

# MEMORANDUM

N° 81/2018 | 22/10/2018

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## SOMALIA: MAJOR STEP IN EU SUPPORT TO STATE-BUILDING

**The EU and Somalia signed on 14 October an agreement to provide €100 million to the Somali budget over the next two and a half years. These funds will support the Federal Government's reforms to build a unified, federal state.**

Somalia is on a positive track towards stability and growth. The EU's move to budget support is a token of the partnership with Somalia to develop a viable federal system and fostering long-term recovery. The date of signature coincides with the first anniversary of Somalia's worst terror attack, which killed over 500 people in Mogadishu. On this occasion, EU Commissioner for International Cooperation and Development, Neven **Mimica**, said: *"Budget support shows the EU's trust in Somali institutions. It gives the Government resources to implement reforms and build a stronger State able to deliver basic services to its people. Those 100M€ show the EU delivers quickly, a few months after the Somali Partnership Forum. It comes at a time where the Horn of Africa is going through unprecedented changes. And Somalia can seize this momentum for its own domestic transformation."*

The EU plays a leading role amongst the international community supporting Somalia. It co-hosted the [Somalia Partnership Forum](#) in Brussels in July 2018, when over €1 billion was mobilised to support the country. In September, the World Bank also agreed a \$80 million pre-arrears clearance package. The engagement of the EU, IMF and World Bank will not only help accelerating national reforms, but also the process towards concessional loans and debt relief.

The financing agreement is a €100 million package dedicated to Somalia's state and resilience building, which will also support access to basic services. Up to €92 million will go to the federal government through budget support. The remaining €8 million will support capacity building to the federal and states' governments and oversight institutions.

The disbursement of funds will be sequenced and closely monitored through political dialogue, regular assessment of progress achieved against indicators and dedicated safeguard measures.

The agreement was signed on 14 October in Mogadishu by European Commission's Director-General for International Cooperation and Development, Stefano Manservigi, and the Prime Minister of Somalia, Hassan Ali Khayre. (EC 15-10-2018)

## MOZAMBIQUE: INDIAN GROUP DUE IN 2019 TO START EXPLORATION OF MINING CONCESSION GRANTED IN 2014

Sol Mineração Moçambique, a subsidiary of India's Sunflag group, plans to start coal mining in the central Tete province in 2019, according to Radio Moçambique.

The radio station added that the company will operate in the Mutarara district, where it has a concession of 4,000 hectares, and the coal to be extracted will be exported to the Indian market.

The Mutarara district administration also told Radio Moçambique that the concession granted to the company contains gold, in addition to coal, which is currently being mined by artisanal miners from Malawi and the Democratic Republic of Congo.

In August 2014, the then Minister of Mineral Resources Esperança Bias announced that Indian group Sunflag intended to invest US\$222 million in the Mutarara coal mine.

At the signing of the contract, the minister said the concession granted to the Indian group was valid for 25 years and "is a testament to the confidence foreign investors have in the economic and business potential of Mozambique."

Ravibhusan Bhardweij, managing director of Sol Mineração Moçambique, said feasibility studies revealed the presence of 115.46 million tons of coal, of which only 44.9 million tons could be sold, including 17.3 million tons of coking coal and 27.6 million tons of thermal coal.

The group's main production unit is Sunflag Iron and Steel Co. Ltd. which has a steelworks in Bhandara, Maharashtra, where it produces 360,000 tons of high quality special steels annually. (19-10-2018)

## EIB REINFORCES ITS SUPPORT TO EGYPT: EUR 214M TO IMPROVE ACCESS TO SANITATION SERVICES IN THE NILE DELTA



**The European Investment Bank (EIB)** has signed a Governmental Agreement with the Government of the Arab Republic of Egypt for an amount of EUR 214 million to support the Kitchener Drain depollution project. The new financing is part of the EIB's Economic Resilience Initiative (ERI) and will improve the sanitation and solid waste services for approximately 6 million people in the Nile delta region.

The agreement was signed at the headquarters of the EIB in Luxembourg by H.E. Dr. Sahar Nasr, Minister of Investment and International Cooperation and EIB President Werner Hoyer.

“As the world’s largest lender in the global water sector, we are signing today a new agreement supporting the depollution of a crucial drain in Egypt. This project will have a great impact, as it will make sanitation services more available and improve the quality of water and farming conditions in the Nile Delta region. Overall, the project will contribute to raising the living standards of Egyptians in many governorates. Our finance for the project comes under the Economic Resilience Initiative that seeks to improve the resilience of the Egyptian economy and build stronger socio-economic infrastructure”, said Werner Hoyer, President of the EIB at the signing ceremony.

This is the first phase of a larger investment programme that was identified by an EU financed pre-feasibility study under the supervision of the Mediterranean HotSpots Investment Program II. The project aims at the depollution of the 69 km long Kitchener Drain, which extends across the Governorates of Gharbia, Kafr El-Sheikh and Dakahlia in the Nile Delta region. It is structured as an integrated depollution project comprised of investments in wastewater and sanitation, solid waste, and drain rehabilitation – a first of its kind in Egypt.

The EIB’s financing supports investments in domestic wastewater collection and treatment comprising both the rehabilitation and expansion of existing and the development of new infrastructure. In addition, the EBRD will finance the solid waste and drain rehabilitation components of the project. Finally, the EU is supporting the project through a substantial grant contribution of EUR 45.8m through the Neighbourhood Investment Facility (NIF). The EU-NIF contribution will finance both investments and technical assistance and is critical to catalyse the investment. The EIB loan will be covered by the EU Guarantee under the External Lending Mandate 2014-2020.

The project will improve the water security of communities and ecosystems while contributing to improved quality of life and socio-economic development of a predominantly rural area. Up to approximately 6 million people are expected to benefit from the new and improved sanitation and solid waste services as a result of the foreseen investments.

Today’s agreement brings EIB’s total finance to Egypt in 2018 to approximately EUR 740m, with the water and wastewater sectors as well as SMEs and Mid-caps as the main beneficiaries. The Bank is also hoping to extend additional financing to projects in the wastewater and transport sector (up to additional EUR 430m planned for these sectors) and in support of SMEs and Mid-caps until year-end.

**The Mediterranean Hotspots Investment Program (MeHSIP)** is a European Union programme providing support for the preparation of investment projects in the water and environmental sectors of the Southern Mediterranean countries. MeHSIP is generously funded by EU funding to the FEMIP Trust

Fund, and, together with the Neighbourhood Investment Facility, is an essential support for our joint efforts in supporting the Egyptian water and wastewater sectors.

**The Economic Resilience Initiative (ERI)** consists of an integrated package of loans, concessional finance and innovative instruments designed to enable financing of an additional EUR 15 billion of investments on top of investments already foreseen. (17-10-2018)

### ANGOLAN ECONOMY SEES AVERAGE CONTRACTION OF 6.05% IN THE FIRST HALF OF 2018

Angola's Gross Domestic Product (GDP) registered a 6.05% drop in the first half of 2018, accelerating the contraction in the country's economy, according to the country's National Statistics Institute (INE).

Figures released by INE for GDP in the second quarter of the year show that the economy contracted by 7.44%, higher than the first quarter figure of 4.66% and the contraction of the last quarter of 2017, of 1.33%.

INE reported a negative variation of economic activity in the second quarter due to the evolution of the activities of Fisheries (-10.0%), Manufacturing Industry (-8.8%), Oil Extraction and Refining (-6.2%), Exports of Diamonds and other Minerals (-6.1%), Public Administration, Defence and Compulsory Social Security (-5.9%), Posts and Telecommunications (- 5.3%), Agri-livestock and Forestry (-2.2%).

On the positive side were the Extraction and Refining of Oil in Oil and Natural Gas with 37.0%, followed by Trade with 15.1%, Other services with 8.5%, Construction with 7.8%, Public Administration and Agri-Livestock and Forestry, both with 6.1% and Real Estate Services and Rentals, with 5.9%.

GDP in the second quarter of 2018 is the third most significant (-7.4%) year-on-year decline since 2010, only surpassed by the fall of 11.33% in the fourth quarter of 2015 and the decline of 7.55% in the third quarter of 2016.

Angola's economy contracted by 0.15% in 2017, from -2.58% in 2016, according to figures now provided by the National Statistics Institute. (19-10-2018)

### EU TRAINS MEDITERRANEAN BUSINESS SUPPORT ORGANISATIONS IN STRATEGIC PLANNING



In the framework of the project **EBSOMED**, the Academy on "**Strategic Planning for BSOs**" is organised in Lebanon on from **November, 30 to December, 01, 2018** by **CAWTAR**.

This **EBSOMED Academy** is focusing on Strategic planning for BSOs and aims to strengthen the capacity of BSOs in strategic planning so that they can refine their visions and orientations by taking into consideration possible synergies with the 2030 SDGs, horizon 2020 and adapting a gender and human rights approach (GHRA).

Around 30 participants from Morocco, Algeria, Tunisia, Egypt, Palestine, Jordan and Lebanon will be selected to participate in the Academy. The working language of the EBSOMED Academy will be English and Arabic.

To register, please follow the instructions detailed in [this document](#). The deadline for receipt of applications is **October 20, 2018**.

The call for applications for the experts who will provide this training is available via [this link](#). The deadline for receipt of applications is **October 20, 2018**.

For more information, you may contact the project manager via this address [EBSOmed@cawtar.org](mailto:EBSOmed@cawtar.org) (CC to [hedi.finance@cawtar.org](mailto:hedi.finance@cawtar.org)).

[EBSOMED](#)

## ANGOLAN PUBLIC DEBT IS VALUED AT US\$70 BILLION

Angola's public debt is currently estimated at US\$70 billion, with US\$30 billion of external debt, the finance ministry said in a statement posted on its website.

The public debt contracted from commercial entities, in the case of financial institutions, is valued at US\$22 billion, an amount that has been assigned essentially to finance projects related to energy and water, construction and transportation.

In this regard, the main creditor of Angola is China, which through the Chinese Development Bank has authorised loans amounting to about US\$15.3 billion.

The statement adds that the government has also incurred debts with multilateral agencies, such as the World Bank and the African Development Bank, as well as by issuing eurobonds, and with suppliers.

The Angolan government has recently approved the reopening of the issuance of eurobonds, the second issue carried out by Angola in the amount of US\$500 million.

This issue would be added to the US\$1.25 billion issue in May, maturing on 8 May, 2048, with a coupon interest rate of 9.375% per year.

These figures were released last Tuesday during a hearing meeting on the proposal of the General State Budget for 2019, with the Ministry of Finance giving assurances in the statement that current debt levels are sustainable. (19-10-2018)

## NOBEL PRIZE WINNER DENIS MUKWEGE SAYS THE CAPACITY OF THE WOMEN HE TREATS TO RECOVER GIVES HIM HOPE

More than 400,000 women are raped in the DRC every year, many by the militias that operate in the country

The Congolese doctor who was the joint winner of the 2018 Nobel peace prize has called on the world to end rape as a weapon of war, saying a "system of impunity" still prevails in many of the worst-affected countries.

Denis Mukwege, who shared the prize with Nadia Murad, a Yazidi survivor of sexual slavery by Islamic State, urged the world to "draw a clear red line" on sexual violence in conflict.

"Today we can see that unfortunately there is a system of impunity, which reigns supreme in many conflict zones concerning many of those who commit sexual violence crimes," he said.

"I think the world has the power to draw this line, to ensure that the use of rape as a weapon of war is completely prohibited," he said in an interview from Bukavu in eastern Democratic Republic of Congo (DRC).

Mukwege founded the Panzi Hospital in 1999 to help women and girls who had been raped during the conflict in eastern DRC. He has performed surgery on scores of women after they had been raped by armed men, and campaigned to highlight their plight. He also provides HIV/AIDS treatment as well as free maternal care.

Rape has been a war crime since 1919, but it was not prosecuted until 1997, when small-town Rwandan mayor Jean-Paul Akayesu went on trial at the International Criminal Tribunal for Rwanda for his role in the 1994 genocide.

The International Criminal Court issued its first rape conviction in 2016 when it held the DRC's Jean-Pierre Bemba responsible for a campaign of rape and murder in the Central African Republic.

In June 2018, the ICC overturned the conviction on appeal.

Mukwege said the Congolese military justice system had improved, but the government was still failing to help victims of sexual violence and to protect the wider population.

"We live in an area that is in a state of permanent conflict," he said of eastern DRC, where more than 100 armed groups operate.

"These groups use the weapon of rape, destruction, abuse of children, of little girls. We as citizens demand that the government steps up to its responsibility protect its citizens in these zones controlled by armed groups," he said.

Although the Second Congo War, which killed more than five-million people, formally ended in 2003, violence remains rampant, with militias frequently targeting civilians. More than 400,000 women are raped in the DRC every year, and much of the sexual violence is considered to be a by-product of years of fighting.

Experts say Congo has made some progress in combating sexual violence. Several high-level militia and army commanders have been prosecuted in recent years, but the problem remains pervasive.

Mukwege's Panzi Hospital has been the target of threats, and in 2012 his home was invaded by armed men who held his daughters at gunpoint, shot at him and killed his bodyguard. Mukwege said he still received death threats, sometimes several a week.

"What really gives us hope, it is above all the capacity of the women we treat to recover," he said.

"Without the strength of these women, it would be practically impossible to continue, because when I see their strength, they encourage me.

"All this gives me hope because there you feel that the future of this country belongs to these women." (Thomson Reuters Foundation 19-10-2018)

## **TRANSINSULAR AWARDED TENDER FOR INTER-ISLAND SEA TRANSPORT IN CABO VERDE**

Transinsular – Transportes Marítimos Insulares has been awarded the international public tender for the management and operation of the public service of maritime transport of passengers and cargo between the islands of Cabo Verde, according to official announcement.

The statement issued by the government of Cabo Verde also said the first phase of the tender selected the companies CV Line Transporte Marítimo, Transinsular, SA & Transinsular, Lda, West Africa Shipping Line, ANEK Line SA & Marlow Navigation Co, Ltd.

At the next stage, successful candidates were notified to submit proposals by 27 September 2018, and West African Shipping Line, ANEK Line SA & Marlow Navigation Co, Ltd. and Transinsular, SA & Transinsular, Lda sent in proposals.

“The jury decided not to accept the proposal of West African Shipping Line, ANEK Line SA & Marlow Navigation Co, Ltd., for failing to comply with the conditions set out in the tender programme and in the invitation to tender,” said the statement from the Cape Verdean government.

The statement added that “the maritime transport market in Cabo Verde remains open to the current operators,” which means that “the exclusivity regime for the future concessionaire will not restrict the market to a single operator, but rather this is the public service that the State is obliged to provide.”

The same statement added that “the Inter-Islands Public Maritime Shipping Service (SPTMII) has reserved to the current inter-island shipping operators a minimum holding of 25% of the future concessionaire’s capital, which will be dispersed through the Stock Exchange, thus allowing at least a quarter of the SPTMII’s earnings be held by nationals.”

Shipping company Transinsular – Transportes Marítimos Insulares is part of the Portuguese group Empresa de Tráfego e Estiva (ETE). (19-10-2018)

## **FORMER KENYAN SPORTS MINISTER HASSAN WARIO IN COURT FOR CORRUPTION**

Wario and two of his co-accused have denied the charges and are out on bail of about R142,000

Former Kenyan sports minister Hassan Wario was charged in court on Friday with abuse of office over the siphoning of funds meant for athletes who competed in the 2016 Rio Olympics.

Kenya enjoyed its most successful Olympics to date in Rio, winning six gold medals, six silvers and one bronze, all in track and field. But the on-field achievements were blighted by allegations of corruption among Kenyan team leaders and senior government officials.

An investigation laid the blame on Wario, the sports minister at the time, and six other former senior officials, according to chief prosecutor Noordin Haji.

Wario, who became Kenya's ambassador to Austria earlier in 2018, was charged with six counts of abuse of office. He and two of his co-accused denied the charges before a Nairobi magistrate and were then freed on bail of 1-million shillings (\$9,915.72) each. The trial will be held in November.

Prosecutors have said they also expect to charge Kipchoge Keino, a renowned former athlete who bagged golds for Kenya at the Olympics in Mexico City in 1968 and Munich in 1972.

Keino was the chair of the National Olympic Committee during the Rio Games when more than 55-million shillings were misappropriated. He was not in court on Friday and prosecutors said they were investigating his role further.

Dozens of senior government officials and business people are facing various charges related to corruption, part of a new attempt by President Uhuru Kenyatta since May to crack down on widespread graft. Critics accused Kenyatta of failing to deal with corruption during his first term, which ended in 2017, despite promises to do so when he was first elected in 2013. (Reuters 19-10-2018)

## **MOZAMBIQUE INVESTS US\$34 BILLION IN ELECTRIC POWER PRODUCTION**

The Mozambican government has approved the Integrated Electricity Infrastructure Master Plan valued at more than US\$34 billion, of which US\$18 billion is expected to be invested in electricity generation infrastructure.

The plan also establishes that US\$9 billion will be used to finance the construction of power transmission infrastructure, with Tete-Maputo as the main backbone of the system, and US\$7 billion will be invested in electricity distribution.

Based on this plan, by 2043 Mozambique will have the capacity to produce 17,720 MW.

Mozambique requires 8,000 MW for its current domestic consumption needs.

The demand for power for export is also expected to grow to around 7,000 MW, against the current 1,500 MW.

According to Mozambican daily newspaper O País, power production in Mozambique is expected to grow at two different stages.

The first will be from 2018 to 2028, which will include the interconnection of the electrical systems that will allow the production of about 3,400 MW.

The second stage will be from 2028 to 2043, which will be based on the interconnection of the electrical systems through interchange, allowing for the production of 12,000 MW.

The government intends that by 2030 all Mozambicans will have access to electricity.

To reach these targets by 2020, more than 2 million new home connections are needed, the total of which is expected to increase to 7.6 million in 2030 and more than 9.4 million in 2040. (18-10-2018)

## **ACACIA MINING MIGHT USE INVESTMENT TREATY TO FORCE TALKS WITH TANZANIA**

Tanzanian authorities charged three of Acacia's local subsidiaries, an employee and a former staffer with money laundering and tax evasion this week

Acacia Mining could use a bilateral investment treaty to force face-to-face talks with Tanzania over a long-running tax dispute that has seen the company hit with a huge tax bill, and which has split over into the courts.

Acacia's parent, Barrick Gold, has been negotiating with the Tanzanian government on behalf of London-listed Acacia for 19 months but no final settlement has been reached.

An investment treaty between Tanzania and Britain could compel the East African country to have direct dialogue with Acacia over a period of six months, interim CEO Peter Geleta told Reuters.

"It's a further right that we have under the bilateral agreements between the countries," he said.

"But our first intention is to get parties to the table and to come up with a negotiated resolution, you don't want to fight these fights in court, its not what we want to do."

Tanzania's President, John Magufuli, has sent shockwaves through the mining industry with a series of actions since his election in 2015 that he says are intended to distribute revenue to the Tanzanian people.

Acacia in July 2017 began international arbitration for two of its mines against Tanzania after the government tore up mineral rights agreements, forcing a re-negotiation of those contracts.

Tanzania banned the export of raw minerals in March 2017, introduced tough laws and hit Acacia with a \$190bn tax charge.

The dispute ratcheted higher this week when Tanzanian authorities charged three of Acacia's local subsidiaries, an employee and a former staffer with money laundering and tax evasion.

"Each of the recent charges relate to matters which are subject to or have been introduced into the existing contractual arbitrations with [the government]," Acacia said in a statement.

"The company is currently considering its legal position and is concerned about the increasing risks to the safety and security of its people."

The two accused individuals were still in custody as the alleged offences were not eligible for bail. Acacia said all the accused had pleaded not guilty.

Shares in Acacia were down 4.5% by 8.15am GMT and have lost more than 70% since a ban on the export of unprocessed minerals was instituted in 2017 year. On Thursday, Acacia posted an 11% decline in core earnings due to lower production and a softer gold price. (Reuters 19-10-2018)

## **CONSORTIUM LED BY ITALY'S ENI PLANS TO INVEST MORE THAN US\$280 MILLION IN MOZAMBIQUE**

Italy's Eni and South Africa's Sasol on Wednesday signed contracts with the Mozambican government to grant contracts for three blocks for oil and natural gas prospecting and exploration.

The two oil companies set up a consortium to explore two blocks at Temane and Pande in Inhambane province in southern Mozambique.

The signing of the contracts marks the end of the negotiations between the multinationals and the Government that lasted about four years.

"With these contracts, all the conditions for the start of hydrocarbon research in the PT-5C and A5-A areas have already been created, with minimum investment of US\$203 million from Eni and US\$80 million from Sasol," said Max Tonela, Minister of Mineral Resources and Energy.

The minister recalled that the investments will be made over a period of eight years (term set by Mozambican oil legislation for the research phase), renewable up to a maximum of 30 years.

Stefano Cabonara, director of Eni, one of the multinationals awarded a block in Angoche and which leads the consortium in the Temane and Pande blocks, publicly noted the company's strong presence in Mozambique, which began in 2006 with the acquisition of a stake in the oil block of area 4, in the Rovuma Basin. (18-10-2018)

## **IMARA POSTPONES ZIMBABWE INVESTMENT CONFERENCE DUE TO ECONOMIC INSTABILITY**

The conference was expected to be one of the highlights on Zimbabwe's business calendar and had become a useful forum to gauge investor interest

Africa's leading nonbanking financial services group, Imara, has postponed its Zimbabwe investment conference to June 2019 because of that country's fickle economy.

Imara operates directly and through partners in 10 African countries and has an office in London. It has been at the forefront of African capital markets for more than 60 years and was involved in the establishment and growth of stock markets across Southern Africa, in Botswana, Malawi, Swaziland, Zambia and Zimbabwe.

Zimbabwe's economy was sent into a tailspin shortly after its disputed general election in July with acute currency shortages, a thriving currency black market, steep price increases and shops not stocking basic commodities.

In a bid to attract investment, newly installed finance minister Mthuli Ncube has introduced a raft of structural economic changes.

The economic situation was further worsened by a cholera epidemic with more than 54 people dead and 10,000 affected amid an acute shortage of drugs. The few drugs available have more than doubled in price.

The Imara event, which attracts top local and international companies, investors and fund managers, will now take place in mid-2019, when the group expects a "more predicable" economic environment.

Economic experts say the postponement of the event is a blow to the "Zimbabwe is Open for Business" campaign, introduced by the Zanu-PF government to attract investment in the struggling economy.

The conference was expected to be one of the highlights on Zimbabwe's business calendar and had become a useful forum to gauge investor interest.

In an interview with Business Day, Imara Zimbabwe MD Thedias Kasaira said new policy measures announced by government meant that more time was needed for companies to present their plans to investors. The bulk of companies listed on Zimbabwe's Stock Exchange were expected to attend the conference.

“With the recent monetary and fiscal policy statements and the publication of the transitional stabilisation programme announced by the president, as well as the fact that the budget for 2019 will only be presented in late November or early December, it was determined that it would be difficult for listed companies to fully digest and plan their strategy going forward in the new environment by mid-November.”

In a notice announcing the postponement on Tuesday, Imara noted that Zimbabwe’s macroeconomic environment had become unpredictable.

“We have been overtaken by both economic and geopolitical events, which have rendered the short to medium-term macroeconomic environment unpredictable. This has placed local companies in a very difficult position to speak about operations as most of them are strategising in this changing environment.”

Imara suggested in the notice, that by mid-2019, Zimbabwe’s economic implosion could be more predictable

“With this in mind and upon consultation with the local companies, we believe it is in the interest of all stakeholders to defer the conference to 2019, when we can foresee a more predictable medium to long term path post full year fiscal and monetary budgets policy announcements.”

Asked why he thought Zimbabwe’s economic conditions would have improved to host the conference in 2019, Kasaira said: “We anticipate that the ongoing fiscal and monetary measures being undertaken by government will give some positive results.”

Sifelani Jabange, the president of the country's industrial body, Confederation of Zimbabwe, said the government should implement its economic reform measures immediately so that business can be able to digest the new policies quickly.

“We call on stakeholders to accept this painful necessity to stabilise the economy, we also call on the government to play its full part in stabilising the economy and sharing the associated pain by implementing the measures as outlined in the transitional stabilisation programme and returning to zero deficit position as soon as possible,” said Jabangwe.

Economist John Robertson said the rescheduling of the conference to 2019 was just the tip of the iceberg in Zimbabwe’s economic crisis.

“It is sad that such an important conference has had to be cancelled. What I know for certain is that it is not the only one that will be cancelled, there are many others.

“It is just a sign of the economic environment. There is a lot of unpredictability. Logistically, it is very difficult to hold such a major event because the prices are going up every day.

“Then from a business point of view, no one knows what is going to take place tomorrow so it is better to wait and see,” he said.

Robertson implored the Emmerson Mnangagwa government “to do more than just talk” to prove that the country is really open for business.(BD 19-10-2018)

## **ANGOLA PAYS FOR BRAZILIAN FINANCING WITH OIL**

The Angolan government will deliver the equivalent of 20,000 barrels of oil per day to Brazil, as part of negotiations for a new credit line and export credit insurance deal worth US\$2 billion, Angolan state newspaper Jornal de Angola reported.

Angola and Brazil have signed a memorandum of understanding that establishes the “criteria for granting,” Export Credit Insurance coverage to Angola under the Export Guarantee Fund (FGE) with funds from the Export Financing Programme (Proex),” which is the main public instrument to support Brazilian exports of goods and services.

The new agreement guarantees financing for exports of goods and services from Brazil to Angola.

“It will be up to the Angolan government to indicate the operations that will be analysed by the Brazilian government,” according to the protocol, which adds that bank financing for these exports will also be guaranteed, “under specific financial conditions.”

According to the agreement, Angola “undertakes to maintain the financial flow relative to the annual supply of 20,000 barrels of crude oil per day, shipped, preferably every 45 days, making up two quarterly shipments.”

Banco do Brasil will manage these deliveries that will be used to “repay” the Angolan debt, by setting up deposits to pay down the maturing debt, and the final balance will be returned to Angola.”

According to the latest OPEC monthly report, Angola reached daily production of 1.519 million barrels of crude oil in September, compared with 1.462 million the previous month. (18-10-2018)

## **GHANA TO RECEIVE US \$10BN TO IMPROVE ROAD PROJECTS**

The government of Ghana has received US \$10 bn funding to undertake a major reconstruction with modern all-season road network linkages to spur economic and social development through easier access to and from rural areas to the main population centre.

A memorandum of understanding (MoU) was signed between Ghana through [Investigroup](#), an international organisation with offices in several African countries, and the MFAR Group of Companies in Oman to renovate and/or construct the road infrastructure in the country.

### **Economic prosperity**

Chief Executive Officer (CEO) of Investigroup, Dr Kizito Owusu, expressed the belief that economic prosperity began with the very strong fundamentals done right and Ghana was already poised for huge success economically and must ensure the road networks were efficiently and sufficiently done.

“The story of Africa’s development is changing; so too is Ghana’s. Recent economic indicators persistently point to the fact that six African countries are among the fastest growing economies in the world. Yet, some of these same countries, such as Ghana, face such road infrastructural constraints that could undermine and even negate those advances if nothing is done and done fast,” said the CEO.

### **The US \$10bn project**

The US \$10bn project will include assessment of the current road network in Ghana to identify and build roads, from scratch, expand some existing roads as well as maintain others. It is also to identify and establish lists of roads in different sectoral categories which are trunk roads, feeder roads and urban road networks to be earmarked as baseline for the programme inception to measure the progress of work.

It is estimated that road transport accounts for 96% of passenger and freight traffic in Ghana and about 97% of passenger miles in the country. Moreover, the Ministry of Roads and Highways indicate that Ghana’s total road transport infrastructure of 63,122 km as of 2006 linking the entire country had made some improvement by 2011 but remains in dire need for further improvement to facilitate its transition from a rural economy to a middle-income country.

“The government, cognisant of the fact that for real development to happen in any sphere, it needs to build, expand and maintain infrastructure, principally its road infrastructure, given its relative importance launched a road rehabilitation programme that requires a US \$1.5bn investment per year for the next 10 years in order to plug the current infrastructure gap,” Dr Owusu indicated.

Some of the expected benefits of the project, Dr Owusu enumerated were overall US \$10 bn of the country to be accelerated through increased productivity, better access to hospitals, schools and other infrastructure.

“These projects are just a few of the private-public partnership infrastructure projects being considered by the Government of Ghana. Investigroup LLC will be at the forefront to assist in accomplishing this goal,” he added (CRO 03-10-2018)

## **JAPAN'S TOHOKU ELECTRIC BUYS NATURAL GAS FROM MOZAMBIQUE**

Japanese company Tohoku Electric announced that it has reached an agreement for the purchase and sale of up to 280,000 tonnes of liquefied natural gas (LNG) per year, explored by an Anadarko-led consortium in the Rovuma basin in the northern province of Cabo Delgado, Mozambique.

The contract provides for the purchase and sale of LNG extracted by Anadarko in Area 1 for 15 years. Gas exploration operations are expected to start in the area in 2020.

Tohoku Electric, which is based in Sendai, believes that the supply of LNG will help diversify its energy sources.

Anadarko and its partners, including Mozambican state oil company Empresa Nacional de Hidrocarbonetos (ENH), discovered more than 75 Tcf (trillion cubic feet) of natural gas at the Prosperidade and Golfinho/Atum fields in Area 1.

The Area 1 block is operated by Anadarko Mozambique Area 1, Ltd, a wholly-owned subsidiary of the Anadarko Petroleum group, with a 26.5% stake, ENH Rovuma Area One, a subsidiary of state-owned Empresa Nacional de Hidrocarbonetos (ENH), with 15%, Mitsui E&P Mozambique Area1 Ltd. (20%), ONGC Videsh Ltd. (10%), Beas Rovuma Energy Mozambique Limited (10%), BPRL Ventures Mozambique B.V. (10%), and PTTEP Mozambique Area 1 Limited (8.5%).

The gas extracted from these areas will be sent to an LNG terminal on the Afungi peninsula, in the province of Cabo Delgado.

This is Tohoku's first long-term agreement, as well as its first agreement in Africa. (12-10-2018)

## **SWEDISH OIL EXECUTIVES FACE CHARGES OVER SUDAN WAR CRIMES**

Sweden on Thursday gave its green light for the indictment of the CE and chairman of Swedish group Lundin Oil, accused of being complicit in war crimes in the 2000s.

The Swedish government authorised the prosecution authority to proceed with an indictment against Alex Schneider, a Swiss national currently serving as CE of Lundin Oil (now known as Lundin Petroleum), and Ian Lundin, the company's Swedish chairman of the board.

"Given the severity of the crime, justice must be allowed to run its course," justice minister Morgan Johansson said.

Sweden can prosecute crimes committed abroad in its court system, but the government's approval is needed to press charges against a foreign national for crimes committed abroad, a justice ministry spokeswoman said.

The pair face a life sentence if convicted.

Lundin Oil is suspected of funding the Sudanese army and several militias to chase away local populations from regions where the company planned to carry out oil exploration.

According to aid organisations, oil activities in the politically unstable region of southern Sudan fuelled a conflict between Khartoum and rebels.

Aid organisation Ecos said in 2010 that 12,000 people were killed or died of starvation, exhaustion or disease directly linked to the conflict between 1997 and 2003 in the area where Lundin Oil was active.

Swedish prosecutors opened a preliminary inquiry into the case in 2010.

In 2016, Schneider and Lundin were formally suspected of being complicit to violations of international law, a term in the Swedish justice system that covers war crimes, crimes against humanity and genocide.

On its website, the oil group said it believes "there are no grounds for any allegations of wrongdoing by any representative of the company".

“Lundin Petroleum strongly believes that it was a force for development in Sudan and was at all times an advocate for peace by peaceful means in the region,” it said. (AFP 18-10-2018)

## MALAWI TO RECEIVE POWER FROM MOZAMBIQUE

The Deputy Minister of Natural Resources and Energy of Mozambique, Augusto Fernando, has revealed that Mozambique and Malawi will be connected through the national energy grid, the APA news agency reported.

Fernando said that tenders for the construction of the structures linking Mozambique’s power supply system to Malawi should be launched in 2019.

“In addition to this interconnection between the two countries a new power line will also be installed from Malawi to the north of the province of Nampula and then to the rest of Mozambique,” said Fernando.

The connection between Mozambique and Malawi is based on a Memorandum of Understanding signed between Maputo and Lilongwe Governments.

“The power transmission lines start at the Matambo substation in Tete, go through Zobue in the Moatize district, towards the city of Blantyre.

According to the Mozambican deputy minister, Malawi will also import energy from the Mandimba power plant in Niassa province in northern Mozambique.

Malawi has serious power supply problem and most of the country’s supply comes from hydroelectric power stations on the Shire River, which provide less than 300 megawatts. (16-10-2018)

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The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, Corporate Council on Africa, CIP-Confederation of Portuguese Enterprises, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABC- Netherlands-African 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), CIP,HTTC,NABC (by posting selected news) and SwissCham-Africa to their Members.



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