

MEMORANDUM

N° 80/2018 | 10/10/2018

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KENYA'S GROWTH SET TO BE BOOSTED BY \$150M "NEXT LEVEL" INDUSTRIAL PARK



Improvon's publicity material for its "next level" park

A South African developer and a UK investor have joined forces to build a \$150m industrial park on Nairobi's Eastern Bypass.

Improvon Group, a Johannesburg developer that specialises in logistics, has joined forces with Actis, a London firm that invests in emerging markets, to build the 42ha "Nairobi Gate" project.

When complete, the park will offer factory and warehouse space for companies looking to site themselves on an arterial road in easy reach of Jomo Kenyatta International Airport and the Inland Container Depot, which is connected to Mombassa by Kenya's newly built standard gauge railway.

Stefano Contardo, the chief executive of Improvon, [told](#) broadcaster CNBC Africa that the investment would be between \$110m and \$150m, and would be made in response to demand, "probably over a period of five to seven years".

He added that the industrial accommodation currently available in Nairobi was in a state of disrepair and prevented business from growing. He said his company's scheme offered flexible, grade-A industrial space – complete with an electrified fence and a single, guarded gatehouse.

He said: "I think it's a game-changing operation for Nairobi. The type of product we are putting into the market rivals anything in Europe or the States."

He added that the park was looking to help small, fast-growing Kenyan businesses, so firms could lease an area between 500 sq m and 30,000 sq m.

Michael Turner, director of Actis, [commented](#) that South Africa, Kenya and Zambia were distribution hubs for the rest of the continent. "East Africa is experiencing strong consumer demand and infrastructure development on the back of a resilient and diversified economy, which underscores the case for logistics and warehouse developments," he said.

The launch of the project was attended by Peter Munya, Kenya's industry secretary, who said the scheme would help the country to industrialise.

He said: "We want to ensure that Kenya does even better in the next world rankings with regards to development of the industrialisation sector, hence it is important to support and encourage such projects. My presence in this launch is an indication of approval and support of this project from the highest authority in the land." (GCR 05-10-2018)

AIRLINES CONTINUE TO HAVE RETAINED REVENUES IN ANGOLA

Angola is the third country in the world where most airline revenues are held because of the inability to obtain foreign exchange to repatriate them, the International Air Transport Association (IATA) has said.

Before Angola, which has US\$137 million in retained funds, is Venezuela in first place, with US\$3.78 billion or 82% of the total amount of US\$4.6 billion, followed by Bangladesh with US\$147 million.

The first five places also include Sudan, with US\$134 million and Zimbabwe with US\$132 million.

These are the revenues from the sale of air tickets that the airlines cannot repatriate in Angola's case due to the economic, financial and exchange crisis that the country has been experiencing since the end of 2014.

The situation has led Angola to accumulate debt, in the form of blocked funds – deposited in Angolan currency in national banks and awaiting authorisation for repatriation – to a “peak” of more than US\$500 million, according to IATA.(28-09-2018)

THIRD AFRICAN UNION-EUROPEAN UNION-UNITED NATIONS TRILATERAL MEETING: JOINT COMMUNIQUÉ

1. The Chairperson of the African Union Commission Moussa Faki Mahamat, the President of the European Commission Jean-Claude Juncker and the Secretary-General of the United Nations António Guterres, met on 23 September 2018 at United Nations Headquarters in New York in the margins of the United Nations General Assembly. They were accompanied by senior officials from the three organisations, including Vice President/High Representative Federica Mogherini, Commissioner for Peace and Security Smail Chergui, Commissioner for Political Affairs Minata Samate Cessouma and Deputy Secretary-General Amina J. Mohammed. They discussed the ongoing cooperation between the three organisations and ways to better coordinate efforts in addressing global challenges. They concurred that peace, security and stability are paramount not only to ensure decent living conditions for all citizens, but also to attract investments necessary for sustainable and inclusive growth.

2. The leaders reaffirmed their joint commitment to promote an effective multilateral system and expressed their readiness to take further action towards reinforcing synergies and coordination in tackling global challenges through international cooperation. They underscored the positive developments noted in several areas, including the increasing economic integration in Africa and the solid steps taken by the African Union towards self-reliance. Building on this positive momentum of the innovative trilateral cooperation, the AU, EU and UN intend to increase their coordination and cooperation at political, economic and operational levels on a range of issues notably in the area of peace and security, including conflict prevention and mediation; implementing the 2030 Agenda for Sustainable Development and the African Union's Agenda 2063; inclusive and sustainable growth, human rights and climate change, as well as support to the implementation of AU and UN reforms.

3. They welcomed the cooperation and the results achieved by the AU-EU-UN Taskforce to address the Migrant Situation in Libya, launched in Abidjan in November 2017. They particularly noted the progress made in the protection of migrants and refugees, the voluntary return of close to 30,000 migrants since then, and the reintegration process. They encouraged further efforts to dismantle trafficking and criminal networks.

4. They agreed that it is imperative to put youth at the heart of their joint action, in order to respond to the challenges of tomorrow and to address the needs and hopes of the younger generations. The AU, EU, and UN, in collaboration with Member States, intend to enhance their cooperation to foster the employability of young people by investing in quality education and training and in matching skills with labour market needs; promoting the creation of sustainable and decent jobs through strategically targeted investments by the public and the private sectors with a focus on those with the highest potential for job creation; strengthening equal access to economic opportunities; and the inclusion of young people into political and economic decision-making and democratic institutions. These efforts are in line with the aspirations of the three organisations, including as noted by the 5th AU-EU summit theme "Investing in Youth for Accelerated Inclusive Growth and Sustainable Development". Efforts made by the

three organisations to reinforce the link between Peace and Education - as a key tool to prevent violent extremism, teach and nurture compassion, empathy for others, and learning to live together - were also highlighted.

5. They also stressed the importance of initiatives aiming at supporting women's meaningful participation and leadership in political and peace processes, as well as peacebuilding activities. They particularly noted the progress made by the "FemWise-Africa" Network of African Women in Conflict Prevention and Mediation as well as the Africa Women Leaders Network in this regard.

6. The three organisations will continue to work closely together in support of the Sahel countries, in line with their respective strategies. Similarly, they intend to engage partners and mobilise resources in support of the long-term stabilization of the Sahel region. In this regard, they will pursue their joint efforts alongside the G5 Sahel, ECOWAS and other sub-regional entities. In addition, they will continue to work in accordance with relevant African Union Peace and Security Council decisions, European Union Council conclusions and United Nations Security Council resolutions towards the full operationalization of the G5 Sahel Joint Force.

7. Addressing specific country situations and building on their respective contributions and comparative advantages the three organisations intend to continue to actively engage in support of the stabilization of Mali, including through the full implementation of the Algiers agreement on peace and reconciliation. Furthermore, the three organisations will also strive to act in a concerted manner to help address complex political situations and support democratic processes. Given the importance of the stability of the Democratic Republic of Congo (DRC) for the entire region the three organisations remain committed to supporting credible, peaceful, inclusive and transparent elections by the end of 2018. Already present side by side in various situations on the continent, they intend to enhance joint efforts to support the overall political process and implementation of the Transition Plan in Somalia, and build up frameworks for joint engagement in the Central African Republic. On Libya, they extensively discussed the worrying prevailing situation on the ground. They agreed to work in close cooperation with the Libyan actors on the principle of the organization of a peace and reconciliation conference as a prelude to the conduct of peaceful and transparent legislative and presidential elections.

8. The leaders acknowledged the important role played by peace operations mandated or authorised by the African Union and confirmed their resolve to enhance collaboration, coordination and planning between their respective missions and operations, while recognising the need for a clear delineation of roles and enhanced complementarity between their efforts. They underscored the importance of ensuring all peace missions and operations are compliant with the relevant international human rights standards and principles, and, where applicable, with international humanitarian law. They intend to join efforts to establish the relevant compliance frameworks.

9. They intend to pursue together the reflection on how to ensure the predictability, sustainability and flexibility of financing for African Union-led peace support operations authorized by the Security Council and under the Security Council's authority consistent with Chapter VIII of the UN Charter.

10. Meetings between the leaders are envisaged at least once a year, to take stock of progress and provide guidance on further areas (UN 23-09-2018)

ANGOLA'S KWANZA LOSES MORE THAN 46% OF ITS VALUE AGAINST THE EURO

The three foreign exchange auctions held on Monday, Tuesday and Wednesday by the National Bank of Angola have resulted in the kwanza losing 46.11% of its value against the European currency since the beginning of the year, according to official statements.

On Wednesday, the Angolan central bank sold on the primary market 32.7 million euros to pay for general operations, including current needs and arrears that for any reason have not yet been paid abroad.

By the end of the session, the reference exchange rate stood at 344.001 per euro, compared to 185.40 kwanzas per euro in January before the new floating exchange rate regime came into effect.

At the auction on Tuesday, the Angolan central bank sold 150 million euros to open letters of credit with the purpose of ensuring the import of miscellaneous goods.

In this session, the value of the euro remained unchanged from the value calculated on Monday of 342.019 kwanzas, when the BNA sold 45 million euros to pay for general operations, including for individuals, as well as commercial operations still in the possession of commercial banks for the period from 2015 to 2017 (foreign exchange arrears) that for some reason have not yet been paid abroad.

The National Bank of Angola also said that in October it will sell foreign currency in the amount equivalent to US\$650 million through currency auctions and quantity auctions (letters of credit).

The bank also noted that from 1 October onwards it will announce on the last business day of each week the weekly result of commercial bank auction sales and the amount of foreign currency that will be sold in the auctions of the following week.

After each auction, the bank will post on its website the amount made available, the number of participants, the highest and lowest exchange rate allowed and the resulting average exchange rate. (28-09-2018)

CAMEROON ELECTIONS MOSTLY FREE OF UNREST

There were isolated incidents of unrest in Cameroon on Sunday as voting began in an election widely expected to extend the rule of President Paul Biya, who is one of Africa's last multi-decade leaders. While voting went on smoothly across much of the central African country, a drive by secessionists to disrupt the election meant not all polling stations were open in Anglophone regions and there were outbreaks of violence.

Security forces shot dead at least three armed separatists in the northwest English-speaking town of Bamenda, a security source said. This report could not be verified independently.

Elsewhere, a separatist fighter shot at a convoy of cars carrying journalists, but nobody was wounded, according to one witness.

Biya, 85, has ruled for 36 years and victory on Sunday would give him a seventh term, bucking a tentative trend in Africa towards presidential term limits. The only current African president to have ruled longer is Equatorial Guinea's Teodoro Obiang Nguema Mbasogo.

In a speech after casting his vote in the capital Yaounde, Biya did not make specific reference to separatist violence.

"The election campaign took place peacefully," he said.

"Now we must hope that they (Cameroon citizens) keep this self-control when the results are out."

Oil and cocoa-producing Cameroon has had economic growth of more than 4% a year since Biya was last elected in 2011, but many of its 24-million citizens live in deep poverty.

A secessionist uprising in the Anglophone northwest and southwest regions, home to 5-million people, has cost hundreds of lives and forced thousands to flee either to the French-speaking regions or into neighbouring Nigeria.

Biya did not visit the English-speaking regions during his campaign. The problem with his rule is his bid to centralise a diverse population in a country founded in 1961 on the promise of federalism and autonomy for its regions. (Reuters 08-10-2018)

CARGO MOVEMENT AT CABO VERDE PORTS RISES 9.1% IN FIRST HALF

During the first half of 2018, goods movements in the ports of Cabo Verde (Cape Verde) recorded a year-on-year increase of 9.1%, according to Cape Verdean port management company Enapor.

In a statement published on its website on World Maritime Day, Enapor said that the movement of long-haul containers increased by 15.1% in TEU (twenty foot equivalent units) and by 12.8% in tonnage.

The company also reported that the number of ships that docked in Cabo Verde's ports grew by 10.3% year-on-year, with long-haul ships increasing by 61.1% and cabotage by 3.4%.

World Maritime Day has been celebrated in the last week of September since 1978, a date established by the International Maritime Organization (IMO), a United Nations body that regulates vessels and professionals living on the seas and oceans. (28-09-2018)

ACP-EU NEGOTIATIONS: TAKING THE ROAD TO PROSPERITY TOGETHER

Talks on a new agreement between the ACP and the EU will only bear fruit if both parties take the road to prosperity together, writes the ACP's chief negotiator, Robert Dussey, on the post-Cotonou talks. Prof. Robert Dussey is the Minister of Foreign Affairs, Cooperation and African Integration of Togo, and the Chief Negotiator of the ACP Group for the post-Cotonou agreement.

The scheduled expiry of the Cotonou Agreement in 2020 is not the end of the ACP-EU partnership. Both parties are currently in discussion and negotiations for a new partnership agreement will begin on 1 October. The novelty of the envisaged agreement lies in its structure. The agreement will have a common basis applicable to all of the partnership members and three regional partnerships specific to Africa, the Caribbean and the Pacific.

The post-Cotonou agreement has to help to achieve sustainable development in the ACP countries. The right of ACP peoples to development, the SDGs, the Paris Agreement on climate change and the African Union's Agenda 2063 must be at the heart of the future ACP-EU partnership agreement.

We have reason to hope, but hope for the future of our partnership is only legitimate if it is based on the commitment of both parties to take the road to prosperity together. The ACP-EU partnership can only keep its promises if it does not negate the development efforts of the ACP countries themselves or cause the dismantling of their young industries and economies.

We need more ambition and imagination to understand the new challenges of our cooperation, which we hope and want to be more productive, fairer and more responsible. The ACP countries are less hoping for charity than justice and equity in the terms of the future partnership agreement.

The topics to include on the negotiating agenda are varied and will touch on areas such as the economy and investment, development cooperation, research and technological innovation, climate change, the war on poverty, security, political dialogue and migration. Having met the expectations of both parties on the common basis of the agreement, negotiations on the three regional pillars will be launched. The objective is to reach an agreement which fully takes account of the realities and problems of every geographical area of the ACP Group.

The advantage of this approach is that it offers every region of the ACP countries the opportunity to influence, or, if necessary, to take charge of the technical negotiations on its strategic priorities. This approach is in line with the desire of the various regions, particularly that clearly expressed by Africa to have a completely decomplexed partnership with Europe in a strictly equal relationship.

Migration is likely to be a key point of the EU-Africa pillar of the agreement but it must not circumvent the relevance of the debate or negatively impact the terms of our future cooperation agreement.

Moreover, we remain convinced that the horizon of the ACP-EU partnership remains open. The upcoming negotiations are fast approaching. The challenges are essential ones and the stakes are high. A truly fair and just partnership agreement between Europe and the ACP countries will have, certainly for Africa, the Caribbean and the Pacific, benefits that previous agreements have never had. I would like to finish with a thought by Gaston Berger: "Tomorrow will not be like yesterday. It will be something new and will depend on us."(Euract 09-10-2018)

TRITON MINERALS HIRES CHINESE COMPANY FOR GRAPHITE PROJECT IN MOZAMBIQUE

Triton Minerals has hired Chinese company MCC International Incorporation to build the facilities and infrastructure of the Ancuabe graphite exploration project in Mozambique, the Australian company said.

The signing of the agreement, said the company in a statement released in Perth, took place after meetings held last week in China to clarify technical and commercial details.

Triton Minerals said it expects project development to start in the fourth quarter of 2018, with the construction equipment and materials expected to take place in the second quarter of 2019.

Peter Canterbury, managing director of the Australian company, said that the signed contract has a fixed price, giving financial security to the company in terms of capital costs and construction deadlines.

The Ancuabe project contains estimated graphite deposits of 3.04 million tons and the definitive economic feasibility study concluded that the concession could produce 60,000 tons of graphite concentrate per year over a 27-year period. (27-09-2018)

ANGOLA NEGOTIATES PURCHASE OF MORE BOEING AIRCRAFT FOR TAAG FLEET

The Angolan government is negotiating with US company Boeing to purchase new aircraft, the Angolan president announced in a speech at the Angola-US Business Forum in New York.

João Lourenço, quoted by Angolan news agency Angop, said the planes would be used for medium and long-haul flights, but did not reveal the number of aircraft or the cost.

The TAAG fleet consists of 13 Boeing aircraft, three of which are 777-300 ERs, with more than 290 seats and were received between 2014 and 2016.

The Angolan airline also has five 777-200s, with 235 seats, and another five 737-700 aircraft for 120 passengers, which are used for domestic and regional connections.

Speaking to US businesspeople, the Angolan President recalled that the Council of Ministers approved a new type of visa less than a week ago, an investor visa, "an innovation because it is a facility granted to all those who, by investing in Angola, will be treated differently in terms of entry and stay in the country to follow up on their projects."

"Anyone who is investing in Angola from now on, as long as they declare their intention to invest with the Private Investment and Export Promotion Agency of Angola (Aipex), will benefit from this facility," he said.

Lourenço said that the new legislation on foreign investment and on competition and control of monopolies, namely the Private Investment Law and the Competition Law, as well as the new exchange rate policy, drastically reduce barriers to investment and guarantee greater legal protection to foreign investors, allowing them to transfer their dividends and profits abroad and repatriate their capital. (07-09-2018)

ANGOLA AND IMF START NEGOTIATIONS ON FINANCING PROGRAMME

A mission of the International Monetary Fund (IMF) is due to arrive in Angola on Wednesday to begin negotiations for a three-year Extended Fund Facility (EFF), as requested by the Angolan government, the Ministry of Finance said.

The official statement said that the EFF, aims to facilitate the implementation of the Macroeconomic Stabilisation Programme and the National Development Plan 2018-2022, as well as achieving the goals

of economic adjustment and growth, diversification, attracting foreign direct investment and reducing the structure of financing costs.

During its nine days in Luanda from Wednesday until 5 October, the IMF mission, led by Mario de Zamaroczy, will meet with different members of the government and the National Bank of Angola, as well as managers of public companies and with the financial sector in order to examine the economic and financial prospects and identify the axes that will support the institution's support for the Angolan State.

The Extended Fund Facility (EFF) is an IMF support mechanism for member countries, created in 1974 to help them solve long-term problems related to low economic growth and balance of payments deficits that require deep economic reforms.

Finance Minister Archer Mangureira announced last August that Angola would analyse a US\$4.5 billion IMF financing programme under the financial assistance requested by the Angolan government. (26-09-2018)

PORT OF LOBITO IN ANGOLA RECEIVES SECOND ORE SHIPMENT FROM DR CONGO

A shipment of 1,200 tons of copper ore from the Democratic Republic of Congo arrived on Saturday at the port of Lobito, in Angola, where it will be shipped to Belgium, the chairman of the port infrastructure management company said.

Augustine Estêvão Felizardo, speaking at the symbolic reception ceremony for the ore at the Benguela Railway Station (CFB), said the ore shipment is waiting for the arrival of a ship in the next few days, according to the Angop news agency.

This shipment, ordered by Access World, is the second to be transported by the trains of the Benguela Railway, since just over six months ago operations of the copper mining in the mining region of Kisenge, province of Catanga, were re-launched.

"The port of Lobito intends to show the international community that these ore shipping operations are already possible," said Felizardo, adding that the arrival of this cargo is part of the government's intention to boost the Lobito Economic Development Corridor, through the CFB and the port of Lobito.

Luís Lopes Teixeira, president of the Benguela Railway, said that the journey of the train, with 28 wagons lasted 36 hours, starting from Luau, Moxico province, a point of connection with the trains from that neighbouring country.

The inaugural train with 25 wagons and 50 containers carrying 1,000 tons of manganese, also from the mining region of the Democratic Republic of Congo to India, arrived at the port of Lobito on 5 March, 2018, resuming cargo operations after a hiatus of more than 30 years. (07-09-2018)

ANGOLA'S PRESIDENT STARTS STATE VISIT TO CHINA

The Angolan President has begun his first State visit to the People's Republic of China since his inauguration in 2017, which is expected to result in the signing of three agreements and a memorandum of understanding, according to the Angolan press.

The first agreement is aimed at avoiding double taxation, the second covers economic and technical cooperation and the third deals with the opening of a credit line to be signed by the Development Bank of China and the Ministry of Finance.

The parties will also sign a memorandum of understanding on human resources, according to Angolan state news agency Angop.

China and Angola plan to deepen the strategic partnership between the two countries, which has already resulted in the opening of credit lines worth an estimated US\$23 billion provided by China to the Angolan government since 2002.

Although the visit has a strong economic focus, President João Lourenço and the delegation will also seek, over the two-day visit, to strengthen political and diplomatic cooperation.

To this end, meetings are scheduled with governors and leaders, including Chinese Prime Minister Li Keqiang and Chairman of the Standing Committee of the National People's Congress of the People's Republic of China, Li Zhanshu.

Lourenço is also due to meet with local business people, as well as visit to the Huawei Technology Centre and various enterprises in the city of Tianjin.

Angola and China established diplomatic relations in 1983. (09-10-2018)

COMPANIES SIGN CONTRACTS FOR OIL EXPLORATION IN MOZAMBIQUE

The companies that were awarded the 5th public tender for the concession of areas for oil research and production on Monday began to sign the respective concession contracts, the Mozambican National Petroleum Institute (INP) said.

The signing of the contracts began with ExxonMobil, E&P, awarded areas A5-B, Z5-C and Z5-D, followed by Sasol Petroleum Mozambique Exploration Ltd., awarded the PT5-C area, on 15 October and finally ENI, which was awarded the A5-A area, on 17 October, 2018.

The signing of these contracts is the conclusion of the negotiation process of the blocks under the tender in question, launched in October 2014, and in order for the process to be successful it was necessary to partially review the legal and regulatory framework of the oil and gas sector with a view to harmonising contractual terms.

The signing of these contracts includes investments of approximately US\$700 million, with a minimum of 10 wells planned, of which eight are in deep waters and two onshore. (09-10-2018)

SINGAPORE COMPANY GIVES UP ON BUSINESS IN MOZAMBIQUE

Singapore's Compact Metal Industries has given up buying a controlling stake in a cement factory to be completed in Mozambique, the company's management said on Monday.

Under an interim agreement signed in June, Compact Metal Industries would pay the selling companies SPI – Gestão e Investimentos and Guhava Serviços US\$30 million for a 51% stake in the Salamanga cement plant in Bela Vista, Maputo province.

The Singapore company would also have to take on US\$54.7 million in debt to the suppliers of goods and services contracted by the selling companies and secure the funds needed to complete the construction of the plant.

The company's management, quoted by The Business Times, said it had given up the deal, in which it planned to buy 34% from SPI and 17% from Guhava, "so the parties do not have any other obligations under the signed document."

The cement plant, with a daily production capacity of 5,000 tons, is owned by CIF-MOZ, a partnership between SPI with 54% and Guhava Serviços with 46%.

Compact Metal Industries was incorporated in 1973, listed on the Singapore Stock Exchange in 1993 and has been present in the Malaysian and Indonesian markets since 1988 and 1992, respectively. (09-10-2018)

ECONOMIC GROWTH IN ANGOLA FALLS SHORT OF POPULATION GROWTH

Angola's average gross domestic product (GDP) per capita in 2018-2022, at US\$ 166, will be insufficient to keep pace with the country's "staggering population growth", according to the Angola/2017 Economic Report.

The document, produced by Catholic University of Angola and published on Monday in Luanda, projects that the economy will grow at an average rate of 2.8% in the period under analysis, which compares with a demographic growth rate of 3.1%.

According to Angolan state news agency Angop, the GDP/inhabitant figures presented by the director of the Centre for Studies and Scientific Research of the Catholic University of Angola, Alves da Rocha, are well below the US\$240 forecast in the 2016 report.

The report adds that population growth is not being accompanied by economic growth due to a crisis and reduced investments in oil production, the country's main export product.

Contrasting with official data indicating a poverty rate of 36%, the report from the Catholic University offers up an incidence rate of 52.1%, due to the fact that GDP growth has not kept pace with population growth.

Economic researcher Heitor de Carvalho, who also participated in the study, said that total public interest-free spending from 2014 to 2017 decreased by 64%, with subsidy reductions of 92%, 73% in government purchases, 48% in benefits and 41% in remuneration.

The Angola/2017 Economic Report, in its 15th annual edition, addresses issues related to economic diversification, income distribution, GDP, poverty, fiscal and monetary policy, among other important issues of the Angolan economy. (09-10-2018)

ZIMBABWE POLICE BAN PROTESTS AGAINST NEW TAX, CITING CHOLERA

The opposition has accused law officers of selectively applying the ban in favour of President Emmerson Mnangagwa supporters

Zimbabwe police will stop planned protests by the labour movement against a new tax on money transfers on Thursday because of a standing order outlawing public gatherings in the capital following a cholera outbreak, its spokesperson has said.

The opposition has accused law officers of selectively applying the ban, saying supporters of President Emmerson Mnangagwa have been allowed to hold rallies in the capital while those for the opposition have been stopped.

With post-election turmoil two months ago in mind, the government appears resolved to keep a lid on demonstrations in opposition urban strongholds fearing they could spiral into violence, analysts say. Six people died in that violence which followed an army crackdown.

Although the labour movement has been weakened over the years due to high unemployment, it still maintains strong links with the opposition MDC, whose supporters would be likely to take part in the protests.

Fifty people have died and more than 10,000 have been infected in the biggest outbreak of cholera, a water borne disease, since 2008. Police spokesperson Paul Nyathi said in a statement that authorities

would enforce the ban on gatherings to stop the Zimbabwe Congress of Trade Unions (ZCTU) protests in Harare.

However, Mnangagwa is, on Wednesday, expected to preside over the graduation of students at the University of Zimbabwe in the capital. The event was initially suspended last month over the cholera outbreak. Nyathi said “the cholera outbreak is not yet over, particularly in Harare” and warned potential protesters that “if anything turns nasty those organising the demonstrations will be held responsible”.

‘Zollars’ losing value

ZCTU president Peter Mutasa earlier told reporters that the labour body called for the strike against the new tax as well as a central bank decision to order banks to open accounts for clients who earn foreign currency and separate their money from dollars in the local banking system, known as “zollars”.

Businesses and ordinary people have objected to the 2% tax, arguing that it eats into their earnings while funding profligate spending by the government.

Over the last week, zollars and the surrogate bond note currency have continued to lose value on the black market, causing a spike in prices and shortages of basic goods and medicines amid panic buying by citizens.

Zimbabwe, which adopted the dollar after hyper-inflation left its own currency worthless in 2009, is gripped by acute shortages of cash dollars that has seen prices of imports soar while businesses struggle to restock. (Reuters 09-10-2018)

EMMERSON MNANGAGWA SAYS NEW TAX PAINFUL BUT NECESSARY

Zimbabwe’s President Emmerson Mnangagwa said on Monday a new tax on electronic payments was a painful but necessary part of the government’s attempts to revive the economy, his first comments since the imposition of the levy last week sparked a public outcry following the announcement on October 1. Mnangagwa is trying to put back on track an economy that all but collapsed under the 38-year rule of Robert Mugabe.

Finance minister Mthuli Ncube said the 2% tax on mobile, card payments and bank transfers above \$10 would be used to fund the roads, health and education sectors.

The tax will apply on mobile, card payments and bank transfers above \$10 with exceptions for foreign payments and transfer of government funds. However, business and citizens objected, saying they would be paying for the government’s profligate spending.

Oil companies temporarily stopped delivering fuel because of the effect of the tax, causing shortages. Prices of some basic goods and medical drugs have shot up in the past few days.

Economic analysts said the tax would raise nearly \$2bn a year. To improve the economy, the government would have “to take measures that are going to be painful and this is one of such measures”, Mnangagwa said at a business meeting in Harare.

“In our quest to leapfrog and cover the period of two decades of stagnation, these things have become necessary.” A 388-page government economic plan issued by Ncube on Friday shows the government plans cuts in spending, borrowing and the public-service wage bill.

Zimbabwe is facing acute shortages of US dollars. The shortages have fanned a black market where the premium for dollars rose to more than 200% on Monday, up from 165% on Saturday. (Reuters 09-10-2018)

COMMUNICATIONS FROM THE INTERNATIONAL MONETARY FUND

[Stability on the Horizon for Chad](#)

[IMF Staff Completes 2018 Article IV Mission to the Federal Republic of Ethiopia](#)

[IMF Staff Completes Seventh ECF Review Visit to Ghana](#)

[IMF Staff Reviews Progress of Madagascar's Economic Program](#)

[IMF Reaches Staff-Level Agreement on the First Review of Malawi's Extended Credit Facility](#)

[IMF Staff Completes Review Mission to Rwanda](#)

[IMF Staff Completes Mission to Sierra Leone](#)

[IMF Executive Board Completes Fourth Review Under Extended Fund Facility Arrangement \(EFF\) for Tunisia](#)

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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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