MEMORANDUM

N°118/2016 | 02/06/2016

The Memorandum is issued daily, with the sole purpose to provide updated basic business and economic information on Africa, to more than 4,000 European Companies, as well as their business parties in Africa.
More than 1,556 Memoranda issued from 2006 to end of 2015. More than 18,350 pages of Business Clips issued covering all African, European Institutions and African Union, as well as the Breton Woods Institutions. The subscription is free of charge, and sponsored by various Development Organisations and Corporations.
Should a reader require a copy of the Memoranda, please address the request to fernando.matos.rosa@sapo or fernando.matos.rosa@skynet.be.

2006 – 2015, 9 Years devoted to reinforce Europe – Africa Business and Development

SUMMARY

STATE OIL AND GAS PIPELINES SABOTAGED AND BLOWN UP IN NIGERIA

Militants have attacked Nigerian state oil and gas pipelines in the Niger delta, the second sabotage in two days, following an assault on Chevron infrastructure, a state official said Friday.

The attack on a Nigerian National Petroleum Corporation (NNPC) pipeline took place late Thursday near Warri, a city in Nigeria’s increasingly volatile oil-producing south.

"Another crude pipeline was attacked on Thursday night near Batan oil field in Warri," said Eric Omare, a Delta state governor aide and spokesman for the Ijaw Youth Council, one of the largest ethnic groups in the region.

Warri resident Augustine Amaka said the sabotage had polluted the area around the pipeline, while soldiers had cordoned off the site. Militant group Niger Delta Avengers (NDA) appeared to claim the attack on Friday in a statement on a Twitter account bearing their name that said it had blown up the pipeline.

"This is the same pipeline that has already been attacked in February and May this year and which provides gas to Lagos for power generation," said Dirk Steffen, from the Denmark-based Risk Intelligence firm. Recent attacks on oil infrastructure in Nigeria’s southern swamplands have caused water supplies to be turned off in Lagos, the country’s biggest city.

Oil output in Africa’s largest economy has dropped to a 20-year low following repeated attacks claimed by the NDA, a new group demanding more economic and political control of the region. In one of their most sophisticated attacks, NDA divers targeted Shell’s underwater flow line near Forcados in February, an ambitious assault in deep waters requiring experienced scuba divers.

Speaking after meeting officials from the Niger delta on Thursday, Nigeria’s junior oil minister, Emmanuel Kachikwu, appeared to signal that the federal government regarded dialogue, not force, as the solution to ending the attacks. Kachikwu called for a restructuring of the amnesty scheme — a kind of welfare programme for former rebels — and voiced an "urgent need to create business opportunities for the locals in the region."

The amnesty scheme was introduced in 2009 after years of violence, including kidnappings and attacks on oil and gas installations, by militants demanding a fairer share of revenues for local people.

There has been uncertainty over the scheme’s future since President Muhammadu Buhari took office last May, with indications it would gradually be wound down.

Unlike the Boko Haram insurgency in the northeast, the militant activity in the Niger delta has an immediate and significant effect on the country’s wealth, with oil exports accounting for 70% of Nigeria’s government revenue. (AFP 27-05-2016)

HUAWEI TECHNOLOGIES TRAINS TECHNICAL STAFF FROM MOZAMBIQUE

The Huawei Technologies Group, based in Shenzhen, China, will strengthen its presence in Mozambique through increasingly advanced training in information and communications technology, said recently the vice president of the group, Guo Tian Min.

Cited by Mozambican daily newspaper Notícias, Guo also said the initiative being taken in cooperation with the Ministry of Labour, Employment and Social Security, called “Mozambican Seeds for the Future”, will continue and incorporate increasingly more advanced modules.

This is an intensive training programme for young people linked to the National Institute of Employment and Vocational Training and from higher education institutions dealing with information and communication technologies, especially telecommunications equipment.

The Huawei Group, which has business relations with leading mobile operators, with the state company Telecommunications Mozambique and which built the Maluane Data Centre, in Maputo province, has been in the Mozambican market for 15 years. (31-05-2016)

S/AFRICAN AIRWAYS STRENGTHENS MAURITIUS ROUTE

Due to a growing demand from both the continent and internationally South African Airways (SAA) has strengthened its route to the Indian Ocean island nation of Mauritius, the national flag carrier said on Tuesday.

This development means that the carrier will be adding additional flights on Wednesdays, bringing the route to double daily flights on four days of the week (Wednesday, Thursday, Saturday and Sunday), thus growing the route from ten to eleven flights weekly.

The extra flights are already on sale throughout SAA's distribution channels for travel effective 20 July, the airliner said.

“We have experienced significant growth in South Africans wanting to travel to Mauritius. For the period January 2015 to December 2015, the number of South Africans travelling to Mauritius grew by 9.5 percent, passing the threshold of 100,000 passengers a year.

“South Africa remains among the top three source destinations for the island of Mauritius” Menon Ramasawmy, SAA Manager for Mauritius and Indian Ocean islands, said.

“Increasing frequencies hold strategic commercial value for the business and forms part of the impetus of the airline's long-term turnaround strategy,” Mr. Ramasawmy said.

SAA has been flying to Mauritius for 50 years non-stop since 1957.

The route was one of SAA's first African destinations.

Mauritius currently ranks as one of the top performers when it comes to growth and revenue earning, according to the SAA.(APA 31-05-2016)

KENYAN UBER DRIVERS GET CREDIT FOR GOOD SERVICE

Uber drivers in Kenya have an additional incentive to go the extra mile: a local bank is offering them car loans based on how clients rate their service.

Sidian Bank, a closely held Kenyan lender, had set aside 10-billion shillings (R1.5bn) for loans to taxi drivers buying cars to work for the ride-hailing service, CEO Titus Karanja said.

The initiative will expand credit in a country where only 34% of people use it. The main requirements to qualify are a minimum of 500 trips and an Uber passenger rating of at least 4.6 out five points, based on measures that include the driver’s timeliness and attitude.

"The finance and leasing options are focused more on the applicant’s proven Uber experience than on his or her credit history," Karanja said on Wednesday. "We expect speedy uptake of this financing package with the entrenchment of Uber’s services in Kenya."

Uber, which has 1,000 drivers in Kenya, plans to add 10,000 over three years.

The app-based service is available in Nairobi and Mombasa at present.

Rides with Uber drivers hit 1-million after about 15 months of operations, and the company was seeing increased demand for its service in other urban areas of the country, according to acting GM for Kenya Nate Anderson.

The success of the business has irked traditional taxi operators in Kenya, who have attacked Uber drivers and set fire to at least two cars as they demanded the service be shut down, citing unfair competition. (Bloomberg 27-05-2016)

EGYPTIAN SEARCH GETS EXTERNAL ASSISTANCE

Egypt is taking on two companies, one French and another Italian, to help search for the black boxes of the EgyptAir plane that crashed in the Mediterranean, the airline's chairman said yesterday.

EgyptAir flight 804 crashed on May 19 with 66 people on board including 30 Egyptians and 15 passengers from France, and nearly a week later, investigators have no clear picture of the plane's final moments.

EgyptAir chairman Safwat Moslem did not name the companies involved, but he told a news conference they were able to search at a depth of 3,000m. The plane and its black box recorders that could help explain what brought down the flight — from Paris to Cairo — as it entered Egyptian air space, have not been located.

The black boxes are believed to be lying in up to 3,000m of water on the edge of the range for hearing the signals emitted once a second.

Maritime search experts said this meant acoustic hydrophones must be towed in the water at depths of up to 2,000m in order to have the best chance of picking up the signals, which should last for 30 days.

Until recently, aviation sources said, the US Navy or its private contractor Phoenix International were considered among the only sources for equipment needed to search on the correct frequency for black box pingers at such depths.

The US Navy said on Tuesday it had not been asked for help.

Sources within the Egyptian investigation committee said on Wednesday that the airliner had not shown any sign of technical problems before taking off from Paris.

Speaking on condition of anonymity, they said the aircraft had disappeared off radar screens less than a minute after entering Egyptian airspace and — contrary to reports from Greece — there was no sign that it had swerved sharply before crashing. The crew did not make contact with Egyptian air traffic control, they said.

An Egyptian forensics official said 23 bags of body parts had been collected, the largest no bigger than the palm of a hand.

The official said their size pointed to an explosion although no trace of explosives had been detected.

(Reuters 26-05-2016)

BLOW FOR SOUTH AFRICAN'S BANKS AS MOODY'S LOWERS OUTLOOK TO NEGATIVE

Ratings agency Moody's on Friday lowered its outlook for the South African banking system to negative from stable, citing deteriorating operating conditions over the next 18 months, sending shares across the sector lower.

Africa's most advanced economy is expected to grow less than 1% this year, hobbled by low commodity prices, drought and political ructions that have unnerved investors.

As of 1.38pm GMT, shares in Barclays Africa were down 2.2%, Standard Bank had shed 1.08% and Investec was 0.5% lower.

"The outlook expresses Moody's expectation of how bank creditworthiness will evolve in this system over the next 12 to 18 months," it was noted in the annual banking system outlook.

"The challenging economic outlook will strain borrowers' repayment capacity, fuelling increased asset risks."

Moody's earlier this month kept SA's sovereign rating on hold at Baa2 with a negative outlook, two notches above junk.

The ratings agency said it expected the banking system's nonperforming loan ratio to rise to about 4% by the end of 2017 from 3.1% in December 2015, due to pressure on corporates and consumers from rising interest rates and inflation.

It also said profitability in the sector could come under strain due to waning demand for credit and lower business opportunities.

Fellow ratings agency Fitch, which has SA at one notch above speculative grade, said on Thursday the country's authorities should avoid populist measures such as introducing a minimum wage in the run-up to local elections in August.

Standard & Poor's also rates SA's debt at BBB-, one notch above speculative grade and with a negative outlook.

"We have expected the lower outlook for a while," said Graeme Korner, director at fund manager Korner Perspective, which invests in banks.

"We think the earnings of the banks will be okay in spite of these concerns because the fact is South African banks are very good value and pay good dividends." (Reuters 27-05-2016)

UGANDA: UDB, RICE COMPANY SIGN MOU TO BOOST PRODUCTION

Uganda Development bank (UDB) and rice-growing and processing firm FOL group have signed a memorandum of understanding (MOU) to boost rice production in the country.

Farmers will access finance from UDB while FOL group will act as guarantor on condition that farmers sell their harvest to FOL, which will pay them part of the money and the rest to service the loans.

Patricia Ojangole, UDB chief executive officer, said the bank was ready to support farmer cooperatives in order to enhance food security and boost exports.

"It is our desire to support over 25,000 smallholder farmers spread across the country with affordable loans to enable them produce and supply sufficient rice to FOL group, among others," Ojangole said.

FOL group is a Dubai-based firm, primarily dealing in agro processing. In Uganda, the firm is located in the industrial park, Namanve. It says it has invested $10m (Shs 33bn) in Uganda since 2013.

Farmer groups that receive credit from UDB will pay 10 per cent interest, much lower than commercial banks' charges averaging 24 per cent at the moment. Ojangole also said that through farmer groups and cooperatives in places like Butaleja and Amolatar, farmers have been able to increase yields per acre through quality agro inputs and technical support from the bank.

Elizabeth Rumanyika, the director, strategic planning for FOL Group, said the company does not process rice to its capacity because rice from smallholder groups was not enough as farmers lacked financial and technical support.

"Our technologically-advanced rice-processing plant has the capacity of producing 300 tonnes per day. FOL group requires more than 100,000 tonnes or rice annually," Rumanyika said.

"The company will work with 40,000 farmers and we are in the plans of starting our rice-growing scheme."

Rumanyika said FOL group would provide smallholder farmers with market and source of finance. The company has also promised to give farmers rice seedlings, extend extension services, and help farmers with post-harvest management.

"We will also provide other farm inputs like fertilizers, quality seedlings and farmers will also receive farm equipment to strengthen their capacity," she said.

Dr Agnes Atim Apea, the leader of hope development initiative, a rice-growing farmer group with more than 1,000 members from Lango sub-region, said farmers had been missing the financing bit in the value chain.

Edith Akidi, the director of Mother Edith farmers' association in Gulu, said that the MOU meant a lot to the 14,000 farmers in her group.

"This agreement means that our farmers will move from sub-sistence to commercial farming. Lack of equipment has been a challenge to us and now we are going to double our 26,000 acreage of land and produce more rice," she said. (The Observer 27-05-201t6)

CANADIAN FIRM TO RESUSCITATE OPERATIONS AT S/AFRICA'S LILY MINE

A major cash investment of over $10 million by a Canadian company will see operations at the troubled Lily Mine resume next month, according to the Canadian owners of the gold mine on Monday.
Work at the mine located underneath a hill in the town of Barberton in Mpumalanga Province came to a standstill in February after it caved in, trapping three miners who have yet to be recovered from the their container-cum-office.

The cave-in of the shaft trapped Pretty Nkambule, Yvonne Mnisi and Solomon Nyerende whose container-cum-office located at the mine's entrance fell into the mine following a landshake, which still continues, thereby forcing the mine's operations to stop operations.

While the mine's management said it would receive the $10.63 million investment for a two-month period, the National Union for Mineworkers (NUM) said the mine should first recover the three workers.

“This week our Deputy President (Cyril Ramaphosa) is having a meeting with our structures in Mpumalanga about the situation there,” NUM spokesperson Livhuwani Mammburu said.

“It's a worrying situation for us because we want those mineworkers to be rescued before they could resume with operations,” Mammburu said.(APA 31-05-2016)

NACALA AIRPORT, MOZAMBIQUE, HANDED OVER TO PRIVATE MANAGEMENT

The international airport of Nacala, in Mozambique’s Nampula province, will be handed over to private management under the proposed restructuring of public airport management company Aeroportos Moçambique (ADM), a government spokesman said Tuesday in Maputo.
Mouzinho Saide, speaking at the end of a Cabinet Meeting, said that the delivery of the airport’s management under concession to the private sector aims to improve its efficiency in order to attract foreign airlines.
The purpose of this decision, he said cited by Mozambican news agency AIM, is to make Nacala airport a distribution platform for international flights heading to their final destinations.
The project also intends to reduce the number of airports that receive international flights, which currently stands at eight, and this process will be carried out gradually.
Designed and built by Odebrecht Infrastructure – Africa, United Arab Emirates and Portugal, in partnership with AdM, Nacala International Airport was opened in December 2014 and has the capacity to serve 500,000 passengers and receive 5,000 tons of cargo per year.
The airport began operating with commercial flights operated by Mozambican airline LAM and its management is the responsibility of AdM, responsible for managing airports across the country. (01-06-2016)

EU AND ALGIERS LOOK FORWARD TO MORE GAS BUSINESS

Officials from Algeria, the European Union and energy firms meet in Algiers today (24 May) in an attempt to get their energy cooperation back on track and find ways to pump more gas north again after years of dwindling exports.
Algeria is seen as a natural partner for the European Union as it looks to diversify energy supplies, after the Ukraine conflict once again exposed the risks of relying too much on the bloc’s top supplier, Russia.

At the moment, the North African country is the EU's third biggest gas supplier behind Russia and Norway yet its export capacity through its three pipelines across the Mediterranean Sea is widely underused.

In 2013, the EU estimated Algeria exported 25 billion cubic metres (bcm) of natural gas via pipelines to Spain and Italy, or less than half the capacity of 54 bcm, while it exported 15 bcm of liquefied natural gas out of capacity of 40 bcm.

Declining European demand has been a factor cutting into Algerian exports, but the amount of gas for export has also been hit by a combination of depleting production from mature fields, and Algeria's rapidly expanding need for gas to generate power.

Algeria has dozens of projects the government expects to generate new production and help keep its flow of gas exports to Europe stable. But the problem has been attracting investment needed to discover and develop new fields and maintain old ones.

Strategic dialogue

Oil industry sources say the problems Algeria has struggled with over the past decade have stemmed from a combination of a glacial bureaucracy, tough contract terms, security worries, delayed projects and turmoil at state oil company Sonatrach.

Tuesday's forum brings together Algerian and EU officials as well as oil companies to discuss gas, renewable energy sources and energy efficiency, though most recognize this will just be a first step on the road to better cooperation.

"There is perfect awareness on both sides of what the challenges are," EU ambassador to Algiers Marek Skolil said.

"This is something strategic, that this is a first or second chapter in our strategic energy dialogue and it will continue."

According to a Sonatrach document from a March meeting with EU officials, oil companies had six areas of concern, including lack of quality offers and clearer data, rigid contracts, fiscal terms, taxes, and the need for more flexibility.

"They can't do much about the price of oil, but they can something about the ease of operation," said one foreign oil industry source.

Still, there have been signs of progress since last year, industry sources, EU and Algerian officials say.

Talks between technical teams are working on common ground.

Sonatrach, long hampered by rapid management turnover and scandals, is starting to appear a little more agile, offering direct negotiations as a more flexible approach.

And gas exports to Europe are rising, Algerian officials say, helped by new fields. Sonatrach says shipments will grow 15% to more than 50 bcm in 2016. Shipments by pipeline and LNG were up 30% in the first 4 months.

Government flexibility

The collapse in oil prices does risk making Algeria less attractive for companies just when the country needs them most, but analysts say the leaner times, and falling government revenues, may now also prompt more flexibility from the state.

"This is about how to make this more attractive and have more European companies investing," Mustapha Hanifi, the energy ministry's hydrocarbons director said when asked about any possible policy changes. "Any law can adapt to international environment, we are in the process of examining."

Algeria's economy is still emerging from the centralised, model after 1962 independence, and its gas and oil revenues pay for a vast welfare system of subsidies that has helped the government calm social tensions.

Algeria's leaders are already debating how to manage after lower prices slashed the energy revenue that accounts for 60% of the budget. Analysts say reformers want to open up the economy while the old guard is resisting anything more than stop-gap measures.

Global oil price boom and bust cycles have prompted policy shifts in the past. A 2005 hydrocarbons law opened up the industry, only to be reversed by presidency with tougher terms, more state control and a windfall tax.

After a poor 2011 bidding round for fields, Algeria changed its hydrocarbons law again to offer more incentives. But a bid in 2014 only got 4 offers, with some companies complaining about a lack of transparent, quality data. A 2015 bid was suspended.

Security also remains a concern after the 2013 al-Qaeda attack on In Amenas gasfield, which killed 40 oil workers and left the plant still without its third production train.

After In Amenas, Algerian forces reinforced security, allowing foreign contractors to return. But a rocket attack in March on Krechba gasfield showed how sensitive security remains, prompting BP and Statoil to pull out workers again.

“There are still concerns that they are not using better technology readily available for early warning systems,” one oil industry source said. “It’s not always easy to attract the right foreign, high-skilled contractors in this environment.” (EurActiv 24-05-2016)

PORTUGUESE-SPEAKING AFRICA AWAITS ARRIVAL OF LARGE CHINESE INDUSTRIAL INVESTMENTS

Support from China for the industrialisation of Angola and Mozambique has been set as an objective on a government level, as large investments in local production capacity, even more necessary at a time of economic difficulties, are now expected.

The Forum for China-Africa Cooperation (FOCAC) held in December 2015 in Johannesburg set the goal to shift Chinese industries to Africa, a subject that was discussed once again during the recent visit by Mozambican president, Filipe Nyusi, to Beijing, as well as when his Angolan counterpart was in Beijing.

The idea of moving Chinese industry to Africa is central to the recent compilation of studies “China-Africa: A Maturing Relationship? Growth, Change and Resistance” by the South African Institute of International Affairs (SAIIA), in which researchers Carlos Oya and Terry McKinley, of the School of Oriental and African Studies (SOAS), University of London, identify a number of opportunities in the current situation, particularly in Angola.

The researchers write that the adverse economic climate in economies such as Angola can, on the one hand, affect public and private investment that is currently planned, but on the other hand, “the excess production capacity in countries such as China in the manufacture of low technology products and building materials can lead to a process of moving to low-cost production sites “, particularly in Africa.

The fall in commodity prices such as oil, may even “help accelerate investment in more industry and services, relieving the pressure of the raw materials market”, which “is beginning to happen in Angola, one major exporter of oil,” the researchers say.

“In Angola, the government – which is currently immersed in a budget crisis – began to articulate more openly the need for diversification and development of the industry, with an increasing emphasis on promoting the manufacture of building materials, agricultural processing and production. The shortage of foreign currency is also gradually leading companies to seek suppliers of local products, especially in building materials,” they added.

In the same SAIIA compilation, US researcher Deborah Brautigam (“Johns Hopkins China Africa Research Initiative”) says that the investment applications approved by the Chinese Foreign Trade Ministry by the end of 2014 included 128 industrial projects in Nigeria, 80 in Ethiopia, 77 in South Africa, 48 in Tanzania and 44 in Ghana.

In the same year, according to the same information, China invested US$123 billion worldwide, of which only US$3.2 billion went to Africa, a flow that has remained relatively stable.

“African countries with approved Chinese investment are classified into first, second, fourth, fifth and seventh in terms of the size of their population compared to other African nations. This suggests that the local market size may be the most important factor for a large number of potential Chinese manufacturers,” says Brautigam.

Giles Mohan, of the Open University, points out that China has invested heavily in infrastructure in Africa, and that there is a trend in Angola for business creation by Chinese citizens arriving in the country to work on large public company projects.

Chinese multinationals have shown less willingness to outsource services “and thus potentially develop links” and share knowledge, but “this seems to be changing” with the recent drop in prices of raw materials and necessary cost cuts, in particular through relocation, says Mohan.

In a speech included in the SAIIA compilation, researcher Justin Yifu Lin, of Beijing University, argues that "continued industrial diversification and modernisation are the way to create jobs and achieve prosperity" and "dynamic and increasing wage growth in China will be an opportunity for Africa."
"African countries, if they can capture these opportunities, can grow as dynamically as the East Asian countries because, fundamentally, all successful countries began the transformation of their structural situation through light industry," he said. (30-05-2016)

FITCH GIVES B RATING TO EGYPTIAN CURRENCY

Fitch Ratings on Monday affirmed Egypt's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) at 'B' with a stable outlook.

The issue ratings on Egypt's senior unsecured foreign- and local-currency bonds have also been affirmed at 'B'.

The country ceiling has been affirmed at 'B' while the Short-Term Foreign-Currency IDR is also at 'B'.

It said Egypt's ratings balance a high fiscal deficit and general government debt/GDP ratio, low foreign-reserve coverage of imports and recent volatile political history, with low external debt and gradual progress in implementing an economic and fiscal reform programme.

"We estimate a budget sector deficit of 11.6 percent of GDP in FY16 (to end-June), broadly the same as in FY2015. This is larger than budgeted for a number of reasons. These include the failure to introduce VAT as planned (estimated to raise revenue of about 1 percent of GDP), the devaluation in March and surging interest payments. An important reason for the failure to introduce the VAT was the parliamentary elections in October-December 2015 and a decision to wait for parliament to be operational. There has been some spending restraints, especially in regard to wages" Fitch said in a statement.

It said the draft budget for FY2017, which is still subject to approval by parliament, aims to reduce the deficit to 9.8 percent of GDP, helped by the belated introduction of VAT and further reform of fuel and electricity subsidies.

"We expect the budget sector deficit to remain larger than the draft target, owing to our weaker growth assumptions and implementation risk, but nevertheless to narrow to 11% of GDP" Fitch added.

"General government debt increased to an estimated 90.3 percent of GDP in FY16, well above the peer median. Government external debt is relatively low, although the devaluation of the Egypt pound in March has an upward effect on the debt stock" it said.

Fitch also said it expects debt/GDP to edge up to 90.5 percent in FY2017, given only modest deficit reduction and assuming some further exchange-rate weakness.

Thereafter, it forecasts that deficit reduction and robust nominal GDP growth will put the debt/GDP ratio on a gentle downward trend.(APA 31-05-2016)

ENI ANNOUNCES DISCOVERY OF HUGE GAS FIELD OFF EGYPT'S COAST

Italian energy group Eni says it has found one of the world's largest natural gas fields off Egypt's coast.

The company said the area was 1,450m (4,757 feet) beneath the surface and covered 100 sq km (39 sq miles).

It could hold as much as 30 trillion cubic feet of gas, or 5.5 billion barrels of oil equivalent, Eni said. 30 trillion cubic feet is the equivalent of 850 billion cubic metres.

In comparison, the two countries with the largest proven gas reserves, Iran and Russia, are believed to have 34 and 32 trillion of cubic meters of gas respectively.

The company says that the Zohr field “could become one of the world’s largest natural-gas finds” and help meet Egypt’s gas needs for decades.

“This historic discovery will be able to transform the energy scenario of Egypt,” said Claudio Descalzi, chief executive of Eni, as quoted by the BBC.

Most of the gas is expected to be used by Egypt, with any excess exported, perhaps using an existing LNG plant that Eni has not far from the field.

Eni, which has full concession rights to the area, is the biggest foreign energy firm in Africa.

In June, it signed an energy exploration deal with Egypt’s oil ministry worth $2bn (£1.5bn) allowing the company to explore in Sinai, the Gulf of Suez, the Mediterranean and areas in the Nile Delta.

Eni’s find follows other significant gas discoveries in the Mediterranean in recent years, including by Egypt’s neighbour Israel.

But the discovery caused disappointment in Israel, who had invested a lot to develop its own Leviathan offshore gas field precisely with the purpose of supplying Egypt. The main reason is that Israel wants to prevent Egypt from becoming a client for Iranian gas. (EurActiv 31-08-2015)

CHINA-AFRICA DEVELOPMENT FUND ARRIVES IN CABO VERDE TO ASSESS MACAU PROJECT

A mission of the China-Africa Development Fund arrived Sunday in Cabo Verde (Cape Verde) to assess the tourist complex project on the islet of Santa Maria in Praia, implemented by Macau businessman David Chow, reported local weekly newspaper A Semana.

The visit will last four days and to explain the purpose of this trip, Cabo Verde Investimento, the tourism and investments agency will host a presentation of the Fund on 31 May.

Two-way meetings are scheduled for after the presentation during which Cape Verdean entrepreneurs will have the opportunity to present their projects and discuss the feasibility of the Fund being involved in such investments.

On the islet of Santa Maria there are plans to build a hotel-casino under a 75-year concession contract valid concession for 75 years renewable for additional periods of 30 years between the government of Cabo Verde and the Legend Development Company already published in the Official Gazette .

Budgeted at US$250 million, this project includes, besides the construction of a hotel-casino, a marina, a congress centre, hotel and residential infrastructure in the beach area of Gamboa and Chã de Areia and lastly, a boutique hotel on the island of Maio. (30-05-2016)

PRESIDENT MAHAMA COMMISSIONS $35M SUGAR FACTORY

Ghanaian President John Mahama on Monday commissioned a-$35 million sugar factory in the Central Region's coastal city of Komenda amidst jubilation from farmers, factory workers and traditional rulers.

Speaking at the ceremony, President Mahama said the revival of the defunct sugar factory formed core projects of his ruling National Democratic Congress's Better Ghana Agenda.

He said the project which was executed through a loan from Exim Bank of India would produce three megawatt of power in which the factory would consume 1.5 megawatt while the rest would be distributed among the community as a way of reducing over reliance on major power generating facilities.

President Mahama admonished traditional rulers in the area to own the project by keenly monitoring the activities of the workers and farmers so as to prevent the factory from collapsing again.

He again charged the farmers to form cooperatives so that they could borrow from the banks to expand their farms.

Ghana's Trade and Industry Minister, Dr. Ekow Spio Gabrah said the government was poised to revive all defunct factories in the country as one of the mechanisms to solve unemployment among the youth.

The factory is expected to employ one thousand workers at the initial stage and provide 4,000 indirect jobs for the community and its environs.

The Komenda Sugar Factory was established by Dr. Kwame Nkrumah in 1960 but it collapsed owing to mismanagement in the 1990s.

However the late Ghanaian leader Professor John Evans Atta Mills in his 2008 campaign message promised to revive the factory and after winning the election hit the ground running by seeking $35 million loan facility from Exim Bank in India before his untimely demise in July 2012.(APA 31-05-2016)

EGYPT: EU SUPPORTS STREET CHILDREN AND YOUTH

The EU has launched a new project contributing to promoting and protecting children, young women and men living in the street in Cairo. The project, which has been allocated a budget of EUR 300,000, seeks to improve protection and promotion of the rights of extremely vulnerable, marginalised and discriminated children, young women and men in street situations in Cairo.

By the end of the two-year project, marginalised children and youth in Cairo will have an improved access to their basic rights through medical, psychological, social and educational assistance. Local capacities to protect the rights of those children, young women and men living in the street will be reinforced and a large number of the Egyptian population will become more attentive to child protection issues. (EEAS 30-05-2016)

ANGOLA WANTS TO CURB STEEL ROD IMPORTS

The government of Angola is considering an increase in customs duties or even a ban on steel rod imports, a product in which the country is already self-sufficient, said Thursday the Director of the Office of Studies, Projects and Statistics (GEPE) of the Ministry of Industry.

Ivan Prado told Angolan news agency Angop that, as well as steel of which it produces 500,000 tons, Angola is also already self-sufficient in cement production, soft drinks and bottled water, with a production of 9.2 million tons, 5 5 million hectolitres and 10 million hectolitres, respectively.

One official said that Angola is about to record high production levels of high textiles, through factories Textang II (Luanda) and África Têxtil (Benguela), which are 100 percent completed, operating in a testing phase, as well as Satec (Dondo), in its conclusion phase, with a completion rate of 96 percent.

Prado said the Ministry of Industry has received instructions to find private entities through a public tender for the acquisition of those plants, on whose construction the state spent US$1.2 billion.

Saying it was necessary to pay attention to the agricultural sector, the director of GEPE told the news agency there were plans for private investment in fertilizer production in Cabinda, in order to help increase grain production in the country. (30-05-2016)

GHANA: WOOD EXPORTS GROWS 4.5 PERCENT IN 2015

Ghana's wood export grew to 327,279 cubic metres in the year 2015, representing 4.5 percentage growth, APA has learns here.
A report released by the Timber Industry Development Division (TTDD) of the Ghana Forestry Commission and published by the Ghanaian Times on Wednesday said the study showed that earnings in the wood exports jumped to 166.85 million euros, also representing a 36 percent increment over that of 2014.

The TTDD attributed the feat to increased sale of air-dried sawnood, rotary vinear and kiln dried lumber.

The results of the study showed that Ghana played a very vital role in wood imports in the ECOWAS sub-region, and made gains in Europe, Asia and Americas.(APA 01-06-2016)

Our supporting organisation in Norway naba | Norwegian-African Business Association has issued their latest newsletter (June 2016). For further reading please visit:

http://us9.campaign-archive1.com/?u=46eae243570069ed572b9c6ba&id=e15aa5c32d&e=c75d000ff4

Fernando Matos Rosa

fernando.matos.rosa@sapo.pt
fernando.matos.rosa@skynet.be