MEMORANDUM

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SUMMARY

AU HEADING FOR WORLD TRADE BODY CONFLICT OVER MEMBERSHIP LEVY

An analyst says a new levy the AU is mooting is in conflict with a World Trade Organisation trade facilitation agreement that aims at reducing the transaction costs of trade.

The AU and World Trade Organisation (WTO) could soon lock horns as the pan-African organisation prepares to implement its recently ratified new means of membership dues collection that directly flouts WTO rules.

The AU secretariat wants to harvest 0.2% of the cost insurance and freight value of a specified range of imports, reaping about $1.2bn. It hopes the income will make it independent of the 65% of its budget provided by foreign donors.

"They can't do that," says South African director of the International Chamber of Commerce Pat Corbin. "It is in direct conflict with [the] WTO trade facilitation agreement, which is committed to simplifying and reducing the transaction cost of trade, not increasing it, as this new tax will do," Corbin says.

"In addition, a further disproportionate portion of the AU budget will be met by SA — in this instance by consumers."

The AU says the 0.2% levy is in line with practice elsewhere, although it does not identify where such taxes are levied.

"This type of tax is already operational in several regional economic communities and intergovernmental organisations, whereby imports for final consumption are levied through customs administration," it says in a statement.

The AU secretariat has been seeking alternative funding sources. It relies on the US, UK, EU and China for two-thirds of its annual budget ($417m in 2017), with additional help from the World Bank.

"Another option, an oil levy, was earlier rejected by oil-producing countries," says Gerhard Erasmus, associate at Trade Law Centre. "Hospitality levies on hotel accommodation, on text messages and on air travel were also previously considered but discarded," Erasmus says.

Of the cash-strapped body's 55 member nations, only six — SA, Nigeria, Algeria, Angola, Egypt and Libya — regularly pay their annual dues. "On average about 30 member states default annually either partially or fully, creating a significant funding gap," says Erasmus.

The AU imposes sanctions on member countries that default twice on their annual contributions but avoids naming and shaming them. Serial nonpayers can be barred from voting on AU decisions.

The AU did not respond to a list of questions. A WTO spokesman in Paris said the situation was too sensitive for public comment.

The AU's total budget of $416.8m comprises $150.5m for its operating costs and $266.3m for programmes. Member states are asked to contribute $169.8m while $247m is secured from international donors.

The new collection system will apply to the cost, insurance and freight value of imports at the port of discharge for goods arriving by sea and road and the customs value at the airports of disembarkation for goods arriving by air.

The revenue will be collected by local authorities and held in central bank accounts, from where it will be paid to the AU.

The levy will be used to finance the operations of the AU as well as its programmes and peace support operations.

Corbin questions the legality of the plan. "Before anything can be passed by the AU it has to be passed [through] national legislation; in other words the AU secretariat cannot tell national governments that they must pay 0.2% on certain imports.

"It is also hard to understand how the vote was taken to ratify the agreement when as many as 49 of the 55 member states were not paid up and, according to the AU rules, may not have been eligible to vote.

"Anyway, it is not capable of being implemented because it would mean customs tariffs will have to be amended, or there must be an overriding selective VAT and the customs entry forms will have to be restructured," Corbin adds.

The first real steps to implement the collection programme were scheduled for 2017, and although the groundwork has been two years in the making, implementation has been postponed for a year, with much remaining to be done.

"Practically, it can't work," says Corbin. "It is too cumbersome and complex."

However, deputy chairman of the AU Commission Erastus Mwencha says instituting the levy is possible.

"After the [levy] agreement, all heads of state and government asked ministers of finance to implement the project. They met governors of the central bank and have agreed on the account to be opened with the central bank," Mwencha says.

The levy will be charged on the value of imported goods from nonmember states.

When the levy kicks in, member states will no longer have to pay membership fees to the AU.

Mwencha notes 2017 will be the "transitional year, but those countries that are ready, which have the capacity to implement the levy, may go ahead".

Ethiopia, Kenya and Chad are reportedly in the starting blocks to start collecting the levy.

However, a confrontation between the AU and the WTO over the lawfulness of the new levy seems unavoidable. It would be "discriminatory in nature and a violation of most-favoured nation principles", Erasmus says.

"Since the AU levy will apparently be implemented as a new tariff, bindings under WTO schedules will be affected. Some African countries could have zero tariffs for the affected imported goods.

"WTO rules, in addition, require that any fee connected to the importation of goods must be a fair reflection of the cost of a related service and must not amount to a taxation for fiscal purposes," Erasmus says. (BD 25-07-2017)

SÃO TOMÉ AND PRÍNCIPE PARLIAMENT DISCUSSES AMENDING BUDGET TO INCLUDE FUNDING FROM CHINA

The São Tomé and Príncipe parliament on Tuesday is due to start discussing a proposed amending budget for this year, with a view to including financing from the country's new cooperation with the People's Republic of China, has learned from a parliamentary source.

The proposal for the 2017 Amending Budget, approved last May by the Council of Ministers, was considered "unavoidable" by the government in view of "China's expressed desire to initiate a new cycle of development cooperation focused on new areas of intervention and new financing."

The Chinese funding, estimated at just over US$146 million, is the result of the implementation of the General Agreement on Economic, Scientific and Cultural Cooperation, signed last April in Beijing, following the re-establishment in December 2016 of diplomatic relations between the two countries.

In addition to specific agreements, particularly in the energy, tourism, health and fisheries sectors, China also expressed readiness to finance construction of the deep-water port, the modernisation of São Tome's international airport, as well as pardoning a debt valued at about US$28 million.

The budget framework for Chinese cooperation funds will be in line with the recommendations of the International Monetary Fund (IMF), which completed a two-month review of the archipelago's macroeconomic programme to adjust expenditure to revenue and reduce the budget deficit to 1.8% of Gross Domestic Product in 2017.

In response to IMF requirements, the government decided last May to cut fuels allocated to most public institutions and supplementary wage benefits and other public expenditure by 30% under measures classified as "transitional."

The 2017 State Budget, approved at the end of January, includes expenses of just over 133 million euros, an increase of 23.4% over the estimated budget execution to December 2016.

Speaking in São Tomé, the spokesman for parliamentary office , Sualiz Dendê, said the debate on the proposal for the 2017 Amending Budget could last for three or four days. (25-07-2017)

ZIMBABWE SET TO BECOME REGIONAL POWER HUB

Following plans to start construction of a 1 000-kilometre power line next year in partnership with stakeholders from Mozambique and South Africa, Zimbabwe is going to become a regional power hub by 2021.

Systems development manager Engineer Ikhupuleng Dube of Zimbabwe Electricity Transmission and Distribution Company(ZETDC) said," the establishment of the power line will result in the construction of a mega power station in Triangle, that will distribute power to the region."
Eng Dube who was addressing stakeholders, who included villagers, businesspeople and politicians at a consultative meeting in Mwenezi on Wednesday last week, also said the power line would originate in Mozambique, pass through southern Zimbabwe and would end in South Africa's northern Limpopo Province.
He also pointed out that construction work for the power line would start early next year and In line with that, they were developing projects like Zisavona and Mozisa, they are also finalizing technical studies by September this year on Mosiza and they hope to finish the Environmental Studies in 21 days.
The project will be funded by the Development Bank of Southern Africa to the tune of $244 million. "We anticipate finishing construction work by 2021 because the longest area to be constructed will be in Zimbabwe," Eng Dube said.
He also said that the second leg is between Triangle and Njelele in South Africa and that they were finalizing preparatory work. From Orange Grove to Triangle, will need about $134 million and a massive substation will be constructed in Triangle.
Eng Dube said that they were going to compensate fully all those who would be affected by this development. That they would build houses, drill boreholes and compensate those whose farming activities would be interrupted during the actual construction work. He said employment opportunities would be reserved for those in surrounding communities.(CRO 19-07-2017)

DAIRY COMPANY LACTIANGOL DOUBLES PRODUCTION WITH NEW PLANT IN LUANDA, ANGOLA

The inauguration of new manufacturing facilities in the municipality of Kilamba Kiaxi in Luanda, Angola will allow dairy company Lactiangol to double its production capacity, chairman José César Macedo said on Monday.

Funded by the Banco de Desenvolvimento de Angola, the US$127 million invested has made it possible, in addition to doubling production with the installation of new lines, to ensure quality standards and to update technical services.

With this investment, Lactiangol will produce 1,200 kg of butter per hour, 7,000litres of liquid yoghurt per day, 5,000 litres of natural yoghurt per day, to process and bottle 13,000 litres of UHT milk per hour and to receive 20,000 litres of raw milk per hour.

The Minister of Industry, Bernarda Martins, noted the importance of the project in Angola and that it follows up on the programme for distribution of school meals started by Lactiangol.

Established in March 1994, Lactiangol, with 290 employees, over the years has become Angola's main dairy manufacturing unit, producing a range of products notably UHT milk, school milk, chocolate milk, natural and flavoured yoghurt, liquid yoghurt, pasteurized butter, juices and ice creams. (25-07-2017)

SWAZILAND TURNS AROUND WORLD'S HIGHEST HIV INFECTION RATE

Swaziland, which bears the world's heaviest HIV burden, has almost halved the rate of new infections in five years by boosting access to virus-suppressing drugs, researchers said on Monday.

The country — where one in three adults is infected with the AIDS-causing virus — has vastly expanded public programmes to test people for HIV infection and put them on life-saving anti-retroviral treatment (ART).

"The rate of new HIV infections has been reduced by half," Velephi Okello of the Swazi health ministry told journalists at an HIV science conference in Paris. "Remarkable progress has been made ... in controlling the HIV epidemic."

In 2011, 31% of adults (aged 18-49) out of a total country population of just over 1.2-million were infected with HIV, according to government data.

This made Swaziland the country with the highest national rate of new infections, said the authors of the new study, as well as the highest proportion of people living with HIV.

The latest data, based on blood samples from almost 11,000 people aged 15 and over, showed that about 27% of the population was HIV-positive in 2016.

This translated to an infection rate of 1.39% among 18-to 49-year-olds, down from 2.58% in 2011 — a 46% reduction.

A total of 95% of HIV-positive pregnant women last year received drugs to prevent transmission of the virus to their offspring.

"As a result, fewer than 1,000 children became infected with HIV in Swaziland in 2016," said the UN agency.

The infection rate was higher among women than men, according to a survey report to the International AIDS Society conference. The decline was also steeper for men, with 52%, than for women, 40%.

The survey showed that 73% of people on ART had achieved suppression of the virus — meaning it does not replicate to make them ill — compared to 35% in 2011.

The gains were the fruit of a much improved HIV treatment programme, said the researchers. The share of infected people on ART rose from 37% in 2011 to 74% last year.

ART not only stops HIV from replicating and attacking a patient's immune system, but also curbs its spread to sexual partners.

"Our recipe for success is that we ... have been able to scale up a lot of the prevention and treatment services in the country," said Okello.

"We have more than doubled the number of people who have started on anti-retroviral treatment, and we have also almost doubled the number of men who have been circumcised in the country."

According to the World Health Organisation, there is "compelling evidence" that male circumcision reduces the risk of heterosexual sexual transmission of HIV by as much as 60% in men.

The number of HIV tests conducted in Swaziland more than doubled from 176,000 in 2011 to 367,000 in 2016.

"Basically, we think that that's one of the recipes (for success), and also the government commitment to buying and procuring the ARVs for people in the country so that there is a sustainable response going forward," said Okello.

Despite the "great news", she cautioned much more needs to be done to maintain the downward trend.

"While we do celebrate these findings, we still know that Swaziland is facing a severe HIV epidemic," she said.

"In the end, we would like to see a Swaziland which is free from AIDS." (AFP 24-07-2017)

SOUTH AFRICAN GROUP BUILDS SUGAR REFINERY IN MOZAMBIQUE

South Africa's Tongaat Hulett group on Monday laid the first stone of a refinery to be built next to the Xinavane sugar mill in Mozambique's Maputo province to turn soft brown sugar into white sugar.

The group listed on the Johannesburg Stock Exchange and with operations in South Africa, Botswana, Namibia, Mozambique, Swaziland and Zimbabwe will invest 500 million rand (US$39 million) in the refinery, which is expected to start producing white sugar as of September 2018.

In a statement, the group said production from the Xinavane refinery will allow Mozambique to replace imports and added that the future factory was designed to allow for future expansion according to the needs of both domestic and foreign markets.

The group, which has a production capacity of 250,000 tonnes of soft brown sugar at the Xinavane plant, said in the statement it intends to increase its presence in the Mozambican retail market and is expanding its distribution network as well as reviewing the size of its packaging.

Mozambique, which currently imports about 90% of the white sugar it consumes, has a low sugar consumption, currently estimated at 9 kilogrammes per person per year, which compares, for example, to 21 kilogrammes per person in Zimbabwe. (25-07-2017)

CHINESE FIRM BAGS US$134M POWER LINE CONTRACT IN KENYA

Kenya's Ministry of Energy has awarded a US $134 million contract to a Chinese firm to construct a high-voltage power transmission line between Garissa and Isiolo, an indication that Chinese firms are emerging clear favourites in big contracts in the country
The Chinese firm CAMC engineering said in regulatory filings that it will construct the 285-kilometre line and associated sub-stations between the two towns over a two-year period.
In the statement the firm said, "The project involves constructing a new 285km 220KV electricity transmission line and three converting stations." The project is being funded through a loan from the Export-Import Bank of China.
A weak power transmission and distribution infrastructure, high cost of power, low per capita power consumption and low countrywide electricity access are some of challenges facing the power subsector.
The transmission projects are expected to enhance capacity for evacuating power from generating plants and build inter-connectors to facilitate regional power trade with neighbouring countries.
Ketraco's senior technical adviser John Mativo said, that the new infrastructure would boost power supplies along the Lamu Port South Sudan Ethiopia Transport corridor from Garissa, Garba Tula and Isiolo. He also said that the project also allows wind and solar power plants to be constructed in that rich renewable energy area and that it creates alternative paths for supply of power to Isiolo and Garissa by reinforcing the grid.
In five years Ketraco plans to put up an additional 7,000 km of electricity transmission lines to cut off reliance on diesel-generated power in areas that are not covered by the national grid.
Ketraco is implementing projects totaling to about 5,000km of transmission lines and regional power interconnectors of different voltage levels that are expected to be completed in the next three to four years.
The transmission infrastructure projects will facilitate electricity evacuation from generating stations and reinforce the grid network for increased capacity and reliability as well as provide redundancy.(CRO 18-07-2017)

MOZAMBIQUE PREPARES LOCAL CONTENT LAW

The Mozambican Council of Ministers is due soon to consider a proposal for a Local Content Law, a document that is being refined and has already been analysed by the Economic Council, said the national director for Economic and Financial Studies of the Ministry of Economy and Finance.

Vasco Nhabinde, speaking in Maputo at the Conference on Local Content in the Oil and Gas Sector, said that the bill to be presented to parliament is intended to stimulate domestic production and generate jobs and income .

"The future law also aims to increase the participation of the national industry of goods and services, creating a competitive basis for it," Nhabinde said.

Cited by Mozambican daily newspaper Notícias the national director of Economic and Financial Studies of the Ministry of Economy and Finance said the law will help the development of the country, given that it will force the incorporation of national production factors.

Speaking on the first day of the conference, the Deputy Minister of Mineral Resources and Energy, Augusto Sousa Fernando, said the proposed National Content Law will complement the current Oil Law, which already protects local industry .

He added that the bill also aims to bring together the opportunities that result from capital intensive investments in industrial development. (25-07-2017)

CHINESE FIRM TO CONSTRUCT INDUSTRIAL PARK IN KENYA

An industrial park in Kenya is set to be constructed in Movoko, Machakos County by a Chinese Company- Erdemann Property Ltd (EPL). This is after the company submitted an environment impact assessment report to the National Environment Management Authority (Nema).

Nema however, through a published public statement has invited members of the public to submit oral or written comments within 30 days from the date of publication of this notice to the director-general to assist the authority in the decision making-process for the industrial park.

Erdemann is proposing to develop the park on Mombasa-Namanga road interchange and wants to develop 53 go-downs, gate house, power services buildings, office block, waste water treatment plant, landscaped gardens, drive ways, parking spaces and ancillary facilities.

The firm’s first commercial and industrial property development Erdemann Industrial Park A is located in Mlolongo town and was opened in 2005. The development comprises of 15 go-downs covering a build-up area of 12,000 square metres.

The property is leased to tenants on a long-term basis.

In 2009, the firm also opened another park in Mavoko (Erdemann Industrial Park B) which comprises 24 units of go-downs.

Of late satellite towns like Syokimau, Mlolongo, Limuru, Thika and Ruiru have been attracting new industrial park developments, unlike the traditional zones of Industrial Area, Mombasa Road and Embakasi.

Erdemann Property Ltd is a limited Liability Company specializing in property development. EPL operates under the Investment Promotion Centre and provides decent, low-cost shelter to Kenyans by employing the latest technology to the art of building construction. They emphasize on delivery of quality and affordable housing with an unwavering dedication to clients.

EPL has built more than 2000 housing units from the year 2003 to-date, and has cultivated numerous relationships which have earned them the trust of key stakeholders in the real estate industry.(CRO 18-07-2017)

CABO VERDE AIR CARRIER ENDS DOMESTIC FLIGHTS ON 1 AUGUST

Cabo Verde’s (Cape Verde’s) flagship air carrier TACV confirmed on Monday that it will end domestic flights as of 1 August, following the restructuring process of the company with a view to its privatisation.

The statement said that people who have already purchased tickets to travel after that date will be sent to Binter Cabo Verde, the Canary Islands company that now provides air links between the islands of the archipelago that have an airport.

The closure of TACV’s domestic operations was also confirmed by the Minister of Economy and Employment, José Gonçalves, when he took part in this month’s parliamentary session that began on Monday in Praia.

The minister, quoted by the Inforpress news agency, said that as of 1 August, TACV workers will remain in the company but added that the number of people who can be transferred Binter Cabo Verde, ands those who will leave the company with compensation were still under consideration.

The chairman of the company, José Luís Sá Nogueira, during a hearing of the parliament’s Specialised Commission on Finance and Budget aid that TACV would reduce about 50% of its workforce. (25-07-2017)

BOOSTING YOUTH EMPLOYABILITY IN THE MEDITERRANEAN: UFM TAKES ACTION TO DEVELOP INTERNATIONAL INTERNSHIPS OPPORTUNITIES FOR STUDENTS

Private companies, universities, and students met at the headquarters of the Union for the Mediterranean (UfM) in Barcelona on 13 July to review a project working to enhance the opportunities for internships in the Mediterranean region – seen as a win-win opportunity for business development and youth employability.

One of the main causes of unemployment among young graduates in the region is the persistent mismatch between the skills acquired at university and the requirements of employers.

With the goal of helping companies identify the best young talents and strengthening academic and professional mobility in the region, the UfM has labelled the HOMERe project, a programme working through international traineeships to increase the employability of students from more than 100 top universities members of the Mediterranean Network of Engineering Schools.

So far, 125 young people from the Northern and the Southern rims of the Mediterranean have benefitted from HOMERe.

On 13 July, the UfM Secretariat gathered relevant stakeholders to discuss the opportunities and challenges related to the expansion of internships in the region and the specific role of the private sector. The workshop – titled 'Boosting employability in the region: which role for internships? Lessons learnt and future perspectives of HOMERe UfM labelled project' – allowed students, enterprises, civil society organisations and higher education institutions to formulate recommendations for the development of international training programmes in the region.

“This programme really helps young people to change their attitude towards work to a more pro-active approach and helps companies to identify high-quality candidates. It was also a key accelerator of my early career development,” said one former HOMERe intern beneficiary, Youssef Berdoul.

Delphine Borione, Senior Deputy Secretary General of the UfM, stated *“international internships are a win-win investment for both companies which get access to talented students and knowledge on local markets and culture, and for young people who gain new perspectives and competencies*."

HOMERe leaflet

CHINESE GROUP BUILDS NEW SOUTHWESTERN COASTAL ROAD IN LUANDA, ANGOLA

The China Railway 20 Bureau Group Co (CR20) group has been hired by the Angolan government to carry out the second phase of teh coastal road in Luanda’s between praias do Bispo and Corimba, under a government decision that also cancels a previous contract signed with Brazilian group Odebrecht.
The Brazilian construction company is involved in the “Lava Jacto” scandal, under investigation by the Brazilian courts, but the order signed by the Angolan President, dated 12 July, does not specify the grounds for termination of the contract, according to Portuguese news agency Lusa.
The second phase, which will cost US$142.3 million, includes construction of two lanes in each direction and an area for future development of exclusive public transport corridors.
The construction of the new road, which is part of the Luanda Metropolitan Master Plan and will reduce traffic on the Samba road, the main entrance and exit point of the capital to the south, was awarded to CR20 by the Ministry of Construction on Tuesday, and should be completed within 18 months.

The 8-kilometre road, includes the requalification of areas currently occupied by substandard housing, “in order to guarantee the improvement of road traffic in the city of Luanda, with a focus on access to the southern region, as well as urban development of the western coastal region.” (25-07-2017)

RAILWAY SLEEPERS FACTORY TO BE CONSTRUCTED IN GHANA

A South African company- Aveng Infraset is set to construct a railway sleepers factory in Ghana that will produce sleepers and other services for the railway industry.

Minister of Railway Development, Mr. Joe Ghartey confirmed the news and said that the mega development has affirmed the confidence that the international community had in the government to revive the railway sector in the country.

He further explained that several investors have already expressed interest in partnering with the government so as to help restart the important initiative.

Locally producing the sleepers and products related to the railway will come at a cheaper cost to the government; will create a number of jobs especially for the youths and the locals. This will discourage them from wanting to cross the Mediterranean Sea in search for jobs and better lives.

Aveng Infraset manufactures a diverse range of precast products for the development of infrastructure. The Railway Products division produces prestressed concrete sleepers for main lines ranging from 30 ton axle loads upwards and sidings from 18.5 ton axle loads upwards.

The company has introduced several innovative products to South Africa’s rail network, some of them world firsts. These include: Cape Gauge sleepers for turnouts; sleepers for stacker reclaimers; transition beams for tunnels; and standard gauge sleepers and a Low Vibration Track System (LVT) for the high-speed Gautrain rail network. Further innovations include the Universal Sleeper and Infrabolt fastening system.

Their concrete poles and masts are manufactured in ISO 9001-2008 accredited factories in Gauteng, KwaZulu-Natal and the Northern Cape. They are available in a wide range of strengths and sizes designed to fill most MV and LV line requirements, and comply with Eskom DTC 0106 and various SABS and Transnet specifications.

Aveng has offices in almost all African countries and its known for its leading role in construction across the continent with 50 years experience.(CRO 14-07-2017)

GHANA'S BUSINESS COMMUNITY WELCOMES REDUCTION IN POLICY RATE

A section of the Ghanaian business community on Tuesday hailed the announcement in reduction of policy rate from 22.5 to 21 percent.

The announcement was made by Dr. Ernest Addison, the governor of the Bank of Ghana on Monday afternoon, in Accra.

This will reflect in reduction in the cost of borrowing to propel growth in the private sector, they said. They also observed that the policy rate has been falling gradually since the current administration took over.

Mark Assan Dankyi, a poultry farmer in the Eastern Region, told APA that, "from my observation, I think the steady reduction in policy rate is a perfect thing to help us in the informal sector to expand our businesses, when it reflects into lower interest rates".

James Johnson, second-hand clothes dealer, said owing to the high interest on bank loans, they fear going to the banks for credit to enable them expand their businesses.

Ghana has a declining inflation rate since January, with 12.1 percent as the June figure based on figures released by the national Statistical Service, and this has been attributed to prudent government policies.

(APA 25-07-2017)

SUB-SAHARAN AFRICA SET TO SURPASS HALF A BILLION MOBILE SUBSCRIBERS

Sub-Saharan's mobile economy valued at $110 Billion – 7.7 Per Cent of GDP.

More than half a billion people across Sub-Saharan Africa will be subscribed to a mobile service by the end of a decade, according to a new GSMA study. The new report, 'The Mobile Economy: Sub-Saharan Africa 2017', was published at the GSMA Mobile 360 – Africa event.

The report forecasts that the number of unique mobile subscribers in Sub-Saharan Africa will grow from 420 million (43 per cent of the population) at the end of 2016 to 535 million (50 per cent of the population) in 2020, making it the fastest growing region in the world over the same period. The report also highlights the Sub-Saharan Africa mobile ecosystem's growing contribution to regional GDP, jobs, innovation and socio-economic development.

"Sub-Saharan Africa will be a key engine of subscriber growth for the world's mobile industry over the next few years as we connect millions of previously unconnected men, women and young people across the continent," said Mats Granryd, Director General of the GSMA. "Mobile is also offering sustainable solutions that address the lack of access to services such as health, education, electricity, clean water and financial services, which still affect large swathes of the population."

Connecting the Young and Closing the Gender Gap

Subscriber growth is expected to be concentrated in large, underpenetrated markets such as the Democratic Republic of Congo (DRC), Ethiopia, Nigeria and Tanzania, which together will account for half of the 115 million new subscribers expected in Sub-Saharan Africa by 2020. Growth will also focus on currently under-represented segments such as the under-16 age group, which accounts for more than 40 per cent of the population in many countries, and women, who are currently 17 per cent less likely to have a mobile phone subscription than their male counterparts.

Mobile is also a vital tool in delivering digital and financial inclusion in Sub-Saharan Africa. Around 270 million people in the region now access the internet through mobile devices, while the number of registered mobile money accounts has reached 280 million. Mobile operators and others are also leveraging the ubiquity of mobile networks across the region to deliver services that are working towards achieving the UN Sustainable Development Goals (SDGs) in areas such as energy, water and sanitation, healthcare, and education.

Driving the Regional Economy and Building a Digital Africa
Mobile technologies and services generated $110 billion of economic value in Sub-Saharan Africa in 2016, equivalent to 7.7 per cent of regional GDP– a figure expected to grow to $142 billion (8.6 per cent of GDP) by 2020. The mobile ecosystem also directly and indirectly supported approximately 3.5 million jobs in the region last year, and made a $13 billion contribution to the public sector in the form of taxation.

Local mobile operators have invested $37 billion in their networks over the past five years, mainly to deploy new 3G/4G mobile broadband networks. About a third of mobile connections in region were running on mobile broadband networks at the end of last year, forecast to rise to 60 per cent by 2020. These new networks – alongside rising smartphone adoption – are driving demand for digital content and services.

"As Sub-Saharan Africa transitions to higher levels of mobile engagement, underpinned by growing access to mobile data services and smart devices, we are seeing a flourishing mobile ecosystem emerge, supported by growing investments by operators and others in mobile-focused startups and tech hubs," added Granryd. "Building this digital society requires collaboration between governments and the mobile industry to develop the policies and programmes that create the right incentives for innovation and an enabling environment for extending connectivity to all."(ITNA 17-07-2017)

COLAS HAS SECURED THE CONSTRUCTION CONTRACT FOR THE EXTENSION OF LINE 2 OF THE RABAT TRAMWAY IN MOROCCO.

France's Colas to build tramway in Morocco

Société du Tramway de Rabat-Salé (STRS) has awarded the €29m contract to the consortium composed of Colas' railway subsidiary, Colas Rail, and its Morocco-based road construction subsidiary, GTR, to build the extension of Line 2 of the Rabat-Salé tramway.

This extension will connect Rabat's Yacoub El Mansour district and Salé's new hospital to the tramway network.

The contract includes installing the tram platforms, laying rails and installing rail signalling equipment over a total distance of 7 km, adding an additional storage track to the Hay Karima depot and relocating the "Gare de Salé" (Salé train station) tram stop.

Construction work will start in August 2017, and the line extension is scheduled to start running in the second half of 2019. (24-07-2017)

SONATEL TURNOVER 483B+ CFA IN FIRST HALF OF 2017

SONATEL Group (Senegalese national telecommunications company) based in Mali, Guinea, Guinea Bissau and Sierra Leone generated consolidated revenues of CFA483.551 billion (about $773.682 million), the Dakar-based company announced Tuesday.

Compared with the first half of 2016 when it stood at 438.797 billion CFA, this turnover increased by 44.754 billion CFA in absolute value and 10.19 percent in relative value.

According to Sonatel executives, this growth is driven by the mobile phone thanks to the modernization of data usage, value-added services and the development of Orange Money services.

The company's EBITDA (Earnings before Interest and Taxes, Depreciation and Provisions) increased by 4.9 percent from CFA220 billion in 2016 to CFA230.8 billion during the period under review.

Operating income rose slightly by 0.5 percent to CFA 165.941 billion against CFA165.148 billion previously.

Net income for the Sonatel group totalled 111.424 billion CFA against 109.969 billion CFA in 2016, an increase of 1.455 billion CFA.

Investments made by the company during the period under review were up 15.3 percent compared to 2016, amounting to 73.1 billion CFA against 63.4 billion CFA in the first half of 2016.

Network investments represented 88 percent of the total amount invested. According to Sonatel leaders, investments in Senegal were 37 percent, 23 percent in Mali, 23 in Guinea, 10 percent in Sierra Leone and 2 percent in Guinea Bissau.

Looking ahead, they believe that the Group will continue to strengthen its profitability policy through sustained investment, customer loyalty and expenditure control. (APA 25-07-2017)

COST OF DIABETES CARE IN AFRICA COULD TRIPLE BY 2030

Diabetes has not received as much attention in Africa as infectious disease

The costs and complications of diabetes could overwhelm healthcare systems in Sub-Saharan Africa and reach US$59.3 billion by 2030 if rates double, according to the Lancet Diabetes and Endocrinology Commission.

Launched in London this month (5 July), the commission involved over 70 international experts and reveals key messages for promoting a coordinated response to diabetes to reach UN and Sustainable Development Goals (SDGs) on noncommunicable diseases (NCDs).

“NCDs and cardiovascular disease haven’t been a priority because the development agenda focus has been on infectious disease and child health.”

“NCDs and cardiovascular disease haven’t been a priority because the development agenda focus has been on infectious disease and child health. However, in the background NCDs have shown themselves to be important contributors to morbidity and mortality,” says study co-author Justine Davies, a professor of global health at the King’s College London, United Kingdom.

“What we are looking at is the current state of knowledge in the region and what we have to do to achieve the new SDGs,” she adds.

Using diabetes as a benchmark for cardiovascular disease risk factors and the WHO, UN and survey data, the commission aimed to establish the current burden of diabetes and the challenges it places on healthcare systems, as well as the economic cost of care.

Results reveal gaps in care at nearly every step of the diabetes care continuum, which leave around 50 per cent of patients with diabetes undiagnosed. Findings also reveal a critical lack of diagnostic and treatment equipment, lack of knowledge about the disease among healthcare providers, limited access to healthcare facilities and delayed diagnosis and treatment leading to complications and need for more costly care.

According to the commission, the current economic cost of diabetes in Sub-Saharan Africa is US$19.5 billion or one per cent of gross domestic product (GDP). However, it estimates this could increase to US$35.3 billion (one per cent of the GDP) in 2030 if rates stay the same, US$47.3 billion (1 per cent of the GDP) if rates follow projected increases, or US$59.3 billion (2 per cent of the GDP) if rates double.

Rapidly increasing GDP in most Sub-Saharan African countries is making people wealthier and more susceptible to diabetes due to changes in diet, increases in sedentary behaviour and obesity. In South Africa, one of the region’s wealthier countries, diabetes is the fifth leading cause of death according to 2012 figures from the WHO.

Margot McCumisky, national director of Diabetes South Africa, a member of the International Diabetes

Federation, says that in addition to a lack of resources and knowledge, a negative perception of people with diabetes contributes to inadequate care.

"There is a kind of 'shame and blame' perception among policymakers, researchers and funders that it's a patient's own fault they suffer from diabetes and which contributes to a disparity in attention and resources," McCumisky says. "I'm hopeful that data like the commission's will wake these players up to the problem and help devote funding to fighting diabetes and supporting prevention and early intervention."

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, Corporate Council on Africa, CIP-Confederation of Portuguese Enterprises, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABC- Netherlands-African Business Council, SwissCham-Africa and other organisations.
The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), CIP,HTTC,NABC (by posting selected news) and SwissCham-Africa to their Members.

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PRESIDENT'S MESSAGE

Last month, CCA convened some of the most important stakeholders in U.S.-Africa business at the 11th Biennial U.S.-Africa Business Summit in Washington, D.C. Majority of the discussions that took place at our plenaries, break-out sessions and in my private meetings were centered on the future of the important U.S.-Africa economic relationship. Business in Africa is rapidly evolving and now is the time to reflect on the commercial and business strategy in Africa – what it is today and how we will need to adjust if U.S. and African companies are to succeed in this changing market.

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CCA U.S.-AFRICA BUSINESS SUMMIT SPOTLIGHTS AFRICAN BUSINESS IN WASHINGTON, DC

CCA convened more than 800 government and business leaders for its 11th Biennial U.S.-Africa Business Summit hosted in Washington DC from June 13-16, 2017.

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View 2017 Summit Session Recaps>>

AFRICA TRAVEL ASSOCIATION SET TO HOST 41st ANNUAL WORLD TOURISM CONFERENCE

ATA's flagship event focused on promoting tourism opportunities across Africa will be hosted in partnership with the Rwandan Development Board (RDB) and will feature businesses such as the National Basketball Association (NBA) and Facebook.

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DEFINING THE NEW U.S. ADMINISTRATION'S ENGAGEMENT IN AFRICA

The opening plenary at the 2017 U.S.-Africa Business Summit aimed to provide government leaders with a platform to engage with a top official from President Trump's Administration and discuss the future U.S.-Africa economic relationship.

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INVESTING IN AFRICA'S FUTURE

The plenary discussion focused on the role of the energy sector in Africa, specifically how countries and companies can work together to create a favorable investment environment, build lasting partnerships, and overcome structural challenges to unlock the transformative potential of energy investments on the continent.

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AFRICA'S ROLE IN THE GLOBAL SUPPLY CHAIN

The plenary on Africa's role in the global supply chain covered some of the critical elements that enhance Africa's role in the global supply chain and how these elements manifested themselves in different regions across Africa.

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THE BUSINESS IMPERATIVE FOR REGIONAL INTEGRATION

The closing plenary at the 2017 U.S.-Africa Business Summit aimed to provide an overview of the recent milestones and successes in regional integration, and highlight the significance of integration efforts for businesses operating on the continent.

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TECHNOLOGY AND BIG DATA EMPOWER INVESTMENT IN ETHIOPIA

On May 4 CCA hosted Zakarias Amsalu, Director Ethiopian Operations, Asoko Insight. Asoko Insight, a CCA member company, is a leading market research platform that provides corporate data on African public and privately-held companies.

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UNLOCKING KENYA'S INVESTMENT OPPORTUNITIES

On May 10, 2017, CCA hosted a lunch with senior representatives from Stanbic Bank Kenya to discuss the economic opportunities in Kenya, and the role the Bank can play in unlocking some of these opportunities for potential investors.

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REDUCING POST HARVEST LOSSES AND ADDRESSING WATER SCARCITY

Nicole Smith, Chief Operating Officer, and Michael Goodwyn, Lead Engineer and Operations Manager, from Aldelano, a national leader in customized assembly packing and warehouse services established in 1968, visited CCA on May 18, 2017.

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BALANCED ECONOMIES SPUR EAST AFRICA'S SUSTAINED GROWTH

On Thursday, June 1, 2017, The Africa Society and Corporate Council on Africa hosted a discussion with KCB Bank on "Investment Opportunities in East Africa" at Covington and Burling LLP.

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CCA Member Profile

Upcoming Events at CCA

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