MEMORANDUM

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SUMMARY

BOTSWANA CREDIT RATINGS HIGHEST IN AFRICA

In its African findings, Standard & Poor (S&P) confirms that Botswana has retained its position as having the highest Sovereign Credit Rating on the continent, being the only jurisdiction with such an “A level” ranking, APA learnt here on Thursday.
S&P has released their Mid-Year 2015 Sovereign Rating Trends reports for various regions around the world including North and Sub-Saharan Africa.

In its country profile for Botswana, the S&P’s report for Sub-Saharan Africa, confirms that Botswana enjoys “Stable Outlook” based on its sound finances and continued anticipated growth in the local economy.

"The stable outlook reflects our expectation of fairly resilient economic growth, reasonably small fiscal surpluses, and continued institutional strength in Botswana, despite the heavy reliance on diamonds, over the next two years,” reads the report.

S&P however noted that notwithstanding its favourable overall assessment, continued existence of both domestic and international opportunities and risks experienced by Botswana could modify future ratings.

"We could lower the ratings if Botswana's fiscal or external situation deteriorates..., if GDP (Gross Domestic Product) growth falters, or if we see a significant weakening of Botswana's institutional framework and political stability."

It added: “We could raise the ratings if Botswana's dependence on mining for current account and fiscal receipts declines and private-sector development broadens, boosting GDP growth compared with other middle-income countries.”(APA 16-07-2015)

ETHIOPIA: CONFERENCE REACHES CONSENSUS TO GENERATE FINANCING FOR SDGS

There has been a general consensus for the agreement reached at the third International Financing for Development dubbed the “Addis Ababa Action Agenda” to revitalize global finance practices and generate investments for tackling a range of economic, social and environmental challenges.

The current draft of the Addis Ababa Action Agenda' calls for an enhanced and revitalized global partnership for sustainable development led by governments and complemented multi-stakeholder partnerships.

This agreement is a critical step forward in building a sustainable future for all. It provides a global framework for financing sustainable development, UN Secretary-General Ban Ki-moon said after negotiators reached the deal at the Conference, which took place in Addis Ababa.

The Addis Ababa action agenda agreement gives foundation of a revitalized global partnership to the world's countries to ensure sustainable development that will leave no one behind, he said.

It also provides a foundation for implementing the global sustainable development agenda that world leaders are expected to adopt in New York this September and for reaching a binding agreement at UN climate negotiations in Paris in December to reduce global carbon emissions, the Secretary-General stated.

The agreement is a milestone in forging an enhanced global partnership that aims to foster universal, inclusive economic prosperity and improve people's well-being while protecting the environment, Mr. Ban added.

Financing is considered the linchpin for the success of the post-2015 sustainable development agenda, which will be driven by the implementation of 17 goals, it was indicated.

In support of implementation of these goals, the Addis Ababa Action Agenda contains more than 100 concrete measures, addressing all sources of finance, and covering cooperation on a range of issues including technology, science, innovation, trade and capacity building.

As recognized in the draft action agenda, significant additional domestic public resources, supplemented by international assistance as appropriate, will be critical to realizing sustainable development and achieving the SDGs, it was learned.(APA 16-07-2015)

CAMEROON: BICEC POSTS $233M PROFIT FOR 2014

Cameroon's International Savings and Credit Bank (BICEC) reported a profit of $233 million (14 billion FCFA) for the year 2014, according to a press release copied to APA on Thursday.
The board of directors explains that these figures have recorded a 7.8-percent increase compared to the previous year.

According to the same source, the Cameroonian subsidiary of the French-based Banque Populaire (BP) Group has decided to allocate CFA1.5 billion CFA francs to its General Banking Risk Fund and distribute 11 billion CFA francs in dividends to its shareholders.

Besides, the net banking income, which increased by 9.3 percent last year, is a gross operating income with a 10 percent hike, representing FCFA 27 billion at the end of 2014 operations.

The same press release considers these as good achievements that place BICEC among Cameroon's leading banks in the Economic and Monetary Community of Central Africa (CEMAC) zone.(APA 16-07-2015)

ETHIOPIA GETS €190M EU FUND TO REVAMP ROAD INFRASTRUCTURE

Ethiopia and the European Union on Saturday signed two financial agreements amounting €190 million to support Ethiopia's road sector and safety net programs.

â‚¬140 million of the fund will be channeled to support the Fourth Road Sector Policy Support Program of the nation while the remaining â‚¬50 million will go to support the country's Fourth Productive Safety Net Program.

The financial agreements were signed by Minister of Finance and Economic Development, Sufian Ahmed, on behalf of the government of Ethiopia and European Union Commissioner in Charge of International Cooperation and Development, Neven Mimica.

The financial agreements we have signed are the logical outcome of the successful implementation of the preceding Sector Policy Support Programand Productive Safety Net Program â€• Sufian Ahmed said after signing the agreement.

Since 2006, the EU has provided â‚¬416 .78 million to the road sub sector development in Ethiopia and channeled â‚¬350 million to the Productive Safety Net Program since 2005.

Commissioner Mimica on his part said "the road sector budget support program aims to support the implementation of the government's Road Sector Development Program IV, which covers the period 2015/20 and aims at improving the road network and ensuring rural accessibility.

The Productive Safety Net Program represents an excellent example of the Paris Declaration in terms of ownership of the government, harmonization, alignment and results, said the commissioner.

Mimica added that EU's support to the Productive Safety Net Program is a complementary support to the Resilience Building in Ethiopia program. The program will mainly target food insecure households.(APA 19-07-2015)

MOZAMBIQUE INSURANCE FIRM SEES 18 PERCENT GROWTH IN 2014

Mozambique's largest insurance company, EMOSE, says it has recorded a growth of 18 percent in its business in 2014, APA can report on Sunday.
Visiting Mozambique Prime Minister Carlos Agostinho do Rosario was told by company officials that increased demand for insurance services led to profits in the year of the equivalent of about $5.8 million.

Do Rosario paid a courtesy visit to EMOSE headquarters.
EMOSE resulted from the merger of the three insurance companies, which operated in Mozambique during the colonial era, and was initially 100 percent state owned.

Currently the Mozambican state holds 39 percent of the shares, the government's Institute for the Management of State holdings 31 percent, and GETCOOP, the cooperative formed by EMOSE workers and managers, 20 per cent.

The remaining 10 percent is with the workers. During his visit, Mr. do Rosario wanted to hear from the EMOSE workers. At their meeting with the Prime Minister, they took the opportunity to call for better working conditions.

The representative of the EMOSE trade union committee, Jacinto Timoteo, speaking in the name of all the staff, claimed that the company's managers isolate themselves from the rest of the employees adding that there were a lack of communication• and no space for dialogue in which the institution's problems might be discussed.

Do Rosario advised the company's CEO to keep in closer contact with his staff. He promised that he would delegate to the Labour Ministry, in coordination with the Finance Ministry, the task of assessing whether the workers' complaints are being taken into account by the management.(APA 19-07-2015)

MOZAMBIQUE ENCOURAGES $2.6BN PULP PROJECT

President Filipe Nyusi of Mozambique has urged the Portuguese paper manufacturer Portucel to continue its project in Mozambique to build a large scale pulp mill, an investment budgeted at $2.6 billion, APA learns here on Sunday.
Cellulose pulp is the raw material used to produce paper. Since Portucel is also planting the eucalyptus trees that will be turned into pulp, the factory is not expected to be complete until late 2023.

State-controlled weekly Sunday newspaper, Domingo said Nyusi expressed his confidence in the project at the end of a visit to an enormous Portucel industrial complex in the southern Portuguese city of Setubal as Portucel seized the opportunity of his visit to announce its plans to inaugurate the largest tree nursery in Africa in September.

Portucal will initially produce 12 million trees a year, to be planted in the central Mozambican provinces of Manica and Zambezia provinces with this number expected to double next year.

I came here to encourage the project because the industrialisation of Mozambique is part of our cycle of governance and through the project, in Zambezia and Manica, where the land has been made available, we intend to promote development and not simply the production of paper, Nyusi said.

The President said the tree plantations would cover 365,000 hectares and provide work for about 7,000 Mozambicans. (APA 19-07-2015)

ANGOLA PRIORITISES FINANCING IN MARKETS AND CREDIT LINES FROM CHINA AND BRAZIL

Angola's financial constraints should continue until 2016 and the government's preferred solution is to obtain international financing and credit lines, particularly from China and Brazil, indicate analysts of the country.

The latest International Monetary Fund forecasts on Angola released last week show that economy recovery will only occur in 2017. The current situation has been marked by budget problems caused by the prolonged downslide in the price of oil, the country's main export product.

In the face of ongoing constraints, the Economist Intelligence Unit expects Angola to "seek new financing from international financial institutions, as well as credit lines from China and Brazil."

The latest such support was US$650 million granted by the World Bank, split into a US$450 million loan and US$200 million of guarantees, with a 10-year grace period and term of more than 29 years.

The government has indicated that half of the funds will be used to support the state budget, specifically financial management and public contracting. The other half is earmarked for macroeconomic management, poverty reduction measures and the social sector.

The US$200 million guarantee enables the authorities to obtain new financing in international markets. According to Reuters, they thereby hope to secure a total of US$10 billion, including US$1.5 billion in a bond issue.

The option of applying for IMF assistance is considered by most analysts to be undesired by the authorities, who see it as a last recourse solution.

The announcement of World Bank support comes in the wake of new support granted by China following the recent visit by Angolan President José Eduardo dos Santos and of a number of loans from international banks.

The government has been calling attention to Angola's low indebtedness (estimated at 40 percent of GDP, even with the new loans from China) in response to concerns about effects of the recourse to credit to ensure liquidity in the country.

The Angolan Finance Ministry announced in June that conditions of the loans granted by China had been improved, though no request was made for a moratorium regarding the respective amortisation.

The Ministry explained that the Angolan ministers in President dos Santos's delegation during the visit to China examined with their Chinese counterparts "ways to expand fiscal capacity" and continue implementing Angola's national development plan, "without compromising the current debt portfolio given the current situation of falling oil prices." (31-08-2015)

ZIMBABWE BRACES FOR POWER SHORTAGES AS UTILITY SHUTS DOWN PLANTS FOR MAINTENANCE

Zimbabweans should brace for more electricity outages after the state-run power utility warned Tuesday of reduced production due to mandatory annual maintenance of the country's two main plants.

The Zimbabwe Electricity Supply Authority (ZESA) said in a notice to consumers statutory maintenance work at the Hwange and Kariba power stations are expected to worsen load-shedding across the country starting Tuesday.

The shortages are expected to persist until January next year when the maintenance work is due to be completed.

According to ZESA, Hwange maintenance work is due to end by October 7 but the shutdown of units at

Kariba Power Station was also due to low water levels in Kariba Dam between Zambia and Zimbabwe.

The low water level is expected to prolong the reopening of affected power generation units at Kariba until the end of January 2016.

The shutdown of the two power stations is likely to worsen Zimbabwe's long-running electricity crisis that has seen businesses and households going for several hours per day with power since 2000.(APA 01-09-2015)

SOUTH AFRICAN INSURANCE GROUP NEGOTIATES PURCHASE OF ASSETS IN ANGOLA

Sanlam Emerging Markets, a subsidiary of South Africa's Sanlam group that focuses on emerging markets outside South Africa, is negotiating the purchase of assets in Angola, the company's director said on Monday.

Heinie Werth told Reuters financial agency that Angola has "always been on the company's radar." The group aims to gain a foothold there by purchasing assets and the respective "negotiations are under way."

The group's weak growth in South Africa is the basis for the decision to expand to Angola and other African countries where the number of people investing in health insurance is on the rise.

The company recently announced that NICO Moçambique Vida Companhia de Seguros had changed its name to Sanlam Seguro de Vida (life insurance). The new brand image of the Mozambican insurer thereby follows the aim of consolidating its identity and enhancing visibility in Mozambique and southern Africa.

Last February Sanlam Emerging Markets acquired 51 percent of the representative shares of the Mozambican insurer's capital, also in the scope of the company's expansion process on the African continent.

The Sanlam group is a diversified financial services company managing assets of more than US$60 billion. It is present in Botswana, Ghana, India, Kenya, Malawi, Malaysia, Mozambique, Namibia, Nigeria, Rwanda, Swaziland, Tanzania, Uganda and Zambia, with plans for further expansion to other African countries and emerging markets. (01-09-2015)

TOBACCO THREATENS BOTSWANA'S SOCIAL DEVELOPMENT

Tobacco is a major threat to Botswana's social and economic development, the Anti-Tobacco Network (ATN) told Yarona fm on Tuesday.

Speaking to Yarona FM News on the sideline of a stakeholders briefing on tobacco effects in Gaborone, an anti-tobacco activist at the ATN Dr Bontle Mbongwe said tobacco is a threat to public health either through passive smoking or money that is supposed to be spent in taking care of the family could be used to feed tobacco addiction.

Mbongwe added that Tobacco also affects the environment as its manufacturer's use a lot of trees people need and those who manufacture it are a threat to public health.(APA 01-09-2015)

TAX REVENUES FROM OIL DOWN SHARPLY IN ANGOLA

Angolan Finance Ministry figures show that tax revenues from oil amounted to 830 billion kwanzas (US$6.566 billion) from January to July 2015, down from 1,800 billion kwanzas (US$14.2 billion) in the same period of 2014.

Oil tax revenues fell 53.8 percent from one year to the next, though they remain higher than the figure used in the revised state budget for 2015, indicate the figures cited by the Angolan weekly Expansão.

The ministry's figures also show that revenues from Sociedade Nacional de Combustíveis de Angola (Sonangol), corresponding to the state's share in oil contracts for concession blocs, was the item which contributed most in the first seven months of 2015 – 518.3 billion kwanzas or 62.5 percent of the total.
Compared to the same period of 2014, the concessionaire's portion in oil tax revenues fell by 55.7 percent.
Far behind in second place was the tax on oil income, which brought the state 243.7 billion kwanzas, down 39.7 percent, followed by the tax on oil production, with 62 billion kwanzas, down 440 percent.
The revised state budget for 2015 envisages oil revenues of nearly 1,000 billion kwanzas (US$7.9 billion) for the whole year, 64.9 percent less than the 2014 implementation estimate. (01-09-2015)

LESOTHO TO LAUNCH HOUSING DEVELOPMENT PROJECT

Lesotho's Ministry of Public Service will launch a housing and development project on a date yet to be announced, APA learns here on Tuesday.
The public relations officer of the Ministry of Public Service Lucy Borotho said the government has realised that most of the civil servants do not have their own houses due to financial resources.

She said the intention of launching this project is also to improve the standard of living for the civil servants.(APA 01-09-2015)

GUINEA-BISSAU GOV'T AIMING TO ENHANCE VALUE OF CASHEW NUTS

The end of raw cashew nut exports in favour of local nut processing may soon become a reality in Guinea-Bissau with the appearance of more product transformation units, an official source told in Bissau.
The Energy and Industry Ministry source said that more than 40 cashew nut processing units were currently registered, of which only 18 are technically capable of operating.
"From the economic and social standpoint, the country gains more from domestic product transformation than from raw nut exports," said the source, adding that this conclusion had been reached by the government and by economic players with a stake in the cashew sector.
An economist said the current challenge involved choosing a factory model of suitable size that can produce high quality cashews using methods that ensure the best price for producers, giving them sufficient incentive to care for the cashew trees.
If that challenge is met then production will tend to increase and with it the entire cashew planting and harvest cycle, the economist said.
"If this model can be copied at domestic level then the whole industry can begin to grow dynamically, which is a challenge and an opportunity at the same time," he said, emphasising that the sector has few imports and is rather geared toward exports and "could become one of the country's biggest sources of foreign currency revenue."
Companies currently intending to export cashew nuts must by law guarantee that 30 percent of the product has been previously processed in the country.
Exporters must make a cash deposit in the State Treasury amounting to 30 percent of the amount of cashews to be exported. The sum will be returned when the transformation unit confirms that the cashew nuts were actually processed.
In 2014 Guinea-Bissau exported 150,000 tons of cashew nuts, making the country the world's fourth-ranked producer and the second in Africa after Côte d'Ivoire. (01-09-2015)

DANGOTE PLANS TO BUILD $400M CEMENT PLANT IN ZIMBABWE

Africa's richest man Aliko Dangote says he plans to open a $400 million cement plant in Zimbabwe, a major boost for the southern African country that is desperate for foreign investment.

The billionaire, whose business empire includes Dangote Cement, also said he aimed to invest in coal mining and power generation in the country.

Nigeria's This Day newspaper report on Tuesday said that Dangote told journalists in Harare that the company has ''already decided to invest into Zimbabwe, that's why we are here. Any country where you see us visiting it means, yes, we've decided to invest".

The report added that Dangote held meetings with Zimbabwe's President Robert Mugabe and Vice-President Emmerson Mnangagwa on Monday and that the plant would produce 1.5 million tonnes of cement a year.

It explained that if government permission is given, construction will begin in the first quarter of 2016.

The government has halved its economic growth target for this year to 1.5 percent, blaming a scorching drought that has hit the key agriculture sector.

Zimbabwe has been struggling for five years to recover from a catastrophic decade of contraction that was marked by billion percent hyperinflation and widespread food shortages.

The country has lagged behind neighbours like Mozambique and Zambia in attracting foreign investment but said last month it had approved $971 million in foreign investments in the first half of the year versus $555 million a year ago. (APA 01-09-2015)

MOZAMBIQUE'S AREA 1 OIL BLOC REQUIRES INVESTMENT OF US$24 BILLION

The oil groups involved in exploiting the Area 1 bloc of northern Mozambique's Rovuma Basin plan to invest nearly US$24 billion to begin extracting natural gas, the Press Trust of India (PTI) news agency reports.

The following Indian state-controlled groups have stakes in the bloc: Oil and Natural Gas Corp (ONGC) via ONGC Videsh – 16 percent; Bharat Petroleum Corporation Limited (BPCL) – 10 percent; and Oil India Ltd (OIL) – 4 percent. This means that the Indian state holds more than the main partner and operator, the US group Anadarko Petroleum, which has a 26.5 percent stake.

An ONGC Videsh official cited by PTI indicated that the Area 1 bloc partners will have to invest US$23-24 billion to begin extracting, processing and liquefying natural gas for subsequent export to consumer markets, among them India and Japan.

The aim is to begin processing natural gas in the first quarter of 2020 at a facility to be built on land, said the source cited by the agency, who referred to initial production of 12 million tons.

This Area 1 bloc has capacity to annually produce 20 million tons of liquefied natural gas, thereby becoming the second biggest natural gas project after Ras Laffan in Qatar, operated by the US group ExxonMobil.

Besides the three Indian state-controlled groups, partners in the bloc operated by the Anadarko Petroleum group include Japan's Mitsui group (20 percent), Mozambique's state-owned Empresa Nacional de Hidrocarbonetos (15 percent) and the Thai group PTTEP (8.5 percent). (31-08-2015)

SENEGAL: ECONOMIC ACTIVITY UP BY 4.3 PERCENT

Economic activities in Senegal excluding agriculture and forestry, as measured by the general index of activity rose by 4.3 percent quarter-on-quarter in the second quarter of 2015, the Dakar-based Directorate Forecasting and Economic Studies (DPEE) has said.

This performance was mainly driven by the tertiary (plus 3.9 percent) and to a lesser extent by the primary sector (plus 2.5 percent), DPEE said.

However, the secondary sector slightly declined by 0.8 percent over the period.

On an annual basis, a 4.3 percent increase in activity is recorded in the second quarter of 2015, thanks to the good performances of the tertiary (plus 4.4 percent) and secondary sectors (plus 6.1 percent).

Over the first six months of the year, the economic growth also emerged at 4.3 percent, driven by the service sector (plus 4.6 percent) and the secondary sector (plus 5.4 percent), DPEE noted.

As for the primary sector and public administration, they grew by 1.3 percent and 3.1 percent respectively over the period.(APA 2015-09-01)

MOODY'S REVISES ECONOMIC GROWTH FORECAST FOR ANGOLA DOWNWARDS

The Moody's credit rating agency has downwardly revised the growth forecast for the Angolan economy to 4.1 percent in 2015 and 4.7 percent in 2016, anticipating a budget deficit of 3 percent of GDP this year, the agency announced in a statement released on Thursday.
The statement specifies that it is not an evaluation of Angola's credit rating but rather a market analysis.
Moody's indicates that it is concerned about the eventual weight of public debt on the country's public finances, especially if loans and debt issues continue to compensate lower oil prices.
"The response to the oil price shock has been aggressive, but its debt burden is at risk of a substantial increase over the next two years should the government face difficulty maintaining fiscal discipline," said Moody's analyst Rita Babihuga, who follows the Angolan economy.
Angola's public debt is forecast to rise to 42 percent of GDP this year, versus an estimated 32 percent in 2014, she added.
One positive note in the report concerns the financial buffers Angola has accumulated, notably US$5 billion in the sovereign wealth fund, which "could be used to soften the impacts of shocks to the economy." (28-08-2015))

MOZAMBIQUE TO UNVEIL MASS CAMPAIGN AGAINST TRACHOMA

A mass campaign against trachoma will be launched later in September by the Mozambican health ministry in four provinces where the prevalence of the disease is equal to or greater than five percent, APA can report
The deputy national director of public health, Quinhas Fernandes told a media briefing on Tuesday that the campaign will be launched on 14 September.

Trachoma is one of the illnesses referred to as one of the neglected tropical diseases, and according to Fernandes, the ministry intends to launch annual campaigns for the massive treatment of its victims.

Trachoma is endemic in 36 of Mozambique's 151 districts and Fernandes said the anti-trachoma campaign should reach over 2.4 million people.

Anti-trachoma campaigns are not new and the official said they began in 2013, in ten districts in the northernmost province of Niassa.

In 2014, the campaign was extended to all 16 districts in Niassa plus five in the neighbouring province of Cabo Delgado.

Niassa does not figure at all in this year's campaign, because the latest figures show that the prevalence of trachoma in the area has fallen to below five percent, the threshold for a disease to be considered endemic.

According to the health ministry, the first phase of the campaign will run for five days from 14 to 18 September targeting over 622,000 people in the Cabo Delgado districts of Chiure, Ancuabe, Nangade, Palma and Mueda, and at 193,000 people in Macossa, Guro and Tambara districts in the central province of Manica.

The second phase will run from 19-23 October, in Nampula and Zambezia, the country's two most populous provinces.

About 3,700 health professionals will be involved in the campaign, which will cost the equivalent of about $325,000 financed by the Health Ministry and the US-based international NGO, Research Triangle Institute, RTI.

Trachoma is an infectious disease of the eyes caused by the bacterium Chlamydia Trachomatis.

It causes a roughening of the inner surface of the eyelid, which can lead to considerable pain, breakdown of the cornea and possible blindness.

About 80 million people across the globe are estimated to suffer from trachoma.

The disease is the main cause of poor vision in 2.2 million people, of whom 1.2 million are completely blind.

230 million people are at risk in 53 countries in Africa, Asia and Latin America.(APA 01-09-2015)

Fernando Matos Rosa

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