MEMORANDUM

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11 YEARS OF UNINTERRUPTED PUBLICATION

SUMMARY

G20 AFRICA SUMMIT SEEKS GREATER PRIVATE INVESTMENT IN AFRICA

Germany used its G-20 presidency to call on governments and business to boost private investment in Africa, during a two-day conference with leaders from the continent in Berlin this week.
The meeting highlighted Germany's bid to use its G-20 presidency to urge donors to move beyond traditional development assistance and toward more private investment in African countries. The conference, themed "Investing in a Common Future," comes ahead of next month's G-20 summit in Hamburg.
"We need an initiative that does not talk about Africa, but with Africa," Chancellor Angela Merkel said at the launch of the gathering. Attendees to the gathering included African heads of state, representatives from the G-20 nations, and leaders of international financial institutions and global corporations.
The African leaders present, including the heads of Egypt, Mali, Tunisia and Guinea, echoed the conference theme in their remarks. Rwandan President Paul Kagame praised the German effort to position encouraging commercial investments at the center of the G-20's African agenda.
"We are on the same page that traditional aid, while useful, is never going to be enough to bring about sustainable development," he said during his address to the conference. "We are at the limit of what government-to-government action alone can achieve."
He called for help in reducing bureaucracy and in encouraging private-sector assistance, especially in areas of infrastructure and telecommunications.
Along with this week's conference, German officials are using the G-20 to support several plans to overhaul the relationship between traditional donors and African countries. The Ministry for Economic Cooperation and Development, one of the conference co-organizers, has released what is being called a "Marshall Plan with Africa," which charts a broad overhaul of Germany's involvement with the continent. Fellow conference organizers from the Finance Ministry are pushing the G-20's "Compact with Africa," which focuses largely on improving conditions for private investment on the continent. The Business 20, the private-sector engagement facility within the G-20, released 10 high-level recommendations to help facilitate investment. These include improving both business-related benchmarks such as the foreign direct investment climate, as well as socially-minded indicators, including health access and inclusion.

Germany's 'Marshall Plan with Africa'
Germany's development ministry has released an ambitious, private-sector oriented "Marshall Plan" to re-write the country's engagement with the African continent. The proposal comes as Germany prepares to take a stronger lead in shaping donor policy ahead of hosting the G-20 summit.
German development officials announced three "reform partnerships" with Tunisia, Côte d'Ivoire and Ghana at the summit, part of a broader 300 million euros ($336.5 million) investment toward easing the process of setting up and operating businesses on the continent.
The partnerships, which involve the G-20, the World Bank, the International Monetary Fund and the African Development Bank, are focused on job creation. The programs will specifically seek improvements in energy efficiency and reforms to the finance and banking sectors in the three countries.
This emphasis on investment is directly linked to immigration and security concerns, as German Chancellor Angela Merkel was careful to underscore in her opening remarks. Germany has received record numbers of asylum seekers, including from African countries, in recent years.
"If the lack of hope is too great in Africa, then of course there will be young people who believe they have to seek a new life somewhere else in the world," she said.(DEV 14-06-2017)

LUSO-CHINESE CONSORTIUM HIRED TO BUILD RAILWAY IN MOZAMBIQUE

The consortium made up of Portuguese construction group Mota-Engil and the China National Complete Engineering Corporation has signed a contract with Thai Moçambique Logística to build a 500-kilometre railway in Mozambique, the group said in a market filing.
Mota-Engil also said in the statement filed with the Portuguese Securities Market Commission (CMVM) that the project, which is part of the logistics corridor that will connect the Moatize mining area to the port

of Macuse in Zambezia province, will have a contractual duration of 44 months and cost US$1.389 billion.
China National Complete Engineering Corporation is a subsidiary of the China Machinery Engineering Corporation listed on the Hong Kong Stock Exchange. This project is the most valuable contract in the history of the Portuguese group and the first consortium (50/50) between Portuguese and Chinese companies.
The statement said that given the high level of goods and services coming from China, it is very likely that Chinese export credit institutions, in the case of China's Export and Import Bank, could contribute "positively" to the process of setting up financing for the project.
The start of construction work may be in 2018, "once the client's negotiations to finance the project are concluded" said the statement dated 13 June.
The CEO of Thai Moçambique Logística, José Pires da Fonseca announced last March that the project had been awarded to the consortium made up in equal parts by the Mota-Engil group and the China National Complete Engineering Corporation. (14-05-2017)

LESOTHO FIRST LADY, LIPOLELO THABANE, SHOT DEAD

The wife of Lesotho Prime Minister Tom Thabane was shot dead late on Wednesday, two days before her husband's inauguration, raising fear of another wave of political violence in the country.
Police spokesperson Clifford Molefe said Lipolelo Thabane, 58, was travelling home with a friend when both women where shot by an unknown assailant in the town of Masana, just outside the capital, Maseru.
Molefe said Lipolelo died on the scene while her friend was taken to a nearby hospital. He said the motive of the shooting was unknown and investigations were ongoing.
Lesotho, which has been on a political knife-edge since an attempted coup in 2014, held elections last week, the third in five years, after then-prime minister Pakalitha Mosisili lost a no-confidence vote in March.
Thabane's All Basotho Convention won 48 parliamentary seats, compared with 30 won by Mosisili's Democratic Congress.
Thabane and Lipolelo had been living separately since 2012 after Thabane filed for a divorce, which had yet to be granted by the courts.
Thabane's office could not be reached for comment. *(*Reuters 15-06-2017)

COAL IS MOZAMBIQUE'S BIGGEST EXPORT IN FIRST QUARTER

Coal was Mozambique's biggest export in the first quarter of 2017, overtaking aluminium, according to the first Monthly Summary of Statistical Information published on Tuesday by the Bank of Mozambique.

Coal exported in the period, which accounted for 33.4% of all exports, generated revenues of US$326.1 million, an increase of 200.5% over the first quarter of 2016.

Coal and aluminium (with exports of 249 million euros, a year-on-year increase of 29.5% and a weight of 25.5%) accounted for 58.9% of Mozambique's exports in the quarter.

In the first three months of the year, Mozambique sold free on board (FOB) goods in the amount of US$976.61 million, an increase of 40.1% compared to the same period of 2016 .

The monthly summary released by the central bank said large projects – which include coal mining and aluminium production from bauxite deposits – accounted for 80.3% of all Mozambican exports. Mozambique's traditional exports, such as shrimp, cashew nuts, cotton, sugar and tobacco made up the remaining exports.

Major projects also include natural gas exploration in Inhambane province (with sales of US$72.4 million and a weight of 7.4%) as well as exploration of heavy sands deposits, mainly in Moma, Nampula province, which provided exports of US$42.8 million, with a weight of 4.4%.(15-06-2017)

DOW SEEKS TO MEET GAS TREATMENT CHANGES IN AFRICA

Dow has a presence in Egypt and Libya and hopes to expand into Nigeria. Adriano Gentilucci, commercial director − IMEA for Dow Oil, Gas & Mining, speaks to Oil Review Africa about the company's ambitions on the continent

Dow' is optimistic that its solutions will be suited to major oil and gas projects in Africa.

What is Dow's pedigree in gas treating solutions?

For more than 65 years, Dow has led the way in gas treating. Today we offer one of the broadest and most in-depth portfolios of gas treatment products, services and technologies for natural gas applications in the world.

Our UCARSOL™ solvents, specialty amines and specialised technologies – together with unsurpassed industry expertise – bring you the most advanced solutions available for gas treatment. Dow's core expertise in gas treating also lies in providing engineering consultancy services and simulation capabilities to engineering companies and oil and gas operators backed by more than 1,000 references worldwide dealing with a wide ranges of gas compositions and process conditions.

What is Dow's gas-treating footprint in Africa?

Dow has several gas treating references in Africa, handling a significant number of the plants running on amines in Egypt and Libya.

We also foresee an increase in the demand for amine in Nigeria and the rest of West Africa with the development of the Dangote Oil Refinery in the city of Lagos. This refinery will meet Nigeria's daily requirement of 445,000 to 550,000 barrels of fuel with the extra capacity to export.

What are the biggest challenges in sour gas treatment in the region?

One of the main challenges facing sour gas processors in Africa today is that of efficient amine management. Amines, a chemical compound used to treat sour gas by removing harmful hydrogen sulphide (H2S) from the useable gas, works best in cool conditions, which means the added costs of thin fan coolers or chillers to the sweetening process. Dow's amine technology works by allowing the amines to operate efficiently for H2S removal even at relatively high temperatures. This eliminates the cost for cooling the amines.

How does the Dow AMINE MANAGEMENT™ Program work?

The Dow AMINE MANAGEMENT™ Program is a comprehensive gas-sweetening service program that targets the gas treating amine systems to achieve environmental compliance while improving reliability, reducing energy costs and preserving the integrity of assets. Dow AMP is tailored to each customer's performance objectives, of process optimisation, energy efficiency and asset integrity, ultimately helping them optimise total system costs. The service program uses Dow's proprietary state-of-the-art simulation software, which offers customers best-in-class performance prediction technology.

All Dow's UCARSOLTM™ customers have access to this programme. Our important customers usually have a dedicated technical resource onsite working closely with the facility's operational team to help ensure that the gas plant is operating at optimal performance.

Why are companies moving towards hybrid solvent in place of physical and chemical solvents?

An important trend is the tightening of regulations for controlling emissions that are in line with international standards. As a result, it is no longer sufficient to just remove H2S from natural gas to meet regulation, but the removal of other exotic contaminants, such as mercaptans. The removal of these requires a different approach and more specialised amine technology. To address this need, Dow introduced hybrid solvents, a combination of chemical and physical solvents which are capable of removing organic sulfur compounds from natural gas streams, with reduced hydrocarbon uptake compared to physical solvents, while still reaching the customer's stringent gas specifications on acid gas removal. These hybrid solvents can be applied at natural gas plants and refineries, and be extended to other potential applications in the oil and gas industry. Over the last few years, Dow has invested in further R&D efforts to develop an accurate simulator tool for hybrid solvents.(ORA 06-06-2017)

FREIGHT TRAINS RETURN TO NIASSA PROVINCE, MOZAMBIQUE

The first freight train since 2010 to travel to the city of Lichinga, northern Mozambique, left the city of Nacala on Wednesday and is due to reach the capital of Niassa province on Friday after travelling 890 kilometres, the Northern Development Corridor (CDN) company said on Thursday.

According to the statement from CDN, which holds the concession on the line, the train is made up of 13 armoured wagons, five of which are carrying cement and the same number of wheat, one of salt and two fuel tank cars with a capacity of 40 tonnes each. Passenger trains already travel along the line.

The movement of passengers and now freight convoy gained momentum following the inauguration by the President of the Republic, Filipe Nyusi, in November 2016, of the Cuamba/Lichinga railroad (formerly Nova Freixo and Vila Cabral), over a distance of about 262 kilometres.

Reconstruction of this section of the railway, costing US$100 million, included laying metal sleepers as well as building new bridges, landmine clearance, and limiting erosion and deforestation.

The statement added that CDN's main aim is to strengthen Niassa by transporting goods from Nacala to the province and from there and other places along the railway line to Nacala.

CDN is a public limited company incorporated and registered in Mozambique, charged with the integrated management, recovery and commercial exploration of the port of Nacala and the rail network in northern Mozambique. (15-06-2017)

GOVERNMENT OF MOZAMBIQUE FACILITATES BUSINESS ACTIVITIES

The Mozambican government has approved a simplified regulation to carry out business activities in order to attract more investment and improve the country's business climate, said the new Cabinet spokeswoman, Ana Comoana.

Comoana, who is also deputy minister of Culture and Tourism, said that attracting more investments and improving the business climate will involve simplifying procedures and reducing deadlines and licensing costs for domestic and foreign entrepreneurs.

The new regulation establishes the simplified licensing regime and the certification of prior communication of economic activities which, by their very nature, do not have a negative impact on the environment, public health, safety and the economy as a whole.

The deputy minister said that the law approving the new regulation revokes Law 5/2012, of 7 May and number 1 of article 25 of the licensing of industrial activity approved by Law 22/2014 of 16 May, which were adopted to cover more business sectors, harmonise procedures, applicable rates, powers, rights and duties of the simplified license. (14-06-2017)

TANZANIA INKS MEGA DEAL TO EXPAND MAIN PORT

Tanzania has signed a US$154m contract with China Harbour Engineering Company (CHEC) to expand the main port in the commercial capital of Dar es Salaam.

Under the signed contract, CHEC, a subsidiary of the state-run China Communications Construction Co, will build a roll-on, roll-off (ro-ro) terminal and deepen and strengthen seven berths at Dar es Salaam port. The project is funded by a World Bank.

Tanzania is currently seeking financing support for infrastructure projects as part of its plans to transform the country into a regional transport and trade hub.

The port currently accommodated 20-million tonnes of containers. However, Tanzania hopes to expand the port and increase the container throughput to 28-million tonnes a year by 2020.

"Deepening and strengthening of the berths will allow big container ships to dock in Dar es Salaam," said Makame Mbarawa, Works, Transport and Communications Minister at the signing of the contract.

"All these efforts are being done in order to increase competitiveness of the port," he added.

East Africa's second-biggest economy wants to profit from its long coastline and upgrade its rickety railways and roads to serve the growing economies in the land-locked heart of Africa.

Big gas finds in Tanzania and oil discoveries in Kenya and Uganda have turned East Africa into an exploration hotspot for oil firms, but transport infrastructure in those countries has suffered from decades of under-investment.

In January, Tanzania is expecting to receive a US$305mn loan from the World Bank to expand its main port, where congestion and inefficiencies are hampering service delivery.

The port, whose main rival is the bigger but also congested port of Mombasa in Kenya, acts as a trade gateway for landlocked African states such as Zambia, Rwanda, Malawi, Burundi and Uganda, as well as the eastern region of the Democratic Republic of Congo.

According to 2014 World Bank report, inefficiencies at Dar es Salaam port were costing Tanzania and its neighbors up to US$2.6bn a year.

Nonetheless, Chinese President Xi Jinping announced plans to plough US$60bn into African development projects at a summit in Johannesburg in 2015, saying it would boost agriculture, build roads, ports and railways and cancel some debt.(CRO 13-06-2017)

ANGOLAN AGENCY SIGNS PRIVATE INVESTMENT CONTRACTS WORTH US$21 BILLION

The value of investment contracts signed in Angola from 2016 to June of this year totals US$21 billion, the director of the Technical Unit for Private Investment (UTIP) said on Wednesday in Luanda.

Norberto Garcia said that this amount is the sum of investments in 42 projects with contracts signed by the UTIP, many of which have already been implemented and "have contributed significantly to the process of economic diversification."

For example, the director of the UTIP noted a project by Tidiane Trading, Lda, for production of monoblocks and electricity pylons, whose US$10.05 million investment contract was signed on Wednesday.

The project, to be executed in an estimated area of 30,000 square metres, is located in the Special Economic Zone, in Viana, where one of the areas for the production of electrical equipment has already been built.

Garcia said that since the UTIP was established, about 20 months ago, investment contracts with a combined value of about US$9 billion have been signed.

It is UTIP's responsibility to receive and analyse investment proposals worth over US$10 million, or the equivalent in kwanzas. (15-06-2017)

CHINA RETHINKS ITS GLOBAL ROLE IN THE AGE OF TRUMP

Beijing is getting more involved as the U.S. turns inward. That's not quite the same as world leadership.
In his short time in office, President Donald Trump has done a good job of making China great again. His isolationist rhetoric and unilateral actions -- such as pulling out of the Paris climate accord and the Trans-Pacific Partnership -- have made it much easier for China to advance its claim to global leadership, as dismayed U.S. allies and partners proclaim that the U.S. can no longer be "completely depended on," as German Chancellor Angela Merkel put it. In stark contrast to Trump, China has reaffirmed its commitments to free trade, globalization and the battle against climate change.
China's case is made more plausible by its markedly increased involvement in what is known as "global governance." China is no longer the free-rider on the Western-built global system that it had long been. President Xi Jinping has received numerous expert briefings and has convened Politburo meetings on global governance. As a result, China has substantially increased involvement in areas such as climate change, global health, international peacekeeping, anti-piracy, anti-corruption, disaster relief, economic governance, development aid, energy security and multilateralism.
QuickTakeChina's Silk Road
In part, this reflects Xi's own "China Dream" for his nation's place in the world. Xi expertly staked out China's leadership potential at the World Economic Forum in Davos in February in a speech that attracted much international attention. China's new activism is also due to its sensitivity to foreign criticism for not acting like a true great power (it has a psychological obsession with being seen as one), as well as China's huge financial wherewithal and the increased professionalism of Chinese bureaucracies.
These actions do suggest that China may be ready to fill some of the void in global governance left by an increasingly isolationist America. But there are at least four reasons to question whether China can be an effective global leader.
First, while China has been an enormous beneficiary of the Western-dominated global system since the country began its economic reforms in 1978, its leaders have for six decades expressed discontent with the system's inherent "inequality." While not seeking to overthrow or replace the existing system, Chinese leaders do want to decrease the outsized role of the West and North, while increasing the representation and decision-making clout of the East and South. Where existing institutions cannot accommodate such changes, China has spearheaded a set of alternative ones such as the Asian Infrastructure Investment Bank.
China is thus a "revisionist" power: It seeks not to defend, but to revise the structures and procedures of global governance to reflect what it sees as the real distribution of power in today's world, although still upholding the existing system in the main.
Second, China is neither willing nor able to dispatch military forces to quell threats to global security. China has an extreme aversion to the use of force and to transgressing state sovereignty. Thus the world should not look to Beijing for help in overturning distasteful regimes or countering transnational aggression, at least not outside the United Nations system (China is a significant contributor to U.N.

peacekeeping operations and endorses the U.N.'s "Right to Protect" statute for preventing crimes against humanity.)

Third, China's soft power is seriously lacking. It is far from certain that the country possesses the moral leadership, based on universal values, to become a truly global leader. To be sure, China deserves admiration for its economic and social development, as well as for its 3,000-year civilization. China's stunning economic growth is the envy of the world, and its urban planning, public health and education systems are all commendable.

But does Beijing possess the moral standing and messages to inspire and lead a diverse world? Its human-rights record and political system only inspire other autocrats. At its root, China's problem is that it is *sui generis* -- a unique country whose domestic attributes do not travel well beyond its borders.

Until China develops values that appeal universally, it will lack one of the core features of global leadership. It also needs to heed its own admonitions about equality and treat its neighbors and other states without coercion or intimidation.

Finally, for a nation to be a global leader, it must view the world in positive-sum terms. It must truly believe that the well-being of others is in one's own national interests and that contributing to "public goods" enhances one's own strength. This is what Trump blatantly rejects in his Hobbesian "America First" vision. Until very recently, China had also long practiced a "China First" global policy.

One senses that China is now in the midst of this conceptual transition. But centuries of isolation, as well as many deeply rooted domestic forces, inhibit its thinking and actions in the world.

Clear thinking from leading voices in business, economics, politics, foreign affairs, culture, and more. On balance, China's role as a global power very much remains a work-in-progress. The country isn't necessarily ready for prime time; the vacuum Trump has created is forcing it into the spotlight sooner than its leaders had anticipated or planned for. Sometimes nations rise to the occasion, as the U.S. did following World War II. Unless China can overcome its limitations, however, it isn't likely to become the world's preeminent power, leaving instead its long-sought preference: a multipolar world. (DEV 13-06-2017)

SUPER CÉRAME LAUNCHES CONSTRUCTION OF NEW CERAMIC PLANT IN MOROCCO

Super Cérame has launched the construction of a new ceramic plant in Morocco through an investment of a whopping US$ 30m that will enhance its daily production.

The plant dubbed Berrechid plant is set to strengthen the positioning of Super Cérame on the ceramic market and increase its economic competitiveness.

Fouad Benzakour, CEO of Super Cerame confirmed the reports and said that the subsidiary is looking at increasing its production capacity, which currently stands at 120,000 square meters per day.

"Plans for the construction of Berrechid plant are currently underway," said Fouad.

The company already has other subsidiaries and the production unit would add to the four other ceramic plants that already exist.

The CEO further pointed out that subsidiary targets to seize as many opportunities as it can in both national and international markets since the plant will manufacture the technical products that are currently in great demand.

Super Cérame currently exports its products to more than fifteen markets in Europe, Asia, and Africa, and the company is intending to increase their products export share. The subsidiary of YNNA Holding specializes in the production of ceramic stone floor and wall tiles.

The company however hopes to export one million square meters or more depending on the markets demands in the next two years.

The construction of the new plant is expected to be complete by 2018.

Super Cérame specializes in the design, manufacture and marketing of coatings for floors and walls, it is an undisputed market leader in Moroccan ceramics with a production capacity of 120,000 m2 per day, spread over three Casablanca, Berrechid and Kénitra production sites.

Its wide range of ceramic tiles includes sizes ranging from 2.5 * 2.5 cm for the mosaic to 25 * 60 for the wall tile and 41 * 41 cm for the floor tile, and different types of products (marbled, Rustic, reliefs) which allow them to satisfy different tastes and respond positively to the requirements of uses.(CRO 14-06-2017)

INHAMBANE PROVINCE, MOZAMBIQUE, SEEKS INVESTORS FOR DEVELOPMENT PROJECTS

The city of Inhambane, capital of the Mozambican province of the same name, on Thursday and Friday is hosting an investor forum to attract people interested in various infrastructure projects, including roads, that will allow the region to develop socially and economically, Mozambican daily newspaper Notícias reported.

The investor forum, the second in the province's history, aims to draw attention to existing business opportunities, particularly in the areas of agro-industry, renewable energy, transportation and communications, public works and housing, as well as tourism, to boost the local economy.

Studies have shown that it is possible to stimulate agro-industry and make agricultural activity a profitable commercial activity with the development of rice, cashew, cassava, fruit and piri-piri production as well as livestock production for milk and meat and by exploring existing forest resources.

The newspaper also wrote that the provincial government will tell its partners and business people about the need to finance construction of the 517 km Mapinha/Pafúri highway, which is considered to be the basis of a future development corridor for the southern region.

This road connects neighbouring South Africa to the three southern provinces of Mozambique, and will reduce the distance travelled by South African tourists who intend to drive to the big tourist attractions in the province, such as Bazaruto, Inhassoro and Vilanculos. (14-06-2017)

CONSTRUCTION OF KENYA'S FIRST COAL POWER STATION TO COMMENCE

Lamu coal Power Station, Kenya's proposed coal-fired thermal power station, is set to begin construction following a $1.9 billion signed agreement between China Power Global and Amu Power.

The Energy Cabinet Secretary Charles Keter confirmed the same and went further to describe the plant as among the biggest plans under the public-private partnership framework. He also expressed confidence in the project, optimistic that it will be up and running by 2019.

According to him, the agreement is near conclusion as the companies have already initialized the PPA.

What's more, the government is currently working on the letter of support in which the standards have been detailed, as well as the companies' comments.

The letter will go through the Treasury and Attorney General as the LAPSSET lease, Eastern Africa's largest infrastructure project bringing together Kenya, Ethiopia and South Sudan is already signed.

Mr. Keter said that if all goes according to plan the ground-breaking will take place between June and July this year.

The project, which is expected to infuse 1,050 MW into the power grid has already commenced the transmission line; the 400kV line from Lamu to Kitui to Nairobi, to which three contractors have been awarded.

The project will come on board to relieve Masinga which was closed down last week as a result of the unfavorable weather condition. Kenya will also have an alternative power source.

Moreover, the power generated will be considerably cheaper as compared to hydropower.

The coal plant is set to be developed on 865 acres of land and feature a 210 meter tall smoke stack, which would become East Africa's tallest structure.

The project has been subjected to delays as the construction was expected to begin in September 2015 and last approximately 21 months. (CRO 18-05-2017)

NAIROBI-MOMBASA DUAL CARRIAGEWAY SET FOR NEXT YEAR

Talks are underway to upgrade the busy Mombasa-Nairobi highway into a dual carriageway. The US$2.2bn project is expected to commence next year.
According to Peter Mundinia Kenya National Highways Authority (KeNHA) Director-General, the talks with the America's export-import (Exim) bank for the financing of the multibillion-shilling project is ongoing and expected to close soon.
"We expect and hope that we are going to start the construction of this road in the next one year once we complete the talks," said Peter Mundinia. "This is a major road that requires upgrading to curb the frequent traffic snarl-ups," he added.
However, works have already started at a section of the highway notorious for traffic jams. These sections include the Mombasa-Mariakani section and the Athi River-Machakos turn off along the busy road.
The Athi River-Machakos turn-off, a stretch of 20km will cost US$51.2m the project is being constructed by the China Railway 21st Bureau Group Company Limited. The 20km section will be dual carriage and will have two new bridges one measuring 98m for Mombasa bound traffic and another of 50m for traffic headed to Nairobi.
However, the Mombasa bound will be the longest bridge along the Northern Corridor.
The KeNHA expects the upgrade of the turnoff to be completed in 2018. In the meantime, motorists will pay for the expanded Nairobi–Mombasa road via a toll charge to recoup the construction costs, given that the feasibility study had indicated that the capital used in investment will be recovered in 25 years.
The 485km highway is crucial for trade in the region since it connects the Mombasa port to hinterland markets, including landlocked Uganda, Rwanda and Burundi. But it has remained a single-carriage way for long despite increased use by thousands of buses and trucks ferrying goods and people daily, making it uncompetitive. (CRO 14-06-2017)

ANGOLA INVITES ISRAELI COMPANIES TO INVEST IN FERTILIZER PRODUCTION

The National Director of Forests of the Angolan Ministry of Agriculture suggested that Israeli entrepreneurs should invest in fertilizer production in the country "in order to contribute to the diversification of the economy and reduce poverty" during the 1st Angola-Israel Business Forum.
Speaking about investment opportunities in Angola in the agricultural sector, Domingos Nazaré Veloso emphasised that low levels of mechansation and a lack of fertilizers have been the main factors limiting agricultural development in the country.
The National Forest Director noted that Angola needs 200,00 to 300,000 tonnes of fertilizer per year and only produces between 70,000 and 100,000 tonnes.
Domingos Nazaré Veloso, quoted by the Angop news agency, stressed that the main concern in the agricultural sector is distribution and sale of production and there is a lack of distribution to urban centres where large consumers of agricultural products are found.
The Israeli ambassador to Angola, Oren Rosemblat, said at the forum promoted by the Angola-Israel Chamber of Commerce (CCAI) that his country has a US$2 million credit line immediately available to help Angolan companies increase two-way trade. (14-06-2017)

CHINESE FIRM SIGNS $1.94B DEAL FOR CONSTRUCTION OF INDUSTRIAL PARK IN KENYA

The Guangdong New South Group Ltd has signed a $1.94b deal with the Kenyan government for the construction of an industrial park in Kenya at the Eldoret Special Economic Zone.
The China- based company signed the deal for the industrial park in Kenya titled Africa Economic Zones in Beijing in the presence of President Uhuru Kenyatta in a private sector agreement. The project is being put up through a partnership between the Chinese firm and Africa's Economic Zones Ltd.

Africa Economic Zone (AEZ) is the first privately owned special economic Zone in Kenya and has been licensed in accordance with Special Economic Zones Act 2015.
The agreement encompasses the development and operation of a high-end Special Economic Zone, with world-class infrastructure in Eldoret, Uasin Gishu County. The advantage of the location comes in when the easy access to raw agricultural materials is put into consideration, as well as the development of massive land away from the over-populated cities.
President Uhuru Kenyatta lauded the two corporate for their achievements to date expressing his optimism that the project will have a big economic impact on both the local and national economy.
The gradual incorporation of Special Economic zones by many countries is in a bid to sput development. These are projected to serve as some of the vehicles that will carry forward their industrialization agenda.
It is also a means of attracting Foreign Direct Investments (FDIs) mostly in the manufacturing sector, job creation, and export growth.
Accordingly, these countries are mostly looking to China, which has proven over the last three decades that industrialization can create jobs and substantially reduce poverty; this particular one to the tune of over 40,000 in direct jobs for the youths and a further 150,000 inirect opportunities.
Improved infrastructure, resurgence of various economic activities around Eldoret, positioning it as an industrial and manufacturing hub is also expected from the investment deal.
The Economic Zone will be designed and planned in such a way that it will be able to support a growing community in terms of institutional framework, physical infrastructure and administrative services to ensure a complete smooth operation for the support of various economic activities within the Industrial park.
Once fully operational, production output is expected to reach $3 billion annually and grow exponentially. The ground-breaking ceremony is scheduled for July 2017 with construction work expected to start shortly after. (CRO 22-05-2017)

KENYA'S STRUGGLING UBER DRIVERS FEAR A NEW COMPETITOR: UBER

James Njoroge, an Uber driver in Nairobi, earns barely $5 at the end of a grueling 10-hour workday ferrying customers through snarled traffic across the Kenyan capital. Now a new competitor is in town, threatening to undercut even these meager earnings.

That rival is none other than Mr. Njoroge's own employer.

Uber in Kenya, already one of the company's most affordable services in the world, charges customers in Nairobi, Kenya's capital, a minimum fare of $2.90.

Uber is aiming to beat back competing services by pushing its prices even lower. In April, the San Francisco-based company announced it was introducing an even cheaper service at half that price, $1.45, by allowing its drivers to use much older, lower-quality cars.

Drivers say they're bearing the brunt of the price cuts. In February, drivers went on strike to protest fare cuts that they said made it difficult for them to break even. The new pricing is much lower than that.

The prospect of losing what is already a threadbare living is making Mr. Njoroge, 29, nervous.

"We've been working for them so much, but now they're slashing us," he said recently, slowing down his Toyota, a seven-year-old model, hardly brand-new but newer than the cars expected to be part of the fleet for the coming service, uberGO. He waited patiently for a herd of goats, led by two teenagers wearing Adidas hoodies, to cross the road. Traffic swiftly packed up from behind. "Kenyans always go for cheap-cheap, so this is worrying," he said. "I don't know what to do."

Uber has quickly expanded across parts of Africa, where it is seen by those signing up as drivers — or “partners” in the Uber lingo — as a rare job opportunity on a continent with stubbornly high levels of unemployment.

But the service has stirred debate over how low fares should go, and the company has faced a series of strikes from South Africa to Lagos. This month, drivers in Lagos, Nigeria’s biggest city, went on strike after fares were slashed by 40 percent.

Faced with fierce competition from other ride-hailing apps, Uber’s latest service in Kenya, critics say, would pit its own drivers against each other in a kind of cannibalistic race to the bottom, eroding what little they already earn.

“To live in Nairobi, it’s very hard,” Mr. Njoroge said recently in his home in Umoja, a dusty but vibrant neighborhood on the outskirts of Nairobi where, within a short space of time, a fight broke out, a minibus with “Rock Gospel” stenciled on its side unloaded passengers, a man hawked grilled meat and a fashionably dressed woman crossed paths with a strutting rooster.

“You have to hustle on all sides,” he said. “If we don’t have many clients,” he said, referring to competition from uberGO, “we’ll need to find new options for work.” Mr. Njoroge already has two other side hustles.

Uber insists that the new service would allow drivers to save on fuel and other expenses, ultimately making their jobs more profitable.

“Revenues might not be higher, but the costs will be lower, so ultimately profits will be higher,” Alon Lits, Uber’s general manager for sub-Saharan Africa, said in an interview. “We believe our economics make sense,” he said, but added that the company was in the process of getting feedback from drivers in order to “interrogate our assumptions before moving forward.”

In Nairobi, Uber and its competitors like Taxify, an Estonian company, and Little Cab, a company owned by Kenya’s mobile network giant Safaricom that offers free Wi-Fi in its cars, are aiming to capture clientele from a rising, but fragile, middle class that still values affordability, sometimes at the expense of quality of service or even vehicle safety. Competition is fierce even among apps for notoriously dangerous boda-bodas, or motorcycle taxis, which are a major cause of road accidents.

In February, a series of strikes by an informal union of Uber drivers forced the company to raise the minimum fare to $2.90 from about $2, and rates to 39 cents per kilometer, up from 33 cents. But many drivers say uberGO, which is 29 cents a kilometer, is a fresh attempt to bring down rates, given that many cost-conscious customers are likely to use the cheaper service. The company last month said it was even offering $30 — six times Mr. Njoroge’s net daily earnings — as an inducement to drivers to sign up to the new, cut-price service.

Mr. Njoroge and many other Uber drivers expressed anxiety not just about losing customers but also about failing to meet car loans — loans that Uber helped them secure in the first place and that require drivers to stay with the company until they’re paid off.

Uber sponsors its drivers based on their earnings record with the company. Without Uber, drivers struggle to obtain auto loans, even for secondhand cars, because banks require borrowers to earn monthly salaries of 50,000 Kenyan shillings, or about $485. That is far above what most ordinary Kenyans, even those with diplomas and degrees, can hope to earn.

Once a driver pays off the loan, which typically takes about three years, the car is the driver’s to keep, although by that stage it will typically be 10 years old. At that point drivers can leave Uber and start their own businesses, although many drivers said they intended to stick with Uber. Free of car-loan payments, they would keep significantly more of what they earn.

Until the final loan installment is made, however, drivers are pretty much at the company's mercy. If they have not logged on to Uber's softwarefor a week or so, the company sends a warning. If they're absent for an extended period of time, and Uber decommissions them, the bank could withdraw its loan.

Uber "gives with one hand and takes with the other," said Samuel Gichia, another Uber driver, who nonetheless appreciated the freedom that Uber offered. "My car is my office," he said, drumming his fingers on the steering wheel as he listened to reggae music. "When you no longer have a loan, that's when Uber is going to be very sweet."

Drivers also complain that the Uber algorithm means they will be paid only for distance traveled and no longer receive extra fare when they are stuck in traffic. That amounts to an effective pay cut, since the driver loses fuel, time and the opportunity to pick up new passengers. A two-hour journey over a short distance could still carry a fare of only $2.90 — the minimum fare — because "you haven't moved," said Mr. Njoroge. (Even then, Uber takes its 25 percent cut.) Mr. Lits of Uber denied those claims, saying drivers do receive compensation for time spent in traffic.

.Uber and its competitors are vying for customers from a rising but still fragile middle class that values affordability, sometimes over service. Credit Adriane Ohanesian for The New York Times

Uber drivers say they might make 6,000 Kenyan shillings, or $58, a day, which doesn't seem that bad by Kenyan standards — until they lay out their laundry lists of loans and work-related expenses. From that $58, drivers typically have to pay $19 for the car loan, $19 on fuel and another $14.50 for Uber's commission. Once insurance is paid, there's very little left.

Take Mr. Njoroge, the eldest of six siblings — the other five are still in various stages of schooling — and a father of one.

Mr. Njoroge, who had a string of odd jobs after graduating from university in agricultural sciences, turned to Uber in 2015 when it began in Kenya. Uber, he thought, would give him more independence, the ability to support his wife and son, now 2 years old, and a chance to buy a secondhand car.

After settling his car payments and paying for fuel, he said, he has about $5 left by the end of the day. On Fridays and Saturdays, when he is busier picking up night revelers, he makes net earnings of about $10.

He supplements his income with commissions from selling electronic credit for M-Pesa, a money transfer service on mobile phones, and also working as an agent for a local bank.

Mr. Njoroge complains little. He looked wistful when asked about his dreams and ambitions, but remained silent.

Back on the road, he finally gave his response.

"Right now, I can't tell," he said, as his car inched its way across town. "Right now, it's just surviving."(NYT 22-05-2017)

ETHIOPIA TIPPED TO BE TOP RECIPIENT OF PRIVATE EQUITY

A UN report has tipped Ethiopia to be the biggest recipient of private equity in eastern Africa, beating Kenya thanks to its friendly business environment and favourable industrial policy.
Ethiopia has promoted the development of industrial parks focusing on textiles, leather, agro-processing and pharmaceuticals, as part of its Vision 2025 that seeks to make the country a light manufacturing hub in Africa.

A stretch of superhighway between their Addis Ababa and Nazareth town in Ethiopia.

The 16th edition of the African Economic Outlook report released Monday says the development blueprint has made Ethiopia a magnet for manufacturing and service industries.

It sets the projected private equity inflows into Ethiopia this year at $4.4 billion (Sh454 billion) compared to Kenya's $1.3 billion (Sh134.2 billion).

"For example, the Hawassa Industrial Park, inaugurated in July 2016, was designed and built by a Chinese corporation and includes 35 manufacturing facilities and one fabric mill, equipped with new and innovative technologies powered by green energy," states the report prepared by a consortium of three teams from the African Development Bank (AfDB), the OECD Development Centre and the United Nations Development Programme (UNDP).

"The park has already attracted 15 major manufacturing firms from China, Ethiopia, Indonesia and the United States."

The park aims to employ 60,000 people at full capacity and generate export revenue of $1 billion (Sh103.3 billion) per year.

The report cites another nine industrial parks that are under construction or in the pipeline namely the Diredawa, Mekelle, Adama and Kombolcha parks that are due to be completed during the 2016/17 fiscal year.

"Overall, the country (Ethiopia) is channelling $1 billion (Sh103.3 billion) of annual investment into industrial parks over the next decade.

The aim is to boost manufacturing exports, generate knowledge, transfer skills and contribute to job creation," states the report. (BD 22-05-2016)

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