

MEMORANDUM

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12 YEARS OF PUBLICATION

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ROBERT MUGABE RULES OUT VOTING FOR ZANU-PF

'I must say very clearly, I can't vote for those who have tormented me,' says the former president. Former Zimbabwean president Robert Mugabe has snubbed his own Zanu-PF party, saying he will back any one of the opposition parties in today's elections.

Although the nonagenarian has paled into insignificance in Zimbabwean politics, the ruling party is fragmented.

This means he still has many sympathisers who could follow his lead and tip the vote in favour of the Movement for Democratic Change (MDC).

But Mugabe's endorsement could also be a poisoned chalice for the MDC, according to Rashweat Mukundu, an analyst at the Zimbabwe Democracy Institute in Harare. "Mugabe is detested by the support base of the MDC," he said. "His endorsement of Nelson Chamisa is a typical indication of Mugabe's kind of politics, which has him at the centre and nothing else.

"It may be a kiss of death for the MDC."

Mugabe called a news media conference at his palatial home in Harare to castigate his colleagues in Zanu-PF.

"I cannot vote for Zanu-PF," the 94-year-old said. "I must say very clearly, I can't vote for those who have tormented me, I can't. It's painful, but what can you do? It's the reality," he told journalists on Sunday.

"No, no, no, let tomorrow see people decide that there should be a big no to guns directing politics. Let tomorrow be the voice of the people saying this, that never again should there be an experience of a period where the army is used to thrust one person in power," said Mugabe.

"I will make my choice among the other 22, it's a long list. I worked with Joice Mujuru and also Thokozani Khupe. There are other names I am reading for the first time. There is Nelson Chamisa. I have not worked with him. I have worked with his late leader, Morgan Tsvangirai, in our government of national unity, but I have not met him yet. He seems to be doing well, going by his rallies. Whoever wins, we wish them well," Mugabe said.

Chamisa said he accepted Mugabe's backing. "I need every supporter," Chamisa said in Harare on Sunday. "This is do or die, it doesn't matter if it's Mugabe. Every vote counts."

"Mugabe may be able to rally some of his supporters who have already defected from Zanu-PF," to vote for the opposition," said Robert Besseling, executive director of political risk advisory firm EXX Africa.

"But I do not believe Mugabe still has the clout to make a significant impact on this election."

Zanu-PF and the MDC Alliance are the two main parties out of the total of 55 parties contesting Monday's poll. About 5.6-million voters are registered to cast their vote for a candidate for president, MPs and representatives in local government.

Emmerson Mnangagwa, a 75-year-old former liberation fighter, said he would step aside if he lost the election and hand over power to a new government. The results of the presidential election are expected on August 4. Mnangagwa's closest rival is Chamisa, a 40-year-old lawyer and leader of the seven-party MDC Alliance.

The indication that the country's largest opposition alliance would not accept election results for the presidential poll has heightened political tensions. The security sector was put on high alert last week with all leave for army staff cancelled and police reinforcements deployed. (Bloomberg 30-07-2018)

ZIMBABWE'S STOCK EXCHANGE BECOMES AN UNLIKELY SAFE HAVEN AHEAD OF POLL

Zimbabwean stocks are rising — but that's not necessarily a good sign

Zimbabwean stocks are rising before Monday's election. But in the topsy-turvy world of the country's equities market, that's not necessarily a sign of investor confidence.

The Harare exchange's benchmark index has climbed 10% since the election date was set on May 30. The gains suggest Zimbabweans are continuing to use equities as a refuge to preserve their wealth,

concerned that there is a risk of inflation as the government prints dollar-denominated bond notes to overcome a shortage of hard currency.

About 5.6-million people have registered to vote for a new president, lawmakers and local government representatives. The front-runners in the presidential contest are Emmerson Mnangagwa, who became Zimbabwe's president in November when the ruling party forced an end to Robert Mugabe's 37-year rule, and Nelson Chamisa, a lawyer and church pastor from the main opposition.

'Whoever gets elected, the economic challenges are quite paramount'

"Whoever gets elected, the economic challenges are quite paramount," said Nick Ndiritu, Cape Town-based co-manager at Allan Gray, whose \$433m Africa equity fund has outperformed 96% of peers this year, according to data compiled by Bloomberg. "We're looking to make sure it's a credible election that is respected by both the politicians as well as the military establishment, which then helps the country to tick the box on political reform, which for us is an important preamble to Zimbabwe's recovery."

Ndiritu's fund, which excludes SA, had a 22% weighting in Zimbabwean equities as of June 30. Allan Gray has steadily discounted the value of those holdings since December 2016 as the cash crisis created a steeper premium in prices. The asset manager's valuation of the Harare-traded stocks it holds implies a 60% discount to market prices, as of the end of June. "In other words, we are effectively discounting a dollar in Zimbabwe to 40 US cents," the firm said in a note to clients.

Among the best-performing stocks this year in Harare are Zimplow Holdings and Seed, gains that are in line with farming sectors that Ndiritu identifies as standing to benefit if Zimbabwe can navigate successful elections and proceed to economic reforms. "The underlying demand is still quite strong — we are starting to see tobacco and a lot of agricultural production picking up and clearly these are sectors that will benefit from that renewed sense of optimism." (Bloomberg 30-07-2018)

NIGERIA TO CONSTRUCT WORLD'S LARGEST SINGLE OIL REFINERY

The world's largest single oil refinery is set for construction in Nigeria by Aliko Dangote who is Africa's richest man. The refinery will cost a whopping US \$5bn and production expected to start in early 2020. The mega refinery will have a capacity of 650 000 barrels per day (bpd) to help to reduce Nigeria's dependence on imported petroleum. Despite being a crude oil exporter, Nigeria imports the bulk of its petroleum because of a lack of domestic refining capacity.

Funding of the oil refinery

The project will be financed by lenders who will commit approximately US \$3bn, with the World Bank's private sector arm providing US \$150m and Dangote investing more than 60% from his own cash flow. "We will end up spending between US \$12bn to US \$14bn. The funding is going to come through equity, commercial bank loans, export credit agencies and developmental banks," said Dangote.

"We are hoping to finish the mechanical construction by next year and products to start coming out in the first quarter of 2020," he added.

Once complete, the planned refinery and petrochemical complex is expected to account for half of Dangote's sprawling assets. He recently signed a loan of US \$650m with the African Export-Import Bank (Afreximbank) for the project. Dangote said he was looking to acquire more oilfields as his focus shifts towards the oil sector to feed the refinery. (CRO 27-07-2018)

ANGOLAN GOVERNMENT FACILITATES IMPORT OF USED VEHICLES

Light vehicles with a maximum of six years of use and heavy ones with a maximum of ten years of use or since manufacture, counting from the date of first recorded licence, may enter Angola starting this coming 4 August, reports Legis PALOP+TL Regional Coordination.

The import of heavy vehicles solely meant for passenger transport with a maximum of six years of use will also be possible with the entry into force of Presidential Decree no. 161/18 of 5 July, amending Presidential Decree no. 62/14, which regulates the activity of importation, trade and technical assistance for road equipment and vehicles.

Up to 3 August only the import of light vehicles with a maximum of three years of use and heavy ones with a maximum of eight years of use is permitted, counting from the date of manufacture. The new presidential decree eases the requirements and conditions for importing road vehicles.

Two exceptions for the import of used vehicles outside the above limits will also become possible. One concerns vehicles meant to take part in sport competitions, provided they present the technical inspection certificate and the technical passport issued by the national automotive federations.

The second exception concerns vehicles under chapter 84 of the customs rules, such as farm and forestry tractors, winch tractors, crane lorries, cement mixers, forklifts, tower trucks, firefighting vehicles, sweepers and spreaders, provided they present a certificate of approval from the country of origin issued less than six months beforehand.

Also, the inspection certificate approving the vehicle's technical state and compliance with pollution emission requirements, issued by the respective body in country of origin, will now have a minimum validity of six months (instead of three months) prior to the embarkation date. (27-07-2018)

SOUTH KOREA BANK LENDS US\$57 MILLION TO ANGOLAN FISHING COMPANY

Angola's Empresa Distribuidora dos Produtos da Pesca (Edipesca) will benefit from a US\$57 million financing under a contract signed on Thursday between the Angolan government and the South Korean Export and Import Bank, the Minister of Fisheries and the Sea said on Monday in Luanda.

Minister Victoria de Barros Neto said that the financing agreement will solve the fish logistics and distribution problems of Edipesca, located in Boavista, Luanda, by providing funds so that the company can repair and build new facilities for processing and distribution of fish.

This financing will solve problems of lack of hygiene conditions as well as make better use of all processing waste, transforming it into fertilizers for agriculture and fishmeal, said the minister, quoted by the Angop news agency.

Barros Neto said that once the loan agreement has been signed, a public tender will be launched to select the company that will build the new facilities and repair the existing ones at Edipesca.

Edipesca was created in 1984, when a model of planned economy was in force in Angola, to hold the monopoly on the distribution of fish to the northern and eastern regions of the country.

In 1991, due to changes in the political and economic framework (multiparty system and market economy), the company was privatised until 2004, when the Ministry of Fisheries took on responsibility for it as a way of becoming the fish market regulator. (17-07-2018)

SOUTH AFRICA TO LAUNCH US \$32M WATER PROJECT

A US \$32m water project has been launched in South Africa by The United States Agency for International Development (USAID) with the aim of helping solve the severe water challenges facing the Limpopo river basin and Okavango river basin communities.

Benefits of the water project

The water project will help the residents have better health and good living conditions since they will have access to safe drinking water and sanitation services. Nearly 21-million people in South Africa, Botswana, Zimbabwe, Mozambique, Angola and Namibia will benefit from the initiative.

The management of trans boundary natural resources will also be improved and it will help to conserve biodiversity and strengthen the ecological infrastructure needed to maintain healthy water systems. USAID Southern Africa Mission director John Groarke confirmed the news and said in a statement that Resilient Waters was an important step toward addressing the serious water and climate change challenges facing the region.

“I visit projects across Southern Africa, and for many of them, lack of access to clean water and sanitation is an obstacle to progress. The Resilient Waters project will focus on a problem that underlies development throughout this region,” he noted.

For the project to become a success, USAID will collaborate with Southern Africa Development Community structures, such as the river basin organisations and transfrontier conservation areas in the region.

Global water strategy

The project reflects the US government’s global water strategy, which supports efforts to achieve a water-secure world, where people and nations have the water they need to be healthy, prosperous and resilient.

On February 13, 2018, South Africa declared a national disaster in Cape Town as the city’s water supply was predicted to run dry before the end of June. With its dams only 24.9% full, water saving measures were in effect that required each citizen to use less than 50 litres a day.

All nine of the country’s provinces were affected by what the government characterized as the “magnitude and severity” of a three-year drought. According to UN-endorsed projections, Cape Town is one of eleven major world cities that are expected to run out of water.(CRO 27-07-2018)

ANGOLA PREPARES INTRODUCTION OF ECO-TAX

The production/import of plastics, tyres and batteries in Angola will be subject to an eco-tax of between 0.25 percent and 0.90 percent of the product’s value under a proposed law being drawn up by a technical group led by the Ministry of the Environment, the respective state secretary indicated.

The proposal was presented on Thursday by that group with a view to gathering input from civil society and entrepreneurs so the document can be improved. It is expected to take effect in 2019, following approval by Parliament.

The State Secretary for the Environment, Joaquim Manuel, said that charging the eco-tax would bring in revenue that can be used to reorganise solid waste in Angola, besides directing what is still produced in the country, reports Angop news agency.

The eco-tax is meant to guide producers in efforts toward “environment-friendly” production, Manuel said. Importers will likewise be encouraged to introduce products that are easy to process after use.

The proposal envisages levying taxes of 0.25 percent on the production or import value of plastic packaging, 0.70 percent on batteries, 0.80 percent on tyres, 0.70 percent on electric and electronic products, 0.50 percent on oils and 0.90 percent on vehicles. (27-07-2018)

CANADA’S FURA GEMS ACQUIRES NINE RUBY MINING LICENSES IN MOZAMBIQUE

Fura Gems, of Canada, will become the company with the largest licensed area – 1,104 square kilometres – for ruby exploration in Mozambique, after the conclusion of a merger of mining assets with Australian companies Mustang Resources Ltd and Regius Resources Group Ltd, the mining company said in a statement on Monday.

Under the agreement, the Canadian company acquires nine mining licenses held by those two companies for US\$15 million of which US\$3 million in cash and about US\$12.7 million in the company's own shares.

Dev Shetty, chief executive of Fura Gems, said in the statement that the nine new licenses, along with those already held, give the company the largest ruby mining area in Mozambique, in an area where there are some of the highest quality rubies in the country.

Preliminary work has already been carried out by Mustang and Regius through their subsidiaries in Mozambique, Shetty said, adding that once this deal is completed "we intend to start a sample collection process in the coming months so that we can add a world-class ruby mine in Mozambique to our emerald mine in Colombia."

Fura Gems intends to invest up to US\$25 million over a three-year period in a programme of drilling and sampling, as well as the reconfiguration of the facilities for washing collected gravel, among other activities.

The deal is expected to be completed by 30 November, and Fura Gems expects the sampling process will allow the auction process of the rubies extracted to begin in the third quarter of 2019. (17-07-2018)

ZIMBABWE COMMISSIONS REHABILITATION OF ROBERT GABRIEL MUGABE INTERNATIONAL AIRPORT

Zimbabwe President Emmerson Mnangagwa has commissioned the US \$153m Robert Gabriel Mugabe International Airport upgrading and rehabilitation project, as his government aims to modernize the country's infrastructure to meet world standards.

The project includes expansion of the international terminal building and aprons, installation of 4 new air bridges, a secondary radar system, construction of a VVIP pavilion, an airfield ground lighting system and communication systems.

According to President Emmerson, the project is anticipated to take three years to complete and brings with it employment opportunities for the citizens. The upgrade is being funded through a concessionary loan from China Exim Bank unlocked when he visited China in April.

Economic development

China Jiangsu International Economic Technical Cooperation Corporation (CJIETCC), the firm behind the successful upgrading of Victoria Falls International Airport completed in 2016, will be the contractor for the project.

The President added that the upgrading and rehabilitation of the airport was a catalyst to economic development.

"It supports the broader national aspirations towards transport and infrastructure network in the country, as we endeavor to provide enablers to fully industrialize and modernize the economy," he said.

"The ongoing refurbishment and retooling of the railway sector by the National Railways of Zimbabwe (NRZ) will complement the upgrading of airports and road constructions, as well as convergence with the modernisation of our border posts for the overall benefit of trade, industry, business and travellers alike," he added.

Modern infrastructure, President Mnangagwa said, was a key enabler for industrialisation, human development and economic growth.

"To this end, airports are the basic physical structure needed for any modern society, enterprise or economy to function efficiently. It facilitates movement of goods and natural persons, tourists and investors, among others," he said

Job creation

"It is most pleasing that this project will create employment opportunities for women and youths, among others, during its implementation, as well as trigger demand for various raw materials, thereby improving capacity utilization in our local industry," said the president.

"Upon completion, this project is expected to boost the current positive growth and transformation trends in trade and tourism. Further, it will facilitate trade in agricultural produce, minerals and other products

with China, the Far East and Europe through enhanced air connectivity in line with existing air service agreements and the envisaged growth of every sector of our economy.” he added.

RGM International Airport has an annual combined passenger handling capacity of 2.5 million people and the upgrade is expected to see the figure shooting to six million.

The number of airlines visiting Zimbabwe is also expected to increase. President Mnangagwa said implementation of the project should be accompanied by complementing developments in the entire aviation sector. (CRO 25-07-2018)

LUANDA RAILROAD MANAGER WANTS TO QUADRUPLE THE NUMBER OF PASSENGERS

The management company of the Luanda Railroad (CFL) plans to transport 16,000 passengers a day, once work to double the railway line is finished in the first quarter of 2019, the company’s chairman said in Luanda.

Júlio Bango Joaquim also said that the works on the Bungo/Báia route, on a 36-kilometre stretch, began in 2014 and are nearing completion.

“Everything indicates that by the first quarter of next year the work will be completed,” he said, quoted by state newspaper Jornal de Angola, speaking at the end of a visit by the new Transport Minister, Ricardo de Abreu.

With the completion of the works and eight new GEC-30 locomotives from US group General Electric expected to arrive soon, the Luanda Railroad will quadruple its number of passengers, which now stands at 4,000 per day on 10 trains travelling on the Bungo/Báia route.

Bango Joaquim said that the company is facing a number of difficulties, or 22 critical points ranging from garbage dumped along the line, vandalising of drainage ditches and destruction of the protection fence. (30-07-2018)

ANGOLA PLANS TO ISSUE ANOTHER US\$500 MILLION IN EURO BONDS

The Angolan government is negotiating an additional US\$500 million on the issue of US\$1.25 billion in 30-year bonds issued in May, along with another issue of US\$1.5 billion over 10 years, Reuters reported.

Negotiations for the placement of this new issue are being conducted by Goldman Sachs, Deutsche Bank and the China Commercial and Industrial Bank (ICBC), the same ones that were involved in the previous issue.

The second issue of Eurobonds received 500 purchase proposals from investors from the United States, Europe and Asia, with demand totalling around US\$9 billion, according to the Angolan Ministry of Finance.

The first time Angola issued Eurobonds, or sovereign bonds in foreign currency, was in 2015 when the country issued 10-year debt in the amount of US\$1.5 billion. (17-07-2018)

EIB FINANCES FAYOUM WASTEWATER EXPANSION PROJECT TO IMPROVE SANITATION SERVICES FOR 940000 PEOPLE IN EGYPT

The European Investment Bank (EIB) has signed the first finance agreement worth EUR 126 million (out of a total financing support of EUR 172 million) to improve wastewater infrastructure and access to sanitation services in the Fayoum Governorate in Egypt.

The Fayoum Wastewater Expansion Project, which is part of the EIB's new Economic Resilience Initiative, thus benefitting from an EU guarantee, aims at improving sanitation services for up to approximately 940,000 people, raising health and living standards and stimulating economic activities in the Fayoum Governorate.



The project will also contribute to the depollution of Lake Qarun, one of Egypt's important natural landmarks with significant historical, natural and scientific importance. In addition, it will provide employment for skilled and unskilled workers in the region.

The project will be implemented in two phases during 2018-2025. It involves the construction of 8 new wastewater treatment plants (WWTPs), the expansion of 9 existing WWTPs, the rehabilitation of 10 existing WWTPs, the construction of associated sewerage networks, including 139 new pumping stations, for currently unserved rural villages, and the provision of on-site sanitation facilities and evacuation trucks for around 400,000 people.

The project is being co-financed together with the EBRD and the EU Neighbourhood Investment Facility (NIF), which is managed by the European Union and will be contributing a substantial grant amount of EUR 37 million to the project to fund both investments and technical assistance.

The EIB's operations in Egypt aim at improving the resilience of the Egyptian economy by investing in priority sectors. In 2017, the EU bank provided finance of EUR 472 million to support private sector development and vital infrastructure investments in the public sector in the country. (EIB 25-07-2018)

ICELANDAIR PROPOSES TO BUY 51% OF CABO VERDE AIRLINES

Icelandair has presented a proposal for the purchase of 51% of the Cape Verdean flagship air carrier, announced Cabo Verde's Prime Minister Ulisses Correia e Silva, who gave assurances that Cabo Verde Airlines (TACV) will be privatised as planned.

The Prime Minister, in a state of the nation address, said that as the one-year contract with Icelandair ended, "the next phase, which is the negotiation for privatisation, has been completed," according to the Inforpress news agency.

Correia e Silva said that another company could start operating inter-island air transport, and there was already an expression of interest in this regard, noting that, despite setbacks, his government is focused on providing the country with a "good system of transport."

"The management of the airports will be delivered through a concession and Cabo Verde Handling will be privatised, as part of a strategy of creating an air transport platform and development of the air transport sector, including investments in airports such as Praia, Santo Antão and Maio," he said, adding that the runways of São Filipe and Boa Vista airports will be illuminated.

In September, according to the Prime Minister, a tender will be launched for the concession of inter-island maritime transport lines, with investments in boats and regulation of the sector that will have a "strong impact" on the islands' economy. (30-07-2018)

MALIANS TO ELECT PRESIDENT AMID SPIRALLING VIOLENCE

In the five years since Malians last chose a president, they have suffered violence from Islamist militants, Tuareg separatists, drug traffickers, ethnic vigilantes and Malian security forces.

Yet when it comes to elections, power has tended to be contested peacefully in the West African republic, and diplomatic pressure is aimed at keeping it that way when its citizens go to the polls on Sunday to decide whether to give President Ibrahim Boubacar Keita a second term or hand the top job to one of his rivals.

"Mali has demonstrated the capacity over the years to deliver credible and peaceful elections," Mohamed Ibn Chambas, United Nations Special Representative to West Africa and the Sahel region, told Reuters at his office in the Senegalese capital, Dakar.

"My plea is that candidates again show high responsibility," he added. "We cannot afford a political crisis in Mali on top of the security crisis the country is already facing." Eight-million people are registered to vote, with polls opening at 8am and closing at six (6pm GMT).

Keita, 73, universally known as IBK, runs for re-election amid a mounting death toll from jihadist attacks, ethnic killings and armed forces abuses that have become a defining feature of his presidency, despite thousands of French troops deployed since 2013 to contain the violence.

He faces two dozen candidates of which only one, Soumaila Cisse, 68, is seen as having a strong chance of ousting him.

Both men are from the Saharan nation's political elite, and IBK beat Cisse in a run-off at the 2013 poll. Both held final rallies attracting thousands of people on Friday night.

"There is still a lot to do. That's why I am soliciting the Malian people to give us another term, not because I'm thirsty for power," Keita said at a rally on a leafy square on the banks of the Niger river.

"Everywhere I've been I see a desire for change. Malians want nothing more to do with this regime," Cisse told his supporters at his party headquarters.

All candidates have promised to reverse Mali's decline and help end pervasive poverty. Mali is 14th from the bottom on the UN Human Development Index, despite being Africa's third biggest gold exporter and a major cotton grower.

"Residues of terrorism"

A billboard in the exhaust fume-choked capital Bamako depicts Keita in flowing white robes and a skull cap, urging Malians to "consolidate the peace." Yet since he has been in power, violence has worsened. Civil society website Malilink recorded 932 attacks in the first half of 2018, almost double that for all of 2017 and triple 2015.

In the north, where French troops stepped in to halt a Tuareg rebellion and jihadi takeover before the last poll, jihadists have killed more than 160 UN peacekeepers.

Timbuktu, once a Sahara desert tourist spot, is unstable, hit by Islamist militants as well as tensions between Arab and Tuareg traders and black Malians from the south.

Islamist violence has also spread to central Mali, where militants have attacked the pan-regional G5 Sahel force.

Killings have begun to take on an ethnic tone, as the Islamists exploit tensions over access to land and water.

I'm sad to see a government that cheats, to see an electoral fraud in the offing

Human Rights groups have unearthed evidence that Malian troops were implicated in mass graves in central Mali. The Defence Ministry pledged to investigate.

Keita has played down the country's security woes.

"There are pockets of violence, residues of terrorism that even (French forces) ... haven't managed to vanquish from Malian soil," he said after a tour of Mali's diaspora, one of about 150 costly foreign trips that have been criticised by opponents since he took office.

"Are you going to blame all that on IBK?"

Low turnout

Whoever is to blame, the violence could deter many from voting in a nation with consistently the lowest turnout in West Africa — about 40% on average.

"Violence in the Mopti region and northern region is really going to depress turnout," said US researcher Bruce Whitehouse.

Discontent with IBK is palpable, and thousands protested against him in Bamako last month. Yet he has the benefit of incumbency and is likely to win, although probably only in a second round, diplomats say. Though most expect a smooth election, there is a risk of a disputed poll turning violent. Opposition candidates are crying foul over alleged tampering with the electoral list.

"I'm sad to see a government that cheats, to see an electoral fraud in the offing," Cisse told Reuters after his rally. "But we don't have a plan-B. We must go the polls." If Mali can avoid a rancorous dispute over the result, that will sooth anxieties.

"That's the metric the international community will use: 'there you go, we had a peaceful election'," Adam Thiam, a Malian analyst told Reuters in Bamako.

"This election is all about showing Mali is stabilising." (Reuters 28-07-2018)

ANGOLAN GOVERNMENT CANCELS AIRCRAFT PURCHASE FROM CANADA'S BOMBARDIER

The Angolan Transport Ministry has dissolved the technical commission in charge of organising the new model for domestic air transport in Angola and voided the actions undertaken by that commission, indicates a statement released on Thursday in Luanda.

The statement also noted that some of the companies that were to become part of the public-private Air Connection Express – Transporte Aéreo consortium had not even been formally constituted when it was announced, whereby they could not sign the contract dated 5 May of this year.

The statement adds that a counterparty to the contract announced on 5 May with the Canadian company Bombardier for the purchase of six DH8-Q400 aircraft was a private capital company "without any connection to the planned domestic air operator."

It also details that the public companies that would supposedly become part of the new domestic operator had not complied with the procedures and formalities set out in Law 11/13 of 3 September (Basic Law for the Public Enterprise Sector) and in Decrees 37/97 and 27/98 (approving statutes of the national airline and airport companies, respectively TAAG and Empresa Nacional de Aeroportos e Navegação Aérea (ENANA)).

In statements to European TV network Euronews last June, Angolan President João Lourenço categorically rejected the entry into operations of Air Connection Express – Transporte Aéreo, which was supposed to handle domestic air transportation in the country.

Lourenço said that the consortium, which would comprise the public enterprises TAAG and ENANA as well as the private companies Bestfly, Air Jet, Air 26, Guicango, Dieximim, Sjl and Mavewa, would not happen, as it was, in his words, a "fictitious company." (27-07-2018)

EIB SIGNS EUR 375 MILLION FINANCING AGREEMENT WITH NBE TO SUPPORT SMES IN EGYPT

The European Investment Bank (EIB) has signed a financing agreement worth EUR 375 million with the National Bank of Egypt (NBE) to fund investments by small and medium-sized enterprises (SMEs) and mid-caps in Egypt. The agreement is expected to sustain over 20,000 jobs in Egyptian firms.

The financing agreement comes under the EIB's [Economic Resilience Initiative](#), which aims at enhancing the prospects for more resilient and inclusive growth in Egypt through financial inclusion and the creation of sustainable employment opportunities, particularly for women and in less-developed areas.

The EIB's finance, which comes with support from the European Union, will be channelled by NBE to finance the investment needs of enterprises in Egypt. A percentage of the financing will target firms

owned or run by women (“women in business”) as well as enterprises located in less-developed areas of Egypt.

The finance is in line with the priorities of the Egyptian Central Bank and the European Union’s cooperation with Egypt. The European Investment Bank has granted a number of loans for SMEs and mid-caps in Egypt. Since 2009 it has provided financing of EUR 1.3 billion, most of which (56%) in the manufacturing sector. The projects concerned helped to sustain many thousands of jobs in private businesses. Additional financing for SMEs, such as the EUR 375 million to NBE, is continuously being made available in Egypt.

Established in 1898, NBE is the oldest commercial bank in Egypt and the largest player in the Egyptian banking sector. NBE is the market leader in terms of total assets with a total footing of approximately EGP1.5 trillion, a deposit market share of 28.7% and a loans market share of 28% as of December 2017.

NBE has a wide network of branches numbering 443 branches, offices and banking units nationwide. The Bank also enjoys an effective international presence in major financial centers.

Commenting on the signature, **Flavia Palanza, Director of EU Neighbouring Countries at the EIB**, said: “We are pleased to sign a new financing agreement with our longstanding partner in Egypt, NBE. The new agreement will help to provide the finance needed for private sector development in most governorates of Egypt. It will also seek to empower women and improve their access to finance. As the bank of the European Union, our aim is to contribute to building a stronger and more resilient economy in Egypt, as well as in the region, that creates more opportunities resulting in additional jobs and increased prosperity for the population.”

Hisham Okasha, NBE's Chairman, said: “We are glad to continue to see our partnership growing with European Investment Bank by signing this new financing facility amounting to EUR 375 million. This is a testament of our partner’s confidence in NBE’s management as well as the Egyptian economy. NBE’s policy continues to be geared towards supporting the private sector with special focus placed on the growing SME sector, where our portfolio has reached a high of approximately EGP 44Bn as of June 2018. This loan will assist in creating new job opportunities in the private sector as well as contribute to greater inclusion – both are among NBE’s key priorities.” (EIB 27-07-2018)

KENYA TO DOUBLE STAKE IN AFRICA50 INFRASTRUCTURE FUND

Kenya will double its contribution to Africa50 to Sh10.07 billion (USD 100m) by the end of the year, as the pan-African infrastructural investor seeks to increase its support for the government’s development agenda.

This will increase Kenya’s share capital from the current Sh5 billion, becoming a significant shareholder of the financial institution, as the country seeks increased partnership for its infrastructural development projects.

President Uhuru Kenyatta said Africa50 has demonstrated its commitment to helping address country’s annual deficit of about Sh200 billion in the infrastructural sector.

Kenya’s move will increase Africa50’s total capital to about Sh88.7 billion (USD 880m), boosting the investor’s funding capacity in infrastructural projects across Africa.

“I am delighted to note that the Africa50 is leading a fresh approach to infrastructural investment, one that merits the support of every government on our continent. Today I am pleased to announce that Kenya will double its current shareholding in Africac50, raising its investment now to USD 100 million,” President Kenyatta said on Thursday.

He added that the government will work more closely with Africa50 in the country’s infrastructural projects.

Emulate project

The president also challenged the private sector to emulate Africac50 and help governments across the continent to fund infrastructural projects.

Currently, the pan-African infrastructural investor is in talks with the government to partner in the expansion of the Jomo Kenyatta International Airport to increase its cargo handling capacity by 10 per cent from its annual current capacity of one million tonnes.

Africa50 is an infrastructural investor established by the African Development Bank (AfDB) and 25 countries across the continent to mobilise funds for infrastructural projects through public-private financing.

Its priority areas are energy and transport sectors and is currently supporting development of the Malicounda Power plant in Senegal and Nova Scotia Solar Power plant in Nigeria. (AfDB 19-07-2018)

COMMUNICATIONS FROM THE INTERNATIONAL MONETARY FUND

[Transcript of IMF Press Briefing](#)

[World Economic Outlook Update, July 2018: Less Even Expansion, Rising Trade Tensions](#)

[Promoting the Inclusive Growth Agenda in the Arab Region](#)

[Country Report No. 18/210 : Central African Economic and Monetary Community \(CEMAC\) : Staff Report on the Common Policies in Support of Member Countries Reform Programs](#)

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[Egypt Moving Forward: Key Challenges and Opportunities](#)

[Country Report No. 18/213 : Arab Republic of Egypt : Third Review Under the Extended Arrangement Under the Extended Fund Facility, and Requests for a Waiver of Nonobservance of a Performance Criterion and for Modification of a Performance Criterion-Press Release; Staff Report; and Statement by the Executive Director for the Arab Republic of Egypt](#)

[Statement by IMF Managing Director Christine Lagarde on Meeting with Prime Minister Abiy Ahmed of Ethiopia](#)

[Staff Report for the 2018 Article IV Consultation and Establishment of Performance Criteria for the Second Review Under the Stand-By Arrangement for Kenya](#)

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