MEMORANDUM

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SUMMARY

KENYA’S CENTRAL BANK EXPECTS GDP GROWTH RISE

Kenya’s central bank governor said on Tuesday the economy was expected to expand 6% in 2016 after 5.6% growth last year, while the current account deficit was expected to narrow to 5.5% of gross domestic product (GDP) from 6.8% in 2015.

Patrick Njoroge was speaking a day after the country’s central bank cut interest rates 100 basis points to 10.5%, saying falling inflation offered room for an easing of monetary policy.

Economists said the move would support growth.

The monetary policy committee (MPC) had held rates at 11.5% since August.

"The MPC thought that the dangers of overheating the economy are much more muted and, as a matter of fact, there was a negative output gap, meaning that GDP is below potential GDP, so there is room to increase GDP production," Njoroge said.

The agricultural sector was proving stronger than expected, and tourist arrivals, another vital source of revenues that had been hammered by security concerns in the past three years, was picking up, he said.

"(The) growth outlook for Kenya’s main trading partners in the region remains strong, suggesting better prospects for export performance," he said.

Njoroge referred to better prospects for Kenya’s neighbours in the six-country East African Community and more broadly in the 19-member Common Market for Eastern and Southern Africa bloc of African states, the market for about 40% of Kenyan exports.

Inflation was "expected to decline and hence to remain within the government target range in the short term," he said, referring to the preferred band of 2.5% to 7.5%.

Kenya, which has discovered oil reserves, but for now remains a crude importer, has benefited from weaker global oil prices.

Njoroge said the current account deficit, as a percentage of GDP, was expected to drop to 5.5% in 2016 before ticking up again to 5.8% in 2017.

The central bank also said it did not anticipate a resurgence in inflation when the government increased excise duty 0.3% in 2016. (Reuters25-05-2016)

FITCH RATINGS LOWERS CREDIT RATING ON MOZAMBIQUE TO “CC”

Fitch Ratings downgraded the long-term debt rating in national and foreign currency of Mozambique from “CCC” to “CC”, the agency said in a statement issued Monday in London.

The “CC” rating, according to the scale applied by the agency, means that Mozambique’s debt is “highly vulnerable”, and is represented by “very speculative bonds.”

The downward review of the credit rating to “CC”, which indicates there will be a likely debt default is a result of the Mozambican sate’s disclosure of guarantees granted by it on loans contracted by public companies, of significant value and with short repayments terms.

A first payment of US$25 million on a loan of US$622 million contracted by Proindicus was made in March while the first payment of US$178 million (of a total debt of US$525 million) of the loan obtained by Mozambique Asset Management (MAM) was made Monday.

The agency said there was uncertainty about MAM’s ability to honour its commitments, and it is possible that the state will have to make the payment, putting additional pressure on the country’s foreign reserves at a time when the members of the group of 14 have suspended direct aid to the state budget.

Last week, when the Minister of Economy and Finance, Adriano Maleiane, went to parliament to talk about the state guarantees he told members of parliament that MAM did not have US$178 million to pay the installment due on Monday and that Ematum is without funds to ensure its operations and wants state support. (24-05-2016)

AFDB LAUNCHES $328M URBAN WATER PROJECT IN NIGERIAN CITY OF PORT HARCOURT

Nigeria's Country Director, African Development Bank (AfDB), Dr. Ousmane Dore, said $328 million urban water supply and sanitation project was launched in Obio Apkor communities in River State to ensure safe drinking water.

This is contained in the bank's newsletter, May edition, issued by its Nigeria Country Office in Abuja.

``This marks a milestone in the history of the Port Harcourt and Obio Apkor communities with the launch of the 328 million dollar Urban Water Reform and Port Harcourt Water Supply and Sanitation Project,'' it said.

According to the report, the project is financed by the AfDB-$200 million, the World Bank $80 million and Rivers State Government $48 million.

AfDB's loan of $200 million will focus on putting infrastructure and systems in place to ensure water produced gets to the end users, it said, adding that it will improve access to water in Port Harcourt from 10 percent to 100 percent by 2020.

It added that it would ensure improved sanitation of schools, health centres, markets, motor parks and other public places and commercial viability of the Port Harcourt Water Corporation.

The newsletter said that over 1.3 million people from Port Harcourt and Obio-Apkor Local Government Areas would benefit from this project by the year 2020.

It urged Rivers State Government to bear in mind the importance of building sustainability mechanisms into the project to ensure that the state water corporation was commercially-oriented.(APA 29-05-2016)

BUHARI'S LAGOS NO-SHOW DISMAYS NIGERIAN BUSINESS

At least the taxi drivers of Lagos are happy, even if businessmen in Nigeria's commercial capital are not.

A year after becoming president, Muhammadu Buhari pulled out of his first official visit to Lagos on Monday, averting citywide gridlock but angering business leaders who say the 73-year-old former military ruler is deaf to their plight.

With Africa's largest economy now contracting, the foreign exchange market frozen by red tape and a new Niger Delta insurgency sending oil output to a 20-year low, it is a plight that gets worse by the day.

Yet businessmen say Buhari, who swept to power in an election a year ago, remains oblivious and continues to sacrifice short-term growth in pursuit of his long-term dream of overhauling the way Africa's most populous nation works.

To many, sending Vice President Yemi Osinbajo, a Lagos commercial lawyer, to the meeting in his place — despite thousands of posters welcoming "the People's President to No1 Africa's mega city" — is another sign of his disdain.

"It is rather unfortunate that the federal government would raise the expectations of the people... only to cancel the presidential showing, seemingly with no obvious cogent reasons being given," said Yemi Adeleke, director of World Trade Center, a trade and investment agency.

Buhari's spokesman Garba Shehu said the president, who is based in the capital, Abuja, was forced to postpone his visit after being "faced with scheduling difficulties". Buhari will visit the port city after the Muslim fasting month of Ramadan which ends at the start of July, he added.

Foremost among private sector complaints are foreign exchange curbs initially introduced to protect currency reserves hammered by the decline in the price of oil, but which are now a pillar of Buhari's vision of a transformed economy.

Shock

In order to keep the naira at 197 to the dollar, the central bank has scuppered the interbank foreign exchange market, blocking access to dollars for anybody not armed with a valid overseas invoice.

Buhari argues that this is about ending speculation, as well as a decades-long cycle of devaluations that has hit ordinary Nigerians in the form of high inflation and discouraged the investment needed to build a serious domestic factory sector.

"It is extraordinarily frustrating for those of us in the business community who supported him that he has chosen to be intransigent about something it seems as if he doesn't really understand," said Timi Soleye, president of CRYO Gas and Power.

Critics, including the International Monetary Fund, point to a currency trading at almost half its official value on the black market, fuelling expectations of a devaluation that are now so widespread that investment has dried up.

This view received support on Friday, when the National Bureau of Statistics revealed the economy shrank 0.4% in the first quarter, with industry and manufacturing shrinking 5.5% and 7% respectively.

"It is now clear that the adverse effects of the oil price shock have filtered through to the demand side of the economy, and we maintain our view that Abuja's current policy framework only serves to exacerbate the oil shock," Cape Town-based NKC African Economists said.

"The economy might still find itself on a slightly firmer footing towards year-end, but this will largely depend on Abuja abandoning some of its unconventional economic policies."

"Command and control"

Vice President Osinbajo hinted at changes when he called this month for a "substantial" review of foreign exchange policy, but there are few signs of this filtering down to the Central Bank of Nigeria, which announces its latest monetary policy decision on Tuesday.

Over the last year, Governor Godwin Emefiele's speeches have chimed closely with Buhari's views on the economy and currency, and this month the bank explicitly denied an online media report of an imminent devaluation to 290 to the dollar.

One-month deliverable forwards — essentially a view on the currency one month out — hit 245 to the dollar on May 16 after the devaluation report, but have retraced to 224 this week, reflecting a more sober analysis of the chances of a weaker naira.

All but one of 12 analysts polled by Reuters this month said the currency would be devalued, with a median expectation of a 15% weakening — although many were reluctant to be pinned down on the timing.

Analysts also say Buhari's actions now closely mirror his behaviour as a military ruler in the early 1980s.

Besides sending in soldiers with bullwhips to bring order to chaotic queues at bus-stops, he tried to stimulate domestic manufacturing by banning imports and rebuffed IMF pressure to devalue the currency.

Still locked in a military mindset — he came to power in a coup and left via the same route — diplomats say he is unlikely to respond in a conventional manner to public or political criticism.

"Buhari doesn't do politics. He does command and control," said one Abuja-based diplomat. "And so far it's working." (Reuters 24-05-2016)

MOZAMBIQUE REFURBISHES VESSELS TO EXPORT TUNA TO THE EUROPEAN UNION

Twelve vessels of Mozambican tuna company Ematum are being refurbished to meet European Union standards for fishing vessels that catch fish for the EU market, Mozambican daily newspaper Noticias reported.

The newspaper added that the dry dock work had been awarded to a specialised South African company. The operation will not cover all of Ematum's fishing vessels due to the high costs of the work.

The Minister of Economy and Finance, Adriano Maleiane, said last week that "everything is being done so that the companies that benefited from state guarantees on borrowing in the international market can service their own debt."

Maleiane added that the European Union requires that vessels involved in tuna fishing meet some conditions, which is why the Mozambican company needs to refurbish some of its vessels and adapt them to those requirements.
The Minister of Economy and Finance, who did not disclose the costs of remodeling the fishing boats, said they were high, which is why they will be carried out in phases. (24-05-2016)

MALI: BOA RECORDS 7BN FCFA IN PROFIT IN 2015

Bank of Africa Mali (BOA) has achieved 7.126 billion CFA francs net profit in 2015 against 4.021 billion FCFA in 2014, its board of directors said on Monday.
The bank's balance sheet totaled 535.7 billion CFA francs, an increase of nearly 7 percent compared to 2014.

The financial good health of BOA Mali is also reflected in an increase by almost 14 percent in the number of accounts opened for clients which stood at 197,946 on 31 December 2015 against 173 890 in late December 2014.

This resulted in an increase in net banking income of 14.4 percent, or 26.5 billion FCFA in late 2014 against 30.2 billion on 31 December 2015.

These results thus allow the bank to increase 17.4 percent loans granted to clients and which reached 264.8 billion FCFA in late December 2015 against 222.5 billion CFA francs on 31 December 2014.(APA 30-05-2016)

SABMILLER BUYOUT DEAL GETS CONDITIONAL EUROPEAN CONSENT

The $108bn megabrewer merger inched closer to completion on Tuesday, when the European Commission granted conditional approval to Anheuser-Busch InBev (AB InBev) for the acquisition of SABMiller.
The expected announcement by the South African Competition Commission was delayed until Wednesday. Late on Tuesday, it was unclear whether the commission was going to recommend conditional approval of the transaction, or ask for a further extension.
Commission spokesman Itumeleng Lesofe would not respond to requests for a status update. He said the commission had decided that no public announcements would be made “until we’re ready to make our recommendation”.
While some analysts speculated that the commission was set to recommend conditional approval of the transaction, others believed it had been hoping to get a 15-day extension, but this had been blocked by the merging parties.
The European Commission said on Tuesday that clearance for the deal was conditional on AB InBev selling practically the entire SABMiller beer business in Europe.
It said it was concerned that the transaction, as initially notified, could have led to higher beer prices in its member states because it would have removed an important competitor and made tacit co-ordination between the leading international brewers more likely.
By offering to divest practically all of SABMiller’s beer business in Europe, AB InBev had tackled this issue.
Margrethe Vestager, the commissioner in charge of European Union (EU) competition policy, said that Tuesday’s decision would ensure that competition was not weakened, and that EU consumers were not worse off.

AB InBev agreed to sell some of its leading European brands including Peroni and Grolsch, to Japan's Asahi Group to secure approval from the European Commission. And more recently, it undertook to sell the bulk of its East European beer brands including Pilsner Urquell.

The European approval is the first of four preconditions to the deal's completion. The other three conditions are approval from the South African, Chinese and US authorities.

Last week, SABMiller CEO Alan Clark said neither SABMiller nor AB InBev expected the deal to be completed before 12 August, when SABMiller was due to pay its final dividend.

He confirmed the merging parties expected completion sometime in the second half of this financial year. (BD 24-05-2016)

CABO VERDE RECEIVES 190,600 TOURISTS IN THIRD QUARTER

Cabo Verde (Cape Verde) received 190,600 tourists in the first quarter of the year, which was an increase of 17.2 percent over the same period of 2015, the National Statistics Institute (INE) said in the Cape Verdean capital, Praia.

The "Tourism Statistics – Guest Movement" report for the first quarter also said tourists who visited the archipelago accounted for 1.1 million overnight stays, an annual increase of 12.1 percent, with an average stay of 5.7 nights, down 5 percent compared to 2015.

The United Kingdom was the main country of origin of tourists, with 19.1 percent of the total, and British tourists also remained longest in Cabo Verde, with an average stay of 8.1 nights.

After the UK, came France, Germany and the Netherlands, accounting for 11.7 percent, 10.8 percent and 10.6 percent, respectively.

Sal Island continued to be the most popular destination, accounting for about 51 percent of tourist arrivals. (24-05-2016)

NIGERIA CURTAILS OFFICIAL TRAVELS, ALLOWANCES

President Muhammadu Buhari has on Sunday announced the curtailment of official travels and allowances.

In his address to the nation on Sunday to mark the country's Democracy Day and one year anniversary of his administration, Buhari said the government would be saving N23 billion annually from official travels, sitting allowances.

He said that the Ministry of Information would publish and update Nigerians on stolen assets and that the destructive activities of the militants would not stop the government from addressing Niger Delta challenges.

President Buhari reassured farmers of sufficient intervention funds to boost food production and expressed concern over the rising cost of food items.

"We are in the same page with farmers to ensure food security in the country," he said,
President Buhari, who lauded the role of Nigerian women in revitalizing the nation's agricultural sector, pledged to inaugurate the N1.6 billion National Women Empowerment Fund to rehabilitate the economy of rural communities.

He thanked members of the Nigerian Armed Forces for the war against Boko Haram and said: ``Their work is almost done and the nation owes them a debt of gratitude.'' (APA 29-05-2016)

INSPIRING ENTREPRENEURSHIP IN AFRICA WITH TONY ELUMELU, CON

The Business Council for Africa, Memorandum's supporter, is delighted to be hosting Tony Elumelu, CON to give this year's Kaye Whiteman Memorial address. Mr Elumelu, CON is an entrepreneur and founder of the Tony Elumelu Foundation, which was established in 2010 to catalyse economic and social development in Africa through entrepreneurship. The event will take place next 8th of June, in London.

The address will be an opportunity to hear from a leading authority on the important role the private sector has in unlocking Africa's economic potential. Africa is currently facing significant challenges due to the commodities crisis and numerous political elections resulting in a slowdown in economic growth and a rising unemployment rate. It has been reported that fifteen million new job seekers enter the African market annually; however the majority will still be trapped in unemployment. The Tony Elumelu Foundation aims to combat these issues through the Tony Elumelu Entrepreneurship Programme which empowers entrepreneurs and promotes thought leadership to strengthen Africa's economic future. See www.bcafrica.co.uk

ANGOLA'S CENTRAL BANK ANNOUNCES MEASURES TO PROTECT FINANCIAL SYSTEM

The National Bank of Angola (BNA) will seek to reduce internal weaknesses which could put the country on the margins of the global financial system by implementing a new package of measures, the BNA governor said in Luanda.

The package, called "Project for adequacy of the Angolan financial system to prudential and international best practice standards," is an instrument that, according to Valter Filipe, "aims to sharpen the mechanisms of control and supervision of the financial system in line with the rules and procedures of the international system."

At a press conference held in the Angolan capital, the governor of the BNA presented a lackluster financial system, with the central bank far from exercising its regulatory role with due rigor, compared to "promiscuous commercial banks with ethical violations."

Valter Filipe said that in addition to all these problems, "there are now some commercial banks with problems with assets and financial solvency."

With the implementation of the announced package of measures, the BNA will negotiate with the United States Federal Reserve and the European Central Bank to reverse the current situation and make the Angolan financial system more robust and able to secure financing to small and medium-sized enterprises and ensure the prosperity of families.

To this end, the Financial Intelligence Unit, a key tool for monitoring and combatting money laundering, is being restructured in a partnership between the BNA, the Attorney General's Office, the Economic Police and the General Tax Administration. (26-05-2016)

ANGOLAN COMPANY INVESTS US$101 MILLION IN MILLING UNIT

The Technical Unit for Private Investment (UTIP) of Angola has signed two contracts, one of which, worth US$101 million, intends to produce wheat flour, reported the Angolan press.

This project of greater value involves the company Grandes Moagens de Angola, which plans to build a factory in the Luanda area for wheat milling and storage silos. The investment will be channeled into contruction of facilities as well as acquiring equipment and machinery.

This investment is part of the government programme aimed at increasing domestic production, with a view to replacing imports with local production, which in 2015 totalled over US$500 million for wheat flour imports.

The chief executive of Grandes Moagens de Angola, César Rasgado, said that initially the raw material will be imported from the United States, France, Germany, Kazakhstan and Australia, and is expected to produce 1,200 tons of flour per day.

The second contract, worth US$11 million, is related to bottling of mineral water. The chief executive of mineral water company Água de Nascente Natural Preciosa, Valdemar Ribeiro, said that “it should now be easier to import raw material in order to increase production.”

The factory has a bottling capacity of 50,000 litres of water per hour, but faces difficulties in this task due to a lack of labels, bottle tops and plastic, which have forced the company to reduce the work period.

Água de Nascente Natural Preciosa, besides producing for the southern region of Angola, is exporting on a trial basis, to Zambia, Namibia and Botswana, and acceptance had been very good, according to the CEO. (30-05-2016)

ZIMBABWE TO LOBBY FOR LIFTING OF BAN ON IVORY SALES

Zimbabwe will lobby for the lifting of an international ban on ivory sales, saying a controlled marketing system will allow the government to raise money to combat illicit poaching and for conservation programmes.

The safeguarding of Zimbabwe’s elephants "is wholly dependent on establishing regular open-market sales of elephant ivory to fund management and enforcement actions," the government said in a paper that will be presented at a meeting of the Convention on International Trade in Endangered Species (Cites), scheduled for September in neighbouring SA.

Zimbabwe says its elephant population, estimated at 84,000, is twice what can be supported by available food and land. The country, which is grappling with an economic crisis, said in February it raised $1m from selling elephants to China, where it will continue exporting wildlife as part of conservation efforts.

"Between 2002 and 2014, Zimbabwe is estimated to have lost 439 metric tons of ivory worth $226m to illegal hunting," according to Zimbabwe’s Cites’ proposal seen by Bloomberg and confirmed by the nation’s Parks and Wildlife Management Authority. "Zimbabwe views this as a direct result of the ivory trade ban. The country’s current stockpile of ivory weighs about 70 tons and is worth an estimated $35m.

National parks, which cover about 11% of Zimbabwe’s total land area, are surrounded by "hostile people who are trying to recover their wasted investment in elephants," according to the report. The ban has removed the incentive to protect wildlife, it said.

The government in November said it would deploy soldiers at the country’s game parks to combat poaching, which resulted in the deaths of 77 elephants due to cyanide poisoning at Hwange National Park.

In SA, the Department of Environmental Affairs on Tuesday said it was still to respond to last week’s court ruling which dismissed its bid to uphold a seven-year ban on the domestic trade in rhino horn.

The High Court in Pretoria lifted the domestic ban on the trade in rhino horn in November 2015 and upheld that decision in January after South African game breeders John Hume and Johan Kruger argued that it was their constitutional right to sell rhino horn, a renewable resource.

The judgment has been suspended pending the Department’s appeal, which was dismissed by the Supreme Court of Appeal on Friday.

However, the decision has no bearing on a ban on international trade in rhino horn.

Possibilities open to the department include changing legislation or making the issuing of permits — required to buy, sell or possess rhino horn — so onerous that the domestic trade is effectively stifled, officials have said off the record.

It was not clear if the department would lodge a final appeal with the Constitutional Court.

According to the latest figures from SA’s Private Rhino Owners’ Association, about 6,200 rhinos are in private hands, about a third of the national population. Rhino horn can be harvested as it grows back and it can be removed from a tranquilised animal.

Supporters of rhino horn trade say the money earned could be used for conservation and to pay for security. Opponents counter that a legal trade could tempt poachers who kill rhinos to launder their "blood" horns with clean supplies. *(*Bloomberg, Reuters 25-05-2016*)*

HARARE BOND NOTES STAND IN FOR DOLLARS

Zimbabwe will introduce bond notes and restrict foreign currency spending to vital commodities to limit dollars leaving the country and exacerbating the nation's cash crunch, Finance Minister Patrick Chinamasa says.

"We believe the … bond notes will help stop the country from being a fishing pond for the US dollar," Chinamasa said on Wednesday at the African Development Bank's annual meetings in Lusaka. "A lot of companies, so-called investors, come to fish out our US dollar resources and that is what is producing the shortage," he said.

Zimbabwe, which abandoned its own currency in 2009 because of hyperinflation, trades mainly in dollars; while the rand, euro, Botswana pula, yen, yuan and Indian rupee are also legal tender. The central bank limited cash withdrawals from ATMs earlier this month as the ailing economy caused dollar supplies to evaporate, and started a programme to explain the introduction of bond notes that will be worth their exact counterparts in US dollars as currency.

The Zimbabwean central bank has introduced measures to manage "the foreign currency earnings that we earn as a country and make sure that money is used not to import trinkets, but is used to import vital commodities", Chinamasa said.

"We have produced a priority list which will be used by the bank to guide them on what items they can use foreign currency to import."

The shortage highlights the struggle President Robert Mugabe's government faces in reviving an economy half the size it was 15 years ago, according to government estimates, with about 90% of the population out of formal employment.

The authorities abandoned an earlier plan to convert half of their export earnings into rand and euros and said it would require 50% of those earnings to be transferred to a Reserve Bank of Zimbabwe account.

Zimbabwe's growth forecast for 2016 has been cut to 1.1%-1.5% this year, from 2.7% earlier, as the region's worst drought in decades led to lower farming output, Chinamasa said.

Gross domestic product rose an estimated 1.1% last year, according to the International Monetary Fund (IMF). Earlier this month, the lender said the nation had to repay money it owes the IMF, World Bank and African Development Bank before to get a new IMF loan.

Chinamasa said Zimbabwe could borrow money as long as it was clear about the purpose of the loan. "We have a policy that any new loans should not go towards consumption, but towards … infrastructure."

(Bloomberg 26-05-2016)

THOUSANDS TAKE PART IN PRO-MUGABE MARCH

Thousands of backers of Zimbabwe's ruling party marched in the capital on Wednesday in support of President Robert Mugabe.

"This is a special event by our dynamic youth league in support of our icon," Zimbabwe African National Union-Patriotic Front spokesman Simon Khaya Moyo said. "The theme of the march is solidarity with the visionary and iconic leadership of our glorious party under President Mugabe."

Zanu (PF)'s youth league staged the march in Harare on Wednesday to coincide with Africa Day celebrations, with President Robert Mugabe insisting he would stay on as leader despite calls for him to step down.

The march, dubbed the "million-man march", was named partly due to the 100,000 people in attendance drawn from each of the party's 10 provinces, and was meant to show support for Mugabe's rule.

Party supporters, bused into the capital Harare from the country's 10 provinces, were gathering at assembly points on Wednesday to march to Robert Mugabe Square, near the party headquarters, west of the city centre.

"We know that there's a lot of negative publicity spread by private media and the West, to the extent that our grassroots supporters are now confused, so this march is to restore confidence," Zanu-PF Youth League Deputy Secretary Kudzi Chipanga said late Tuesday by phone.

Chipanga used the march to criticise government ministers for corruption and inefficiency.

"Government officials and executives in the corporate sector are hardly ever in their offices. We don't see them, and their lifestyles don't match their incomes," he said in a speech near the ruling party's headquarters. Ministers seemed to "be competing" to change their cars faster than their shoes, he said.

Mr. Mugabe returned from Singapore on Tuesday night with his wife Grace and their daughter Bona Mugabe-Chikore who recently gave birth in that country to a baby boy.

Flanked by his wife, Mugabe said the march was "a great revolutionary act" and had been well organised by the youth league.

"I would like to thank the youth league of Zanu (PF) for this great revolutionary act. It was run and organised by them and with the support of women…they championed it right through, they travelled…and organised the people for this march, indeed they were determined it would succeed," he said.

No difference

"It won't make any difference," David Coltart, a former opposition education minister, senator and human rights lawyer said in a phone interview from Zimbabwe's second city, Bulawayo, on Wednesday. "People will still wake up on Friday hungry and jobless."

Jonas Nyaungwa, who sells tomatoes and kale to passers-by in the capital's sprawling Mbare Market, said the march was a farce.

"I've been forced to close my stall for the day and take part. It's ridiculous, but I dare not argue, even though the march is for what?" Nyaungwa said. "For nothing, because nothing will change. It's just a demonstration of power."

Challenges

In power since 1980, Mugabe's rule is facing increasing challenges. These include worsening factional fights in Zanu (PF) not least due to Mugabe's advanced age, dissent from the war veterans group and a struggling economy which has thrown off the rails the promises he made in 2013 of economic prosperity.

In two months' time the central bank is set to introduce so-called "bond notes" — equivalent to a local currency — a measure meant to deal with the severe liquidity crisis in the US dollar-dominated economy, which has seen Mugabe's administration failing to pay its 500,000 public servants on time.

The country's largest opposition party, the Movement for Democratic Change (MDC) led by Morgan Tsvangirai, has exploited the growing pressures to demand for Mugabe to step down. It is also rolling out nationwide demonstrations of its own to force him to leave office.

An MDC legislator, James Maridadi, is at the forefront of pushing for the impeachment of the 92-year-old from office. "The fact that impeachment of a sitting Head of State is provided for in the Constitution means that it can be done within the provisions outlined therein. I should hasten to say impeaching a sitting Head of State is not a declaration of war, but a constitutional and polite way of asking that we be given an opportunity to elect someone else to that office," he said.

In his unscripted speech Mugabe dared the MDC on where they wanted him to go, saying he was an elected official who won the 2013 elections.

"They say Mr Mugabe must go, he must go to where? I am not a British, neither am I a Yankee. That is why I told Tony Blair to keep his England and I would keep my Zimbabwe. Why would they want me to retire? Is it out of pity that the MDC wants me to retire? Tell the papers that Mugabe says you must go hang, hang yourself. I feel it is a disservice to the people to retire for as long as I can do my best, but when time comes I will go," he said. (Bloomberg 25-05-2016)

AU FORCES SOMALI MILITANTS TO GIVE UP MOST OF THE AREAS THEY CONTROL

The African Union mission in Somalia has forced al-Qaeda-linked militants to relinquish control of about 80% of the country's southern and central regions, a senior official said.

The African force and Somalia's national army are recruiting police officers to secure areas after they are recaptured from the Islamist militant group al-Shabaab, acting commander Major General Mohammedesha Zeyinu told reporters Wednesday in the Somali capital, Mogadishu.

Al-Shabaab has been in retreat in Somalia since its fighters were forced to withdraw from Mogadishu in August 2011 after a series of military defeats. It still stages deadly attacks in the city as well as on bases used by the multinational force elsewhere in the Horn of Africa country. (Bloomberg 25-05-2016)

ANGOLA SHOULD INCREASE NON-OIL REVENUE, IMF SAYS

Angola should seek to increase non-oil revenue and improve the quality of spending, both in terms of investment and current spending, recommended the resident representative of the International Monetary Fund (IMF) in Luanda.

Max Alier, who spoke at the presentation of the "Regional Economic Outlook" project coordinated by the Faculty of Economics of Agostinho Neto University, acknowledged that much of the government's agenda for economic diversification is focused on removing barriers to investment and improving conditions for companies to do business.

Alier, cited by daily newspaper Jornal de Angola, mentioned the creation of the Single Window, the new General Labour Law and the new Private Investment Law, approved in 2015, as examples of facilitation of investments in the country.

The IMF representative also noted that the government has been proactive in efforts to diversify the economy, based on the 2013-2017 National Development Programme and said that "before the drop in oil prices, Angola had already begun the process leading to this diversification." (26-05-2016)

PORTUGUESE GROUP PLANS TO OPEN NEW RESTAURANTS IN ANGOLA

Portuguese group Ibersol plans to open 13 new restaurants in Portugal and Angola in 2016, with "two or three" units opening in Angola, according to the company's first quarter report.

The report and accounts for the first quarter for Ibersol, which manages catering brands like Pizza Hut and Kentucky Fried Chicken does not specify which brands will have new units this year and is aware of the difficulties of the Angolan market.

"In Angola, revenues related to the export of oil will not reach the level needed to ensure coverage of imports, and it is likely the pace of currency devaluation will continue during 2016," said the statement, adding that the group will pay special attention to covering foreign exchange risk.

In December 2015 Ibersol opened the first Pizza Hut unit in Luanda and KFC continued to grow, with the opening of three more units in Benguela province, in Zango and Xyami Shopping Nova Vida.

At the end of March, Ibersol operated 372 of its own restaurants, of which 92 are Pizza Huts, 55 Burger Kings, 47 Pans+Roulotte, 18 KFC and 10 Pasta Caffé, among other brands and restaurant concepts, recording sales of 52.4 million euros and profit of 2.7 million euros. (26-05-2016)

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The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Corporate Council on Africa (USA), ELO,HTTC ,NABA,NABC (by posting selected news) to their Members.

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