

MEMORANDUM

N° 09/2016 | 14/01/2016

The Memorandum is issued daily, with the sole purpose to provide updated basic business and economic information on Africa, to more than 4,000 European Companies, as well as their business parties in Africa.

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EU: 1€ BILLION FOR CROSS-BORDER COOPERATION IN « NEIGHBOURHOOD » REGION

The European Commission has adopted a series of cross-border cooperation programmes for a total of €1 billion, supporting social and economic development in the regions on both sides of the EU's external borders.

"Cross-border cooperation plays a key role in avoiding the creation of new dividing lines. This new funding will further contribute to a more integrated and sustainable regional development in the neighbouring border regions and to a more harmonious territorial cooperation on EU's external borders." said Commissioner for European Neighbourhood Policy and Enlargement Negotiations Johannes Hahn.

The Commissioner for Regional Policy Corina Crețu, said she was "very glad that the European Regional Development Fund can contribute to bringing the EU and its neighbours closer together. Cross border cooperation programmes are concrete examples of how the EU is working to help citizens address common challenges, hence creating a real sense of solidarity, while boosting the competitiveness of local economies".

The new package will finance projects in 27 countries: Armenia, Georgia, the Republic of Moldova, Ukraine and Russia in the east; Egypt, Israel, Jordan, Lebanon, Palestine, Tunisia; EU Member States (Bulgaria, Cyprus, Estonia, Finland, France, Greece, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Sweden) as well as Norway and Turkey. The funding comes under the European Regional Development Fund (ERDF) and the European Neighbourhood Instrument (ENI). Financing agreements will be finalised between the partner countries and the EU by the end of 2016. Grants will be awarded through calls for proposals expected to be launched in the course of 2016 or early 2017. (EC 07-01-2016)

TRADE BETWEEN CHINA AND PORTUGUESE-SPEAKING COUNTRIES SHRINKS 25 PCT FROM JANUARY TO NOVEMBER

Trade between China and Portuguese-speaking countries experienced a real contraction of US\$31.674 billion from January to November 2015 compared to the same period of 2014, according to official figures published in Macau.

The registered drop, of 25.84 percent, was due to China selling products to the eight Portuguese-speaking worth US\$33.398 billion (-19.68 percent) and importing goods worth US\$57.502 billion (-29.00 percent).

Trade with Brazil in the period reached US\$66.242 billion (-17.98 percent), with China exporting goods worth US\$25.379 billion (-19.98 percent) and importing products costing US\$40.862 billion (-16.69 percent).

China's trade with Angola in the same period totalled US\$18.271 billion (-46.24 percent), with Chinese sales amounting to US\$3.429 billion (-33.52 percent) and purchases of Angolan products to a total of US\$14.841 billion (-48.51 percent).

Portugal is third on this list with trade totalling US\$4.015 billion (-7.85 percent), which resulted from Chinese exports worth US\$2.647 billion (-7.47 percent) and Portuguese exports amounting to US\$1.367 billion (-8.56 percent).

China's trade with Mozambique totalled US\$2.198 billion (-33.22 percent), with China selling goods worth US\$1.786 billion (+3.77 percent) and buying goods worth US\$412 million (-73.75 percent).

Trade between China and the other Portuguese-speaking countries – Cabo Verde (Cape Verde), Guinea-Bissau, Timor-Leste (East Timor) and São Tomé and Príncipe – in the first 11 months of last year reached US\$173.4 million against US\$171.7 million in the same period of 2014. (06-01-2016)

NIGERIA'S KATSINA STATE OFFERS FIVE-YEAR TAX HOLIDAY TO INVESTORS

Nigeria's Katsina State Government in northern Nigeria is offering a five-year tax holiday for any prospective new industry wishing to commence operation in the state, the Chairman of the State Investment and Economic Summit, Ibrahim Tukur Jikamshi, has said.

Jikamshi told Nigeria's Daily Trust newspaper in Katsina, the state capital, that the tax holiday was among the many incentives by the government to attract new companies and investments.

He said that the World Bank ranked the state 7th in the ease of doing business in Nigeria, ahead of Lagos, Kano, Rivers and Cross Rivers.

According to him, the state is ranked 17th in order of Public Private Partnership (PPP), GDP with \$6,022, approval for the processing and granting of Certificate of Occupancy (C of O) for industrial purpose within a period of 30 days in addition to patronage where government and its agencies purchase products of some companies operating in the state.

Jikamshi assured that the state government would provide plots of land within the industrial area and basic infrastructural facilities and that "there shall be a reduction of amount charged on consent to mortgage land to the barest minimum".

"This is not limited to local entrepreneurs but investors from anywhere willing to come and set up enterprises and companies across the state," he added. (APA 05-01-2016)

NABA IN NORWEGIAN PARLIAMENT PUBLIC HEARING ON WHITE PAPER ON PRIVATE SECTOR IN DEVELOPMENT

NABA participated in the public hearing on Government White Paper no 35 (2014/2015) "Working together: Private sector development in Norwegian development cooperation" in the Parliament's Standing Committee on Foreign Affairs and Defence.

NABA Managing Director Mr. Eivind Fjeldstad congratulated the government on focusing on the private sector's positive contributions to development, but said that a more detailed action plan would be the next step. "There are many positive elements in this white paper, but we miss a more detailed plan on how to translate all this positive rhetoric into action", Fjeldstad said. Another point of concern raised by NABA is the current budget situation where Norad – the Norwegian Development Aid Agency's private sector department budget has been reduced with fifty percent in the new budget. "With this white paper in mind, such a cut does not make sense. It should be reversed" Fjeldstad said. (NABA 15-12-2015)

CAIXA ECONÓMICA BANK BUYS DEBT OF CAPE VERDEAN FLAGSHIP AIRLINE TACV

Cabo Verde (Cape Verde) savings bank Caixa Económica will buy the entire debt of Cabo Verde's flagship airlines Transportes Aéreos de Cabo Verde (TACV) from Cape Verdean banks, according to a government resolution published in the Official Gazette.

Under the resolution, Caixa Económica will pay out 1.2 billion escudos (US\$11.6 million) for this risk operation endorsed by the Directorate General for the Treasury, wrote Cape Verdean weekly newspaper A Semana.

In the text published in the official gazette, the government qualifies this new bailout of TACV as a financial reorganisation measure of the carrier, which last December was suspended from the IATA Clearing House for not replacing the guarantee required for all airlines.

With this operation, TACV sees the maturity of its loans raised to 15 years, whilst benefiting from a lower interest rate and when the credits are covered by real estate and equipment collateral there will be a further reduction in interest rates.

The remainder of the carrier's debt has mostly been consolidated through guarantees previously issued for each financial institution, the resolution said.

The main shareholders of Caixa Económica de Cabo Verde are the National Social Security Institute, with 32.18 percent, Geocapital, Sociedade de Gestão de Participações, 27.44 percent, Correios de Cabo Verde, 15.14 percent and insurance company Impar, 12.07 percent. (07-01-2016)

MOZAMBIQUE SURVEY REVEAL WIDENING INEQUALITY GAP

Mozambique's National Statistics Institute (INE) says its latest household survey reveals a widening gap between the richest 20 percent of the population and everybody else, APA learns here on Tuesday.

INE survey shows an across the board improvement in living standards since the previous survey, held in 2008/09, but the gains are much sharper for the richer strata of the population than for the poorer.

At current prices, average monthly household expenditure per capita rose to US\$31 from US\$6 between 2000 and 2015.

The full report breaks this down into fifths (quintiles). The richest quintile saw its monthly per capita expenditure rise from US\$28 in 2008/09 to US\$96 at present and this this is more than the other four quintiles put together.

The structure of this expenditure shows that only 35.6 percent of expenditure goes on food and non-alcoholic drinks compared to 51.4 percent in the previous survey.

Poorer households inevitably spend a higher percentage of their income on food than do richer ones. So this figure points towards a sharp decline in monetary poverty.

But when broken down into quintiles, the survey shows that for quintiles one to three, accounting for 60 percent of the population, food accounts for over half their expenditure. For the poorest 20 percent, this figure rises to 62.5 percent.

At the top end of the scale, in the fourth quintile 39.8 percent of expenditure is on food and for the richest 20 percent, food only accounts for 14.4 per cent of their expenditure.

Inequality is also clear geographically. The highest per capita expenditure is in Maputo City, with US\$71, followed by Maputo province with US\$43. In none of the other nine provinces does per capita expenditure reach US\$19 a month.

Ownership of durable goods is another indicator which has seen a general improvement across the entire population – but once again, the richest 20 percent have benefitted more than anybody else. 89.5 percent of households in the top quintile own a mobile phone, compared with 32.8 percent in the bottom quintile.(APA 05-01-2016)

NETFLIX GOES LIVE IN SOUTH AFRICA

More than 130 countries, including South Africa, officially have access to Video On Demand Service (VOD), Netflix. The announcement was made at the 2016 Consumer Electronics Show (CES) by Netflix chief executive, Reed Hastings.

At the reveal, Hasting stated that the firm will also be offering HDR (high dynamic range) content during the course of 2016; however, no specific date was revealed.

Netflix had been largely unavailable to the continent of Africa as well as Asia; however, this announcement has changed this as the service is now available. Unfortunately, the service is still not available in China. Hasting stated in a consumerist.com article that: "We hope to also be [there] in the future."

When it comes to pricing, the South African Netflix Portal has indicated that the service will start at USD \$7.99 (R126.59 dependent on rate of exchange) as well as offer South African consumers a free month to test out the service. According to the Netflix Portal that consumers will not be charged until after their free trial ends. (IT News Africa 06-01-2016)

CAMBAMBE DAM INCREASES ELECTRICITY PRODUCTION IN ANGOLA

The Angolan electricity grid will receive an additional 960 megawatts of power with the entry into operation of the second power plant of the Cambambe Hydroelectric Project in the province of Kwanza Norte, announced the Minister of Energy and Water.

Minister João Baptista Borges said that the first of four turbines installed in the new Cambambe plant would be operational in June.

To carry this additional production, the minister said, according to Angolan news agency Angop, interconnection lines to Luanda, Gabela (Kwanza Sul) and Benguela are under construction.

Borges also mentioned the Lauca Hydroelectric Plant, under construction in Kwanza Norte province, saying that 65 percent of the work had been carried out and that the first two turbines would come online in June 2017, starting by producing 267 megawatts of power.

The third turbine will start operating in December of that year, producing an additional 77 megawatts. This plant will connect to Luanda, Malanje/Calandula and the transmission system of the power grid to Huambo and Lubango (Huila).

The combined-cycle power plant in Soyo (Zaire province), a project that will produce energy from natural gas, will only start producing power in 2017 – a total of 750 megawatts that will be distributed in Luanda, as well as supplying the Nzeto municipal area and the city of Mbanza Congo, in that province. (08-01-2016)

DECEMBER GROWTH FOR KENYA PRIVATE SECTOR

Kenya's private sector expansion gathered momentum last December, having stalled somewhat just two months earlier, an end of year report released on Wednesday disclosed.

According to the report, growth rates in output and new jobs all accelerated, as did that for input buying.

In particular, the latest rise in output was the most spectacular throughout 2015.

Rising from 53.7 in November to 55.5, the report highlighted a positive end to 2015 for Kenya's private sector firms.

The December reading was the highest in eight months, and pointed to a marked improvement in

business conditions.

The private sector closed the year on a strong note as the Purchasing Managers' Index rose to an eight-month high of 55.5 from 53.7 in the previous month and a survey-record low of 51.7 in October. We expect the Kenyan economy to expand by 5.3% in 2015, predicated on a robust performance mainly in the construction sector, said Jibrán Qureishi, a regional economist at CfC Stanbic Bank.

Likewise, despite the ongoing challenges in the tourism sector for the most part of 2015 and erratic weather patterns that suppressed agricultural production in the first half of the year, the Kenyan private sector has weathered the storm in what we think was an incredibly challenging global environment in 2015, he added.

Underpinning the pick-up in momentum was a robust increase in output during December.

Activity growth quickened to a one-year high, helped by a combination of stronger client demand and the opening of new branches, he explained.

According to the report, new business showed a similar trend in growth with the latest expansion the sharpest since June, largely accelerated by enhanced marketing and higher new export.

Foreign orders rose only modestly following stagnation in the past month.

Growth of the sector as a whole was boosted further by faster job creation in December.

The rate of hiring picked up to the quickest in seven months, as firms redoubled their efforts to expand operating capacity, the report said. (APA 06-01-2016)

MTN TO ACQUIRE NIGERIAN INTERNET PROVIDER

MTN Group agreed to buy internet provider Visafone Communications of Nigeria to expand in Africa's biggest economy even as the South African company awaits a local court ruling on a record \$3.9bn fine in its biggest market.

The acquisition will ensure that "Nigerians experience a boost in the quality of broadband internet services" and data speeds, MTN Nigeria executive Amina Oyagbola said on Friday without disclosing terms.

MTN said in a statement that Visafone offered voice and online services in Nigeria.

MTN said on December 17 it would ask a Lagos court to rule on the fine, which was imposed by the Nigerian telecommunications regulator for failing to meet a deadline to disconnect 5.1-million unregistered subscribers. The initial fine of \$5.2bn was reduced by 25% earlier in December following talks with the regulator led by MTN chairman Phuthuma Nhleko.

MTN shares have declined 34% since the fine was made public on October 26, valuing the company at R232bn. At 11.01am the stock was up 0.6% at R127.01.

Lagos-based Visafone is a wireless network provider founded in 2007 by Jim Ovia, a Nigerian businessman who also created Zenith Bank.

MTN had about 62.5-million subscribers in Nigeria at the end of September, almost a quarter of the total of 233-million customers. (BD 08-01-2016)

ANGOLA'S ECONOMY IS EXPECTED TO GROW 3.3 PCT IN 2016

Angola's economy is expected to grow this year by 3.3 percent, after closing 2015 with growth of 3 percent, both less than half the 6.8 percent growth registered in 2014, before the fall of oil prices, according to a World Bank report.

The Global Economic Prospects report released Thursday in Washington, showed that Angola is this year expected to grow slightly more than in 2015 but remaining below the economic growth forecast for Africa as a whole, which is expected to grow from 3.4 percent in 2015 to 4.2 percent in 2016.

"Economic activity in sub-Saharan Africa slowed to 3.4 percent in 2015, down from 4.6 percent in 2014, as a result of lower prices of raw materials, of an economic slowdown in major trading partners, serious infrastructural difficulties, political instability and a lack of electricity," said the report, adding this was "the weakest economic performance of the region since 2009."

The slowdown in economic growth, the document said, "was more pronounced among oil exporters," namely Angola and Nigeria, the largest exporters in the region, but the outlook was moderately positive. The World Bank report points out, for Angola, that "it is expected that oil prices will remain low, tax revenues are likely to continue to decline and create budget deficits." (08-01-2016)

EAST AFRICAN COMMUNITY SET FOR E-PASSPORT

The East African Community (EAC) Secretary General, Richard Sezibera disclosed on Wednesday that citizens of the five-member community bloc will soon be in a position to access regional e-passports.

Sezibera said he is looking forward to the launch of the New Generation e-East African Passport early in the New Year, a statement from the secretariat issued in Nairobi disclosed.

This is the time for creating a truly African market - in goods, and services including financial services. This is the time for shared industrialization, creating value chains across countries and regions he said.

I am glad East African continues to be at the forefront of integration, and growth. The Single Customs Territory continues to deliver benefits to East Africans both on the central corridor, as well as the another corridor he said.

The EAC countries include Kenya, Uganda, Tanzania, Burundi and Rwanda.(APA 06-01-2016)

EU: COMMISSIONER MOEDAS TO DISCUSS RESEARCH COOPERATION WITH ISRAEL

Carlos Moedas, European Commissioner for Research, Science and Innovation, will pay an official visit to Israel on 10-12 January.

Commissioner Moedas is responsible for the EU's Horizon 2020 Framework Programme, the world's largest public research programme, with a budget of 77 billion euros over seven years. Israel is fully associated to this Framework Programme for Research and Innovation (2014-2020).

In June 2014, Israel and the European Union signed an agreement associating the country to Horizon 2020. The agreement provides Israeli researchers, universities and companies with full access to [Horizon 2020](#), which is the leading source of competitive public funding for research projects in Israel. (EC 08-01-2016)

UGANDA, S/SUDAN SIGN DEAL TO END BORDER DISPUTE

Uganda and South Sudan have signed an accord to de-escalate border tensions that have been brewing over the past three years and allow the demarcation of areas being claimed by both countries. The agreement was reached between representatives from South Sudan, Uganda and observers from the international community in Juba after three days of talks which ended on Monday.

Uganda's representative at the talks, Ebunyu Wilson, told reporters in Kampala on Wednesday that the two countries agreed to form a joint technical committee to oversee the implementation of the pact.

Ebunyu said an advance team of observers will be drawn from both countries to travel to disputed areas to sensitize communities about the proposed demarcation exercise.

The exercise won't start if the border communities are not sensitized. We shall explain to our communities who are adjacent to the boundary that the exercise is going to begin, and this how it is going to be done and they will be clearly told what to do. To us, we hope to start with the sensitization then after the technical team will go with the equipment to complete the exercise, Ebunyu said.

Ebunyu didn't reveal the exact date for the start of the demarcation process, but said the Joint technical Team will speed up the project to meet the 2017 deadline set by the African Union (AU) requiring member states to settle border tensions and also demarcate disputed boundaries.

South Sudan's Foreign Affairs Minister, Benjamin Barnaba Marial, hailed the agreement, describing it as a step towards achieving regional peace and the integration of East Africa.

Marial called on the international community to support the committee financially to allow it conduct the demarcation exercise faster.

The Joint Technical Committee is expected to convene on January 16th in Uganda to discuss other pending issues not discussed during earlier talks in Juba.

In September 2014, fighting broke out between South Sudanese and Ugandans in Moyo District, after local government officials in Uganda visiting a disputed area were allegedly detained by armed South Sudanese men, triggering a wave of demonstrations and violence in both countries.

Ugandans razed houses belonging to South Sudanese residents in Moyo, which led to a series of tit-for-tat revenge attacks among the civilian population.(APA 06-01-2016)

MALAWI CONSUMER RIGHTS BODY BLOCKS POWER TARIFF HIKE

The Consumer Association of Malawi (CAMA) on Tuesday obtained an injunction stopping the Electricity Supply Corporation of Malawi (ESCOM) from raising tariffs which had been approved by the Malawi Energy Regulatory Authority (MERA).

MERA resolved in December that electricity tariffs be increased by 6.6 percent from January 1, a month after the regulator approved another increase of 13.7 percent.

CAMA executive director John Kapito said the power utility had failed Malawians by not providing electricity and yet was increasing the tariffs every month.

"Let them improve their services otherwise consumers will not allow their upward adjustment," he said.

MERA chairperson Dingiswayo Jere said his body approved the tariff hike for ESCOM after considering the impact of inflation and exchange rate movement in the country.(APA 06-01-2016)

EU: REINFORCING ENERGY PARTNERSHIP WITH ALGERIA AND IN THE MEDITERRANEAN AS A WHOLE

European Commissioner for Climate Action and Energy Miguel Arias Cañete reiterated Europe's commitment to intensifying cooperation with Algeria in the field of energy, in an article published in "The Parliament" magazine on January 4. "The EU stands ready to accompany Algeria in the implementation of its national strategy for renewable energy and energy efficiency", Mr. Cañete writes.

The importance of Euro-Mediterranean cooperation as a whole is underlined by the Commissioner. "In this context, the EU clearly recognises the importance of the Mediterranean region and its role within the Energy Union strategy. It is developing an ambitious and comprehensive energy dialogue and cooperation with the southern and eastern Mediterranean countries, both at regional and bilateral levels", he said.

A business forum will be organized together with Algeria, in Algiers, in the first quarter of 2016. This forum will bring together Algerian representatives with the European gas and renewable energy industry, to discuss what is necessary to facilitate new European investments in the Algerian energy sector, the Commissioner said. (EC 08-01-2016)

MALAWI WANTS TO RESUME TANZANIA TALKS OVER DISPUTED LAKE

The Malawian government has requested for an urgent meeting from the mediators for talks on the Lake Malawi border wrangle with Tanzania, an official said Wednesday.

Minister of Foreign Affairs and International Cooperation, George Chaponda told Daily Times that Malawi was following up on a meeting which was supposed to be held with the mediators in Mozambique but failed because one of the officials was sick.

"We have now requested them-former head of states to decide as when we should hold the meeting because it is urgent," he said.

The mediators are former Mozambique President Joaquim Chissano and his counterpart South Africa's Thabo Mbeki.

He said the cancelled meeting was supposed to take place in August last year in Maputo, Mozambique, but was cancelled due to the hospitalization of one of the mediators.

However, he said, Malawi wrote to mediators informing them that while it accepted resource-sharing as part of the solution, the legal question on who owns the lake must be determined first.

"We will discuss all these things as we meet. But the basic issue is that we are saying, the lake belongs to us," he said.

Lilongwe claims the ownership of the entire lake under the 1890 agreement between Britain and Germany while Dodoma claims that part of the lake belongs to them. (APA 06-01-2016)

COMMUNICATIONS FROM THE INTERNATIONAL MONETARY FUND

Benin - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=43554.0>

Benin - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=43555.0>

Cameroon, Chad - <http://www.imf.org/external/np/speeches/2016/010816.htm>

Cameroon - <http://www.imf.org/external/np/sec/pr/2016/pr1603.htm>

Liberia - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=43587.0>

Mozambique - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=43588.0>

Nigeria - <http://www.imf.org/external/np/speeches/2016/010616.htm>

Nigeria - <http://www.imf.org/external/np/sec/pr/2016/pr1602.htm>

Nigeria - <http://www.imf.org/external/np/sec/pr/2016/pr1601.htm>

Senegal - <http://www.imf.org/External/NP/LOI/2015/sen/112415.pdf>

Senegal - <http://www.imf.org/external/pubs/cat/longres.aspx?sk=43544.0>

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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