, he said at a forum in Washington DC this week.

“What China is really after is the development of markets.”

To illustrate his point, he held up his iPhone. “China is making hundreds of millions of mobile phones in a factory owned by Foxconn that runs 24 hours a day in eight-hour shifts. Ten thousand workers come out at a time. It’s a sight to behold. They (the Chinese) are accepting all of the pollution that goes into this process, all the difficult labour conditions, and they are capturing just 15c of each dollar of value-add.”

Further up the value chain, companies in Japan, South Korea and Taiwan, such as Samsung and Toshiba, were capturing 30c by supplying branded high-end components containing intellectual property. The remaining 55c was going to Apple in California, for “design, integration and, above all, marketing”.

“That’s where the big money is, the good lifestyle money, the clean money with little or no associated pollution, but with really good jobs,” French said.

That kind of money and job is what China wants.

As early as the late 1980s, well before anyone thought of the iPhone, Beijing’s planners knew China had to climb the value chain, as Japan and others had done, if its economy was to be more than an archipelago of sweatshops in special economic zones using foreign investment and intellectual property to create wealth for foreigners.

“That,” French said, “was the beginning of the ‘going out’ policy”— China had to be “an agent of globalisation”, not simply a “recipient”. “Going out” was the context in which the Chinese started looking at Africa while Europe was preoccupied with post-Berlin Wall reunification and the US was coming to grips with the end of the Cold War. “The Chinese are thinking opportunity while we don’t think of Africa

as an economic space, but a place where we can project our goodness and give people lessons," he said.

China did not have to wait for McKinsey to tell it about Africa's 900-million potential consumers, its growing middle class or its rapid urbanisation.

"There are literally hundreds of Chinese companies out there in Africa today cutting their teeth and trying to establish brand loyalty among emerging, African middle classes to become the standard products Africans will turn to in generations ahead. This is much more important than minerals," French said.

Amid rising labour costs at home, "one can also expect that certain Chinese industries will go offshore to Africa", he said.

But it was not just a question of wages. Chinese companies would situate themselves in African countries to take advantage of their preferential access to other markets, under the US's African Growth and Opportunity Act, for example.

French admires what China is accomplishing in Africa, but he is also under no illusions. "The Chinese are strikingly neocolonial about wanting to command the economic heights" in African countries.

They truly do consider themselves superior "to everyone". They have no qualms about exploiting the desire of African leaders for vanity projects such as football stadiums. But they are also nimble at climbing learning curves when politics and popular sentiment demand it.

The author concluded with this observation: "I have been to lots of African embassies in Beijing, and behind the scenes the embassy is being run by Chinese people. There's the ambassador and sitting in his office is a top aide who's been loaned to him by the Chinese foreign ministry."

There was no evil intent, French said. It was just that African missions often "do not have someone of their own who can speak and read Chinese and so depend a lot on the Chinese to run their embassies. And that's just a massive disadvantage." (BD 22-04-2015)

## NAMIBIA: CANADIAN FIRM'S SMELTER PROJECT NEARING COMPLETION

Dundee Precious Metals Tsumeb (DPMT), a subsidiary of Canadian-based Dundee Precious Metals, is satisfied with progress of its US\$222-million gas-cleaning and sulphuric acid plant that is due for commissioning in June at Tsumeb.

The company's spokesperson Alina Garises told the media on Wednesday that the plant, which has been under construction for the past 18 months, was almost complete.

While workers are applying finishing touches to the structural and mechanical aspects of the project, scores of others are focussed on installing the last electrical components, cable racks, electronic-monitoring systems and power connections so that the pre-commissioning checks can begin, Garises told state-owned New Era newspaper.

The plant project is expected to turn the harmful sulphur dioxide into sulphuric acid, an essential component in the uranium and copper mining industry.

The sulphur dioxide gas that is released during the copper-smelting process has been blamed for sickness among workers at DPM's Namibia Customs Smelter due to high arsenic level in imported copper from Bulgaria and Peru.

According to Garises, the new plant will eliminate the problematic sulphur dioxide gas that is released during the copper-smelting process.

From an environmental perspective, the plant will solve the issue of sulphur dioxide emissions that have plagued Tsumeb residents since the smelter opened in 1963. Once operational, the plant will capture and convert sulphur dioxide into sulphuric acid, which will be sold to Namibia uranium mines for use in their production processes, she said.

She said the high-tech plant will be capable of producing between 270, 000 and 340, 000 tonnes of acid annually.

DPMT and Rossing Uranium Limited signed a supply agreement for the former to supply the latter with 225,000 tonnes of sulphuric acid annually. (APA 22-04-015)

## **SOUTH AFRICA COMPANIES IN AFRICA WARN OF ADVERSE EFFECTS OF ATTACKS**

Finance Minister Nhlanhla Nene says some South African companies operating across the continent have warned about the damaging effects of the xenophobic attacks on their businesses in the long term should these not be dealt with expeditiously.

For the moment the situation was okay, he said, but if it was not addressed it could worsen.

Mr. Nene, who had just finished briefing the National Council of Provinces select committee on finance on the national government's intervention in Limpopo, said xenophobia was of great concern, which was why the security cluster ministers and security forces were taking action "to deal with the matter once and for all".

Mr. Nene's comments follow concern over SA's position in Africa following the closure of its consulate in Lagos in Nigeria earlier this week after demonstrations. On Wednesday, Nigeria complained to SA about the attacks on foreigners and called on Pretoria to punish the culprits and compensate the victims, the foreign ministry said.

Junior Foreign Minister Musiliu Obanikoro summoned South African high commissioner Lulu Mnguni "to register Nigeria's protest over the ongoing xenophobic attacks against fellow Africans in SA".

A statement from his office said: "In the meeting, ambassador Obanikoro condemned the attacks on foreigners, expressing concern on the fate of Nigerians and indeed of other nationals who are migrants in the country."

SA needed to take "concrete steps to quell the unrest and bring the culprits involved to book", to act as a deterrent and prevent further violence, the statement said. "He also called on the South African authorities to compensate the victims of these attacks."

On Tuesday, parents with children at an international school in Addis Ababa, Ethiopia, received an e-mail from the principal who warned of demonstrations moving towards the South African embassy and the residence of African Union chairwoman Nkosazana Dlamini-Zuma, SA's former home affairs minister.

"We are all saddened by the attacks against foreigners in SA and the apparent executions of Ethiopian citizens in Libya," the e-mail said. "The government has announced that flags will be lowered for three days in mourning."

Department of International Relations and Co-operation spokesman Nelson Kgwete said the consulate in Nigeria had been closed as a precautionary measure.

"We have not had many demonstrations at our foreign missions, and the few ones that have taken place have been peaceful and orderly," he said. (AFP 23-04-2015)

## **CAR RECONCILIATION FORUM RESCHEDULED TO MAY**

The National Forum of Reconciliation in the Central African Republic earlier scheduled to take place from 27 April to 4 May was postponed to 4 to 11 May due to organizational and logistical reasons.

The postponement was announced on Tuesday at the end of a meeting between the President of the National Transitional Council (NTC), Mr. Ferdinand Alexander Nguendet and the Prime Minister of the Central African Republic, Mr. Mahamat Kamoun, the head of the Monitoring Committee of the cease-fire signed in Brazzaville by the protagonists of the CAR crisis.

Mr. Kamoun has just returned from a three-day mission in the Congolese capital, where he discussed the organization of the meeting with Congolese President Denis Sassou Nguesso who expressed his wish for the dialogue to be moved in a bid to enable all the stakeholders to take part in the forum aimed at ending the crisis tearing the country apart over the past few years.

The Congolese head of state, who is the Mediator in the CAR crisis, is in favor of the inclusion of former presidents François Bozize and Michel Djotodia.

Furthermore, a controversy has sparked off over the participation quotas allocated to the various sides by the organizing committee as former Seleka rebels and anti-Balaka militants want more than the 15 seats given to each of them.

Some Muslim groups have also described as insufficient the thirteen seats reserved for them by the technical committee. (APA 22-04-2015)

## **PEACE FORUM FOR CENTRAL AFRICAN REPUBLIC SUFFERS SETBACK**

The Central African Republic's transitional government has postponed a peace forum involving factions in a two-year-old conflict that has killed thousands, a statement from parliament said, as the country prepares for elections by the end of the year.

Congo Republic President Denis Sassou Nguesso, who has served as a mediator in the crisis, could not attend next week and so the forum would be held from 4 May to 11 May, it said.

CAR descended into chaos in March 2013 when predominantly Muslim Seleka rebels seized power. That sparked reprisals by "anti-balaka" Christian militia, which drove out tens of thousands of Muslims from the south in a de facto partition.

Some 680 representatives from armed groups, political parties, civil society and the religious communities were due to meet next Monday in a nationwide forum.

CAR said that delaying the forum would also allow the government to raise additional financing for the talks.

Though the violence has lessened, sporadic killings occur, fuelled by criminality, and deep divisions between Muslims and Christians persist.

The lingering tensions have raised doubts among some analysts as to whether polls meant to restore democratically elected leadership will be possible this year.

Meanwhile, former President Francois Bozize and Michel Djotodia, the Seleka leader who seized power in 2013 but was later forced to step down under international pressure, signed a peace agreement in Kenya last week.

The talks did not include the country's transitional authorities, however, and were dismissed by Bangui and its international partners.

French and European Union military forces, which intervened during the worst of the violence, are now pulling out and handing over to a 10,000-strong UN peacekeeping mission.(EurActiv 23-04-2015)

## **EGYPT, EUROPEAN BANK DISCUSS 'EQUITY INVESTMENT'**

The European Bank for Reconstruction and Development (EBRD) and the Egyptian Private Equity Association (EPEA) have concluded discussions about the North African financial institution's approach to investing in private equity funds in Egypt.

An official statement issued here Wednesday on the outcome of the forum said developing and promoting the private equity industry is one of the Bank's focus areas in Egypt; as this market is beginning to re-emerge but is still in the early stages of development.

Attended by over 60 professionals, including established as well as potential first-time fund managers, the roundtable focused on best practices and promoting private equity as a financing tool. The meeting also helped increase awareness of the EBRD's activities related to investment in private equity funds.

The statement said since the EBRD began working in Egypt in 2012, it has committed over \$762 million to 24 projects across a wide range of sectors. The Bank has also facilitated direct technical assistance through its Small Business Support programme, which to date has benefited approximately 185 Egyptian SMEs.

During the session experts from the Bank gave an overview of the EBRD's investment process and highlighted several areas that all potential fund managers need to consider when approaching the Bank.

Hassan el Khatib, EBRD Managing Director for Equity, said: This roundtable is part of our strategy to encourage new fund managers as they attract investors and to pave the way for further investments in equity funds, reaching various sectors of the Egyptian economy.

"Through our investment in private equity funds, we aim to promote best practice in the industry, to build capacity by supporting first-time funds as well as providing follow-up support, and to help align the interests of investors and equity funds.

Dalia Tadros, EPEA Executive Director, said: The roundtable is part of a series of activities that EPEA is implementing, to achieve one of its important objectives. These goals include benefiting our members and helping to align their interests, as well as facilitating and encouraging business development among stakeholders of the equity investment ecosystem in Egypt and the wider region.

To date the EBRD has invested in more than 150 equity funds across the countries where it works, reaching small and medium-sized enterprises (SMEs) and various sectors such as infrastructure, services and agribusiness. The Bank aims to build institutional capacity and encourage private equity activity in early transition countries, as well as in underserved markets.

The Bank also facilitates the development of innovative financing tools by supporting selected niche funds that offer more specialised products, such as mezzanine capital, infrastructure or sector-specific funds, the statement says.(APA 22-04-2015)

## **S/AFRICAN POLICE, TROOPS RAID HOSTELS IN JO'BURG TOWNSHIPS**

In efforts to end the current xenophobic attacks in the country, members of the South African National Defence Force (SANDF) have taken up their new role as domestic peacekeepers, backing the police as they conducted pre-emptive night raids at all-male hostels in Alexandra and Jeppestown Townships in Johannesburg, APA confirms on Thursday.

Police said 11 people were arrested during the raids at the hostel, which also uncovered marijuana, weapons and stolen goods, apparently items taken from thefts at foreign nationals-owned shops by the unemployed residents of the hostel.

National Police Commissioner Riah Phiyega, who was also present during the raids, welcomed the support of the SANDF in the crime prevention operation.

She said the presence of the army was a force multiplier. More raids are expected in the identified hotspots, according to police.

During the operations, police said the army would secure the outer perimeter of the identified hotspots, while the police conducted searches within the premises.

The raids follow the announcement that Defence Minister Nosiviwe Mapisa-Nqakula made on Tuesday that the army would support the police at the identified violent hotspots, whose residents have been instrumental in leading the xenophobic attacks that has seen the death of seven people and over 2,000 foreign nationals displaced.

"The Military Command wants to assure both the people of South Africa and foreign nationals that the SANDF will not stand by and watch while innocent lives are being threatened," SANDF spokesperson Xolani Mabanga said. (APA 23-04-2015)

## **ETHIOPIA: GOV'T DRAFTS CEMENT INDUSTRY DEVELOPMENT STRATEGY**

The Ministry of Industry is drafting a national cement industry development strategy that will enable it to assist the fast growth of the industry.

State minister of Industry, Mebrahtu Meles (PhD), told The Reporter that his ministry in collaboration with the Adama Science and Technology University started drafting the national cement industry development strategy last July. Mebrahtu said the cement industry is facing several challenges including high production cost, limited market, inadequate transport service and unavailability of locally produced packaging materials. According to Mebrhatu energy cost accounts to 60 percent of the total expenses of a cement factory.

Most of the cement factories use coal as fuel. Though coal deposits are found in different parts of the country it has not been utilized. Cement factories import coal from South Africa and other countries. Mebratu said the coal import escalates the cost of production. Recurrent power cuts is another headache to the cement industry.

The construction boom that started in 2008 created a huge demand to cement that led to the importation of cement in large quantity with hard earned foreign currency. This prompted the Ethiopian government to invite local and foreign investors to invest in the cement industry. A number of cement factories were built in short period of time and importation of cement was banned with the exception of especial cement. The government also suspended issuing investment license for cement factory development.

At the 7th annual Africa Cement Trade Summit held April 6-7 at the Sheraton Addis, Mebrhatu said that there are 18 companies engaged in cement production. The installed production capacity has reached 11.2 million tons. This is expected to further increase to 17.15 million tons. The factories are actually producing 5.47 million tons per annum.

Mebrhatu said the average cement production capacity utilization rate in the country is below 50 percent. "This level of capacity utilization is substantially low compared to global average of 60-70 percent or recommended acceptable optimum production capacity utilization rate that range between 80-85 percent."

Ethiopia historically has low cement per capita consumption as low as 39 kg in 2011 where it reached 62 kg in 2014 where it is still low compared to global average of 500 kg and 765 kg of sub-Saharan Africa average.

The major cement markets are geographically concentrated around Addis Ababa. Mebrhatu said the current profit margin of cement firms in Ethiopia is very low. "The inefficient road transport contributes to the high trade cost for the cement industry."

The production of cement has surpassed the demand. Mebrhatu stressed the need to stimulate the induced cement market due to high price.

The newly built Dangote Cement factory will soon start channeling its product to the market. The factory built at a cost of 500 million dollars near Muger town, 87 kms west of Addis Ababa, has the capacity to produce 2.5 million tons of cement. The factory recently started trial production of clinker. According to

Teshome Lemma, general manager of Dangote Cement Ethiopia, the factory will start production in the second week of May.

Habesha Cement Factory is also expected to start production in 2016. Habesha has an installed cement production capacity of 1.4 million tons. Industry observers fear that there could be surplus production of cement when these companies join the market.

With the view of avoiding market saturation and price war the government the Ministry of Industry stopped issuing license to new cement factories. However, Mebrhatu said this is a temporary measure adding that the ban could be lifted as the demand for cement picks up. According to him, the cement industry development strategy will resolve this and other problems. The strategy is expected to be finalized and endorsed in the coming few months.

Guest of honor at the Africa Cement Trade Summit, Mekuria Haile, minister of Urban Development, Housing and Construction, said that the mega public projects including the construction of sugar factories, railway lines, and hydro power plants created a high demand for cement consumption. "In order to respond to the growing demand of cement, our government has taken major actions in creating conducive environment for cement production by both local and foreign investors. Recently, different national and international business groups have shown interest in investing in Ethiopia-this may witness cement self sufficiency and export possibility too," Mekuria said. Ethiopia is exporting cement to Somalia, Djibouti and South Sudan in small amount.

According to Mekuria, the country's annual demand reached seven million tons of cement and the production capability is more than the demand. However, he said the price of cement in the local market is still high. He stressed the need to work on production cost reduction and market stimulation. The construction sector in Ethiopia contributes 7.4 percent to the country's GDP is expected to have a significant share by the end of the second GTP. The annual growth of the construction sector is expected to continue to grow at a rate of 30 percent in the GTPII.

Albert Corcos, Dangote Cement regional CEO Eastern and South Africa, said that his company wants to consolidate its leadership as a Pan African Cement Group and occupy leading markets in Sub Saharan Africa. Corcos expressed his company ambition to gain more than 60 percent market share in each country of investment - with the highest market quality product.

Dangote Cement built cement factories in 17 countries. The total cement production capacity is 50 million tons. The company will boost the production capacity to 60 million tons in 2017.

According to Corcos, infrastructure, dearth of energy, skilled manpower and inefficient transport are some of the major challenges facing the cement industry in Africa. Dangote Cement took various measures to address the challenges.

Dangote Cement is forced to build its own power generation plant in some countries where it established cement factories. It also operates its own trucks due the unavailability of capable transport companies. "If we want to mobilize 100 trucks at a time there is no such company with that capacity," he told participants.

Dangote Cement operates a fleet of 7000 trucks in Nigeria. According to Corcos, the company will import 600 trucks for the Ethiopian Cement factory. "Three hundred of them will arrive end of this month and the others will come some other time."

He said that the company imports cement bags from Saudi Arabia adding that it will consider building its own cement bag manufacturing plant in Ethiopia.

The Africa Cement Trade Summit is organized by a Singaporean company, Center for Management Technology in collaboration with the Ethiopian Ministry of Industry. The meeting is organized in Addis Ababa up on the recommendation of Aliko Dangote. More than 150 participants attended the summit. The delegates visited the newly built Dangote Cement factory. The factory will soon be inaugurated in the presence of senior Ethiopian government officials and Aliko Dangote.(bd 24-04-2015)

## **US DEVELOPMENT PARTNERS TO INVEST US\$200M IN MALAWI POWER DEVELOPMENT**

A consortium of development partners from the United States presented to President Peter Mutharika a comprehensive proposal of about US\$200 million to invest in power development in Malawi.

According to the local press reports on Thursday, James Nicholas, an executive partner, stated that the

proposal outlines the team's capabilities and interest in assisting Malawi meet its goal of doubling its energy output by year 2020.

"We recognize that a vibrant energy sector is required to fuel economic growth and industrial development, hence their proposal to work with the Malawi Government to fast track Power Purchase Agreements (PPA) and other regulatory items to facilitate project acceptance", he said.

He assured the president that the team was ready, willing and able to work with Malawi Government through the Ministry of Natural Resources, Energy and Mining to achieve project goals, adding that their local Malawi partner was poised to coordinate and facilitate the project development plan in order to meet agreed upon milestones.

In the proposal the development team's role is to construct a photovoltaic power plant based on the conditions outlined in the Memorandum of Understanding using the Independent Power Producer (IPP) business model in conjunction with the Ministry of Natural Resources, Energy and Mining.

The team once obtains the required permits and approvals will supply the project with low cost, efficient solar modules and systems equipment, provide adequate training to create jobs for the Malawi work force and facilitate security for the project's operations.

The Executive Partner informed Mutharika that the development team is capable of building a small solar plant of 1.5MW for between US1.8 million dollars to US2 million dollars and large plants of 100MW for approximately US 200 million dollars, everything being equal (APA 23-04-2015)

Fernando Matos Rosa

[fernando.matos.rosa@sapo.pt](mailto:fernando.matos.rosa@sapo.pt)  
[fernando.matos.rosa@skynet.be](mailto:fernando.matos.rosa@skynet.be)