MEMORANDUM

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SUMMARY

BURUNDI VICE-PRESIDENT FLEES TO BELGIUM AHEAD OF ELECTION.

One of Burundi's vice-presidents announced he had fled to Belgium and students broke into the US embassy to escape police on Thursday, escalating a political crisis in the central African nation days before key elections.

Two grenade blasts in the capital Bujumbura on Thursday wounded at least eight people, the latest in a string of attacks and protests since late April, when President Pierre Nkurunziza launched a controversial bid to stand for a third consecutive term.

Mr. Nkurunziza's move was dealt a fresh blow Thursday after one of his top deputies fled the country and urged him to quit power.

In a letter addressed to Mr. Nkurunziza, whose re-election bid has already sparked weeks of civil unrest, a refugee crisis and a coup attempt, second vice-president Gervais Rufyikiri urged the president to "put the interests of the Burundian people before your personal interests". "Withdraw your presidential bid, because it violates the constitution," the letter said.

Mr. Rufyikiri told France 24 television he had sought refuge in Belgium. "I left … because I was not able to continue to support the attitude of the president, his desire to lead the people of Burundi on the path of illegality," he told the broadcaster late Wednesday from Belgium.

Mr. Nkurunziza's re-election bid has been branded by opponents as unconstitutional and a violation of a peace deal that paved the way to end 13 years of civil war in 2006, raising fears that the current crisis could plunge the country back into widespread violence.

The reaction from Mr. Nkurunziza's camp was defiant — calling Mr. Rufyikiri's exit "good riddance" and accusing him of links to coup plotters who failed to oust the president in mid-May.

"Good riddance to him, all the more so because investigations have proved that Gervais Rufyikiri was mixed up in the failed coup attempt," the president's communications adviser, Willy Nyamitwe, said.

"Someone of his rank, who was involved in an attempt to overthrow democratically elected institutions … his departure is good riddance for us," he added. "He can't say he fled because he left officially, with the president's authorisation and with expenses."

Mr Rufyikiri had already been sidelined in the government, having joined other members of the ruling CNDD-FDD party earlier this year who had spoken out against Mr. Nkurunziza's attempt to stay in office for another five-year term.

In his letter, Mr. Rufyikiri said the president was pushing Burundi into a "real socioeconomic crisis" and accused him of being "deaf".

"You yourself had frequently said 'In Burundi, there are the deaf'. History may well class you at the top of the list of this category, given the way you have turned your back on all those who have sent you messages advising you to abandon an unconstitutional third mandate," it said.

Earlier about 200 students ignored armed US Marines watching from the roof of the US embassy and climbed under the gate or over the wall before sitting inside the compound with their hands raised. The students sought refuge after police threatened to break up their camp outside the embassy compound where they had been sheltering for weeks, a witness said.

Parliamentary elections are due to be held on Monday, ahead of the presidential vote on July 15.

Several other top officials — including members of the election commission and constitutional court — have already fled impoverished landlocked Burundi, joining at least 100,000 citizens in a refugee exodus to neighbouring Tanzania, Democratic Republic of Congo and Rwanda.

Last week, the Burundian human rights group Aprodeh said at least 70 people have been killed, 500 wounded and more than 1,000 jailed since late April, when opposition supporters took to the streets to protest against Mr. Nkurunziza's re-election bid. *(*AFP 25-06-2015)

AVIATION: COMMISSION UPDATES THE EU AIR SAFETY LIST

Today the European Commission has updated the EU Air Safety List, the list of airlines that are subject to an operating ban or operational restrictions within the European Union. All airlines from the Philippines, banned since 2010, have been released from the List and are therefore allowed to operate in the European airspace. No new bans have been imposed with this update.

Violeta Bulc, EU Commissioner for Transport said**:** *"After 5 years of hard work we are finally able to clear the airlines certified in the Philippines from the European Air Safety List. The Philippines is an important country with a sizeable and rapidly growing aviation sector. Today's result can serve as an example for other countries which have difficulty to match their safety oversight capabilities with the growth of their industry. I am also pleased to see that other countries made good progress too. The Commission is continuously monitoring developments in third countries to ensure that airlines flying into the EU are up to the highest safety standards."*

The updated EU Air Safety List includes all airlines certified in 20 states, for a total of 231 airlines: Afghanistan, Angola (with the exception of one airline which operates under restrictions and conditions), Benin, Republic of the Congo, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Gabon (with the exception of 2 airlines which operate under restrictions and conditions), Indonesia (with the exception of 4 airlines), Kazakhstan (with the exception of one airline which operates under restrictions and conditions), Kyrgyzstan, Liberia, Libya, Mozambique, Nepal, São Tomé and Príncipe, Sierra Leone, Sudan and Zambia. The list also includes one individual airline: Blue Wing Airlines (Suriname), bringing the overall total of airlines banned from EU skies to 232.

Additionally, the list includes 8 airlines which are subject to operational restrictions. These airlines can only fly to the Union with specific aircraft types: Air Astana (Kazakhstan), Afrijet and SN2AG (Gabon), Air Koryo (Democratic People's Republic of Korea), Air Service Comores (the Comoros), Iran Air (Iran), TAAG Angolan Airlines (Angola) and Air Madagascar (Madagascar).

The air carriers certified in Ghana that were on the Air Safety List have been removed as the Commission got the necessary guarantees from Ghana that these airlines do no longer exist and that their aircrafts have been removed from active service.

Background information

The Commission decision is based on the unanimous opinion of the EU Air Safety Committee, which met from 9 to 11 June 2015, and pursuant to REGULATION (EC) No 2111/2005. The decision also received a positive opinion from the European Parliament and from the Council of Ministers. The authentic version of the EU Air Safety List will be published in the Official Journal of the European Union in the coming days.

The EU Air Safety List is a list of airlines which are either considered not to be able to respect international aviation safety standards, or whose civil aviation authorities are deemed unable to provide the necessary safety oversight as foreseen by international aviation safety rules. The airlines mentioned on the EU Air Safety List are either not allowed to operate to the EU, or, in a limited number of cases can only do so under very strict conditions. The EU Air Safety List also serves as a tool to warn the travelling public when travelling in other parts of the world.

The EU Air Safety Committee consists of top aviation safety experts from the Commission, from each of the 28 Member States of the Union, as well as from Norway, Iceland, Switzerland, and the European Aviation Safety Agency (EASA).

Aviation supports 5.1 million jobs in Europe, directly and indirectly. It provides €1 billion of European GDP every day, generating trade and tourism.

With more than 800 million passengers using 450 airports, and with 150 scheduled airlines, the European Union is a key player in global aviation: a third of the world market.

Europe is also home to some of the world's largest airlines and airports. It is a leader in aircraft and engine manufacturing, and in air traffic management research and technology.

Since 1992, the number of flights within the EU has more than doubled. Flights operated by more than two airlines have quadrupled. It’s no surprise that passengers are happy: over that time, their numbers have gone up by 300%.

List of airlines banned within the EU [1]

[1] As of December 2014, pending publication in the Official Journal of the European Union of the June 2015 list. (EC 25-06-2015)

TWO NEW CEMENT PLANTS DUE TO BE BUILT IN MOZAMBIQUE

Cement company Cimentos de Moçambique has launched the process of building a new integrated cement production plant in Nacala, a project expected to cost around US$250 million, the Cimpor group said in a statement issued in Lisbon.

The company, which has an integrated cement production plant in Matola and operates four grinding units at Dondo, Nacala, CINAC and Matola II, the latter inaugurated in 2013, has an annual cement production capacity of 3.1 million tons .

Cimentos de Moçambique, which already has two grinding units and licensed limestone reserves in Nacala, now plans to move on to full cement production in the region. From 2018 onwards it will have a furnace that will enable the production of 1.5 million tons of cement per year, allowing it to replace clinker imports.

In the statement, the group said construction of the new factory would be conducted in partnership with an international supplier, and its financing structure does not compromise the Cimpor group’s current debt reduction process.

Cimentos de Moçambique is majority-owned by Cimpor and its subsidiary in South Africa, Natal Portland, and is part of the InterCement group. The Mozambican company is also 18-percent owned by the Mozambican state via state stakeholding company IGEPE, port and rail company CFM and state insurance company Emose.

Meanwhile, Limak Holding, a Turkish group active in a number of different industries, has plans to invest over US$150 million to build a cement plant in Mozambique, with a capacity to produce 2 million tons per year.

In an initial phase, which will involve building the plant and launch of operations, the company will invest US$38 million in the first quarter 2016, which will allow it to produce about 600,000 tons per year.

In the second phase, with the construction of railways as the main access routes to the company, Limak Holding will more than triple production capacity to 2 million tons. (24-06-2015)

AFRICA TO BECOME WORLD'S MANUFACTURING HUB THROUGH INDUSTRIAL COOPERATION WITH CHINA: AFDB CHIEF

The chief of the African Development Bank (AfDB) Donald Kaberuka says time has come for Africa to become the world's manufacturing hub and this can be done through industrial cooperation with China as the Asian giant phrases out labor-intensive industries.

"The global manufacturing cycle started from Europe then to America, before moving to South East Asia and China. It is now coming to Africa," Kaberuka told Xinhua Monday on the sidelines of the African Union (AU) summit held in Johannesburg, South Africa.

Kaberuka, who is to retire from the helm of the AfDB this August after serving two consecutive five-year terms, quoted a Chinese metaphor "building the nest to attract birds" to urge the African countries to put in place proper infrastructure and enabling policies to facilitate the transfer of manufacturing industries from China.

"This is the time for Africa to build the nest, the birds are waiting to come and breed," he said.

He said low labor costs and an integrated, larger market through the creation of the Tripartite Free Trade Area (TFTA) would help Africa attract foreign investment to the manufacturing sector.

However, the regional bank chief stressed the need for the continent to put in place an enabling environment for investors to come in, such as adequate power and transport infrastructure.

He said Africa needed to address factors undermining its foreign investment attraction capacity such as the high cost of doing business mainly due to insufficient energy supplies and a weak regulatory environment.

The continent also needed to address the capacity of its maritime ports to ensure fast clearance of goods, he said.

"Sometimes boats bringing materials have to wait for a week or two weeks before discharging cargo. So old infrastructure is a limiting factor but of these, energy is the biggest limiting factor," he said.

China built up its export-oriented economy based on proliferation of low-cost, labor-intensive factories over the past three decades. But this edge of low-cost is being eroded by the gradual rise of workers' income and benefits as the economy continues to develop. Over-capacity at home in sectors like steel, cement, textile, and solar panel manufacture pushed Chinese companies to seek better business opportunities abroad.

The government has also identified industrial cooperation as the top priority for its engagement with Africa this year. Chinese investment to the continent reached 21.2 billion U.S. dollars in 2012, a figure aimed to be raised to 100 billion U.S. dollars by 2020.

Turning to the recently launched TFTA by Africa's three regional economic blocs, Kaberuka said the TFTA was a "major turning point" in Africa's quest to boost intra-Africa trade.

"This region coming together has already made huge progress on the issue of tariff reduction and tariff harmonization," he said.

The TFTA encompassing 26 countries of the Common Market for East and Southern Africa (COMESA), East African Community (EAC) and the Southern African Development Community (SADC) was launched on June 10 with the aim of boosting intra-Africa trade.

The 26 countries, with a combined population of 625 million people, and Gross Domestic Product of 1.3 trillion U.S. dollars, present close to 60 percent of the AU' s GDP and population.

Kaberuka said while intra-Africa trade was generally put at 12 percent and true for the whole of Africa, the actual levels of intra-trade within the TFTA was about 20 percent.

But for the TFTA to become successful, Kaberuka said all non- tariff barriers must be removed while free movement of business people and bona fide travellers must be ensured.

"So for the free trade zone to become free, tariff agreement is important," he said.

The AfDB president said the TFTA presented an immense investment opportunity for China to boost industrial cooperation with Africa.

"For Chinese companies coming to this region, they have access to a whole bigger market from Cape Town to Alexander and that's a huge advantage it offers to Chinese manufactures," he said.

Kaberuka also hailed cooperation in the financial sector where he noted that the AfDB and the Chinese were cooperating in co- financing of infrastructure development projects on the continent.

One such project that had been co-financed by the 2 billion U.S. dollars Africa Growing Together Chinese Fund being managed by AfDB was the Sharm-el-Sheik International Airport in Egypt, he said. (Xinhua 16-06-2015)

CAMEROON SET TO SELL FIRST CARS ASSEMBLED LOCALLY

Cameroon is set to sell the first cars assembled in the country by an Indian company Azad Coach and China-based Gonow Gac and Yutong, reports said on Monday.

The Indo-Chinese consortium in partnership with Cameroon's automotive industry (CAIC), announced an investment of CFA 92 billion francs in the project following an agreement sealed with the Cameroonian government.

According to CAIC General Manager, Manoj Khiyani, "the first vehicles will be on the market in around a year and a half."

This project will benefit facilities for private investment in Cameroon including tax and customs exemptions to the companies over a period of 5 to 10 years during the setting up and production phases.

Some 4,620 direct jobs would be created through these projects over the first 15 years of activities.

Due to the low purchasing power in Cameroon, the population usually buys used cars imported from countries such as Germany, Belgium and France. (APA 22-06-2015)

BEERMAKER CERVEJAS DE MOÇAMBIQUE ON LIST OF 250 LARGEST COMPANIES IN AFRICA

Beermaking company Cervejas de Moçambique is the only Mozambican company and only company in Portuguese-speaking Africa to make it on to the list drawn up by African Business magazine of 250 largest companies in Africa by market capitalisation.

Cervejas de Moçambique, which is on the list for the first time, is ranked in 233rd place with a market capitalisation of US$397 million.

The African Business list is dominated by listed companies from South Africa, which occupy the first 14 places, with the Anglo-Australian mining group BHP Billiton in first with a listed value of US$122.089 billion.

The magazine explained this situation was due to the maturity of the Johannesburg Stock Exchange, a stock market that is already recognised internationally, as well as the relative weakness of other stock markets across the continent.

The magazine also noted that the first 10 companies on the list – all listed in South Africa – account for nearly half the market capitalisation of the 250 largest companies in Africa.

After BHP Billiton, the remaining nine first places are occupied by SAB Miller (food and beverage), Naspers (media), Richemont (non-food consumer products), MTN Group (telecommunications), FirstRand (financial services), Standard Bank Group (financial services), Sasol (petrochemicals), Steinhoff International (non-food consumer products) and Anglo American (mining and metals). (24-06-2015)

BUSINESS GROUP FROM MOZAMBIQUE PLANS TO GROW SOYBEANS

The Mozambique Agriculture Company (Mozaco), a company of the João Ferreira dos Santos group, has requested the Government of Mozambique to grant it 2,000 acres in the Malema district of Nampula, for soybean cultivation, said the managing director of the company.

Manuel Delgado said the request stems from the development process carried out on a plot of 280 hectares having shown that Malema has appropriate land and climate conditions for farming soybeans.

According to Mozambican daily newspaper Notícias, Delgado told the provincial governor of Nampula, Victor Borges, who a few days ago visited the company, that last year Mozaco produced a crop of 500 tons of soybeans and another 40 tons on another 20-hectare plot of land.

Soybean production has increased in Mozambique, particularly in the provinces of the centre and north of the country due to the incentives granted by the government and its partners.

These incentives include provision of improved seeds to farmers, which has led to an immediate increase in soy production in the provinces where it is farmed.

The Ministry of Agriculture and Food Security said that since the beginning of soybean production (2003/2004) the average yield per hectare increased by 100 percent, from 500 kg to 1,000 kg. (24-06-2015)

SOUTH AFRICA: ONLINE PORTAL BOOSTS BUSINESS IN TOWNSHIPS

South African township based business owners have jumped at the opportunity to join a new interactive website, designed to help them connect with their customers and grow their business.

The new website, cando.sa.com, launched by Nampak Bevcan's consumer facing brand Can Do!, at the end of last year, provides local outlet owners with a platform to profile their businesses as well as engage and interact with potential and existing customers, ultimately increasing their customer base and sales.

The new multidimensional mobile compatible site allows all "kasi based" owners of restaurants, taverns, bars, shisa nyamas and even carwashes to upload their business' profile and advertise their upcoming events free of charge on the online platform. The only prerequisite being that they sell beverage cans as part of their product offering.

The interactive online community allows young South Africans who are ready to unleash the fun an opportunity to connect with one another and find the freshest and safest can-in-hand parties at township outlets around Mzansi.

"It is essentially a gig guide featuring all kasi parties and events in South Africa, with many more features that aim to keep Can Do!'ers engaged and excited," explains Alexandra Bouwer, marketing manager for Nampak Bevcan's Can Do! brand.

The platform allows township outlets to post their events and connect with their audience on a broader scale. Tsalanang Pub in Soweto joined the online Can Do! community earlier this year and has seen a definite rise in business and a large increase of sales since joining.

"I am extremely happy to be a part of Can Do!'s online community. Tsalanang Pub does not have a website of its own so it helps to be connected and broaden our reach, increasing the pub's customer base by engaging with all the Can Do!'ers on the site," says Solomon Leshabane, owner of Tsalanang Pub.

Through the site, township business owners who do not have websites now have an opportunity to create an online presence to generate awareness and interest in their businesses. Can Do!'s website also offers outlets that are already active on social media and have their own websites exposure to a larger market that truly enjoy kasi parties .

"Outlets are able to simply create their own profiles and advertise their upcoming parties. Can Do! fans are able to rate venues to show others where the hottest spots are; thereby giving business owners valuable feedback and positive reinforcement ," explains Bouwer.

Disoufeng Pub in Dobsonville, Soweto were one of the first pubs to join the online community Tebogo Phiri, owner of Disoufeng Pub encourages others to join, "The site helps me keep up with what other venues are doing, the parties and events that they host, and it keeps me connected to my customers," Phiri adds, "We have our own online and social media presence but in order to maximise reach and get great exposure for the pub, I chose to join the Can Do! online community early on and it has definitely paid off! I've seen a great increase in sales, especially when we host Can Do! parties."

Disoufeng Pub hosted an "all-black" themed party recently and saw a record number of party goers attend thanks to Philip's keen business sense and willingness to be one of the first outlets to interact on the new website.

“The site is the first of its kind and was developed to help increase awareness of the kasi outlets and the events that they host, ultimately helping boost their business,” Bouwer explains.

This new, fun and interactive multidimensional platform is sure to change the local township party scene and connect the fun to all township outlets and residents nationwide.(IT News Africa 16-02-2015)

CAMEROON, CHINA SIGN FUNDING AGREEMENTS

Cameroon and China signed three financing framework agreements totaling CFA121 billion, following Prime Minister Philemon Yang visit to Beijing, the Ministry of Economy announced Tuesday.
This unconditional grant of CFA 1 billion is intended for feasibility studies for the construction of the new National Assembly headquarters and the rehabilitation of Guider and Mbalmayo hospitals

The second agreement, worth CFA 93.5 billion is for the building of a computer network for higher education.

The other agreement, estimated at CFA 26.2 billion, will link Afriland First Bank Cameroon (AFB) and the China Development Bank (CBD) seeks the establishment of special loans for development of small and medium enterprises, and will allow the two institutions to strengthen their expertise and provide staff training.(APA23-06-2015)

THOUSANDS OF PORTUGUESE COMPANIES RELY ON ANGOLA AS A MARKET TO EXPORT THEIR PRODUCTS

More than half of the 9,440 Portuguese companies that export to Angola have the West African country as their only foreign market said Portuguese daily newspaper Público citing official statistics.
The data requested by the newspaper from the National Statistics Institute (INE) showed that last year 5,256 businesses were entirely dependent on Angola for their sales to foreign markets.

In value terms, the products placed in Angola by these 5,256 companies reached 1.234 billion euros, equivalent to 41 percent of the total raised from Portuguese exports to Angola in 2014.

The lack of diversification and heavy exposure to the Angolan market of thousands of micro and small and medium enterprises makes them vulnerable to financial threats, the newspaper said, citing problems that are currently faced by the Angolan economy due to falling oil prices.

Until 5 June , about two weeks after its launch, there were 312 applications to access the credit line to ease the liquidity situation of companies operating in Angola, launched by the Portuguese government, and funding requests amounting to a total of 121 million euros (about 20 percent of the total available).

INE figures showed that there are another 660 companies that depend on Angola for between 91 and 99 percent of their foreign sales, in addition to another 522 with an exposure of between 76 and 90 percent.

Between January and April, the value of exports to Angola fell 24.4 percent (to 725 million euros) compared to the same period of 2014 and in the first quarter China and South Korea (though in the latter case there may have been an effect timely extraordinary) overtook Portugal to become the two largest external suppliers of Angola. (24-06-2015)

EIB SUPPORTS EUROPAC'S LARGEST INVESTMENT IN MOROCCO

Promoting the international development of businesses is a major strategic objective of the European Investment Bank (EIB) designed to strengthen their overall competitiveness whilst fostering their economic integration.
As part of this policy of supporting the private sector the EIB has decided to lend **EUR 10 million** to MED Packaging, a subsidiary of Papeles y Cartones de Europa S.A. (Europac). The finance contract

was signed on Wednesday 10 June in Rabat in the presence of Mr. Fernando ARANGUREN, Director of Europac's Resources Division, and Mr. Heinz OLBERS, EIB Director of Operations in Southern and Eastern Neighbouring Countries. The financing structure will be secured by the Spanish bank Banco de Sabadell, whose representatives were also present.

This is the Europac Group's largest investment outside the European Union. Specifically, it will serve to install an integrated packaging production unit in Tanger Automotive City, resulting in the creation of 120 direct jobs locally. This high value added industrial project in economic and social terms will, in particular, form part of the value chains of (i) the automotive sector and (ii) the agricultural and agrifood sector, and thus has major potential on the Moroccan packaging market.

The new production unit will also benefit from Tangier's new port and industrial zone facilities to import base paper and export packaged products in the agrifood and industrial sectors, specifically in the automotive and automotive components markets.

With this major investment outside the European Union, the Spanish group Europac, which has been supported by the EU bank in the past, is continuing its international growth on the strategic Moroccan market.

Heinz OLBERS, the EIB's Director of Operations in Southern and Eastern Neighbouring Countries, remarked: *"Capitalising on its experience and expertise, the EIB is demonstrating its conviction by continuing to support the private sector and help businesses to develop internationally. Our priority on both sides of the Mediterranean is to create conditions that are conducive to successful investment with a strong economic and social impact. The competitiveness of businesses and the younger generations' future depend on this!"*

Fernando ARANGUREN, Director of Europac's Resources Division, stated: *"The commissioning of the packaging plant in Morocco, scheduled for the third quarter of this year, will mark the successful completion of one of our current investment projects, so helping us to meet the profitability and financial strength targets that we set in the Strategic Plan 2015-2018."(*EIB 11-06-2015)

MSF VACCINATES 115,000 REFUGEES AGAINST CHOLERA IN TANZANIA

Some 115,000 Burundian and Congolese refugees living in Tanzania will be vaccinated against cholera in a mass campaign carried out by Médecins Sans Frontières (MSF) in June.
Cholera outbreak was declared in mid-May when thousands of Burundian refugees fleeing political unrest streamed into the camp, almost doubling its size.

According to official figures, 3,086 cases and 34 deaths have been reported in Tanzania to date.

The vaccination campaign, which started in the Nyarugusu refugee camp on Saturday 20 June, will continue this week.

So far, 55,000 people have received the oral cholera vaccine.

In coordination with the Tanzanian Ministry of Health, UNHCR and the World Health Organization, MSF is providing the vaccine to everyone in the camp aged one year and above.

The situation in the Nyarugusu camp remains extremely precarious, says Rachel Marsden,Emergency Coordinator for MSF in Tanzania.

Although the number of cholera cases is low at the moment, another influx of people from Burundi could put further strain on existing services, and the risk of another outbreak remains high,â€• Marsden added in a statement issued in Nairobi on Tuesday.

According to the UNHCR, there are currently 56, 641 Burundian refugees in Tanzania, the majority of whom are staying in Nyarugusu camp.

A further 2,000 refugees continue to cross into Tanzania and the Nyarugusu camp each week from

Burundi.
Around 64,000 refugees from Democratic Republic of Congo are also residing in the camp.(APA 23-06-2015)

NIGERIA: AIRTEL ROLLS OUT WI-FI SERVICE IN LAGOS

Airtel Nigeria has launched a Wi-Fi service to enable residents and visitors to Lagos to access the internet in public places through their smartphones, tablets, laptops and other smart devices.

According to Airtel Nigeria, the service is available to all mobile phone users, irrespective of their network. According to Airtel, it will also offer 15 minutes per month free to every user.

Airtel revealed that the Wi-Fi hotspots have been deployed at Ozone Cinema, Yaba, Silverbird Galleria, Victoria Island and Alausa Shopping Mall, Ikeja.

Airtel's Maurice Newa said that at full implementation, the service will be installed at malls, airports, universities and other areas of public interest in other major cities.(IT Africa News 27-06-2015)

NAMIBIA: MINISTER URGES VIGOROUS MARKETING OF LOCAL PRODUCTS

Industrialisation, Trade and Small and Medium Enterprises Development Minister Immanuel Ngatjizeko on Tuesday called on local businesses to make use of Team Namibia to market their products to domestic consumers.He said this is the only way local products to compete against foreign products that have been flooding the local markets, which the government cannot stop as it will be contrary to the global trading protocols.

The only effective defence we can deploy to mitigate economic marginalisation is by proving to our consumers that Namibian industries do produce good, safe, high quality, cost effective and thus competitive products,é the minister said in his address during the opening Team Namibia Annual General Meeting in Windhoek.

Team Namibia is a Section 21 company whose object is to mobilise Namibian consumers to buy local, as well as driving the promotion of the production of quality local products and services.(APA 23-06-2015)

AFRICAN MIDDLE CLASS MAY NOT HAVE A TASTE FOR NESTLÉ PRODUCTS

THE admission by Nestlé that it overestimated the size of Africa's middle class has caused ripples in the "Africa rising" story. But it is also a much needed reality check for companies that have pinned their hopes — and their investments — on ambitious growth forecasts of the middle-class pot of gold.

Last week, the multinational food producer said it was cutting 15% of its workforce across 21 African countries and reducing its product lines. In 2008, it decided to invest heavily in sub-Saharan Africa based on projections of rising middle-class demand. Last week, it said turnover was way short of growth forecasts.

Much new investment in Africa in recent years has been based on the potential of this rising middle class despite the fact that the size and actual spending capacity of this category of consumer is rather hazy.

The African Development Bank's 2011 research estimated that 34% of Africa's population — 313-million people — was middle class.

Its measure of people earning between $2 and $20 a day was widely questioned by economists.

But the excitement that this statistic generated hung about and helped to drive the popular "Africa rising" narrative.

Other estimates of the middle class have been more realistic, while some observers believe that rising expenditure on goods and services catering for the middle class is driven by increased and disproportionate expenditure by a growing wealthy elite.

Is the problem faced by optimistic investors that the middle class in Africa is not growing as it should for some reason, or is it a crisis of unfounded hype?

Many of the factors cited as drivers of middle-class growth must be viewed with caution. For example, while incomes might be growing in line with economic growth, in many markets poverty levels are high and even growing.

Another cited driver of middle-class growth is the large youth population. Experts say that more than 50% of all Africans are now younger than 25. But youth unemployment is sky high. Many young people work in the informal sector or small family businesses. This raises questions about the disposable income in this market segment.

Similarly, urbanisation is touted as a driver of the middle class. And it might well be, but possibly not at the strength believed. About 70% of urban dwellers in most African countries live in slums and scratch out a living.

And then there are political and societal disruptors within countries. Consumer companies in Nigeria, for example, have been hit by disruption of supply chains in Nigeria's populous northern regions due to Islamist group Boko Haram's violent activities, and currency devaluation.

Analysis of African markets in the context of multinational companies often neglects an important factor — growing competition from local companies who better understand the mind-sets, habits and expectations of the target consumers. These operators are nimble and are able to tailor their strategies to the specific needs and tastes of their domestic markets.

The locals also understand something that Nestlé seems to have forgotten, and that is the continuing market dominance of low-income consumers who do not want many of the items that multinationals such as Nestlé have introduced to cater for the middle class, such as coffee capsules and pet food.

There has undoubtedly been an increase in activities and spending more associated with the middle class than the base of the pyramid. But there are questions whether the reality matches the hopes of investors.

The Nestlé story may be instructive for companies that are willing to invest in hype. But a flawed company strategy should not make investors sceptical about the opportunities Africa has to offer.

PORTUGUESE FIRM TO CONSTRUCT US$250M PLANT IN MOZAMBIQUE

Portugal's Cimpor Cimentos group through its subsidiary Cimentos de Moçambique, has announced the construction of a new plant in Mozambique, APA learns here on Tuesday.

The company said in a statement to APA that the New integrated cement production plant in Nacala, in the northern province of Nampula has an estimated investment of around U$250 million.

Cimentos de Moçambique owns already an integrated cement production plant in Matola and also operates four grinding units at Dondo in the central Sofala province, Nacala, CINAC and Matola II in Maputo province.(APA 23-06-2015)

WORLD BANK'S IFC IN ZAMBIA DEAL WITH ZEDER

Agri business specialist Zeder, which is controlled by investment house PSG, has wooed the World Bank-aligned International Finance Corporation (IFC) as a strategic equity partner for its fledgling Zambian-based operations.

At the Zeder AGM on Friday CEO Norman Celliers said Agrivision — which holds farming, milling and staple foods distribution businesses — would raise $30m (R360m) in fresh capital for its new expansion phase. The IFC will invest $20m for a 19.7% stake in Agrivision with existing equity partner Norfund (a Norwegian investment vehicle specialising in developing economies) and Zeder topping up their respective investments.

Mr Celliers said the IFC's participation would drop Zeder's stake from 76% to 55.8%.

Shareholders at the annual general meeting immediately noted the inferred uplift in Zeder's official valuation of Agrivision. The IFC investment raises the value on Agrivision to nearly $100m (R1.2bn),

putting a tag of $55.8m (R680m) on Zeder’s stake. This compares with R589m reflected in Zeder’s audited accounts at the end of February.
After the annual general meeting, Mr. Celliers cautioned against reading too much into the inferred valuation, as much of the uplift stemmed from the rand’s dollar weakness.
The IFC had shown huge interest in Agrivision and had asked to participate in any future expansion efforts. Agrivision — largely centred on the Chayton commercial farm — increased revenue 156% to R353m in the year to end-December. Although operating profits came in at R51m (previously a loss of R2.4m), Agrivision remained R11.7m in the red on a recurring headline basis.
Agrivision remained in a profit "J-curve" despite the strong increase in revenues, Mr. Celliers said. "The company is trailing (profit) budgets because of unprecedented droughts".
Zeder also appears to be determined to push the African and global presence of its other investments. Mr Celliers said JSE-listed Quantum Foods would explore further African opportunities to extend its existing operations in Zambia (eggs and poultry) and Uganda (eggs).
Seed subsidiary Zaad intended investing in new markets in Africa, Europe and the Middle East, while fruit marketing subsidiary Capespan would look to extend its logistics operations in Mozambique and other parts of Africa.

UK TO PUMP £11.6M INTO MALAWI EDUCATION SECTOR

The United Kingdom (UK) has announced a grant support of almost MK7.8billion (£11.6 million) towards education and empowering young people in Malawi.
The funds will among other things help in construction of classrooms for over 30,000 pupils.

UK International Development Minister, Grant Shapps said Wednesday that Malawi has a young population such that investing in providing children and young people with quality education is vital to the country's success.

"Malawi's future doctors, nurses, IT experts, teachers and entrepreneurs will help build a nation eventually independent of foreign aid and with our own historic links to Malawi, particularly those of Scotland, this is also in the UK's interest, because creating a more prosperous world will benefit us all in the long run," he said.

He said the program will also see the start of an exciting collaboration between DFID and USAID to achieve the two agencies' commitment to supporting primary children to build the basic skills, such as literacy, needed to continue in education and later employment. (APA 24-06-2015)

ZIMBABWE INDUSTRY PUSHES FOR BAN ON SECOND-HAND CLOTHES IMPORTATION

Zimbabwe’s industrialists want the government to ban the importation of second-hand clothes as part of reforms to protect local industries, the Confederation of Zimbabwe Industries (CZI) revealed on Tuesday.
According to financial news agency The Source, CZI national council member Jeremy Youmans told the Parliamentary Portfolio Committee on Industry and Commerce that industry requires access to long-term capital, as well as clarity on the indigenization and empowerment law among other measures to compete on the same terms with foreign companies that have established a foothold in the country.

Second hand clothing in South Africa is banned, if they catch (anyone selling) they will burn it. Maybe that is something we need to consider,é Youmans is quoted as saying.

He added that the revival of the cotton industry would be key in boosting capacity of the countryés textile industry.

Used clothes have flooded the Zimbabwean market, compounding the woes of a local textile industry on the verge of collapse.

Industry experts say Zimbabwe has a market for 80 million garments but only 20 million of those are locally manufactured.

Almost 90 percent of imported new clothes are exempt from duty because of regional trade agreements, the report said. (APA 23-06-2015)

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