MEMORANDUM

N°158/2016 | 16/08/2016

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SUMMARY

NEW DEVELOPMENT FUND IS ON RECRUITMENT DRIVE

A new development-finance venture that will control banking and other assets worth more than $660m across sub-Saharan Africa plans to hire as many as 20 people, including analysts, to manage its investments and help it spend another $300m on acquisitions.

The Norwegian Investment Fund for Developing Countries, the state-owned financier known as Norfund, is pooling its investments on the continent with Dutch lender Rabobank Groep and Dutch development bank FMO to create Arise, which will be based in SA.

Arise will start operating in January with investments in 20 African countries and enough funding to be able to reach almost $1bn of assets within five years, said Deepak Malik, the Southern African head of Norfund.

"We're going to go through an extreme recruitment phase, looking for senior investment staff and analysts and more," he said in an interview in Johannesburg, where the company has five employees. "We've also got to get regulatory approval in all the African countries we operate in. That could take us six to eight months."

The venture will hire 20-25 people over the next six months and is also contemplating moving its sub-Saharan African headquarters to Cape Town, Malik said.

Africa struggles

Although European banking regulations have made it more expensive to hold foreign investments, Rabobank decided not to exit its African assets and instead set up the partnership with Norfund and FMO. Netherlands-based Rabobank, which specialises in agricultural lending, is ensuring its shareholdings are below regulatory thresholds that will require it to set aside capital for the investments.

The formation of Arise comes after growth in sub-Saharan Africa eased to 3.5% in 2015, the slowest pace in 15 years, with the IMF predicting an expansion of 3% for 2016.

Arise's ambition "is to build strong and stable financial-service providers that will serve retail, (small and medium-sized enterprises), the rural sector and clients who have not previously had access to financial services," the three partners said in a statement on August 4.

Norfund's investments span a solar park in Rwanda, biogas generation in SA, a 12.5% holding in Kenya's Lake Turkana wind project, which will be the largest on the continent, and 12% of Equity Group Holdings, Kenya's biggest bank by market value.

Young population

"Africa has the world's youngest population, the lowest banking penetration rate, a weak financial sector in terms of capital and the foreign banks are struggling with regulation in their home markets," Malik said.

The continent has the lowest access to financial services in the world, with less than a quarter of the population owning a bank account, compared with about 34% in Latin America, according to a 2015 report by the African Development Bank Group. Further, with more than 40% of its working-age population between the ages of 15 and 24, Africa is the youngest continent in the world, UN research shows.

Norfund, which has offices in Johannesburg, Maputo and Nairobi, will have a 48% stake in Arise, FMO will hold 27% and Rabobank just less than 25%, Malik said. Banco Montepio, a Portuguese financial services company, may join the partnership, the companies said in the August 4 statement.

Asset sales

Norfund has invested about $2bn in Africa in the past 13 years. Half of its investments are in clean energy with financial services its next biggest investment portfolio. It typically takes minority equity stakes and its African investments span countries, including Uganda, Rwanda, Kenya, Mozambique, Zambia and Zimbabwe.

"Norfund is already working on two transactions with two listed companies, one in SA, and one elsewhere," Malik said, without giving more details. "After Arise starts in January we want everyone to get entrenched with the portfolio in the first six to eight months. You might also see a sell-off in some assets we don't want to stay in as the new company." (Bloomberg 16-08-2016)

EU WELCOMES GHANA'S SIGNING AND RATIFICATION OF THE EPA

This week Ghana decided to sign and ratify the Stepping Stone Economic Partnership Agreement (EPA) with the European Union.

In welcoming the decision, EU Ambassador William Hanna said: "This new agreement will provide a long-term predictable framework to help increase trade and investment. It is a win/win deal for Ghana and the European Union."

He said Ghanaian exporting companies will preserve the duty-free preferences on the European market that today make them competitive. This means no quotas and no duties on all Ghanaian exports to the European market.

"This will protect thousands of jobs in Ghana, mainly in the agricultural sector. It will also encourage new investment to create more jobs in the future. In recent years Ghana has shown that it is competitive in the EU market," he added.

According to Mr Hanna, as Ghana moves to consolidate its status as a middle-income country, Europe will continue to partner it on its journey to create prosperity and sustainable development.

He added that "this agreement is a stepping stone to new and dynamic relations between Ghana and the European Union."

In the run-up to the debate in Parliament, many companies who are today engaged in exporting to the European market made a strong case for the EPA.

However, there were also calls for a cost-benefit analysis to be carried out. In fact, such an analysis was made in 2015 when the World Bank carried out a detailed study assessing the Economic Impact of the ECOWAS CET and Economic Partnership Agreement on Ghana.

This study showed that the EPA is estimated to increase profitability for 77 percent of firms in the manufacturing sector, mainly through lower input prices and prices for capital equipment.

An estimated 84 percent of workers in the manufacturing sector are employed by firms that benefit from the implementation of the EPA.

As benefits occur mainly through lower prices for imported inputs and capital equipment, rather than higher output prices, there is no harm to consumers and there is potential for a longer-term boost in productivity and growth.

This is consistent with the focus of the EPA being to target tariff reductions on inputs and intermediate products which favours local manufacturers.

The study predicts that there may be some profit losses for some firms, yet very few manufacturing firms become unprofitable as a result.

As the liberalization takes place very gradually over many years, firms will have the time to upgrade and restructure in order to adjust to the new environment.

Continued duty-free access to the EU market particularly benefits many of the priority sectors in Ghana's National Export Strategy, 2013-17. The priority sectors include processed cocoa products, fruit and vegetable products, and fish.

The EPA also foresees EU support to help firms become competitive and take advantage of the new opportunities it opens.

The EU including its 28 Member States is providing the equivalent of $500 million per year in official development assistance to Ghana, in areas such as private sector development, trade facilitation, fiscal transition and competitiveness.

Although the stepping stone agreement only applies to Ghana, both the EU and West Africa are fully committed to the success of the regional EPA and continue to work towards the completion of the signature and ratification process with countries in the region. The EPA promotes regional integration, intra-regional trade and regional value chains.

Regional integration will enable Ghana and its West African neighbours to take advantage of the opportunities of globalisation and to make progress both in terms of inclusive growth, diversification of productive activities, and decent jobs. **(**Myjoyonline 04-08-20216)

YEAR-ON-YEAR INFLATION OVER 35% IN LUANDA, ANGOLA

Year-on-year inflation in Luanda reached 35.30 percent in July, up 24.89 percent over the figure recorded a year ago, Angola's National Statistics Institute announced.

In July prices posted a monthly increase of 4.04 percent. The spending categories that accounted for most of that rise were health (+6.86 percent), food and non-alcoholic beverages (+5.94 percent), diverse goods and services (+4.94 percent) and alcoholic drinks and tobacco (+3.85 percent).

The INE also reported that cumulate inflation since the beginning of the year showed an increase of 26.66 percent year-on-year, 16.69 percentage points over the 6.97 percent cumulate inflation from January to July 2015.

Several international studies have indicated that the Angolan capital Luanda is one of the most expensive cities in the world.

The national consumer price index (NCPI) (the INE does not disclose aggregate data for a year for the whole country) recorded variance of 4.26 percent from June to July. (15-08-2016)

EGYPT APPROACHES IDB TO FUND AMBITIOUS GREENING PROJECT

Egypt's Minister of International Cooperation, Sahar Nasr has met with a delegation from the Islamic Development Bank (IDB) to discuss the bank's ongoing and future investments in Egypt, particularly the funding of its ambitious greening feddan project.

The project is aimed at expanding cultivable lands in the country by at least 20 percent.

The Egyptian minster has been holding talks with Mohamed El-Saaty, Director of Country Programmes and Advisor to the IDB Vice-President, and his accompanying delegation with a view to strengthening ongoing efforts to multiply farmlands in the country.

A statement from her ministry on Saturday said Egypt and the IDB are preparing a new cooperation strategy, giving top priority to Sinai Peninsula development programmes.

The IDB mission is in Egypt to assess the bank's development initiatives in the country.

The IDB has funded projects worth $2.3 billion, while the International Islamic Trade Finance Corporation's (ITFC) contributing to financing the purchase of oil products worth $3 billion.(APA 13-08-2016)

PETROLE : CAIRN ENERGY AUGMENTE DE PLUS DE 20 % L'ESTIMATION DE SES RESSOURCES AU SENEGAL

Selon le groupe britannique, les ressources récupérables du champ pétrolier SNE, au large des côtes sénégalaises, sont estimées à 473 millions de barils de brut, en progression de 23 % par rapport aux résultats évoqués en mai dernier. L'estimation des ressources pétrolières récupérables du groupe écossais au Sénégal a augmenté de plus de 50 % en 2016.

Les bonnes nouvelles s'accumulent pour Cairn Energy.
La junior pétrolière écossaise a publié ce lundi 16 août ses résultats pour le premier semestre 2016. Dans son communiqué, le groupe a annoncé les conclusions de l'analyse des données du puits d'appréciation SNE-4, qui en mai dernier avaient confirmé la présence d'hydrocarbures sur la partie orientale du champ SNE, situé sur le bloc Sangomar Offshore profond, à une centaine de kilomètres des côtes du Sénégal.

Révision à la hausse

Cairn Energy indique avoir revu à la hausse son estimation P50 (2C) des ressources récupérables de ce champ à 473 millions de barils, soit une hausse de +22,86 % par rapport au volume de 385 millions de baril établi suite au forage du puits d'appréciation SNE-3, qui était lui-même en hausse de +20 % par rapport aux précédentes évaluations.
L'indicateur indicateur P50 (2C) implique une probabilité de 50 % de mise en production du champ. Il est utilisé dans l'industrie des hydrocarbures comme l'estimation la plus adéquate des ressources récupérables sur un site.
Dans son communiqué, le groupe dirigé par Simon Thomson rappelle que le puits SNE-4 représente le sixième forage réalisé en deux ans au Sénégal, pour deux découvertes et quatre puits d'appréciation aux résultats positifs. Cairn Energy a notamment fait en 2014 une première découverte sur le champs FAN, situé également sur le champ Sangomar Offshore profond.
La production des premiers barils de pétrole est attendue à partir de 2021-2023.

Partenaires

Cairn Energy est l’opérateur de trois licences au Sénégal d’une superficie totale de 4 500 kilomètres carrés (Sangomar offshore, Sangomar Offshore Profond et Rufisque Offshore). Le groupe écossait détient 40 % de ces licences.

L’américain ConocoPhillips a accepté en juillet dernier de céder sa participation de 35 % sur ces licences à l’australien Woodside Petroleum pour un montant initial de 350 millions de dollars, plus un ajustement d’environ 80 millions de dollars. Cette transaction doit encore recevoir l’aval des autorités.

Les autres partenaires de Cairn Energy sont l’australien FAR (15 %) et la compagnie nationale des hydrocarbures du Sénégal Petrosen (10 %).

Au total, Cairn Energy et ses partenaires vont creuser 15 à 20 puits avant l’extraction des premiers barils de pétrole commercialisables au Sénégal. Celle-ci est attendue à partir de 2021-2023, avec un plateau de production à 100 000 – 120 000 barils de brut par jour.

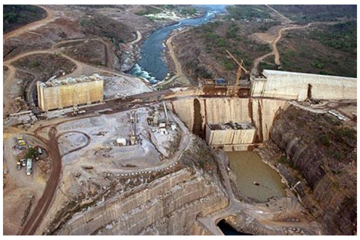
Cairn Energy détient également des actifs au Maroc, en Mauritanie, au Royaume-Uni, à Malte, en Inde en République d’Irlande et en Norvège.

Résultats

Selon les résultats non-audités du groupe, fin juin 2016, les actifs de Cairn Energy atteignaient 2,31 milliards de dollars, contre 2,61 milliards un an plus tôt. La totalité de ses liquidités et équivalents atteint 414,3 millions de dollars, contre 725 millions de dollars en juin 2015 et 603 millions de dollars en décembre 2015.

Ses pertes semestrielles sont toutefois en net recul à -38 millions de dollars fin juin 2016, contre -230 millions de dollars au premier semestre 2015.(JA 16-08-2016)

WORK ON ANGOLA’S LAÚCA DAM NEARING COMPLETION



Work on building the Laúca hydroelectric complex in Angola’s Malanje province should be completed in June 2017, when the first turbine begins operating to produce 334 megawatts of electric power, said the project’s director, Elias Estêvão.

Estêvão told Angop news agency that the final phase of building the water intake and the dam itself was now under way, “whereby all construction work should be finished by the end of the year so the reservoir can start to be filled in January 2017.”

Work on assembling the generator groups is halfway done, he said, adding that section A of the powerline linking the Laúca/Capanda and Capanda/Cambambe substations was also under way, along with the line that will feed Luanda province via Cambambe in Cuanza Norte province.

The Laúca dam will have a total generation capacity of 2,071 megawatts. The reservoir will cover a total area of 24,000 hectares, with a flooded area of 188 square kilometres, and hold 6 billion cubic metres of water. The dam wall is 135 metres high, equivalent to a 44-storey building.

Construction of the dam is being overseen by Odebrecht Infraestrutura – África, Emirados Árabes e Portugal, a subsidiary of Brazil’s Odebrecht group. This public works project is estimated to cost more than US$4.3 billion.

The system for transporting and connecting electric power produced by the Laúca Dam was also awarded to Odebrecht in a contract worth US$814 million. Some of that work has been subcontracted to Portuguese-origin companies such as Somague Angola, Teixeira Duarte, Epos, Tecnasol and Ibergru. (15-08-2016)

DROUGHT-HIT SWAZIS WANT WATER IMPORTED FROM MOZAMBIQUE

Residents of Mbabane, the capital of drought-hit Swaziland are demanding the Swaziland Water Services Corporation (SWSC) to import water from Mozambique as relief from the persistent dry spell causing shortages.
Swaziland completely hemmed in by South Africa has no access to natural water resources.

“Mozambique has access to the sea so we can arrange to buy water from them because we cannot stand a situation worse than this” said Siboniso Kunene, a resident of the capital where water shortages have reached crisis point.

Speaking on behalf of Mbabane residents on Sunday Kunene added: “Already our children are suffering from diarrhoea due to insufficient water supply”.

The residents were reacting to a revised water rationing schedule announcing that water supply will be cut off by four days a week in the capital city.

SWSC Managing Director, Peter Bhembe highlighted the impracticality of fetching water from Mozambique’s Indian Ocean, saying the problem would be affordability.

He warned Swazis to expect a worse situation than the current shortage toward the end of 2016, pointing out that the coming summer season may not bring enough rainfall.(APA 14-08-2016)

KENYA AIRWAYS MODERNISES CONNECTIVITY

SITA, the global air transport communications provider, is to roll out faster, new-generation connectivity across Kenya Airways’ global network.
This is hailed as a vital investment in infrastructure needed to support the airline’s renewed focus on cost optimization and airline modernization.
Kenya Airways is seeking to leverage SITA’s latest communication technology to drive new efficiencies in the management of its route network while ensuring the best passenger experience across the airline’s global footprint.
Through SITA Connect, the airline will have access to high-speed, secure connectivity, linking employees and sales offices around the world to Kenya Airways’ central systems and applications to manage everything from reservations, check-in and boarding.
With a global presence, SITA is able to meet the airline’s complete connectivity requirements with tailored solutions for each location. Central to the delivery is SITA’s AirportHub™, a shared connectivity platform already used in more than 300 airports in over 100 countries.

Using SITA's common-use infrastructure eliminates the complexity of dealing with local telecom providers while enabling Kenya Airways to connect securely to their central systems and applications from any airport in the AirportHub network.

Mbuvi Ngunze, Group MD and CEO of Kenya Airways says to position Kenya Airways for the future, the airliner needs a single communications partner that could take care of all its connectivity requirements no matter where it operates.

"SITA, with its truly global footprint and experience, provided us with a world-class solution supported by a local presence in each destination, connecting even the furthest outstation to our hub in Nairobi," Ngunze says.

Hani El-Assaad, SITA President, Middle East, India and Africa says connectivity on demand is the lifeblood of any airline, ensuring the smooth and rapid exchange of information needed to support effective operations no matter where in the world an airline operates, the size of their operation or their business model.

"We have used our global experience and presence to provide Kenya Airways with the latest communication solution that is able to cater to their own specific requirements."

Kenya Airways flies to 53 destinations including 43 destinations in Africa, carrying more than 4 million passengers every year. (*CAJ News)*

HUMAN RESOURCES FOCUS IN NEXT CYCLE OF CHINA/AFRICA ECONOMIC COOPERATION

The cycle of expansion based on raw materials, which has sustained growth of economic relations between China and African countries like Angola, is playing out and the next opportunity is in human resources, says researcher David Dollar.

In the Brookings Institution study on "China's Engagement with Africa: from natural resources to human resources", the US researcher holds that "the foundation for the Africa-China economic relationship is shifting," after an in initial period where it was "logical" for the Chinese economy to import African raw materials while exporting back industrial products.

"These patterns of trade and investment are now likely to gradually shift in response to changing demographics. The working-age population in China has peaked and will shrink over the coming decades." This has led to higher wages and rising domestic consumption, the economy's most dynamic component, he says.

The model based on investment and exports is also "running out of steam" and there is excess production capacity in real property, manufacturing and infrastructures, whereby raw material demand should remain muted.

Dollar asserts that Africa's demographics are heading in the opposite direction, with much resemblance to China before the economic reforms 35 years ago: half of the population is less than 20 years old, so the working-age population will increase in the next two decades, forcing the continent to create 20 million jobs per year.

"Africa's demographics present both an opportunity and a challenge. It is unrealistic to expect the China-Africa economic relationship to change overnight. Nor would it be reasonable to expect large volumes of Chinese manufacturing to move to the continent in the near future (…) But if even small amounts of manufacturing shift, this could make a significant difference for African economies," he explains.

Preliminary conclusions of a study by the China Africa Research Initiative of Johns Hopkins University in the US, recently presented by the researchers Jyhjong Hwang, Deborah Brautigam and Janet Eom, indicate that of the US$86.9 billion of Chinese lending to Africa between 2000 and 2014 (by Chinese government, banks and companies), Angola received US$21.2 billion or 23 percent of the total.

The China Development Bank was the institution that granted the most credit to Angola (US$11.3 billion), followed by the Export-Import Bank of China (US$7.36 billion) and others (US$2.5 billion).

China should work with African governments to "encourage Chinese firms to hire and train African workers and to limit the flow of labor" to those countries, because there is a greater incentive for companies to hire locally due to the rising cost of sending in expatriate workers, Dollar says.

After analysing the Chinese Commerce Ministry database on companies investing in Africa, he concludes that while the biggest companies focus on extracting natural resources, small and medium sized ones are above all dedicated to manufacturing and services, which meets the interests of many African economies.

In late July, 39 agreements between Chinese and African companies worth an estimated US$17 billion were signed in Beijing on the sidelines of a meeting held to assess the second China-Africa Forum (FOCAC) Summit, according to Xinhua news agency.

The business seminar likewise held during that meeting was attended by more than 400 participants from government agencies, financial institutions, business associations and companies.

Among those present were Mozambique's Deputy Minister for Foreign Affairs and Cooperation, Nyeleti Mondlane, and Guinea Bissau's Minister of Public Works, Construction and Urbanism, Malam Banjai, among other representatives from the Portuguese language countries.

The December 2015 FOCAC Summit in Johannesburg resulted in ten cooperation plans between China and Africa in the next three years, worth an estimated US$60 billion.(15-08-2016)

COOKING INVOICES COSTS AFRICA BILLIONS

Trade misinvoicing is a reality. Importers often overprice incoming goods for the purpose of shifting money abroad. Exporters often underprice outgoing goods for the same reason. The process contributes to about $50bn-$80bn a year moving out of Africa, mostly from resource exporting countries.

Compiling data on and curtailing these flows is a major challenge.

The most flagrant example of purposeful trade misinvoicing yet involved diamonds exported from SA. For much of the 20th century, diamonds left the country with no export data reported. In 1997, I went to the South African Reserve Bank seeking historical statistics on diamond exports and was told it had been a state secret since the early 1900s. A second request two years later produced the same answer.

In meetings with South African journalists in recent years, I have suggested repeatedly it needs to be investigated in detail. Was there a quid pro quo between successive apartheid governments and the diamond-exporting corporations?

I can imagine that the diamond-mining companies argued what they were digging up was just gravel until they could get it abroad to be cleaned and polished. Okay, but then what; after the value was determined, what part of the financial gain was returned to SA?

How many billions of dollars of resources were exported without benefiting the people of SA?

The situation changed in the late 1980s, when the South African Diamond Board was established, subsequently replaced by the South African Diamond and Precious Metals Regulator.

With quantities and values of shipments finally being recorded, the most recent figures indicate annual exports of 160,000 carats at a value of $933m.

Another data question arises from a recent report by the UN Conference on Trade and Development (Unctad) concerning gold exports from SA. The report's author, Prof Léonce Ndikumana, has been a leading voice for decades calling attention to trade misinvoicing and its enormously harmful effect on developing countries. His analysis drew upon data filed by the South African government with UN Comtrade, which compiles statistics on bilateral trade between countries according to commodity categories.

These and other similar statistics are compromised when export and import commodity classifications do not match, and when producing countries and importing countries are not fully and accurately recorded. Global Financial Integrity, with which I am associated, likewise uses UN Comtrade data as well as data from the International Monetary Fund's Direction of Trade Statistics and from the published bilateral trade statistics of 30 countries.

We, and all researchers in this area, depend on the accuracy and compatibility of reporting by governments. The outcome of the controversy over Unctad's reported estimates should be a renewed determination to improve trade statistics so that the whole world can know accurately what is being bought and sold and who are the buying and selling partners.

The UN Economic Commission for Africa, through a programme led by Thabo Mbeki and on which I serve, has worked diligently to place the issue of illicit financial flows on the global agenda. Through these efforts, 193 countries subscribing to the sustainable development goals have agreed to tackle the issue and work for their curtailment.

It is absolutely necessary if domestic resources are to be maximised and the goals achieved. Within this agenda, transparent and legitimate trade is crucially important.

Unctad and Ndikumana have done a valuable service in drawing attention to illicit trade flows and the importance of more accurate data in analysing and understanding it. (BD 16-08-2016)

EGYPT MOVES TO STABILIZE GOLD MARKET

Egypt’s Minister of Supply and Internal Trade, Khaled Hanafy on Tuesday inaugurated an operation line in coordination with the Saudi jeweler, L'azurde group, in a bid to ease both the sharp rise in gold prices and the financial burden on the country.

The significant rise in gold prices over the past few days led to a state of depression in gold sales and production, which required the authority to legalize 14 carat gold to be sold at standard specifications and affordable prices, said the chairman of the Hallmarks and Balances Authority, Mohamed Hanafy.

In a joint press conference with L'azurde executive manager Selim Chidiac and Hallmark Authority chairman Hanafy, the Supply minister announced that the Authority has approved gold of a value less than 18 carats on the Egyptian market.

Gold items of nine, 12 and 14 carats have been stamped by the authority, as well as items weighting less than 18 grams, said Hanafy.

Gold prices have witnessed a significant increase on the local market in recent years, and even more so since the fall of the Egyptian economy against the dollar in the spring.

The legal approval of 14 carat gold is a quantum leap in the market of gold and jewelery in Egypt, said L'azarde CEO in Egypt, Ehab Ibrahim.

L'azurde conducted studies prior to launching its 14 carat operation line in Egypt, and found a significant market demand for quality pieces of a high carat at affordable prices, Ibrahim added.

The price of 14 carat gold ranges between EGP270 and EGP300 per gram, he said, adding that items of this value can be exchanged at jewelery shops, as can gold items of a value of 18 and 21 carat.

The price of gold, linked to the US dollar exchange rate, rose sharply on the black market in recent weeks, despite maintaining rates close to EGP8.78 in the official market. (APA 16-08-2016

ALGERIA: ENERGY REPRESENTATIVES CONDUCT STUDY VISIT TO BRUSSELS

In the framework of the "strategic partnership" signed by the EU and Algeria in 2013 in the area of Energy and following the organisation of the EU-Algeria business forum, on 24 and 25 May 2016 Alger, 18 representatives of the Algerian Ministry of Energy and SONATRACH (the Algerian energy company) have been invited by the EU to attend an intensive three-day workshop in Brussels and field trip to Zeebrugge, in order to share experience in the gas sector.

The workshop, held from 11 to 13 July 2016 was officially opened by Dominique Ristori, EU Director General for Energy, who welcomed the delegation, stressing the importance of Algeria for EU, being the third largest gas supplier to the EU, and the prospects for developing further cooperation in the sector.

The unanimous message of all participants in the workshop was that there was still a lot to achieve regarding EU-Algeria relations and gas exports / consumption. Delegates also agreed that in order to reach future agreements in the gas sector, Algeria needs to look ahead and see how it can adapt its energy market for new market consumption demands in Europe. (EEAS 16-08-2016)

COMPANY DEVELOPING MOZAMBIQUE'S NORTHERN CORRIDOR TO RECEIVE 100 RAILCARS

Merchandise and especially cereal transport capacity of the Corredor de Desenvolvimento do Norte (CDN) company will be boosted when a hundred newly-purchased railcars enter service, CDN spokesman Sérgio Paunde announced.

The railcars, each with capacity of 54 tons, were bought in neighbouring South Africa, an investment of close to US$11 million, Paunde said, cited by the Maputo-based daily Notícias.

He explained that 22 of the 100 railcars are already at Nampula and that a like number will soon be delivered. The last group should arrive in Mozambique in December of this year at the latest.

CDN has been receiving requests from various clients aiming to transport large quantities of cereals to regions along the Nacala rail corridor which face food shortages due to low harvests in the last agricultural season, Paunde said.

Although positive 2015/2016 harvest results were recorded, Mozambique's Nampula province, for example, needs about 900,000 tons of maize to meet demand.

The corporate purpose of CDN – Corredor de Desenvolvimento do Norte is to manage, restore and commercially exploit in an integrated manner the infrastructures of the port of Nacala and the railway network in northern Mozambique. It is included in the Nacala Corridor Project involving northern Mozambique as well as Malawi and Zambia.

CDN's shareholding structure comprises Sociedade de Desenvolvimento do Corredor de Nacala, with a 51 percent stake, and the state-held Portos e Caminhos-de-Ferro de Moçambique, with the remaining 49 percent. (15-08-2016)

JAPAN DONATES $5MN TOWARD DROUGHT RELIEF IN MOZAMBIQUE

Japan has revealed a $5 million package for Mozambique through the United Nations World Food Programme (WFP) to provide food assistance to drought-hit people in the country between September and November 2016.

It is part of a wider relief package meant to reach over 300,000 drought-affected people in the four worst affected countries in southern Africa.

A statement seen by APA on Tuesday said, Japan's donation will allow the WFP in Mozambique “to address persisting needs and significant funding gaps while supporting community efforts towards recovery, greater resilience and ultimately progress towards Zero Hunger”.

According to the WFP regional director Chris Nikoi, “we deeply appreciate this generous contribution by the Japanese government at a moment when we urgently need to move huge amounts of relief assistance into
drought-hit areas - especially those which will be cut off when the rainy season starts”.

However, Nikoi lamented that the drought emergency operation has only received 20 percent of the funding required to assist almost 12 million people across the region until next April.

He added: “The drought response in Mozambique includes emergency school feeding of 100,000 children and treatment of moderate acute malnutrition to 51,000 children and pregnant and nursing women”.

The drought is mainly due to the strongest El Nino weather event to hit southern Africa in 35 years.

El Nino is characterised by an abnormal warming of the surface waters of the Pacific Ocean and has a significant effect on weather around the world.

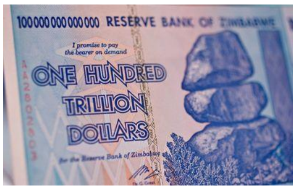
The term was first used at the end of the 19th century to describe a warm current off the coast of Peru at Christmas.

In Mozambique, El Nino is linked to the failure of rains during what is usually the wettest period - January to March.

It has been blamed for the drastic food shortages in much of southern and central Mozambique in 2002 and for the severe drought which devastated the country in 1992.

According to the relief agency CARE, nearly two million people in Mozambique are currently in urgent need of humanitarian assistance.(APA 16-08-2016)

ZIMBABWE’S POLICE USE TEAR GAS BREAK UP PROTEST AGAINST LOCAL BANK NOTES



Zimbabwean police fired tear gas and a water cannon on Wednesday to disperse crowds protesting against central bank plans to re-introduce local bank notes, a Reuters witness said.

A crowd of about 100 marched through the streets of the capital Harare towards the central bank, before riot police broke up the demonstration.

Zimbabweans are worried that the central bank's plan to introduce bank notes, or "bond notes", in October to ease the dollar shortage could open the door to rampant money printing, as happened in 2008 when inflation hit 500-billion percent, wiping out people's savings and pensions.

Wednesday's protest follows other similar demonstrations. A protest by graduates two weeks ago against the introduction of the bank notes was dispersed using similar methods.

After 36 years of President Robert Mugabe's authoritarian rule, Zimbabwe has seen a rise in opposition protests fuelled by internet activism using the hashtag ThisFlag.

In July, a one-day strike shut down offices, shops, schools and some government departments. The strike was called by trade unions and Christian pastor Evan Mawarire, who has become the figurehead of the antigovernment protests. Mawarire is currently in SA with no set date for his return to Zimbabwe after Mugabe threatened him directly.

War veterans, once a strong source of support for Mugabe, have also turned against him, calling in July for him to step down. (Reuters with AFP 17-08-2016)

CABO VERDE RECEIVES 323,000 TOURISTS IN 1ST HALF-YEAR

Cabo Verde was visited by 323,000 tourists in the first half of 2016, up 15.9 percent year-on-year, the island country's National Statistics Institute (INE) announced.

The INE also indicated that those tourists accounted for 2 million overnight stays, up 14 percent year-on-year.

Cabo Verde (Cape Verde) received 132,400 tourists in the second quarter, up 13.9 percent over the same period in 2015, with 869,000 overnight stays, up 16.5 percent, likewise year-on-year.

Hotels continue to be the lodging most in demand, accommodating 84.4 percent of total tourists, followed by tourist resort villages (6.2 percent) and residences (4.1 percent).

Sal Island accounted for most demand, 46.6 percent of the total, followed by the islands of Boavista (30.8 percent) and Santiago (12.1 percent), with overnight stays ranked in the same order: Sal (51.4 percent), Boavista (39.6 percent) and Santiago (3.8 percent).

In the second quarter the largest share of tourists was from the United Kingdom market, accounting for 22.9 percent of total entries, followed by Portugal, Germany and France (respectively 11.9 percent, 11.0 percent and 9.1 percent of the total).

The United Kingdom also ranked first in overnight stays (34.4 percent of the total, followed by Germany, the Netherlands and Portugal (respectively 14.0 percent, 11.5 percent and 9.2 percent). (15-08-2016)

KENYA IN AMBITIOUS $493M SCHOOL WATER CONNECTION PROJECT

The Kenyan government on Monday disclosed it has embarked on an ambitious 50 billion shillings ($493 million) project to ensure all schools in the country are connected with safe water supplies.
Only 9,000 out of more than 22,000 schools in the country have water supplies.

The project comes hot on the heels of the Nationals Schools Electrification Project, which has now achieved its target, to connect all schools with electricity.

The pilot of the ambitious project has already been launched in the three North Eastern counties where 50 schools are targeted.

The Government has set aside 1 billion shillings ($9.9 million) to kick start the project, which is estimated to cost Sh50 billion nationwide.

Water Cabinet Secretary Eugene Wamalwa revealed the details of the ambitious project when he spoke at the State House Agriculture Summit in Nairobi.

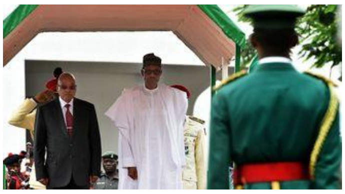
He said the Government's policy is to increase the number of Kenyans with access to clean water supplies by 10 million within the next three years.

"The first place to start from is water for schools. The President issued a directive in January and the project is underway," he said.

He said many development partners are ready to partner with the country to improve water, sanitation and hygiene in schools.

Wamalwa said the Saudi Development Fund donated Sh500 million ($4.9million) and that amount has already been committed to connect the schools in North Eastern with safe water supplies.(APA 15-08-2016)

WATCH SOUTH AFRICA AND NIGERIA IN NUMBERS



As the debate rages over which African country's economy is largest, take a look at South Africa and Nigeria in numbers

WATCH South Africa and Nigeria in numbers

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