MEMORANDUM

N° 77/2017 | 26/04/2017

More than 1,811 Daily Memoranda issued from 2006 to end of 2016, with 21,732 pages of Business Clips issued covering all African, European Institutions and African Union, as well as the Breton Woods Institutions. The subscription is free of charge, and sponsored by various Development Organisations and Corporations.
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.
Should a reader require a copy of the Memoranda, please address the request to fernando.matos.rosa@sapo or fernando.matos.rosa@skynet.be.

11 YEARS OF UNINTERRUPTED PUBLICATION

SUMMARY

DEMOCRATIC REPUBLIC OF CONGO TELLS MINING COMPANIES TO RELOCATE

The Democratic Republic of Congo told local units of Glencore, China Molybdenum, Ivanhoe Mines and four other mining companies to relocate their head offices as newly demarcated provinces fight over tax revenue and control of mineral projects.

The companies, all headquartered in Lubumbashi, the capital of Haut-Katanga province, must move to Kolwezi town in neighbouring Lualaba, where their mines were based, Mines Minister Martin Kabwelulu said in an April 14 letter, a copy of which was seen by Bloomberg and confirmed by the ministry.

"The objective is to move the administration of these companies closer to where they mine and consolidate the decentralization process by building stronger relationships between the mining companies and the relevant provincial authorities," Kabwelulu's chief of staff, Valery Mukasa, said by phone from the national capital, Kinshasa.

Congo was divided into 26 administrative regions from 11 in July 2015, as part of a decentralisation drive stipulated in the 2006 constitution to strengthen local government across the sprawling central African country.

While governors were elected for each territory in 2016, other aspects are lagging behind, with many new regions lacking the infrastructure, revenue and human resources to staff and run a provincial administration.

Congo's former Katanga province, Africa's biggest copper producer and the world's largest source of cobalt, was divided into four new regions, including Lualaba province, where most of the country's biggest mines are now located.

Governor removed

The mines minister's instruction came four days before Haut-Katanga governor Jean-Claude Musonda Kazembe was removed by the provincial assembly in Lubumbashi. The parliament cited mismanagement of public funds that may have included a $27m tax payment made by Glencore's unit, Mutanda Mining Sarl, after the Swiss trader bought out Israeli billionaire Dan Gertler.

While the mine is in Lualaba province, the payment — a 3% duty on the $922m share sale — was paid to Haut-Katanga based on the location of the company's headquarters, in accordance with provincial regulations. That sparked a battle between the provinces for control of the money.

"The amount paid was for stamp duty related to the recent Mutanda transaction and was in accordance with instructions received from both the central and local governments," Glencore said in an e-mailed response to questions. There is no suggestion of wrongdoing by Glencore in relation to the tax payment. Glencore declined to comment on the instruction to relocate the headquarters of their Mutanda and Kamoto Copper mining projects.

Tax payment

The deputy head of the provincial assembly, Aerts Joseph Kayumba, said the body had voted to remove Kazembe because of his mismanagement of the provincial government.

His management of the $27m tax payment from Mutanda was yet to be referred to the provincial assembly, but the body's economic and financial commission would immediately begin an audit of Kazembe's government, Kayumba said by phone from Lubumbashi. Kazembe did not respond to two phone calls and a text message seeking comment.

Kabwelulu said in the letter asking companies to move that he was acting after recommendations made by Lualaba's governor, Richard Muyej.

Muyej did not answer two calls to his mobile phone seeking comment.

A spokesperson for China Molybdenum, whose Tenke Fungurume Mining was asked to move, declined to comment.

Ivanhoe Mines, which owns Kamoa Copper, did not immediately respond to requests for comment.

(Bloomberg 25-04-2017)

FOUR PORTUGUESE-SPEAKING COUNTRIES BENEFIT FROM CHINA'S NEW IMPORT RULES

Angola, Guinea-Bissau and Mozambique in Africa and Timor-Leste (East Timor) in Southeast Asia are the Portuguese-speaking countries enjoying preferential treatment under the new import rules approved by China, according to China Briefing.

The publication reported that the least developed countries that want to take advantage of the preferential treatment must register with the authorities in China which product or products will be exported and prove that they are actually national products.

The "Administrative Measures of the PRC on Customs Rules of Origin of Goods Imported from the Least Developed Countries Entitled to Special Preferential Tariff Treatment," came into effect on 1 April this year in order to improve the administrative aspects related to the origin of imported goods.

China Briefing noted that the People's Republic began granting preferential treatment to products from the least developed countries with which it had two-way diplomatic relations in 2002.

The main changes are the extension of the criteria for a product to be considered national, allowing more products to be considered as originating in a particular country and the ordering process, making the export of products more efficient than before.

The extension of the criteria is based on the fact that, due to current economic interdependence, it is sometimes difficult to determine the precise origin of a product, usually made from components with different origins.

Thus, the beneficiary countries of the new rules are allowed to use parts or components purchased in China or from nations in the same regional grouping. (25-04-2017)

AERIEN : TEWOLDE GEBREMARIAM, DG D'ETHIOPIAN AIRLINES : « L'AFRIQUE VA DEVENIR LE CŒUR DE L'AVIATION MONDIALE »

Tewolde Gebremariam, Directeur général d'Ethiopian Airlines. Genève, Suisse, le 20 mars 2017

Avec des bénéfices record en 2016 et des projets tous azimuts, la compagnie éthiopienne, Ethiopian Airlines est un concurrent de taille dans le ciel africain. En exclusivité, son patron, Tewolde GebreMariam a répondu aux questions de Jeune Afrique.

C'est une nouvelle année record pour Ethiopian Airlines. En janvier, la compagnie aérienne a annoncé, au titre de son exercice 2015-2016 clos en juin dernier, un bénéfice en hausse de 70 % sur l'année, à 189 millions d'euros. Un chiffre qui vient confirmer et consolider les performances des années précédentes (25 % de croissance moyenne en sept ans) et qui fait désormais de cette compagnie septuagénaire la plus rentable et la plus dynamique du ciel africain. La plus redoutée aussi par ses concurrents…

Preuve de sa superbe forme, ce sont trois nouvelles destinations que le transporteur, entièrement détenu par l'État éthiopien, a ouvertes entre le 26 et le 28 mars : Oslo (Suède), Antananarivo (Madagascar), Victoria Falls (Zambie), et deux nouvelles routes de fret, vers Saragosse (Espagne), le 28 mars, et Milan (Italie), le 2 avril.

À mi-chemin de son plan stratégique Vision 2025, engagé en 2010 par Girma Wake, le précédent directeur général et actuel président de Rwandair, Ethiopian Airlines multiplie les projets de développement (fret, partenariats stratégiques, rachat de compagnies en difficulté…). S'appuyant déjà sur deux hubs, celui d'Asky (dont il détient 40 %), à Lomé, pour l'Afrique de l'Ouest, et celui de Malawi Airlines (49 %), à Lilongwe, pour l'Afrique australe, Ethiopian Airlines s'en cherche actuellement un troisième pour couvrir l'Afrique centrale.

Jeune Afrique : Comment expliquez-vous les résultats record que vous avez obtenus au titre de votre exercice 2016 ?

Tewolde GebreMariam : Notre stratégie [élaborée dans le cadre du plan Vision 2025] fonctionne parce qu'elle repose sur une analyse à long terme de la croissance économique enregistrée dans notre environnement et dans certaines régions que nous avons ciblées : l'Afrique, la Chine, l'Inde, le Moyen-Orient et l'Amérique du Sud. Les échanges entre ces zones sont ceux qui progressent le plus vite dans le monde. Si vous dessinez un trait reliant ces différentes régions, vous verrez que l'Éthiopie se trouve en plein milieu.

Depuis Addis, nous rayonnons sur tous ces bassins de populations. C'est un marché énorme ! Nous avons aussi transformé notre compagnie en un groupe, diversifié et structuré autour de sept « *business units* » : la compagnie internationale, celle consacrée aux vols domestiques, celle liée aux activités de fret, la maintenance, l'« Aviation Academy », le *catering* et les services aéroportuaires. Cela nous a donné la chance de grandir et de tirer parti des synergies.

Le développement des ressources humaines a aussi beaucoup fait la différence. C'est notre premier pilier. Tout dépend d'elles. On s'est assuré que nous étions indépendants et que nous disposions de tous les métiers nécessaires, de notre propre personnel compétent et qualifié, disponible en nombre et à toute heure. On a investi 100 millions de dollars dans notre « Aviation Academy », dont les capacités – 4 000 étudiants – dépassent les demandes des compagnies et qui s'adresse à tout le continent africain. Puis 50 millions de dollars dans les technologies de l'information et de la communication. Nous savons exactement où nous voulons aller.

Vous êtes détenus à 100 % par l'État. **Est-ce un atout pour réussir ?**

Oui. Mais bien que nous soyons une entreprise publique, il y a une claire démarcation dans notre gouvernance interne entre l'actionnariat et le management. Le gouvernement définit la stratégie sur les sujets majeurs, mais, au jour le jour, c'est une direction composée de gens de l'aviation, comme moi, qui est aux commandes.

Ce type de gestion nous permet d'investir directement dans les infrastructures. Ainsi, ces cinq dernières années, nous y avons consacré plus de 500 millions de dollars, sans compter la flotte. Ce que peuvent se permettre peu de compagnies aériennes, qui, en Europe ou en Amérique par exemple, n'ont pas les moyens d'investir et doivent souvent externaliser leurs services. On est autosuffisant pour gérer notre terminal cargo, nos hangars de maintenance, nos activités de *catering*…

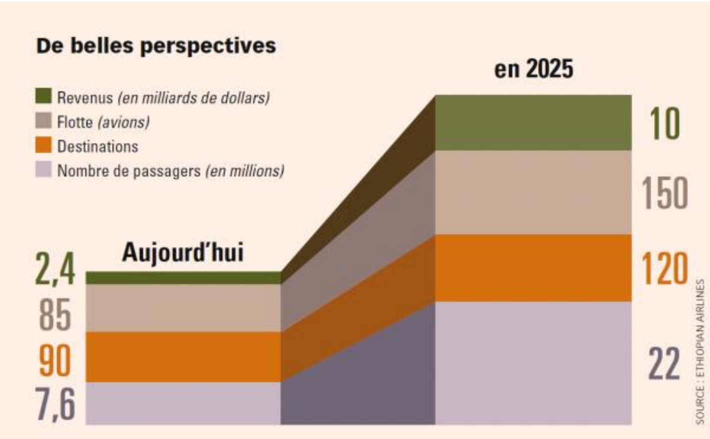
Sur quelle évolution du trafic passagers tablez-vous dans les cinq prochaines années ?

L'arrivée d'investissements directs étrangers va accroître l'industrialisation partout en Afrique. Beaucoup de parcs industriels ouvrent en Éthiopie, cela va générer beaucoup de trafic, passagers et cargo. Nous adapterons nos services en conséquence.

Selon vous, quels sont les marchés africains les plus prometteurs ?

La chute du prix des matières premières a affecté la plupart des exportations, en particulier celles du pétrole, dans les pays africains. C'est un phénomène temporaire. Si on voit un peu plus au-delà, les plus gros marchés sont le Nigeria, l'Afrique du Sud, le Kenya, l'Éthiopie, l'Angola, et, en dépit de son instabilité, la RD Congo.

Le continent, première étape de notre développement, a beaucoup à offrir. Nous sommes optimistes pour le long terme. Nous pensons que l'Afrique sera la destination majeure de l'aviation mondiale, comme l'est devenue la Chine il y a vingt ans.



La Chine, justement. Où en êtes-vous dans la desserte de ce vaste marché ?

Nous sommes le leader des liaisons entre la Chine et l'Afrique. L'attention que nous portons à ce pays n'est pas nouvelle car on y vole depuis 1973, quand son économie était encore fermée. Nous y étions présents avant beaucoup d'autres compagnies. Aujourd'hui, c'est notre plus vaste marché. Nous y avons quatre portes d'entrée avec des services quotidiens vers Pékin, Shanghai, Canton, Hong Kong, et 29 vols par semaine. Et en juin, nous ouvrirons Chengdu.

Comment intégrez-vous la volatilité des cours de l'or noir à votre stratégie ?

Nous n'avons jamais fait de réserves de carburant, nous ne croyons pas que la « couverture » contre la variation des prix soit une bonne stratégie. Peu de gens sont d'accord avec nous, mais nous pensons que c'est un gain à somme nulle.

Dans la « couverture », les gagnants sont les banques, les institutions financières, qui ont des tendances des cours du pétrole une analyse bien plus complexe que ne l'aurait une compagnie aérienne. Nous prenons toujours en compte tous les scénarios de prix dans notre business plan.

ECAir, Congo Airways, Camair Co, Arik Air… Vous multipliez depuis quelque temps des négociations pour des partenariats ou des acquisitions**. Quel objectif poursuivez-vous ?**

Nous sommes en discussion pour relancer ECAir, une très bonne compagnie qui traverse de grosses difficultés financières. Mais c'est vrai, ce n'est pas la seule que l'on tente d'aider. Actuellement, nous avons une dizaine de projets d'assistance en Afrique comme pour Congo Airways, ou la camerounaise Camair-Co, à qui on apporte un soutien technique. Nous avons des accords de maintenance avec Rwandair et LAM Mozambique.

On a aussi présenté un dossier pour Air Botswana, qui est en cours de privatisation. On discute avec le Tchad pour établir une compagnie nationale. Nous voulons par ailleurs construire un autre hub, pour l'Afrique centrale. Nous sommes en train d'étudier toutes ces compagnies pour voir si l'une d'entre elles peut tenir ce rôle dans cette région. Ou si au contraire elles peuvent être complémentaires. Nous avons un hub au Malawi pour l'Afrique australe avec Air Malawi, que nous détenons à 49 %.

Vous étiez également candidat pour acquérir 49 % du capital d'Air Madagascar. Pourquoi une plus petite compagnie comme Air Austral a-t-elle remporté le contrat de partenariat stratégique ?

Ce n'est pas surprenant, car Air Madagascar n'était pas assez attractif pour Ethiopian Airlines. Nous avions pensé qu'elle aurait pu devenir une compagnie régionale très forte dans les îles de l'océan Indien en misant sur un commerce qui s'accroît progressivement avec la Chine et l'Europe. Mais nous avons trouvé que la composition de sa flotte n'était pas équitable, avec de gros Airbus A350 trop coûteux. Nous avions des idées pour y remédier.

En Afrique de l'Ouest, vous vous appuyez sur Asky et son hub de Lomé. Cette compagnie opérera-t-elle vers l'Europe ?

Avec ses 8 avions et ses 22 destinations, Asky marche très bien. Elle a connu une grosse croissance en très peu de temps. Depuis Lomé, elle se rend déjà à New York et à São Paulo. C'est dans notre plan de la faire voler vers l'Europe, mais nous commençons par Johannesburg, le 8 avril. Nous ne voulons pas développer la compagnie dans tous les sens. Il est important qu'elle prenne d'abord de l'essor en Afrique de l'Ouest et en Afrique centrale.

Est-elle rentable ?

Nous sommes très prudents dans la maîtrise de notre croissance. La gestion des coûts compte beaucoup. Nous évaluons soigneusement et en permanence tous les risques

Parfois oui, parfois non. L'année dernière a été profitable, alors que l'on a connu une très petite baisse en 2015. 2017 semble très difficile. La région doit relever de nombreux défis dus aux problèmes économiques du Nigeria. Des élections ont eu lieu au Ghana, en Gambie, au Cameroun, et la RD Congo reste instable. Cela a des effets cumulés sur l'environnement du transport aérien dans la zone.

Les travaux d'agrandissement de votre hub d'Addis-Abeba pour accueillir l'afflux de passagers semblent avancer lentement…

La construction de ce terminal sera achevée dans un an ou deux. Nous l'ouvrirons graduellement pour en développer la croissance.

Ne pensez-vous pas que votre développement tous azimuts pourrait vous fragiliser ?

Nous sommes très prudents dans la maîtrise de notre croissance. La gestion des coûts compte beaucoup. Nous évaluons soigneusement et en permanence tous les risques, et nous menons des analyses pour les atténuer autant que possible avant de nous aventurer dans des programmes d'expansion. Car tout pourrait nous tomber des mains et affecter nos ressources. On sélectionne nos avions, qui doivent correspondre aux buts que nous nous sommes fixés.

Qu'il s'agisse du moyen-courrier ou du long-courrier, des petites ou des grandes capacités, on doit faire très attention à ne pas trop diversifier notre flotte, car cela complexifie les opérations et renchérit les coûts. Chaque marché a ses propres appareils, des Bombardier Q400 pour nos dessertes domestiques, des 737 pour les vols régionaux d'une durée de quatre à cinq heures, des 787 de moyenne capacité sur les long-courriers, des 777 avec des capacités plus larges…

Une compagnie ne doit pas perdre de vue que ses investissements, par exemple l'achat d'Airbus A350, auront une incidence sur ses revenus durant les dix à quinze prochaines années. Si c'est une bonne décision, tant mieux. Sinon, elle souffrira durant les quinze prochaines années.

Sur le continent, qu'est-ce qui différencie votre stratégie de celle de concurrents comme Air France, Royal Air Maroc, Turkish Airlines ou South African Airways ?

C'est très dur de se comparer, car chaque compagnie a ses propres défis, ses propres opportunités… Nous sommes sur un marché très concurrentiel, maintenant desservi par les compagnies du Golfe comme Emirates, Qatar Airways, Etihad. Mais nous, nous connaissons mieux l'Afrique et ses consommateurs.

Le fret, l'autre pilier de croissance

Outre le trafic passagers, Ethiopian Airlines mise sur le fret pour doper ses revenus.

En juin, la compagnie a ainsi inauguré à Addis-Abeba l'un des plus gros terminaux de fret au monde, rivalisant en capacité avec ceux d'Amsterdam-Schipol et de Singapour. Avec une flotte de 8 avions-chargeurs et 36 destinations desservies, le transporteur dit traiter 650 tonnes par jour.

Pour s'imposer définitivement comme la plus grande compagnie cargo africaine et un acteur mondial, Ethiopian Airlines construit un second terminal capable « d'accueillir 1,2 million de tonnes par an et de traiter 8 B747 à la fois », soutient Tewolde GebreMariam. Ajoutant que le transporteur « prévoit d'ici à 2025 de desservir 47 destinations grâce à 18 avions-chargeurs ».(JA 24-04-2017)

CHINESE GROUP SUPPLIES HYBRID POWER PLANTS TO ANGOLA

China's group Dongfang Electric Corporation will supply seven hybrid power plants fueled by diesel and/or solar energy to Angola, under a contract worth US$241.9 million authorized by an order from the Angolan President.

The contract quoted by Portuguese news agency Lusa involves installing thermal power plants in various Angolan provinces to produce three megawatts of electricity when run on diesel and two megawatts when run on solar energy.

As well as the hybrid plants, and "taking into account the urgent need" the document said, the contract also involves the "delivery, installation, operation and maintenance" of three diesel-powered plants, of 20 megawatts each in the cities of Moçâmedes (Namibe province), Luena (Moxico) and Menongue (Kuando Kubango).

The DEC group, hired by public electricity company Empresa Pública de Produção de Electricidade, will also build medium voltage transmission lines, of 15 and 30 kilovolts, related to these plants.

These power plants, known as renewable diesel hybrid systems offer the advantages associated with the renewable energy with the reliability of diesel, while allowing a rapid response to load fluctuations. (25-04-2017)

COMMISSIONER HAHN AT PRINCETON UNIVERSITY: EU WANTS SMARTER, TAILOR-MADE NEIGHBOURHOOD POLICY THAT FOCUSES ON REAL FUNDAMENTALS

EU Commissioner for Neighbourhood Policy and Enlargement Negotiations Johannes Hahn gave a keynote speech on "Europe and the Crises in its Neighbourhood" at Princeton University this week. "The

EU is the backbone of a solution to many of the generational challenges we face in Europe and its wider neighbourhood today," he told the students and professors of the European Union Programme.
The Commissioner stressed that he wanted "a smarter, tailor-made neighbourhood policy that focuses

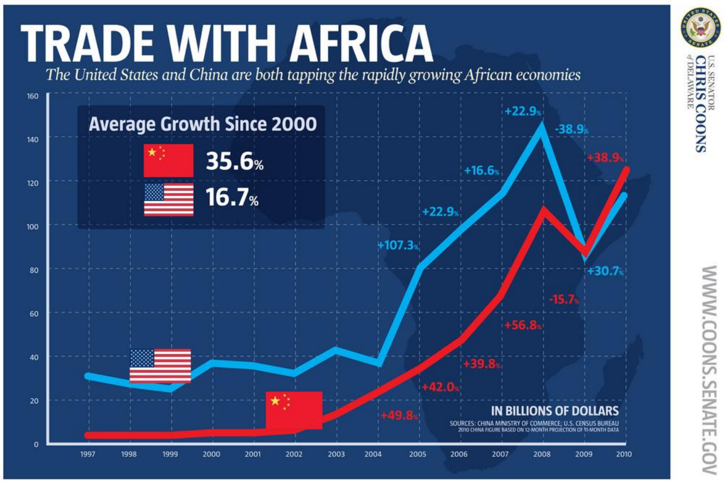
on the real fundamentals where it can," adding: "We are now zooming in on stabilisation in the true sense of the word, politically and economically."
To illustrate the flexibility of the European Neighbourhood Policy, Hahn gave the example of Egypt: "I don't have to explain the youth-bulge of these countries. One example should be sufficient: we have more than 7000 births per day in Egypt alone – that's about 2.5 million new Egyptians a year... That's why I am reorienting most of our assistance to Egypt to socio-economic levers, esp. jobs-generating sectors."
He highlighted the EU's openness and willingness to promote open commercial exchanges with its neighbours through Free Trade Agreements. "The next such agreements, esp. with Tunisia, are in the pipeline. With Jordan, we have focused our trade measures on regions and sectors with a high refugee-population."
On tackling the crises in Europe's neighbourhood, the Commissioner said: "We can only support reformers where they themselves choose that path, and must do so less mechanically, with less "megaphone diplomacy". A test case for this policy, I won't hide it, is Libya, which is currently the main thoroughfare on the Central Mediterranean migration route."
On Syria, Commissioner Hahn reiterated the EU's position: "Only a credible political solution, as defined in UNSCR 2254 and the 2012 Geneva Communiqué will ensure peace and stability in the country and at the same time enable a decisive defeat of Da'esh and other terrorist groups," adding: "I will not hide my personal disappointment with the lack of speed of this political process. But in the end it's the only game in town. I am not saying that clinical military strikes can't be useful. They can. But they have no meaning without a broader political strategy."
"My specific job, in turn, is to bolster the resilience of the people of Syria and of the host communities in neighbouring countries. We just passed an important milestone with the continuation with our multi-billion pledges at the Brussels Syria Conference two weeks ago," he pointed out.
The Commissioner concluded his speech by saying: "Europe needs to shoulder more in its immediate neighbourhood rather than waiting until Washington bails us out. We need to get our own act together. And we can. That's partly a matter of resources; but first and foremost a matter of collective political will. We are already doing it in most of the Balkans, as a crisis-manager and -solver. We should do it elsewhere too." (EC 21-04-2017)
Commissioner Hahn's speech

UGANDAN TRADERS PROTEST CHINESE PETTY TRADING

Hundreds of Ugandan traders Wednesday matched through the streets of Kampala protesting against Chinese businesspeople involved in petty trade.

Although there are no official records, it is estimated that there are between 10,000 and 50,000 doing petty business in Uganda.
The traders say the Chinese are flooding the Ugandan market with substandard and low priced goods, thus putting them out of business.

The traders argue that retail and wholesale business should be left for Ugandan nationals.



The traders are also are protesting about the government's failure to revoke licences of the Chinese traders, despite an earlier pronouncement by President Yoweri Museveni that foreign investors must leave retail and wholesale businesses for Ugandans, and move to industrial parks.

Mohammed Nsereko, the member of parliament representing Kampala central, joined the traders' protest, saying Chinese investors should consider investing in bigger projects or voluntarily return to their country.

The legislator also accuses the foreign traders of not paying taxes for their goods.

Under their umbrella Kampala City Traders Association, the traders accuse the Chinese of pushing them out of business by selling substandard and low priced goods.

According to Ugandan laws, prospective foreign investors in Uganda must provide evidence of $100,000 in planned investment and obtain the necessary trade licences. (APA 20-04-2017)

GAS-FIRED POWER PROJECT KINYEREZI II TO BOOST POWER SUPPLY IN TANZANIA

Tanzania Petroleum Development Corporation (TPDC) acting managing director, Kapuulya Musomba, is positive that the completion of all gas-fired power projects in the region will improve the Mtwara-Dar es Salaam gas pipeline supply.

Speaking to local media in Dar es Salaam, Musomba said the gas pipeline is estimated to attain 10% capacity from the present 6% after the completion of the 240MW Kinyerezi II plant.

"The gas pipeline full capacity is estimated to be attained by 2022 where most of the gas-fired plants will be finished," he said.

Media quoted him affirming that presently it can be said that the pipeline is under-utilized owing to the setbacks in the execution of the gas-fired power plants.

Musomba said that the gas pipeline has been set up to get to its full capacity within a 10-year period, media reported.

The construction works of the Kinyerezi II worth $432 million was launched last year, with the government of Tanzania contributing 15% of the overall project investment.

Other gas-fired power projects comprise the Kinyerezi III and IV. On completion of all the projects, the country is estimated to save up to $1 billion yearly on oil imports for electricity generation, media reported.

It is reported that the Mtwara-Dar es Salaam pipeline and gas processing plants at Madimba and Songo Songo Islands forms part of government's plan to put in about 2,000MW of new gas-fired electricity generating power by next year to improve the capacity to 10,000MW by 2025.

Even though all of these planned developments sound promising, a recently released audit report by Controller and Auditor General, Prof Mussa Assad, has bared some rather debasing findings concerning the new oil and gas discoveries.

It is reported that Tanzania has demonstrated natural gas reserves of 57 trillion cubic feet, with at least 49.5 trillion cubic feet of those reserves situated far offshore in the Indian Ocean

In addition, the nation has just made discoveries of 55.08 trillion cubic feet of natural gas both onshore and deep sea in the Indian Ocean, with international energy solutions companies announcing their interests in the exploration activities.

Royal Dutch Shell, along with Statoil, Exxon Mobil and Ophir Energy are said to be in discussion to construct the onshore liquefied natural gas export terminal in the Lindi Region.(CRO 20-04-2017)

PRODUCTION OF BIOFUELS IN MOZAMBIQUE IS NO LONGER VIABLE FOLLOWING DROP IN OIL PRICES

The production of biofuel from Jatropha mollissima “is something to forget,” said Almirante Dima, the deputy national director of Hydrocarbons and Energy at the Ministry of Mineral Resources and Energy of Mozambique.

Dima explained his assertion based on the costs of production of bio-diesel being higher than for conventional gasoline and diesel.

The planting of jatropha for fuel production was a scheme set up by the Mozambican government as a way of replacing fossil fuel imports, as the plant grows in practically the whole country.

Dimas, quoted by Mozambican newspaper O País, recalled that at the time the price per barrel of oil was over US$130, making it economically feasible to produce liquid fuels from other sources.

The requirement to mix biofuels with fossil fuels was due to have come into force in 2012, with petrol stations being expected to mix 10% ethanol with 90% gasoline and 3.0% biofuel with 97% fossil fuel diesel, percentages that were based on the installed capacity for the production of these fuels in Mozambique.

The Mozambican government estimated at the time that the fuel import bill, which was valued at US$500 million per year, could be reduced by US$22 million.

But the scheme, which had the support of the Brazilian government, has not gone ahead because of the global economic crisis, which shrank funding until it became impracticable due to economic circumstances. (21-07-2017)

MEGA HOUSING PROJECTS TO BRING RELIEF TO SOUTH AFRICAN RESIDENTS

The Ekurhuleni Municipality in Pretoria-South Africa will over the next five years roll out six Mega Housing Projects in an effort to respond to the rampant human settlement build up within the city.

Ekurhuleni Executive Mayor Mzwandile Masina said in the current financial year, the city will deliver approximately 5 000 housing units and an additional 8 000 housing units will be completed in the 2017/18 financial year.

He also added that the have secured and are in the process of securing more land to enable them provide bulk services consisting of water and sanitation systems for housing settlements like Leeuwpoort, Clayville Extension 156, John Dube and Daggafontein.

The city will also deliver fully subsidized units for the poor through the Finance Linked Subsidy Programme for people whose income is above the threshold for an RDP house but below qualification for a housing bond.

According to the mayor, the project has been launched for the middle income earners looking for rental stock and bonded units in Delville extension 9 and Chris Hani Village in Germiston with over 300 housing units completed and ready for occupation from the beginning of May 2017.

In an effort to provide decent living spaces, the city has further set aside $75m for the provision of serviced stands in the region. This will aid in achieving their target of 59 000 serviced stands during the

current term of office. These stands will have bulk water and sanitation infrastructure, access roads among others.
Meanwhile, Ekurhuleni's Member of the Mayoral Committee for Human Settlement, Lesiba Mpya, recently performed the neighborhood turning for the historical Leeuwpoort Housing Project, which will result in the building of 19 000 houses in the next five years.
The houses will benefit mainly desperate home seekers from Reiger Park, Boksburg and neighbouring informal settlements such as Joe Slovo, Ulana Park, Hlahane, Driefontein, Crossroads (Roodekop Ext 3), Vosloorus, Kalamazoo and Katlehong (CRO 20-04-2017)

PORTUGUESE FACTORY IN MOZAMBIQUE STARTS EXPORTING JUICE TO SOUTH AFRICA

The juices produced at the Mozambican factory of Portuguese group Sumol + Compal will be available at hundreds of South African supermarkets Pick n Pay in both South Africa and the countries in the region where it is present, said Fernando Oliveira, the company's chief executive.

The CEO also said that the first order of 300,000 litres of five flavours of juices had left the premises of the Sumol + Compal Moçambique Industrial Unit in Boane, 30 kilometres from the capital, Maputo, where a commemorative ceremony was held.

"It is the first major customer outside of Mozambique," said Oliveira.

The investment in Mozambique, which was the first step in production outside Portugal, which gave a new lease of life to a building of 5,000 square metres that had belonged to the Lactogal company, now totals 10 million euros. The local subsidiary has a partner with a stake of just 1.0%.

Fernando Oliveira told Portuguese newspaper Público he "would like to have done more in Mozambique" but pointed out that sales had tripled since the factory started operating, the market share is around 40% and the 12 people hired initially have already increased to 90.

Sumol + Compal Moçambique started operating with two filling lines, with two others added later as well as a production line for individual doses of 200 ml.

Current production totals 6.5 million litres of juice per year, with the company aiming to produce between 18 million and 20 million litres within three years, although it has capacity to reach 35 million litres. (21-04-2017)

BOTSWANA WATER UTILITIES CORPORATION SAYS WATER CRISIS CONTINUES DESPITE RAIN

Besides recording bumper rainfall throughout the country recently, Botswana's Water Utilities Corporation (WUC) water supply is faced with challenges.
WUC's chief executive officer, Mr. Mmetla Masire pointed out damaged water pipes and old infrastructure as some of the challenges being faced by the corporation.
He further pointed out that the growing phenomenon of vandalism and third party damage of infrastructure has also contributed to significant water losses.
Mr. Masire said the corporation was undertaking numerous initiatives to address the challenges amongst them public awareness and education and upgrading the water reticulation system for dilapidated networks. He noted that water restrictions were still in place to ensure the prudent use of the available water so that it lasts until the next rainy season.
The CEO explained that WUC had revised tariffs effective 1st April 2017 pursuant to the policy which stipulates that the corporation would continue to regularly review the tariffs to bring them closer to a cost reflective price.
He said the revision in the 2017/18 tariffs was expected to result in at least a 15% increase in revenue.
Mr Masire said WUC has adopted a tariff structure that encourages water conservation, adding that the corporation continued to maintain tariffs at a basic consumption of (5-10kl) "which was very affordable."

According to him, the corporation had discontinued the P20 minimum/charge that was applied to all customers regardless of consumption.
The 2016/17 rainy season which officially ended on March 31 was good resulting in significant inflows into most of the dams in the country.
Gaborone, Bokaa and Nnywane dams in the south are at 97.7, 96.2 and 91.9 per cent full respectively which translates into 30 months, 13 months and 12 months of water supply respectively. The dams in the north are all 80 per cent full with Dikgatlhong Dam, which is the largest in the country, currently at 99.7 per cent full. (CRO 20-04-2017)

ANGOLA IS CHINA'S THIRD LARGEST OIL SUPPLIER IN FEBRUARY

In February Angola was China's third largest oil supplier, after Saudi Arabia and Russia, with a 10% share, compared to 15% and 14%, respectively, for the other two countries, according to the monthly report on the oil market for April from the Organization of Petroleum Exporting Countries (OPEC).

The report adds that oil sales to China increased by 60,000 barrels per day for Saudi Arabia and 37,000 barrels per day for Russia in March, while Angolan exports fell by 317,000 barrels per day.

In March and according to secondary sources, Angola recorded production of 1.614 million barrels per day, a monthly drop of 18,700 barrels per day, while Nigeria lowered production by 29,800 barrels per day to reach 1.545 million barrels per day.

On the basis of direct communication, the difference is substantially higher, with Angola having produced 1.652 million barrels a day, with an increase of 3,000 barrels per day and Nigeria having produced 1.269 million barrels, with a monthly drop of 156,900 barrels per day.

This month the Nigerian subsidiary of Royal Dutch Shell was forced to shut down an oil pipeline to repair sites where people were stealing oil. (21-04-2017)

SOUTH AFRICA: ESKOM BOAST INVESTMENT IN RENEWABLES RESEARCH

South African state-run power utility, Eskom, has established its long-standing investment in renewables research, which has been supported by the CSIR and Stellenbosch University.
Eskom divisional executive for corporate affairs, Chose Choeu, gave emphasis to that these joint ventures are long-standing and are essential to make sure that a sustainable legacy for the people of South Africa is secured.
"Eskom's distinctive role in driving the socio-economic growth needs us to work closely with academic institutions to expand path-breaking knowledge base in the science environment," Choeu said.
According to Choeu, Eskom's Power Plant Engineering Institute (EPPEI) has a renewable energy specialization centre as part of the Centre for Renewable and Sustainable Energy Studies (CRSES) based at Stellenbosch University.
Echoing Eskom's contribution in the renewable space, Choeu pointed out that CRSES received US $227,000) in 2016, from Eskom's EPPEI, and planned funding for 2017 is projected at around US $302,693).
They also receive financial support from the Research, Testing and Development (R,T&D) business unit for a two year renewable photovoltaic penetration study valued at US $227,00).
Choeu emphasized Eskom's joint venture with CRSES, which finished its tenth academic year in 2016.
"Over the period of its tenth academic year, the centre was involved in the graduation of 3 doctoral, 22 masters and a number of postgraduate diploma students. The centre has also been very victorious in drawing further financial support from industry and government," said Choeu.
In 2012 EPPEI identified Concentrating Solar Power (CSP) and Wind Energy as the two focal regions for Eskom in the field of renewable energy and, consequently, Solar Photovoltaics (PV) was added.

"Stellenbosch University has ascertained itself as one of the leading universities in CSP research, in the world, and has developed a number of distinctive tentative facilities and technology. Eskom is proud to have made its considerable contribution to this journey," Choeu said.

He affirmed that Eskom has a US $2 million multi-year collaborative project with CSIR, presently in progress, of which Eskom's contribution is US $1.7 million.

Choeu said they also have another US $13 million in joint projects actively under consideration, presently.

"As Eskom, we have a deeply-rooted positive reception of academic independence. We promote this by investing, in science research, without any contingent conditions that have a potential to remotely obstruct this canonized independence," Choeu said. (CRO 20-04-2017)

CREDIT CONCESSION IN MOZAMBIQUE CONTRACTS 2.0% IN 2016

The credit market in Mozambique contracted by 2.0% in 2016, after expanding at an annual average of 14.6% in the period between 2010 and 2015, financial rating agency Fitch Ratings said in a recent report.

The quarterly report analysing the credit market in emerging and border markets states that "credit growth has slowed sharply in many border markets, reflecting normalisation to more sustainable levels in some countries," adding that in other countries "there are pockets of systematic (stress)."

Fitch Ratings does not include figures for Mozambique, but presents the country as one of the contributors to the general slowdown in the emerging and border credit markets analysed by the credit rating agency.

The report, entitled "Downturn in Borrowing in the Border Markets, shows pockets of tension," reports that in 2016 "credit growth slowed in 20 of the 28 border countries that Fitch follows," from growth of 9.1% in 2015 to 4.7%, less than half of the annual average between 2010 and 2015.

A border market is a developing country that is more developed than the least developed but too small to be considered an emerging market.

The phrase, which emerged in 1992 at the World Bank Group's International Finance Corporation, describes countries that are small and less accessible but where there are still investment opportunities that are sought after by investors seeking high returns for their capital. (21-04-2017)

ESKOM SET TO SELL 200MW OF ELECTRICITY TO THE DRC

This would help to boost the Democratic Republic of Congo's copper output by as much as 200,000 tonnes, its energy commission says

The Democratic Republic of Congo (DRC) signed a provisional agreement to import power from SA that could boost copper production in 2017 by as much as 20%, according to the country's chamber of mines.

Congolese state-owned power company SNEL proposed importing 200MW from Eskom, at meetings in Johannesburg on April 20 and April 21, said Ben Munanga, chairperson of the energy commission at the chamber.

Eskom has 1,000MW available for export for as long as 10 years, but only 200MW can be delivered to DRC because of grid constraints in the transmission network between the two countries, Munanga said on Saturday in an interview in Kinshasa. Still, that could help to boost DRC's copper output by as much as 200,000 tonnes, Munanga estimated.

"There's a deficit so any effort to bridge the gap is very welcome," said Munanga, who attended the first day of the meetings.

DRC, Africa's biggest copper producer, has installed power-generating capacity of 2,442MW, but only about half of that is operational after years of mismanagement and underinvestment.

SNEL estimates that demand from copper miners outstrips supply by 750MW, a shortfall that has been one of the biggest constraints on output growth in the past three years.

DRC produced a record 1.03-million tonnes in 2014, but output has been little changed since then, falling to 995,805 tonnes in 2015 before climbing back to 1.02-million tonnes in 2016.

Term sheet SNEL confirmed that the utility signed a term sheet with Eskom outlining the main points for a 200MW contract, with a view to concluding a renewable, five-year power-supply agreement soon.

"We still have a few years to go before we have new hydropower capacity on our network so if we have such an opportunity to buy we are going to take it," SNEL spokesperson Medard Kitakani said in Kinshasa on Monday, adding that the offer from Eskom was unexpected.

Eskom said a deal may be signed in May.

"We are in discussions," spokesperson Khulu Phasiwe said. "If they go well, we will be signing the deal before the beginning of June." Eskom will sell the power to SNEL, which will add mark-up and transit fees, before redistributing to the miners. This could increase the unit cost to mining companies by as much as 27%, but it is still preferable to the alternatives, Munanga said.

'No-brainer' "If you compare the cost of imported power to the cost of diesel it's a no-brainer," he said.

Mining companies including Glencore's Mutanda Mining and China Minmetals' MMG have installed diesel generators to top up power-supply for copper production, which can increase costs by as much as $1,000 per tonne, according to the chamber of mines. Copper traded as much as 1.1% higher at $5,686.50 on the London Metal Exchange by 1.29pm GMT on Monday.

Kitakani said SNEL's mark-up and transit fees would be negotiated with the miners ,and defended the utility's right to make a margin on the power contracts.

Eskom was ready to export the power as soon as June 1, but the negotiation of amended power-purchase agreements between SNEL and the mining companies was expected to take longer, Munanga said.

SNEL's failure to deliver on previous power contracts has damaged trust between the utility and the miners, who will be reluctant to finance SNEL acquiring the electricity from Eskom without guarantees that onward delivery to each mining project would be respected.

"If SNEL was a healthy organisation that could import power itself and then redistribute it, it wouldn't be as difficult," said Munanga. "We think two months is the minimum." Negotiations will begin this week between SNEL and the mining companies, who must decide how much power they are each prepared to take, according to SNEL.

"We have been very transparent with these mining companies by inviting them to join the meetings in SA," Kitakani said. "The timing of an agreement will now depend on them." (Bloomberg 24-04-2017)

GREENPEACE OPERATION IN SIERRA LEONE FINDS ILLEGAL FISHING

A joint operation by the environmental group Green Peace and the Sierra Leone government led to the arrest of four illegal fishing vessels, government officials disclosed Friday.

APA learned that the four-day operation ended with the arrest of the vessels said to be owned by foreign companies.

Two of them are Chinese-owned, while one each belonged to owners in Korea and Italy.

The vessels were arrested for infringement of the country's fishing laws, including possession or using illegal fishing nets, as well as a lack of required documentation, the ministry of Fisheries and Marine resources in Freetown said in a statement.

It said investigations were on-going after the vessels were ordered to port.

Greenpeace has embarked on a West Africa-wide operation, monitoring the waters of the region for illegal fishing activities since the beginning of this year.

It previously covered Cape Verde, Guinea Bissau and Guinea Conakry.

West Africa is thought to be losing about US$1bn annually due to illegal, unregulated and unreported fishing.

Greenpeace says the region's marine resources are being depleted at an alarming rate; therefore calling for urgent action.

"The findings from just four days of surveillance in Sierra Leone are further evidence that West Africa needs to strengthen its fisheries management," the statement said. (APA 21-04-2017)

MUGABE'S RULING PARTY FRACTURES AS ZIMBABWEAN OPPOSITION UNITES

With livestock used as collateral for bank loans and a 'zombie currency', opposition forces in Zimbabwe are finally amassing to oust the 93-year-old Mugabe

As Zimbabwean President Robert Mugabe's ruling party is increasingly gripped by faction fighting, a once-splintered opposition is pledging to mount a united challenge to the 93-year-old leader in elections next year.

At the centre of the infighting in the Zanu-PF is its political commissar, Saviour Kasukuwere, a leading figure in the Generation 40 (G40) faction that backs Mugabe's wife, Grace, as his successor. Party executive councils in seven of 10 provinces have publicly called for the ouster of 46-year-old Kasukuwere, whose aggressive approach to opponents earned him the nickname "Tyson". They accuse him of corruption and undermining Mugabe's government.

The pressure on Kasukuwere, who is also minister of local government, and his G40 faction, is coming from party officials loyal to vice-president Emmerson Mnangagwa, a 70-year-old former spy chief, as Zanu-PF struggles to find a leader who can eventually replace Mugabe.

Street brawls between party members erupted on April 15 in the capital, Harare, with both sides attacking police officers who tried to stop the violence.

"This is clearly a co-ordinated effort designed not only to remove him, but to cause a mortal wound upon the G40 faction," said Alex Magaisa, a UK-based law lecturer and one of the authors of Zimbabwe's 2013 constitution. "The only person who can save Kasukuwere now is Mugabe himself, but with almost the whole country calling for his expulsion, it'll be hard for him."

Kasukuwere's phone was switched off and his office said he wasn't in when called to seek comment.

While the party insists that Mugabe will stand for re-election next year, extending his 37-year rule of the country, key opposition politicians have announced they will form a coalition to challenge him. They're making their unity bid at a time of deepening unrest because of widespread poverty, massive unemployment and the collapse of basic services.

Food shortages

Zimbabwe has been gripped by food shortages and a cash crunch that has delayed payment of salaries and prompted the central bank to introduce dollar-pegged bond notes that Zimbabweans have dubbed "zombie currency".

The situation is so bad that education minister Lazarus Dokora suggested that parents who can't afford school fees can pay with goats or their labour. A draft law before parliament would force commercial banks to accept cattle and other livestock as collateral for loans.

On Wednesday, Morgan Tsvangirai, a one-time union leader and head of the Movement for Democratic Change (MDC), announced plans to form an alliance with former vice-president Joice Mujuru's Zimbabwe People First party. A day later, Tsvangirai signed an accord to re-unite with an MDC faction led by Welshman Ncube.

Tsvangirai, 65, has fought successive elections against Mugabe since 2000, posing the biggest threat to the former guerrilla leader. Mujuru, who served in Mugabe's first cabinet and later became vice-president, is the 62-year-old wife of the late Solomon Mujuru, who led the main guerrilla army against the then white-minority breakaway British colony of Rhodesia. (Bloomberg 21-04-2017)

UGANDA TO OPEN INVESTMENT OFFICE IN QATAR

Uganda plans to open an investment office in Doha, Qatar, to provide prospective investors with information on trade and investment opportunities, and promote tourism in the country.

This was announced by Uganda's president Yoweri Museveni in a meeting with a delegation of 60 members of the Qatar Chamber and Qatar Business association in Doha, Qatar.

A Uganda government statement released Friday morning quoted Museveni as saying the office will also work on the promotion of tourism, and will be part of Uganda's embassy in Qatar.

Museveni observed that despite the Arab region being close to Africa, not much trade is going on between the African continent and the Arab peninsula.

There was need for the Arab region and Africa to work together, as Africa was a huge market that is growing, Museveni further stated, according to the statement.

.

"Uganda will do a feasibility study and offer you indication of where you could invest appropriately," Museveni continued.

According to Museveni, by investing in Uganda, which has a population of 40 million, the Qataris will not only sell to Uganda, but to the East African region that is endowed with a population of 170 million people; while the Common Market for Eastern and Southern Africa has got over 500 million people.

He further pledged to eliminate the challenge of double taxation of investors in Uganda.

The members of the Qatar Chamber promised to organize a fact-finding visit to Uganda, to explore the available investment opportunities. (APA 21-04-2017)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa Business Council, SwissCham-Africa and other organisations.

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

www.acp.int www.aheadglobal.hu www.bcafrica.co.uk

www.camaratenerife.com www.ccafrica.ca www.corporatecouncilonafrica.com

www.elo-online.org www.helafrican-chamber.gr www.htcc.org.hu

www.norwegianafrican.no www.nabc.nl www.swisscham-africa.ch

Fernando Matos Rosa

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