MEMORANDUM

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SUMMARY

PROMOTING PROFESSIONAL GENDER EQUALITY IN TUNISIA: EU SUPPORTS YOUNG TUNISIAN WOMEN IN THEIR PROFESSIONAL INTEGRATION

The Head of cooperation at the EU Delegation in Tunis, Armelle Lidou, and the Tunisian Minister for Women's affairs, Family and Children, Samira Meraîi, last Monday joined the Support Day to Tunisian young women in their professional insertion, held in Bizerte.

The event, held under the theme "Enterprise: how does it work", was organised under an EU-funded project to promote professional gender equality in Tunisia, which aims to reduce gender discrimination in the workplace. Involving Tunisian associations promoting the rights of women, companies and public authorities, it aims to raise the awareness of 100 Tunisian companies on gender equality and to support more than 150 young Tunisian women in their search for employment.

The project is part of a wider EU support for women, with over ten initiatives on this theme currently funded by the EU in Tunisia. (EU Neighbourhood 22-10-2015)

NORDIC-AFRICAN BUSINESS SUMMIT 2015

NABA - Norwegian-African Business Association is pleased to welcome you to this year's Nordic-African Business Summit in Oslo – the leading Nordic business conference on Africa.

On the 29th of October, Nordic and African business communities meet under one roof in Oslo/Norway, when NABA organize the fifth annual business Summit. Norwegian Minister of Trade and Industry Ms. Monica Mæland will open the conference, that will also include high level speakers such as Mr. Ashish J. Thakkar, CEO in Mara Group, Mr. Bob Diamond, CEO in Atlas Merchant Capital (and former CEO of Barclays Bank), Mr. Mohammed Dewji, CEO MeTL Group and Tanzania's most prominent business person, and many more. Boston Consulting Group (BCG) will also present a new report on how to succeed in African markets. Managing Director in BCG, Mr. Adam Ikdal will take part in a "dueling with lions" conversation on stage with Mr. Mohammed Dewji.

More than 20 African countries will be present in Oslo. Participant can also s Nordic-African Business Summit 2015ign up for speed-meetings with the visiting African Ambassadors. There will be special sessions on oil&gas, renewable energy, banking&finance, aquaculture and ICT/technology. (27-10-2015) http://norwegianafrican.no/events/norwegian-african-business-summit-2015

MALAWI'S INFLATION RATE RISES TO 24.1 PERCENT IN SEPTEMBER

Malawi's National Statistical Office (NSO) said Monday that the country's year-on-year headline inflation rate for the month of September increased by 1.1 percentage points to 24.1 percent from the previous month's 23 percent.

The country's inflation rate is measured by the consumer price index.

The NSO attributed the jump to an increase in food inflation, which rose by 27.2 percent in September from 26.8 in August to maize deficit of about 30.2 percent due to floods and dry spell.

"The September 2015 rate is 0.4 percentage points higher than the rate registered during the same period last year which was at 23.7 percent," it said.

However, it added that non-food inflation also jumped to 21.3 percent in September from 19.9 percent a month before.

The urban and rural inflation rates stood at 19.6 and 27.4 percent respectively, it said.(APA 19-10-2015)

AFRICA'S SENIOR CITIZENS CORNERED BY POVERTY

Kenya has made tremendous steps towards ensuring that the elderly population does not slide into extreme poverty, hunger and, consequently, premature death.

This comes amidst concerns that due to the breakdown of socio-cultural safety nets, Africa's senior citizens aged 60 years and above are often falling deeper and deeper into poverty and destitution.

Government estimates places the number of Kenyans aged over 60 years at two million out of a total population of 45 million people.

Beatrice Akoth, a social worker working with the needy in Nairobi told IPS that a vast majority of the elderly are often fragile, poor and emotionally vulnerable needing care and support.

"Many of us are guardians caring for HIV/AIDS orphans, some like myself are HIV positive," said Diana Ingosi, a beneficiary living in the Kibera slums.

Against this backdrop and in line with the country's National Policy on Older Persons and Ageing 2009 and the Kenya Social Protection Policy 2011, Kenya has developed a cash transfer programme as social protection that serves the non pensionable and aged Kenyans who are not formally employed.

The programme targets those aged 65 and over who have no pension or any source of income whatsoever. They also must prove that they are the poorest of the poor to receive some 20 dollars at the end of each month.

Previously, the government's social protection of the elderly was through social security for those in formal employment, particularly through the National Social Security Fund, leaving those in the formal sector unprotected.

Government statistics show that some 59,000 senior citizens are benefitting from the cash transfer programme but the numbers are expected to rise to at least 164,000 or a minimum of 523 people in each of the country's 290 constituencies.

"The government also says there is a plan to increase the stipend since 20 dollars is still not enough," said Akoth.

The World Bank's report titled The State of Social Safety Nets 2015 shows that while most developing countries spend an average of 1.6 per cent of their GDP on social safety nets, Kenya spends close to 3 per cent of its GDP on social nets targeting the elderly, those with disability as well as the orphaned and vulnerable children.

This has placed this East African nation among seven sub-Saharan Africa countries showing the way in providing safety nets for its ageing population. Others are Sierra Leone, Burundi, South Africa, Mauritius and Namibia, with Kenya coming in at number seven.

Yet in spite of the government's demonstrated commitment, fears are rife that the safety nets might not hold.

Though the cash transfer service was revolutionary and would change, even save lives, Akoth said that there is no middle man between the community and the government.

"Someone has to find these elderly people and register them. Once approved, someone has to go back to them to inform them that the money has been sent to the bank for collection," Akoth observed.

She says that with some of them being sick and immobile, having someone collect the money on their behalf is difficult since only the person whose signature appears can collect the money from appointed banks.

"As a result, substantial amounts of money remain in the bank uncollected and have to be returned to the government," said Akoth.

Akoth explained that more rural than urban elderly are receiving support "there is a perception that poverty is more deep seated in rural areas, which is not the case."

But Kenya is not the only one facing these hurdles.

The global population of people aged 60 years and older is set to double from 542 million in 1995 to 1.2 billion in 2025, based on the World Health Organisation's findings last year.

Here in Southern Africa, Zimbabwe has close to 800,000 older persons, according to the Centre for Community Development Solutions, an organisation that coordinates the National Age Network of Zimbabwe, with 64 per cent of them living in poverty both in rural and urban areas, based on statistics from the Zimbabwe National Statistics Agency.

"The failure by older persons to participate in mainstream economic issues has denied them the opportunity to move themselves out of the murky waters of poverty," Conrad Gweru, Advocacy and Communications Officer for the CCDS, told IPS.

Added Gweru: "Older persons here also take care of orphans and vulnerable children, but they do so without the basic necessary resources, forcing them to sell their assets in order to buy food and pay school fees for orphans which have taken many of them into poverty as they are not able to recover lost assets."

Such is the case with many of Zimbabwe's senior citizens like 74 year old Senzeni Dube, who lives in Bulawayo, the country's second largest city.

"I'm poor because so far I have sold everything I owned to take care of my orphaned grandchildren and here in Zimbabwe there is very little government commitment to assist people like me," Dube told IPS.

To this, Gweru added: "Zimbabwe's Older Persons Act of 2012 has not been financed hence the absence of an older persons' fund that can be used to improve living standards of older persons through giving them non-contributory pension on a regular basis."

Last year while speaking at the belated commemorations to mark the United Nations Elder Persons Day, Jonathan Mandaza, chairperson of the Zimbabwe Older Persons Organization, said abuse of the elderly in Zimbabwe is rampant, adding that it included neglect by the government.

Continentally, Global Ageing estimates that by 2050, the number of people over 60 living in Africa will increase from just under 50 million to just under 200 million, with Northern and Southern Africa being the most rapidly ageing regions on the continent.

Global Ageing is a campaign to bring the issue of world ageing and its effects on global development cooperation to public attention.

Local development experts agree poverty rules the roost among Africa's aged persons.

"Many older people live in rural areas with fewer services, exposing the aged to economic and social exclusion, thanks to age discrimination while literacy rates among older people – mostly older women – remain low," Letwin Ngondo, an independent development expert based in Zimbabwe, told IPS.

Ngondo's assessment is also true about Tanzania, where old age benefits do not exist, with nearly two million elderly people there living in poverty.

However, a protocol to the African Charter on Human and Peoples' Rights has been developed on the rights of older people and is currently going through the process of adoption by the African Union.

The yet-to-be ratified charter outlines African governments' specific human rights obligations to older people and would require governments here to introduce legislation and policies to protect rights in older age.

Cognisant of the plight facing aged persons, in his message this year on a campaign for young and old persons to be included in the new global goals, Amina J. Mohammed, Special Advisor of the UN Secretary-General on Post-2015 Development Planning, said: "We must redouble our efforts to make ageing visible, to listen to, include and hear older people, for our global agenda to deliver its true and visionary promise." (IPS 21-10-2015)

EGYPTIAN GOV'T BIDS FOR $902.75 MILLION IN TREASURY BONDS

The Central Bank of Egypt (CBE) on behalf of the Ministry of Finance is set to auction 7.250 billion Egyptian pounds ($902.75 million) in treasury bonds Monday, according to the bank's official website.

"The T-bonds are to be offered in three installments; the first valued at 2 billion EGP with an 18-month term, the second worth 3 billion EGP with a three-year term, and the third valued at 2.250 billion EGP with a seven-year term," CBE added.

Egypt’s central bank usually holds T-bond auctions every Monday.(APA 19-10-2015)

GAS EXPLORATION IN MOZAMBIQUE WILL REQUIRE US$31 BILLION IN INVESTMENT

Oil companies operating in Mozambique will need to invest US$31 billion over the next few years to begin exploration of the natural gas reserves discovered in the north of the country, the president of national oil and gas company ENH said Thursday in Maputo.

Omar Mithá said operating costs could reach US$5.6 billion, to which another US$10 billion must be added for construction of natural gas liquefaction units.

In his estimates the chairman of ENH included US$3.3 billion for further development studies and US$4.4 billion in interest payments related to the loans needed to build processing plants and bank costs.

“Then there is a contingency portion of 25 percent, and all together that totals about US$24 billion just for exploration of natural gas discovered in the Area 1 block of the Rovuma basin,” Mithá said, cited by news agency AIM.

The remaining US$7 billion for the total amount of US$31 billion will be invested in the Area 4 block, operated by Italian group ENI, in which ENH holds a 10 percent stake.

Mithá said the amount given was based on a scenario in which 55 percent of the investment is represented by debt and 45 percent by equity.

The investments to be made in those blocks depend on a final investment decision, which should be made by the end of the first quarter of 2016. The time needed to build the processing units is estimated at five years.

To date natural gas deposits of 200 trillion cubic feet have been discovered in both the Area 1 and Area 4 blocks. (23-10-2015)

CHINESE FIRM TO START BUILDING 750MW ZAMBIA POWER PLANT IN DECEMBER

China’s Sinohydro will start building a 750 megawatt (MW) hydro-electric power station in Zambia in December as Africa’s number two copper producer seeks to address an electricity deficit, state power company Zesco. said on Tuesday.

An electricity shortage and weaker copper prices have put pressure on Zambia’s mining industry, threatening output, jobs and economic growth in the southern African nation.

The government said in August that it was planning investments worth about $4.3bn to begin over the next 12 months meant to add 1,673MW to the grid once completed, and the Sinohydro project would be one of them.

The Chinese firm will build the Kafue Gorge Lower Power station at an estimated cost of about $2bn over a period of slightly more than four years, Bessie Banda, a spokeswoman for Zesco told Reuters.

"We should be handing over the project site to Sinohydro in November and expect them to start work a month later," she said.

The Kafue Gorge Lower Development Corporation, a special purpose vehicle, would borrow 85% of the financing for the project from Exim Bank of China and the government of Zambia would put up the rest of the financing as equity, Banda said.

Zesco has applied to the energy regulator to allow it to more than double the cost of electricity for all customers except mining firms to attract investors to build power plants. (Reuters 20-10-2015*)*

GAMBIA GETS OVER $17M W/BANK GRANT FOR EDUCATION

The Gambia government has obtained more than $17 million grant for the funding of the finalization of an educational project, under the Ministry of Basic and Secondary Education (MoBSE).

According to a statement issued by MoBSE on Tuesday, $11.9 million out of the total was secured from the World Bank, while $6.9 million came from the Global Partnership for Education Grant.

It said the money is earmarked for the implementation of the Result for Education Achievement and Development (READ) project under the Ministry of Basic and Secondary Education.

According to the release, part of the grant will be used to purchase electronic equipment such as Nano Sanners, Line Printing Machine and 250 KVA Generator for the implementation of the project.(APA 20-10-2015)

MOZAMBIQUE HOSTS INTERNATIONAL INVESTOR CONFERENCE

The capital of Mozambique on 29 October will host an international investor conference, an initiative of the Ministry of Transport and Communications which will focus on the development of the "Maputo Corridor."

The ministry said in a statement that through this conference entrepreneurs can assess investment opportunities in projects in the sectors of agriculture and agro-business, including the fresh market, planting of sugarcane in Moamba and Magude and the anchor project known as Unidade Engorda (Fattening Unit) for beef processing and their derivatives.

"This theme will be followed by interventions by institutions of strategic importance, pointing out opportunities or ways in which they can support the interests of investors in these areas and their connections to the transport sector," said the statement.

Other matters under consideration include investment opportunities in projects in the infrastructure sector and its links with the transport sector, especially the Moamba – Xhinavane toll road and the Movene dam.

"Investment opportunities in the tourism sector will also be assessed, especially the tourism and real estate projects of Macaneta and Machangulo," the statement said.

The event will also review the economic and fiscal climate in Mozambique, the legal framework of investments, access to funding for projects in the country and the role of development partners in financing projects. (23-10-2015)

TOTALGAZ SOUTHERN AFRICA BUYS KAYAGAS OPERATIONS

Totalgaz Southern Africa, a marketer of liquefied petroleum gas, has agreed to buy the storage, filling and distribution business of KayaGas for an undisclosed sum, it said yesterday.

The acquisition occurs in the midst of a Competition Commission investigation of the liquefied petroleum gas market.

In a separate move, the commission also raided the offices of several liquefied petroleum gas companies, including Totalgaz and KayaGas, last week seeking information about the deposit customers pay for liquefied petroleum gas cylinders.

Totalgaz MD Vincent Scarmure said in a statement the acquisition would extend the company's client base.

KayaGas chairman Lulamile Xate said that, under a new name, KayaGas — which will continue to be an independent importer of liquefied petroleum gas — would ensure periodic shortages of liquefied petroleum gas would no longer affect customers.

Totalgaz strategy and communications manager Caroline Hartlieb said the terms of the sale were confidential and subject to approval from the competition commission.

She declined to comment on any previous relationship between Totalgaz and KayaGas, citing the commission’s investigation.
Totalgaz, part of the global Total group, has 12 company owned depots in South Africa and another eight independent distributor-run sites, including in Botswana and Lesotho.
KayaGas, a largely black-owned company, was established in 2006 and covers the suburban domestic and commercial market in Cape Town.(BD 21-10-2015)

NAMIBIA MINISTERS SIGN UP TO PERFORMANCE AGREEMENT

Ministers in the government of President Hage Geingob of Namibia on Wednesday signed up to a deal that would ensure that their continued stint would be based on their performance while in office. President Geingob had called on his ministers and permanent secretaries to work in unison for the sake of the country's prosperity and the betterment of the Namibian people.

He was speaking at State House when ministers signed their performance agreements, which he said is part of his government's bid to hold senior public servants accountable and help restore public confidence in the administration.

He emphasized that a performance management system is critical to improving government performance, transparency and accountability and it must be fully embraced by all• .

By signing the agreement, the Namibian leader told his 20 ministers including Prime Minister Saara Kuugongelwa-Amadhila that he expects nothing but an increased and improved performance.

He warned that: Failure to achieve this should be accompanied by consequences. The syndrome of passing the buck must become a thing of the past.

This is the approach adopted by all the successful institutions around the world and as a country determined to compete on an equal footing with our peers in the global economy, we should follow suit he added.(APA 21-10-2015)

MOZAMBIQUE PLANS TO RESTRUCTURE EMATUM DEBT

Mozambican tuna company Ematum retained the services of Banco Nacional de Investimento to negotiate debt restructuring of US$850 million, announced the Mozambican Minister of Economy and Finance, Adriano Maleiane.
The minister, cited by the Mozambican press, said that the aim of hiring the bank was to lower interest rates and increase the amortisation period of the loan, “given the difficulties the company faces to service its debts.”
Adriano Maleiane, who was speaking at the opening of the Second Ordinary Session of Parliament, said a report would be drawn up by the end of November on the position of creditors in relation to debt relief for Ematum.
Under the original contract, Ematum undertook to pay an interest rate of 8.50 percent on a seven-year bond issue, with a two-year grace period.
Addressing members of parliament, the minister said there was some confusion about this loan, with the market looking at it as sovereign debt when part of the debt is Ematum’s.
“We will continue to guarantee the debt but it would be simpler if it were a single loan,” Maleiane said, adding that converting the loan into sovereign debt would make it easier to get a lower interest rate and extend the amortisation period.

At the beginning of October, Moody's credit rating agency said payment of the first installment of the loan – US$105 million – was a positive in the assessment of sovereign credit.

"This payment, which covers US$77 million and over US$27 million of interest, is positive for the analysis of sovereign debt because payments on time and in full show the government's commitment to meet its financial obligations," said Moody's, in a note sent to investors. (23-10-2015)

BROADBAND PENETRATION PRESENTS AN OPPORTUNITY FOR PUBLIC PRIVATE PARTNERSHIPS

Significant infrastructure investment is necessary in South Africa in order to meet government's national broadband targets of extending universal access to broadband services by 2030.

At the heart of government's broadband blueprint is universal access to high speed broadband services by 2030, which is widely expected to be the catalyst for growth and development.

Krishna Chetty, General Manager of Radio Planning and Quality at MTN South Africa, says a narrower definition of broadband penetration should comprise of a trimvirate of three variables, namely affordability, availability and accessibility.

Using the affordability criteria, the industry can ascertain household affordability of a basket of service using average household per capita income, and the consumer's awareness of the benefits of available services. The key here is to ensure that services are relevant and add value to the lives of the consumer.

Accessibility determines the number of consumers who have access to quality network coverage that meets the quality of service (QoS) standards. This entails massive amount of investment to realise the quality levels. In particular, we need to connect fibre highways to rural areas so true high speed broadband can be realised; must be done under the PPP banner.

Availability defines consumer's access to the device ecosystem across the spectrum of network technologies such as 2G, 3G and LTE. It guages consumer access to devices such as feature phones, smartphones and tablets that will enable them to access a range of services that are available in the market. Here we need to partner with device and chip set manufacturers to drive the cost down so as to lower the barrier to entry for rural consumers. Government subsidies aligned to this can also add traction to this initiative.

"Having pervasive 3G and LTE coverage means little if the majority of consumers do not have the platform to access the benefits that are brought about by these technologies. Therefore broadband penetration cannot be solely determined by the availability of these services, but should be defined by the number of people who have access to coverage, devices and the means to access these services," says Chetty, adding that using this narrower defination to define broadband penetration would present a significantly lower level of broadband penetration.

Chetty says that the current broadband penetration presents an opportunity for the industry and its stakeholders, including government, to establish a public private partnership that will seek to bridge the digital divide inorganically by taking a proactive approach to investment.

"Operators and government should create an open work group that will pool resources, identify areas of investment and channel resources to areas where they are needed in order to bridge the digital divide and ensure that broadband services are available to all in line with government's broadband targets. We need to have a high level investment plan as a country that will cearly spell out what needs to be done, and allocate responsibilities and timelines if we are to meet the broadband targets by 2030," says Chetty.

"Government-driven capital expenditure in rural areas is a civic undertaking that will stimulate the local economies, create much-needed jobs and create a new ecosystem that is underpinned by availability of high speed broadband services," says Chetty.

He says MTN has made significant progress since the beginning of the year in deploying its fiber network. In June 2015, MTN connected a significant number of customers to its fiber to the home network (FTTH) network in Gauteng, and is currently trenching in more areas in the province.

MTN plans to connect over 1 000 homes in the Western Cape to its FTTH network by the end of this year, and the operator has invested R1.2 billion for network upgrades in Kwa-Zulu Natal which will fund the expansion of its FTTH network, with the first set of homes expected to go live at the end of October 2015 in La Lucia.

“We are now building for the future,” Chetty said. “Currently there is no industry other that the ICT sector collectively that invests approximately R30 billion per annum, if we are to build for the future we need to aggressively explore partnerships with the public and private sector so that we can positively contribute to building the economy and generating much-needed jobs.” (IT news Africa 22-10-2015)

NAMIBIA-ANGOLA CURRENCY DEAL A LIFELINE

Namibia has benefited tremendously from the currency conversion agreement between the Bank of Namibia (BoN) and the Banco National de Angola (BAN), BoN’s Deputy Governor Ebson Uanguta has said.
The two national banks last year signed reciprocal conversion of the Angolan Kwanza currency and the Namibian Dollar to help relieve cross border trading at the border towns of Oshikango and Santa Clara in Angola.

During a courtesy call by the central management to President Hage Geingob at State House on Tuesday, Uanguta noted the agreement that took effect in June this year, benefits Namibia more than Angola.

There is a lot that Angolans are importing from Namibia, while Namibians import less from Angola, so in that sense the agreement benefits Namibia more than it does to Angola, Uanguta explained.

On the other hand, he said: Angolans can now just enter Namibia and exchange their Kwanza for Namibian Dollars, purchase the goods they need and cross back into Angola, which really benefits for them.

The deal has also helped the central bank accumulate Kz 38 billion, which is equivalent to N$2.8 billion ($207 million), in its reserves as a result of the agreement.

We have been complaining that our reserves are very low. This type of agreement will help us build our reserves because, eventually, after we received the Kwanza from the commercial banks, after a few months BoN will repatriate the Kwanza back to Angola he pointed out.

He added that: After the repatriation, BNA will have to pay BoN in US Dollars, and that is the foreign currency we need to build our reserves.(APA 21-10-2015)

AUSTRALIA’S MUSTANG RESOURCES BUYS STAKE TO EXPLORE RUBIES IN MOZAMBIQUE

Australian mining company Mustang Resources plans to buy an 80 percent stake in another Australian non-listed company, Montepuez Australian Minerals, pursuant to a contract signed and made public Thursday in Perth.
By purchasing the 80 percent stake, Mustang Resources now controls 64 percent, 56 percent and 56 percent in three licenses to mine rubies, which together account for 15,800 hectares in the Montepuez region of Cabo Delgado province, northern Mozambique.
Under the contract, Mustang Resources has committed to make an initial payment of US$1.5 million, with US$150,000 in cash and the remainder in the company’s own shares.
The contract involves an additional payment of US$2 million once 500 carats of rubies have been extracted and another US$2.5 million, of which US$750,000 in cash, after 10,000 carats are extracted.

The extraction of 50,000 carats of rubies will require the company to make a payment of another US$3 million, of which US$2 million in cash.

This transaction depends on a number of conditions, including the completion of an evaluation study and an independent report, shareholder approval and obtaining the necessary capital.

In a statement issued in Perth, Mustang Resources, a company listed on the Sydney Stock Exchange, said the three exploration licenses are located in the same region where British company Gemfields explores one of the most important ruby deposits in the world. (23-10-2015)

AFRICANS ARE MAINLY RICH OR POOR, BUT NOT MIDDLE CLASS.

Look out from the cafés of Accra's financial district and you could be almost anywhere. In the shadow of glassy skyscrapers, American-accented entrepreneurs order lattes and ponder spreadsheets. "You couldn't have imagined this even five years ago," Joseph Baffour, a local financier, says of his surroundings. "There's been an astronomical change."

On a continent once synonymous with war, famine and poverty, a middle class has started to emerge, propelled by growth and urbanisation. Its rise has much to do with the spread of democracy and greater rule of law—countries with such attributes tend to generate more economic opportunities than those in which a few rulers line their pockets. In turn, the new middle classes have raised their voices in demanding clean and accountable government and public services. A study by Nic Cheeseman of Oxford University, found that in Kenya the richer people were the more likely they were to support democracy (and vote for the opposition).

Yet step beyond the air-conditioned malls that are popping up like meerkats across the continent, and it is clear how thin this emerging middle class is. Just a few miles down the road from Accra's coffee-connoisseurs are the columns of smoke that billow above Agbogbloshie, a digital dumping ground. Here hundreds of men risk their health burning old electronics for useful parts. Leave the capital altogether and the celebrated middle class grows harder still to spot: high-rises give way to huts, suits to shoelessness.

So too with much of Africa. Good data on the exact size of the middle class are hard to come by, but it remains small across most parts of the continent. The Pew Research Centre, an American outfit, reckons that just 6% of Africans qualify as middle class, which it defines as those earning $10-$20 a day. On this measure the number of middle-income earners in Africa barely changed in the decade to 2011.

More recent data from EIU Canback, a consultancy (and sister-company of *The Economist*), show some growth (see chart) in the decade to 2014 but it is painfully slow: 90% of Africans still fall below the threshold of $10 a day and the proportion in the $10-$20 middle class (excluding very atypical South Africa), rose from 4.4% to only 6.2% between 2004 and 2014; over the same decade, the proportion defined as "upper middle" ($20-$50 a day) went from another 1.4% to 2.3%. Other surveys are also disappointing. Standard Bank, a South African lender, thinks that though the number has increased, there are still only 15m middle class households in 11 of sub-Saharan Africa's bigger economies (excluding South Africa and using a range of $15-$115 a day).

The puzzling question posed by these data is why the middle class is so small after a decade in which economic growth has averaged more than 5% a year, about twice as fast as population growth. One reason is that the proceeds of economic growth are shared very unequally. In recent years inequality has increased alongside growth in most parts of Africa.

Another reason is that poverty in many parts of Africa is so deep that even though incomes may have doubled for millions of people, they are now merely poor rather than extremely poor. Laurence Chandy at the Brookings Institution, an American think tank, points out that the average person in extreme poverty in Africa lived on just 74 cents a day in 2011, compared with 98 cents in other parts of the developing world. Ethiopia, which is both one of Africa's most populous nations and best developmental performers, is a good example. Its share of people living on more than $10 a day has increased more than 10 times in the decade to 2014 to 2% of the population: but that still left close to 98% of Ethiopians living below this threshold.

A low wage is better than none at all, but those living on $10-$20 a day are hardly sipping sangrias at sunset. For most of them, life is still tough. "I came from the north because I needed a job," a sweating Awal Ibrahim says as he cuts the copper out of old computer wires in Agbogbloshie. Working relentlessly in the baking heat, he earns about 20 cedis ($5) a day. Does he still feel poor? He glances with commendable humour at the smouldering Sodom surrounding him: "If I could find other work I would." That is the problem. Unlike Asia, Africa has failed to develop industries that generate lots of employment and pay good wages. Only a few countries manufacture very much, largely because national markets are small and barriers to trading within Africa are huge. Most people who leave the countryside move into labour-intensive but not very productive jobs such as trading in markets. John Page, also of Brookings, reckons that such jobs are on average only about twice as productive as the ones that many left behind.

For investors who piled in on the promise of a new African bourgeoisie, this is a worry. The commodities boom has ended and all but the richest tend to stop spending at the first sign of economic trouble, as they have done in Nigeria and South Africa, the continent's two largest economies. Having overestimated the number of upwardly mobile people, many big firms are expanding far more slowly than they expected. A few years ago, Shoprite Holdings, South Africa's largest retailer, envisaged opening 600-800 stores in Nigeria. It currently has 12. Across the continent in Kenya, Cadbury and Coca-Cola have closed factories. "We thought this would be the next Asia", Nestlé's chief executive for equatorial Africa said earlier this year. "But we have realised the middle class…is extremely small and it is not really growing."

Those investors with deep enough pockets can afford to wait. In the meantime, they are expertly targeting poorer shoppers with such things as tiny packets of washing powder and water. In Nigeria UAC Foods sells cheap sausage rolls through bus windows rather than in supermarket aisles.

But those concerned about raising economic growth and the spread of democracy in Africa should be less patient. The middle class that has emerged, small as it may be, is also vulnerable; even mild economic shocks may be enough to push households back below the threshold of poverty. That in turn may slow the impetus for reform, and perhaps even reverse it.(Economist 24-10-2015)

FAO SIGNALS POOR HARVEST IN SUB-SAHARAN AFRICA

The United Nations Food and Agriculture Organization has warned that an estimated 27.4 million people in southern Africa face food insecurity over the next six months due to a dry pattern which could hit the region, APA learnt Wednesday.

In response to poor harvests across the region, the Food and Agriculture Organization (FAO) and the World Food Programme (WFP) have announced the expansion of their operations.

A statement by the U.N organization says of particular concern is the El Niño weather phenomenon which could significantly hit southern Africa since it is increasing in strength and is expected to peak in late 2015 to become one of the strongest such events on record.

The region faces the risk of another poor rainfall season and harvest resulting in a significant increase in food and nutrition insecurity in the region, says the statement from the FAO regional office for Africa.

It points out that most at threat from immediate food insecurity are Malawi, Zimbabwe and Madagascar.

These countries suffered severe crop failure due to extended dry spells combined, in Malawi, with extensive flooding and, in Madagascar, with the effects of strong tropical storms, the statement says.

FAO adds that there are also concerns about growing food insecurity in Lesotho and the southern parts of Angola and Mozambique.

The statement stresses that Malawi is experiencing the worst food insecurity in a decade, with 2.8 million people reported to be food insecure.

In response, WFP will provide food aid and cash transfers.

Meanwhile, Zimbabwe's latest harvest was only half of last year's, leaving at least 1.5 million people food insecure. (APA 21-10-2015)

COMMUNICATIONS FROM THE INTERNATIONAL MONETARY FUND

Central African Republic - http://www.imf.org/external/pubs/cat/longres.aspx?sk=43362.0

Congo - http://www.imf.org/external/pubs/ft/survey/so/podcastfra.aspx?lang=FRA#372

Congo - http://www.imf.org/external/pubs/cat/longres.aspx?sk=43335.0

Congo - http://www.imf.org/external/pubs/cat/longres.aspx?sk=43336.0

Ethiopia - http://www.imf.org/external/np/sec/pr/2015/pr15473.htm

Kenya - http://www.imf.org/External/NP/LOI/2015/ken/083115.pdf

Mali - http://www.imf.org/external/pubs/cat/longres.aspx?sk=43349.0

Mali - http://www.imf.org/external/pubs/cat/longres.aspx?sk=43353.0

Rwanda - http://www.imf.org/external/pubs/ft/survey/so/2015/pol101315a.htm

Tunisia - http://www.imf.org/external/pubs/cat/longres.aspx?sk=43341.0

Tunisia - http://www.imf.org/external/np/sec/pr/2015/pr15471.htm

Zimbabwe - http://www.imf.org/External/NP/LOI/2015/zwe/093015.pdf

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