

# MEMORANDUM

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## SOMALIA HOUSING BOOM AS MOGADISHU EMERGES FROM WAR

Somalia's elegant colonial villas were left in ruins by two decades of street fighting among warlords, and the seaside capital Mogadishu was dubbed the most dangerous city in the world.

But now new housing estates are being built amid an economic boom as diaspora Somalis return and newly wealthy businessmen capitalise on the relative peace in the city.

Some seven kilometres outside Mogadishu in a formerly largely rural area, new homes are springing up, with almost 50 houses now ready on an estate, builders say.

Mohamed Abdullahi Ali, from Salaam Somali Bank, said it was a "great honour" to back the estimated \$20m project.

Construction began in early 2015 and the project was touted as offering commercial returns and helping rebuild the nation.

"It is a new neighbourhood for all Somalis to buy affordable homes, by leaving the densely populated neighbourhoods of Mogadishu, and to come and stay with families here," Mr. Ali said.

"According to our plan, we are going to build 500 homes that can cover the residential needs for 500 families in the first stage, and then will construct more houses." Tens of thousands forced to flee their homes still live in plastic and rag shelters in the capital, sometimes in the ruins of war-shattered buildings, and more than a million people are still in need of emergency aid in a country ravaged by famine in 2011, the United Nations says.

Car bombs and assassinations are still common, and a 22,000-strong African Union force fights alongside the army to protect the internationally-backed government from attacks by the Islamist Shebab insurgents.

The streets in the new estate offer a very different vision of Mogadishu.

Those returning to Somalia — including investors wanting to start new business in their homeland — say the Daru Salaam estate offers them a more secure place to live.

"I came back to this city to buy a new home in Daru Salaam neighbourhood... the houses are well built," said Abdiqadar Jimale Roble, 34, who grew up in Sweden from the age of 12 after Somalia spiralled into civil war in the early 1990s.

"I have been out of Somalia for long time but I came back because everybody needs his country — and the country is making much progress," Mr. Roble added. "I had to take part in that progress, and everybody should have a house in his country." For those returning with dollars earned abroad, the estate reflects the possible profits to be made even in a still dangerous country.

Sadia Sheikh Ahmed, who also grew up in Sweden after fleeing Somalia, said she had helped her relatives abroad snap up property.

"Initially we wanted to buy two houses, but now we and our relatives have bought eight homes, scheduled to be completed soon," she said.

A two-storey house can cost some \$130,000, while a more simple bungalow comes in at around \$70,000.

Those are hefty sums in one of the poorest countries in the world, with a gross domestic product per capita of just \$284, according to the World Bank, against a sub-Saharan Africa average of \$1,300.

Development indicators are "among the lowest in the world", the World Bank says, noting the Horn of Africa nation is "heavily dependent" on aid and remittances.

Over 308,000 children are acutely malnourished, according to the UN Office for the Coordination of Humanitarian Affairs (OCHA).

"After more than two decades of violence and political instability, Somalia is on a positive trajectory," OCHA said, while warning the "promising trend" takes place amid a "precarious" humanitarian and security situation.

"Humanitarian needs remain vast and Somalia's humanitarian crisis remains among the largest and most complex in the world," OCHA added.

But the estate is symbolic of the possible changes in Mogadishu.

"The security here is very good and there have been no problems," said Fuad Ahmed Warsame, marketing director of Daru Salaam Real Estate, which is building the new neighbourhood — meaning "house of peace." The company is headquartered in central Mogadishu's famous Bakara Market, the city's commercial heart, once infamous as the 1993 battle when fighters shot down two American Black Hawk helicopters. The bullet scars there have long been covered up with business booming.

"Our plan is to build a new neighbourhood with a good environment, new designs," added Mr. Warsame.

(AFP 03-01-2016)

### **CABO VERDE'S ECONOMY GROWS 1.4 PERCENT IN THIRD QUARTER**

The Gross Domestic Product of Cabo Verde (Cape Verde) grew by 1.4 percent in the third quarter of 2015, compared with a contraction of 0.7 percent in the same quarter of 2014, the archipelago's National Statistics Institute said in a statement.

The Quarterly National Accounts released Wednesday showed that the positive trend was due mainly to the growth of Electricity and Water, Hotels and Restaurants, Financial Services and Insurance, Business Services and Public Administration.

The most significant negative contributions were recorded in Manufacturing Industry, Construction, Trade, Transport and Telecommunications.

Since the beginning of the year the Cabo Verde economy grew by 1.0 percent in the first quarter and 0.1 percent in the second quarter. (31-12-2015)

### **MALAWI: OVER 60 CIVIL SERVANTS SUSPENDED FOR GRAFT**

Over 60 civil servants employed by Malawi's Ministry of Health have been sent on forced leave on suspicion that they embezzled donor funds from the US Centre for Disease Control (CDC).

Speaking in Lilongwe on Monday, Secretary for Health, MacPhail Magwira confirmed the suspensions which he said would pave the way for thorough investigations into the millions of donor money allegedly stolen.

"CDC raised a red flag to us that some people in the health sector collected allowances without doing the actual work intended for," he said.

CDC sponsors a glut of projects in Malawi's health sector including eradication and control programmes targeting malaria, tuberculosis and non communicable diseases among others.

According to Magwira, the government is engaging the National Audit Office (NAO) to assist in auditing funds linked to the CDC to establish the truth.

Malawi has been blighted by a string of corruption scandals involving hundreds of millions of dollars since the days of late President Bingu Wa Mutharika, prompting donor agencies to temporarily halt aid to the country two years ago.(APA 04-01-2016)

### **NABA'S BUSINESS GUIDE TO THE EAST AFRICA COMMUNITY**

NABA the leading Norwegian and Nordic private sector development organisation has recently published a comprehensive Guide in the East African Community (EAC).

Learn more about the market opportunities in the East African Community (EAC) for Nordic stakeholders, and how you can set up your business in the region. This business guide also share insights on business culture and etiquette – essential when doing business in the region

The Norwegian-African Business Association (NABA) seeks to promote business opportunities on the African continent and serve as a bridge between Norwegian/Nordic and African business communities. NABA will work to increase more efficient and less risky trade between Norway and Africa.

The Norwegian-African Business Association (NABA) was founded by the Confederation of Norwegian Enterprise (NHO), Virke – the Enterprise Federation of Norway, Norfund, Statoil, Yara International, Nortura, DLA Piper, Norwegian Shipowners' Association, Jotun AS, Astrium Services, Innovation Norway, Aqua Unique, Belief AS, Green Energy Group, Marine Research Institute and the Oslo Chamber of Commerce.

NABA is the only Norwegian-African chamber of commerce, and provides the most relevant network for Norwegian companies working in African markets. NABA promotes Norwegian member companies in Africa, we promote African business opportunities in Norway and advocate for more, better and safer business collaboration between Norway and African countries.

NABA is a Partner organisation of The Memorandum, available daily to its members. Readers may download the Guide here: [Read more...](#) (NABA 10-01-2015)

## **MOZAMBIQUE ECONOMY STIMULATED BY INFRASTRUCTURE FINANCED BY CHINA**

The economic forecasts for Mozambique have lost some momentum in recent months, but a set of new projects funded by China in the country's two major cities should stimulate growth. After the inauguration of the Zimpeto Stadium, also funded by China and the first major sporting facility built in Mozambique after independence in 1975, attention was focused on the Catembe bridge in Maputo, and the new port of Beira, the second largest Mozambican city, according to a survey by news agency Xinhua.

The survey of new work carried out by the Chinese agency showed that the bridge, due to open in 2017, will open up new areas of Maputo to urban development, in addition to facilitating the connection between the two sides of the bay, driving a "substantial increase in economic development, business and tourism" of the Catembe region.

Under construction since 2014, the bridge, which is 3,000 metres long, is one of the largest of its kind in Africa, and is an investment estimated at US\$300 million.

Construction of the new port of Beira began in September 2015, at the hands of the China Harbour Engineering Co. The port is seen as key to revitalise the country's fishing industry and will serve the entire production chain, including refrigeration and export of processed products.

Another recent flagship infrastructure of Chinese cooperation in Mozambique is the Maputo Ring Road, which connects the Zimpeto stadium, built using funding from the Export-Import (ExIm) Bank of China by the China Road and Bridge Corporation, which is also responsible for the design of the Catembe bridge. The ExIm Bank financing also allowed for completion in 2012 of the new Maputo International Airport terminal.

China has been gaining importance amongst Mozambique's main foreign partners, with analysts projecting this trend to grow even stronger.

The Economist Intelligence Unit (EIU) said that Chinese investment will support the strengthening of relations and that China is expected to remain as the major creditor of the Mozambican state, a status it achieved recently.

The focus of Mozambique's foreign policy, said the same source, is "to connect to new partners" such as China, India and Brazil, "with the long-term goal of reducing the weight of external aid with more investment revenues in the energy and mines sectors."

The interest from major Chinese state-owned enterprises, such as China Three Gorges and China State Grid, in Mozambique's big hydroelectric projects has been widely publicised.

In the last decade Mozambique has grown at an annual average of 7.4 percent, but according to the Eaglestone Securities consultancy, in the coming years the pace is expected to slow due to the fall in commodity prices on international markets as well as lower foreign investment.

The devaluation of the metical (58 percent against the dollar in 2015) is creating new pressures on the economy, particularly increasing the price of basic goods, while foreign reserves have been affected by the increase in debt service and lower foreign aid, among other factors. (04-01-2016)

## **ENOUGH FOOD REACHING STARVING POPULATIONS**

Ethiopia's National Disaster Risk Management Commission on Monday announced that there is enough supply of food for people in need of humanitarian relief aid due to the El Nino induced drought blighting some parts of the country.

There is no shortage of food supply. Yesterday alone, 170 vehicles each with 400 quintals lifting capacity arrived in Adama town, 90km south east of Addis Ababa, National Disaster Risk Management Commissioner, Mitiku Kassa declare.

He said, despite an increase in number of needy people, the government is giving a rapid response to the problem.

According to him, the government purchased more 22,000 metric tons of grains earlier and 50 percent of it arrived in Ethiopia recently for onward distribution to drought-prone people in the country.

Mitiku said the government will procure additional 405 metric tons of grain to feed the needy.

He said each individual is being provided with 15kg of grain, 1.5 kg of pulses and half a liter of cooking oil, to avert problems associated with unfair distribution of food.

The food supply is going well our current challenge, apart from food is water supply he added.

Pastoralists living in areas where there is underground water are developing animal feed using irrigation, he said, citing the 900 hectares of land being developed in Afar as a case in point.(APA 04-01-2016)

## **EU SUPPORT THE PALESTINIAN CIVIL POLICE REFORM AND DEVELOPMENT**

EUPOL COPPS, the European Co-ordination Office to Support the Palestinian Police, published a newsletter on Monday, January 4, detailing its activities in December 2015.

In particular, the newsletter highlights its mission to support the reform of the Palestinian Civil Police, and also provides information on the Office's participation in a two-day workshop on the 'Responsibilities of the Palestinian Civil Police'.

EUPOL COPPS also writes about its participation in a graduation ceremony for 19 officers of the Palestinian Civil Police in the West Bank in December. <http://eupolcoppes.eu/en> (04-01-2016)

## **SALE OF CABO VERDE INTERNATIONAL BANK NEARLY COMPLETED**

The sale of the Cape Verdean bank Banco Internacional de Cabo Verde, owned by Portuguese shareholders, is nearing completion, Portuguese television station TVI24 reported.

The bank, which until November 2014 was called Banco Espírito Santo/Cabo Verde, became part of Novo Banco following the resolution process of Banco Espírito Santo (BES), with orders from its shareholder "to limit business activity," according to TVI24.

In addition to Banco Internacional de Cabo Verde, which is the archipelago's third largest bank with nearly 1,900 customers, most of which are private, Novo Banco also said that the sale of another non-strategic asset was at an advanced stage – Banque Espírito Santo et de la Vénétie.

With these sales and other recent decisions Novo Bank starts 2016 with a restructuring plan underway, which is vital for a new attempt to sell the bank itself, which is expected to happen in January.

The sales process of Novo Banco was suspended by the Bank of Portugal in September 2015 after turning down three proposals from Chinese companies Anbang Insurance and Fosun and US fund Apollo Global Management. (04-01-2016)

## **GAMBIA ORDERS FEMALE CIVIL SERVANTS TO COVER THEIR HAIR**

Female civil servants in the West African country of the Gambia, recently declared "an Islamic state" by its president, have been ordered to cover their hair at work, a leaked government memo showed.

According to a copy of the memorandum obtained by AFP, "all female staff within the government ministries, departments and agencies are no longer allowed to expose their hair during official working hours effective December 31 2015".

"Female staff are urged ... neatly wrap their hair."

A senior official in the education ministry confirmed that the note had been circulated among government departments.

The new rule comes after President Yahya Jammeh's categorisation of the small predominantly Muslim country in mid-December as "an Islamic state".

"Gambia's destiny is in the hands of the Almighty Allah.... We will be an Islamic state that will respect the rights of the citizens," he said.

At the time he warned against trying to impose a dress code on women.

"I have not appointed anyone as an Islamic policeman. The way women dress is not your business," he said.

An impoverished former British colony famed for its white-sand beaches, the Gambia has a population of nearly 2-million, 90% of whom are Muslim.

Of the remainder, 8% are Christian and 2% are defined as having indigenous beliefs.

Mr. Jammeh, a military officer and former wrestler, has ruled the country with an iron fist since he seized power in a coup in 1994. (AFP 06-01-2016)

## **NIGERIA: THREE REFINERIES PRODUCE 6.7M LITRES OF PETROL DAILY**

Three Nigerian refineries in Kaduna, Port Harcourt and Warri now produce over 6.76 million litres of petrol per day, APA reported on Tuesday.

This is contained in a statement issued on Tuesday in Abuja by Mr Ohi Alegbe, NNPC's Group General Manager, Group Public Affairs Division.

The statement said that the three refineries had been projected to increase combined production to over 10 million litres per day by the end of January.

It said a breakdown indicated that the Port Harcourt refinery, which was re-streamed a week earlier, produces about 4.09 million litres while Kaduna yields 1.29 million litres.

The statement added that Warri refinery, which was re-streamed on Sunday, posts a yield of 1.38 million litres.

It said the volume of petrol from the refineries currently operating at an appreciable percentage of their nameplate capacities would help stabilise supply and distribution in the country. (APA 05-01-2016)

## **KENYA, US IN NEGOTIATIONS ON CONSTRUCTING OIL PIPELINE**

Kenya and the United States government have entered into negotiations on constructing an oil pipeline in Northern Kenya.

The disclosure by US Ambassador to Kenya Robert Godec who called on Energy Cabinet Secretary Charles Keter at his office, comes after trade analysts have predicted that the East African nation could be an oil exporting country in 2016, as it races ahead of neighboring Uganda, which discovered the resource about nine years ago.

UK-based oil and gas exploration firm, Tullow, is pressing on with plans to start producing oil in Lokichar despite the substantial drop in crude oil prices that has had many analysts pour cold water on Kenya's oil discovery.

Addressing the media in Nairobi on Tuesday, Keter said that Kenya is eager to start exporting oil and added that the government is negotiating with the US on how they can cooperate in the extracting oil and also transporting it.

The exploration, discovery of oil was done in 2012 and people are asking when are we going to be one of the net exporters of oil and I think that is a very crucial area; we need to fast track it so that we lower the cost of fuel in the country, he said.(APA 05-01-2016)

## **ZIMBABWE: INDIGENISATION ALARM PROMPTS GOVERNMENT TO CLARIFY POLICY**

Zimbabwe on Monday put in place a March deadline for all foreign companies to submit indigenisation compliance plans. It also announced new measures to restrict foreign businesses from operating in reserved areas such as retail and agriculture.

The indigenisation policy compels foreign firms in Zimbabwe to cede 51% of their shares into the hands of black Zimbabwean groups. However, it has caused alarm among investors, prompting the government to announce new measures aimed at clarifying the policy.

Indigenisation Minister Patrick Zhuwao and Finance Minister Patrick Chinamasa earlier haggled over the policy framework but on Monday reached agreement on the new measures. Mr. Zhuwao, a nephew of President Robert Mugabe, said the government is now geared to implement the policy.

"The emphasis is on implementation of the indigenisation law starting with the submission of the Indigenisation Implementation Plan which every company affected should submit as soon as possible, but no later than March 31 2016," said Mr. Zhuwao.

Mr. Mugabe said in December that there would be no mercy for non-compliant foreign firms in 2016. The government is also set to introduce an empowerment levy, with companies that have a large foreign shareholding paying a greater amount.

Shares disposed of by foreign companies will be acquired by, among other organisations, entities such as the National Indigenisation and Economic Empowerment Fund, the government's Sovereign Wealth

Fund, Employee Share Ownership and Community Share Ownership Trusts, the Zimbabwe Mining Development Corporation and any other company incorporated by government.

The new guidelines outline reserved areas for investment by locals and these include retail, agriculture, bakeries, advertising agencies, cigarette manufacturing, milk processing and fuel retailing.

"No new non-indigenous businesses will be allowed to invest in the reserved sector unless under special cases as determined by line ministries and approved by Cabinet," reads part of the new guidelines.

The government may also have backed down from its earlier position which rejected empowerment credits and corporate social responsibility as part of the measures through which to achieve indigenisation.

The new guidelines say "empowerment credits may be taken into account in achieving the 51% indigenisation threshold in order to support economic empowerment of indigenous Zimbabweans through achieving socially and economically desirable objectives".

The government has previously had run-ins with companies such as Impala Platinum, which wholly owns Zimplats and jointly owns Mimosa together with Aquarius Platinum. It has also had disagreements with Tongaat Hulett's units in the country, Triangle Sugar Corporation and Hippo Valley.

The undertaking of specified development work in communities, beneficiation to a specified extent of raw materials extracted in Zimbabwe, the transfer to a specified extent of new technology to Zimbabwe and the employment to a specified extent of local skills or the imparting of new skills to Zimbabweans will also be considered as part compliance with indigenisation. (Fin24 05-01-2016)

## **ETHIOPIA SET TO INTRODUCE NEW CIVIL SERVANTS' JOB EVALUATION, GRADING SYSTEM**

The new civil servants' job evaluation and grading system is set to be implemented at a pilot level as from April, 2016, the Ethiopian Public Service and Human Resource Development Ministry said on Tuesday.

The new system will help to put in place equal pay for same jobs, implement reasonable payment and build stable public service, Aster Mamo, Good Governance Reform Cluster Coordinator with the rank of Deputy Prime Minister and Minister of Public Service and Human Resource Development said

The new system will be implemented in selected government institutions at a pilot level after four months, according to the minister. She said it will be implemented in the Ministry of Public Service and Human Development and offices accountable to the Ministry from 3-4 months. It will be applied across the country after the pilot project, she added.

The new system will help to reduce the salary scale, Yimaneh Hailu, Human Resource Management Advisor and Project Coordinator at the Ministry, said.

The new system will help to prevent migration of workers from one bureau to another in search of better salary, said Yimaneh Hailu, Human Resource Management Advisor and Project Coordinator at the Ministry. (APA 05-01-2016)

## **MOZAMBIQUE CLEANS FOUR POLLUTED RIVERS**

Four of the six rivers polluted by artisanal mining in Manica province, central Mozambique have been cleaned after an operation involving various services that took 10 months, said the spokesman for the Manica provincial government.



Estêvão Rupela said that coordinated action by the Environmental and Wildlife Force, the public security police and the department of mineral resources made it possible to clean the areas devastated by artisanal miners who extract unregulated gold, which is then washed and processed with mercury and sodium borate in the rivers.

The spokesman said that the work had made the water of the Chimeza, Lucite, Nhancuarara and Zambezi lives clear again, although the Púnguè and Revue rivers were still polluted, the latter being the main tributary of the Chicamba, the dam that distributes water and energy to Manica province.

The government of Manica had established last December as the deadline for elimination of pollution of rivers, but the artisanal miners resisted the operation by environmental services to shut down illegal mines in the Mavonde area, a vast illegal mining area the a border region rich in natural resources. (08-01-2016)

## **ESKOM CONFIRMS SALE OF ELECTRICITY TO ZIMBABWE**

ESKOM has confirmed the sale of electricity to Zimbabwe but denied that the power supply agreement with its Zimbabwean counterpart, the Zimbabwe Electricity Supply Authority (Zesa), is secret.

Eskom said the deal was part of an arrangement among southern African power utilities to sell surplus electricity to each other.

Media reports in Zimbabwe have alleged that Eskom has entered into a "secret" deal to sell 300MW of electricity to the neighbouring country, which has been experiencing power shortages lately. The reports also quoted Partson Mbiriri, permanent secretary in Zimbabwe's energy and power development ministry, as saying the deal had to be kept under wraps "for security reasons".

In a statement on Monday evening, Eskom confirmed the sale of power to Zimbabwe, but said "there is no secrecy about this", it said. Eskom and Zesa are part of the Southern African Power Pool (SAPP). The utilities that belong to the power pool sold surplus electricity to each other depending on the need, Eskom said.

"SA, through Eskom, has been involved in the electricity sector in various countries in Africa for a long time and has utilised different forms of engagements. This has been done mainly through bilateral trading arrangements, using instruments such as power purchase and power sales agreements.

"Eskom is also committed to ongoing participation in the Southern African Development Community (Sadc) region through SAPP as an institution. SAPP is made up of SA, Botswana, Lesotho, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe, connected through an integrated grid," Eskom said.

### **Load shedding fears linger**

The sale of excess power to other countries is an emotive issue for most South Africans, given the country's own recent power shortages. While Eskom has not implemented load shedding in the past few months, the fear of power cuts remains.

In the comprehensive statement, Eskom went into detail about its involvement in various power agreements in the rest of Africa.

"Participation in East and West Africa (Uganda and Mali respectively) has been undertaken through long-term operating and maintenance concession agreements.

"The flagship regional projects that Eskom has been involved in over the years include the Hidroelectrica de Cahora Bassa (HCB) hydro scheme in Mozambique, with the explicit objective of developing the HCB infrastructure to generate power and distribute to the territories of Mozambique and SA for the benefit of the people of the respective countries.

"Eskom also plays a pivotal role in the transmission interconnection that connected Zimbabwe, Botswana and SA in 1995, which opened up a corridor for electricity to flow as far as the Democratic Republic of Congo (DRC) in the north and Namibia in the far southwest," it said.

Eskom's regional development strategy involved creating the Southern African Energy Unit, through which SA imports electricity from Lesotho, Mozambique and Namibia, and sells electricity to Botswana, Lesotho, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe, on either firm or unfirm agreements.

"We are aware that our responsibilities to supply our neighbouring countries may create an apparent conflict when the domestic supply-demand balance is constrained. To reduce the impact of exports, we have ensured that power supply agreements with SAPP trading partners are sufficiently flexible to allow for the following controls during emergency situations in SA," Eskom said. (Fin24 05-01-2015)

### **CHINESE COMPANY INVESTS IN FISHING COMPLEX AND HOTEL IN GUINEA-BISSAU**

China's Fujian Shai Corp will invest over US\$300 million in construction of a fishing complex and a luxurious five-star in Prabis, Guinea-Bissau according to statements made by the president of the Chinese company, Yang Ming.

The place where the project will be built, 18 kilometres southwest of Bissau, was visited Sunday by a group of businesspeople and investors from China on visit to Guinea-Bissau.

Besides the two projects, the Chinese company will also build a fishing harbour to unload catches and rebuild the road between Bissau to that location.

The president of Fujian Shai Corp said the purpose of the visit "is to study with the Guinea-Bissau authorities investment projects in the fisheries sector, including the construction of this complex," which will create about 3,000 direct jobs.

Yang Ming noted there were a number of investment opportunities in Guinea-Bissau and said, "I hope to do many things with the Guinean government in the fisheries sector as well as tourism." (05-01-2016)

### **US DRONE BASE IN ETHIOPIA CLOSED**

The United States has confirmed through diplomatic sources that it was closing its drone base in Ethiopia after both countries reached mutual consent over ending its operations, APA learnt on Monday. The base located in Arba Minch, southern Ethiopia has been in operation by the US military since 2011.

Unmanned drones piloted by remote control have been used by the US army for surveillance purposes against militants in East Africa particularly the Somali militant group al-Shabaab and others linked to al-Qaeda.

It was widely held that the US air strike which killed Shabaab leader, Ahmed Abdi Godane in September 2014 followed shortly after a drone surveillance mission.

Ethiopia which is an ally of the United States in the war against terrorism decided that the Arba Minch base should be shut down, American diplomatic sources were quoted by local and international media as saying on Monday.

According to the terms of an agreement with Washington, the base was supposed to be run temporarily. (APA 04-01-2016)

### **GERMANY GRANTS LOAN TO MOZAMBIQUE TO IMPROVE POWER SUPPLY**

Germany will grant a loan of 29 million euros to Mozambique to support projects aimed at improving the electricity supply in the country, state power company Electricidade de Moçambique (EdM) said Monday in a statement.

EdM also said that of that amount, 20 million euros would be invested in the Mozambique/Malawi power transmission line and the remaining 9 million euros would finance the state's short-term investment plan. The loan will be granted by German state-owned development bank Kreditanstalt für Wiederaufbau (KfW), according to the information released.

Mozambique currently has an estimated power generation capacity of 2,200 megawatts, produced mostly by the Cahora Bassa hydroelectric facility.

Most of the electricity produced there is exported, particularly to South Africa and to a lesser extent to other neighbouring countries. (05-01-2016)

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The Memorandum is supported by the Chamber of Commerce Tenerife, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, NABA - Norwegian-African Business Association and other organisations.

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