MEMORANDUM

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11 YEARS OF UNINTERRUPTED PUBLICATION
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SUMMARY

KENYA FACES CONSTITUTIONAL CRISIS AS RAILA ODINGA EXITS ELECTION RERUN

Kenyan opposition presidential candidate Raila Odinga on Tuesday withdrew from a rerun of the country's annulled presidential election, pushing the East African nation towards a constitutional crisis.

Odinga, the leader of the National Super Alliance, said he was pulling out of the race because the Independent Electoral and Boundaries Commission refused to discuss proposed changes to its personnel and procedures to ensure the vote is free and fair. The announcement came as President Uhuru Kenyatta's Jubilee party proposed amendments to the electoral law that would allow the authority to declare a winner if one of the contestants withdraws from the contest.

"We are going to a major political crisis, a major constitutional crisis," Prof Peter Wanyande, a political scientist at the University of Nairobi, said. "In a democracy, which we are by virtue of our constitution, you cannot hold an election with only one candidate."

Uncertainty about the rerun has unnerved investors and clouded the outlook for an economy that's already struggling to expand because of a prolonged drought.

Kenya, East Africa's biggest economy and the world's largest tea exporter, is a regional hub for companies including Toyota Motor and General Electric. Tullow Oil is among firms that may exploit an estimated 1-billion barrels of crude reserves discovered in the north of the country.

Worst Performer

Kenya's Nairobi Securities Exchange All Share Index is the worst performing index in Africa and the fifth worst performer in the world since September 1, when the vote was nullified by the Supreme Court.

Kenya's currency was unchanged at 103.30 per dollar and the yield on the nation's Eurobonds fell four basis points to 6.31% in Nairobi.

Odinga's withdrawal comes after his alliance failed to reach an agreement with the electoral commission in talks about changing the ways the authority will handle the vote. The court annulled the election, which Odinga lost, after saying the commission committed "irregularities and illegalities".

"All indications are that the election scheduled for October 26 will be worse than the previous one," Odinga said on Tuesday in the capital, Nairobi. "Considering the interests of the people of Kenya, the region and the world at large, we believe that all will be best served by Nasa vacating its presidential candidature in the election."

The opposition plans to hold nationwide protests on Wednesday, including a mass gathering in Nairobi, James Orengo, an opposition senator, said at the briefing.

Previous disputes over elections in Kenya have led to violence, the most serious being in 2007, when clashes left more than 1,100 people dead and forced 350,000 more to flee their homes. That resulted in growth slumping to 1.7% in 2008 from 7.1% a year earlier. (Bloomberg 10-10-2017)

IMF SUPPORT EXPECTED TO COMPEL MOZAMBICAN GOVERNMENT TO ADOPT UNPOPULAR MEASURES

Mozambique's dependence on external financing is expected to force the government to adopt some unpopular political measures in order to regain the support of the International Monetary Fund (IMF), said the Economist Intelligence Unit (EIU) in its latest report on the country.

The document stresses that the unwillingness to introduce austerity measures before the 2019 elections may tempt the government to postpone the re-launch of the IMF's support programme, but adds that the deteriorating liquidity crisis will push the government to change its thinking on this.

This belief stems from the fact that the government continues to resist the IMF's demands for full transparency, including full disclosure of the report produced by consulting firm Kroll Associates UK on hidden debts as well as the adoption of a more restrictive fiscal policy, with the EIU concluding that an agreement with the IMF will not be put in place in 2018.

The debt crisis will not see a quick solution, and the EIU analysts say that the most likely solution will be to merge the three debts amounting to US$2 billion into a single one, with lenders being forced to lose part of their investment and the loan repayment, in default since February 2017, to be pushed to after 2020.

The timetable for reaching a solution, whatever it may be, is even more uncertain, with Mozambican government borrowers demanding, similarly to the IMF and international donors, full disclosure of Kroll Associates UK’s report.

Mozambique’s economy, which is expected to start accelerating this year due to rising prices of the commodities that Mozambique exports, including coal, is expected to grow from 4.2% in 2017 to 5.6% in 2022.

Fiscal consolidation will continue to limit growth in services and civil construction, areas usually dependent on government contracts, although entrepreneurs will make some private investment as confidence recovers.

The gas industry is expected to be a major development factor for the Mozambican economy, with the projects in the Area 1 and Area 4 blocks in the Rovuma basin in the north of the country, but their complexity and investment values will mean that the extraction of natural gas and subsequent processing and liquefaction will only begin after 2022. (10-10-2017)

MOROCCO SET TO TEST AFRICA’S FIRST HIGH-SPEED RAILWAY

Engineers in Morocco are preparing to test Africa’s first high-speed railway this week, with trains reaching 320km/h, the Moroccan national railway operator, ONCF, said on Monday.

One train reached 275km/h on Monday along a stretch of track between the northern cities of Kenitra and Tangiers.

"This is already the fastest train on the African continent," said French foreign minister Jean-Yves Le Drian, who was in Morocco to sign a loan deal between the ONCF and the French Development Agency. He said the railway was "emblematic of the Franco-Moroccan bilateral relationship".

The link between Casablanca and Tangiers via the capital Rabat will slash journey times between the North African country’s economic hubs by almost two thirds, to just more than two hours.

Morocco’s TGV, which gets its name from the French abbreviation for high-speed trains (Train à Grande Vitesse), is set to enter service in summer 2018.

The total cost of the project, 50% financed by France through various loans, is about $2.4bn (¤2bn). It is set to go about 15% over budget, according to figures released on Monday. However, ONCF head Rabii Lakhlii said the project had cost "less than ¤9m/km, compared to a European standard of ¤20m/km".

The route, made more complex by hilly terrain and strong winds, required the building of several viaducts including one some 3.5km long.

The ONCF is targeting 6-million travellers a year after three years of operations. Lakhlii said tickets would cost about 30% more than those for the current rail link.

Moroccan leaders have heralded the project as a key step in modernising the country’s infrastructure, but opponents have criticised it, saying the money could have been better spent in a country where many live in poverty. They also argue that it unfairly favoured French companies. (AFP 10-10-2017)

SHALINA HEALTHCARE GROUP INVESTS IN HEALTH SECTOR IN ANGOLA

The Dubai-based Shalina Healthcare group will invest US$16.2 million in Angola in the acquisition of Angolan company Africa Pharmacy, under a contract signed with the Technical Unit for Private Investment (UTIP), the Angolan press reported.

The investment agreement provides for the acquisition of 99% of the share capital of Africa Pharmacy by Shalina Healthcare and 1% by Afinco, while estimating cumulative capital gains of US$147.5 million by 2024.

The group plans to open a drug factory and a new distribution centre in Luanda “in the not too distant future,” the director general of Africa Pharmacy, João de Barros, told trade publication Jornal da Saúde.

The Shalina Healthcare Group is a market leader in the production and distribution of affordable pharmaceuticals and medicines in the African market, where it has been operating for over 30 years and is present in nine countries, Nigeria, the Central African Republic, Kenya, Cameroon, Gabon, Congo Brazzaville, Democratic Republic of the Congo, Zambia and Angola. (10-10-2017)

JOBURG IS A MORE POPULAR AFRICAN CITY THAN CAPE TOWN, INDEX FINDS

Johannesburg has emerged as the most popular destination city in Africa in 2016, followed by Cape Town in second place, according to the annual Mastercard Global Destination Cities Index. Durban placed sixth on the list.

Johannesburg welcomed 4.57-million international overnight visitors in 2016 — a 24% increase on the previous year’s 3.69-million visitors.

Cape Town rose from third place in 2015 to become the second-most popular African destination city in 2016 with 1.52-million visitors.

Lagos (1.04-million), Casablanca (961,694), and Cairo (820,959) rounded out the top five African cities, while Durban remained in sixth place, attracting 758,057 international overnight visitors.

Johannesburg also topped the rankings in Africa in terms of international visitor expenditure, with travellers spending $2.56bn in 2016.

Shopping accounted for the largest percentage of visitor spend, followed by accommodation and dining out.

"The city of gold has shown the highest year-on-year growth in visitor numbers of all the African cities ranked in the 2016 index, illustrating that its mix of shopping, iconic attractions and tourism offerings is clearly hitting the mark with international travellers," said Anton van der Merwe, head of market development at Mastercard SA.

"Significantly, Joburg also reported a 4% increase in international expenditure from 2015 — much greater than SA’s GDP growth of 0.3% in 2016. This indicates that Johannesburg is well positioned to be an engine of broad economic growth for the country."

Jozi’s attractions for visitors was highlighted by CNN Travel last week, in an article headlined Johannesburg Gaining on its Stunner of a Sibling City, saying while it could not compare with the natural beauty of Cape Town, it was capitalising on its urban energy and redeveloping neglected city areas into lifestyle destinations with streetlife and sidewalk restaurants, "creating a new life outside of the high walls that surround many suburban homes and shopping complexes".

"The resulting mix of a younger generation of people has sparked a new creative life in the city’s inner core that animates galleries, theatres and bookstores," the CNN report said.

The Mastercard Index of Global Destination Cities ranks the world’s top 132 destination cities in terms of visitor volume and spend for the 2016 calendar year. It also provides insight on the fastest-growing destination cities, and a deeper understanding of why people travel and how they spend around the world.

The 13 African cities ranked in the index are Johannesburg, Cape Town, Lagos, Casablanca, Cairo, Durban, Accra, Dakar, Entebbe, Tunis, Nairobi, Maputo and Beira.

About 78% of Johannesburg’s international overnight visitors in 2016 travelled from the Middle East Africa region. Mozambique was the number one country that sends visitors to Johannesburg, accounting for 1.02-million visitors or 22% of the total. The rest of the top five origin countries were Zimbabwe (841,000), Lesotho (493,000), Botswana (315,000) and Swaziland (215,000).

According to the City of Johannesburg, the index rating affirms Johannesburg’s position as the major economic and cultural hub in Africa.

"Travel and tourism are increasingly important pillars of Johannesburg’s economy, with growth in this sector creating jobs and prosperity for our residents," said City of Johannesburg mayor Councillor Herman Mashaba. "Johannesburg’s malls, restaurants, trade conferences and expos, and sporting and cultural events add up to a compelling tourism package that continues to attract international visitors — both from neighbouring African countries and abroad."

Cape Town and Durban are ranked number two and eight in terms of expenditure in Africa, with international visitors spending $1.2bn and $314m, respectively.

The mother city attracted a larger proportion of long-haul visitors than Joburg, with travellers coming from the UK (335,000), US (218,000), Germany (217,000) and the Netherlands (96,000). Cape Town’s highest number of African visitors came from Namibia (144,000).

Durban’s top three countries of origin were Swaziland (295,000), Lesotho (52,000) and Zimbabwe (49,000).

Overall, Bangkok remained the top-ranked destination city by international overnight visitor arrivals with 19.4-million visitors in 2016, followed by London (19.06-million), Paris (15.45-million), Dubai (14.87-million) and Singapore (13.11-million).

From a spending perspective, Dubai tops the ranks with the highest international overnight visitor spend, amounting to $28.50bn in 2016. New York ($17.02bn), London ($16.09bn), Singapore ($15.69bn) and Bangkok ($14.8bn) round out the top five.(BD 10-10-2017)

ANGOLAN COMPANY LAUNCHES EXPORTS WITH SALE OF COTTON THREAD TO PORTUGAL

Angolan textile company Alassola has invoiced US$500,000 through the export of its first 15 containers to Portugal containing 156 tonnes of cotton thread, company chairman Tambwe Mukaz said recently.

The businessman said in Lobito that the sale of thread to Portuguese textile factories will allow the company to overcome the lack of foreign currency in Angola and to import raw material and guarantee continued production.

This export of textile products to Portugal, the first time this has happened in Angola since independence from the European nation, is due to be repeated within four weeks, with the shipment of more containers filled with thread.

Alassola is based in the municipality of Benguela, on Angola’s central coastal region, and it is based on the recovery of the former textile factory Africa Têxtil, which was inaugurated in 1979 and which came to a standstill in 1998 and declared bankruptcy in 2000.

There followed a process of recovery, expansion and modernisation of the unit, which took five years with an investment of US$450 million.

The industrial unit is dedicated to the production of yarns, fabrics, towels, bed sheets and blankets, pillowcases, tablecloths, napkins and other similar products. It is built in a plot of 120,000 square metres and has a total construction area of 70,000 metres, employees 170 workers, five of whom are foreigners. (10-10-2017)

COMPANIES FINGERED IN MOZAMBIQUE’S DEBT DEFAULT TURN ON AUDIT FIRM KROLL

Sasol ’s natural gas venture in Mozambique that was inaugurated in 2004. Picture: REUTERS
Maputo/Johannesburg — Three state-owned Mozambican companies whose government-guaranteed debts led the gas-rich nation to default have criticised an audit by Kroll that questioned their actions in the scandal.

The companies queried two key findings by Kroll, including that more than $500m of debt remains unexplained, and said the entire maritime security project that the loans funded "was public from day one", according to a letter from their lawyers, Alexandre Chivale & Associados, addressed to attorney-general Beatriz da Consolacao Bushilli.

The letter, seen by Bloomberg, was verified by the law firm.

Mozambique's government last year admitted to the International Monetary Fund (IMF) that it had agreed to about $1.4bn of loans it previously had not disclosed, prompting the Washington-based lender to halt financing to the country.

A group of 14 donors followed suit.

Mozambique is in default after missing at least two payments on its $727m worth of Eurobonds this year.

As a condition to resume funding, the IMF said Mozambique should appoint an international company to carry out an audit of the loans taken by the three companies.

Tuna-fishing company Empresa Mocambicana de Atum, or Ematum, borrowed $850m, which was converted into a Eurobond, while security company ProIndicus received $622m and Mozambique Asset Management got $535m.

The $1.4bn of previously hidden debt excludes the Ematum loan.

Kroll undertook the probe and the attorney-general in June published a summary of the findings, which showed the companies had yet to account for a portion of the debt and also suggested the country may have been overcharged for parts of the projects the loans funded. Kroll declined to comment on the letter.

Questions raised

The $500m that Kroll said was unexplained was officially moved to the defence budget and approved by parliament, raising questions about why Kroll believed there was a discrepancy, the companies said in the August 18 letter.

Kroll hired a specialist to value the fishing boats, patrol vessels and aircraft the loans funded, who found that they may have been overpriced by about $700m. Privinvest, the contractor that supplied the equipment, said it charged similar amounts to other clients.

It is "strange that the specialist has evaluated sophisticated systems in so short a time", the companies said. "Likewise, Kroll only presents an assessment that does not include intangible assets, such as the transfer of technology and intellectual property."

Other points made in the letter include that the IMF has yet to resume funding to Mozambique and said in September the government should publish the full report and "fill the information gaps to strengthen transparency and ensure accountability" before it does.

Earlier this year, Antonio do Rosario, the head of the three state-owned companies, accused Kroll auditors of personally attacking him in its report and said he chased representatives of the company away from his office after they sought details about state security. (Bloomberg 10-10-2017)

AIR MADAGASCAR SEALS PARTNERSHIP DEAL WITH AIR AUSTRAL

The Malagasy airline, Air Madagascar has entered into a strategic partnership agreement with Air Austral over a ten-year period.

The deal was signed at the Ambohitsorohitra Palace between the Minister of Transport and Meteorology, Ralava Beboarimisa, the Acting Finance and Budget Minister, Paul Rabary and Air Austral President and CEO, Marie Joseph Male.

Malagasy President, Hery Rajaonarimampianina and the leader of Reunion, Didier Robert witnessed the signing ceremony.

Under the agreement initialed Monday, Air Austral will invest $40 million with technical and operational expertise for the transformation of Air Madagascar.

The Malagasy airline provides a “debt free” incentive and a plan for the development of priority airport infrastructures.

Air Austral will now be responsible for the administration and operation of Air Madagascar. However, the company remains a public airline, the Malagasy state remaining the majority shareholder with 51percent of the stakes.

The mission to appoint the Chairman of the Board of Directors is still the responsibility of the Malagasy state.
The transformation will be carried out in two phases.
The first of three years will focus on the recovery and restoration of fundamental aspects of running the airline.
The second phase will be oriented towards the development of the fleet and the opening of new lines, thus aiming for the growth of the company.
According to company officials, with this new partnership, an annual increase of 6.5 percent on production, 4.6 percent on the rate of return and, in concrete terms, a turnover of $420 million is conceivable.
By the end of October, both companies will sign the shareholders’ agreement. (APA 10-10-2017)

NEDBANK AND DEUTSCHE BANK ANNOUNCE CORPORATE BANKING ALLIANCE FOR SOUTHERN AFRICA

The arrangement to co-operate, intended to combine Nedbank’s regional footprint with Deutsche’s global reach, does not involve a formal joint venture or new legal entity
Nedbank and Deutsche Bank announced a Southern African corporate banking alliance on Friday morning.
Nedbank said in a statement the alliance would not involve creating a legal entity or joint-venture structure.
"There is no impact on existing advisory and financing businesses, which remain separate," the statement said.
The scope of the alliance will cover managing initial public offerings, rights offers and share placements. It will also include working together on bond issues and trading.
The alliance will see Nedbank’s Corporate and Investment Banking (CIB) division working with the South African division of Deutsche Securities.
"The co-operation with Deutsche Bank will enhance Nedbank’s ability to provide our clients with access to deeper sources of capital globally," Nedbank CIB group managing executive Brian Kennedy said in the statement.
"The co-operation offers a creative and innovative way to expand Deutsche Bank’s client footprint and deliver customised solutions," Deutsche Bank SA chief country officer Muneer Ismail said.

"Deutsche Bank has a proud 25-year history in SA. Through our co-operation with Nedbank, we aim to broaden our franchise, further underlining our commitment to both the country and the region," the German bank's head of corporate fiance for the Europe, Middle East and Africa region, Alasdair Warren, said in the statement.(BD 06-10-2027)

ETHIOPIA IS SET TO REGISTER AN 11.1 PERCENT ECONOMIC GROWTH THIS ETHIOPIAN FISCAL YEAR, WHICH BEGAN ON JULY 9, 2117.

Addressing the joint session of the country's House of People's Representatives (HPR) and House of Federation (HoF), on Monday, President Mulatu Teshome said the nation had managed to register a 10.9 percent economic growth last year amid continued drought and army worm invasion.

"There is a plan to register an 11.1 percent economic growth this fiscal year, with the government planning to accelerate the Grand Ethiopian Renaissance Dam on the River Nile; commence full operation of the Ethio-Djibouti railway; and do more to attract the private sector into power development in this fiscal year," he added.

The President indicated that the agricultural sector contributed a 6.7 percent to the economy.

Last year, the industrial and service sectors have shown 18.7 percent and 10.3 percent growth respectively, he also stated.

However, drought and the army-worm that infested some parts of the country affected the performance of the industrial sector, he continued.

He further said employment opportunities were created for about 2.5 million women and two million youths last fiscal year.

In general, the country had made a significant economic transformation last fiscal year, with the economy showing a strong recovery.

President Teshome has also pledged to reinvigorate the battle against maladministration and corruption, adopt proclamations to strengthen the federal system, reform the electoral system and make this year's local election democratic and fair.

Moreover, efforts will be made to expand the political space and prevent communicable diseases, as well as to raise export earnings to $4 billion. (APA 09-10-2017)

ETHIO-DJIBOUTI US$ 3.4BN RAILWAY PROJECT COMMENCE FULL RIDE TRIALS

Full ride trials have commenced on the Ethio-Djibouti railway project. The trials units are prior to the commencement of passenger and freight services.

According to Dereje Tefera, Ethiopian Railways Corporation (ERC) Communication Services Head, any railway project has to undergo various trails and checking. It also needs to be certified by external institutions before it begins full operation.
China Railway Engineering Corporation (CREC) and China Civil Engineering Construction Corporation (CCECC) are in charge of managing the overall activities of the project for the coming six years. Furthermore, within the six years, the companies will train the Ethiopian and Djibouti personnel. The training will touch on operation, maintenance and the like. However, the railway construction marks Ethiopia's commitment in fighting poverty. It will also help the country to build its image in the face of the world.
Moreover, the progress made so far regarding the full rail ride is promising and the two sisterly nations are inspecting the trial ride and other related matters. The Corporation did accord its attention to ensuring safety as the Ethio-Djibouti railway is a flagship project.
The project is also the first of its kind in the Sub-Sharan Africa.

The project cost

The railway project was executed at a cost of US$3.4bn, with Ethiopia and Djibouti contributing 70 percent and 30 percent respectively. Ethio-Djibouti railway project stretches from Sebeta to Dewele – 656km- and from Dewle to Negad via Dorale, over 100km.
Ethio-Djibouti Railways also known as the Ethio-Djibouti Railway, is both a railway company and a railway based in the Horn of Africa. Parts of the railway still exist in 2017. The Ethio-Djibouti Railway is one of the colonial era meter gauge railways in Africa that is built between 1894-1917.
However, inside Africa, the project serves as a clear economic purpose over decades easing the transport of goods between almost inaccessible Ethiopia and the ocean and clearly replaced camel caravans as the transport means of choice. (CRO 05-10-2017)

ZIMBABWEAN BILLIONAIRE SEEKS SWAZI LICENCE TO OPERATE TV STATION

Zimbabwean businessman Strive Masiyiwa is seeking a licence to operate a Kwese TV in Swaziland, APA can report on Monday.

Kwese TV is also available in African countries, including Botswana, Ghana, Lesotho, Zambia, Zimbabwe, Rwanda, Nigeria and South Africa.
Just recently, through its website, the TV network announced its upcoming markets which are Malawi, Uganda and Swaziland.
The businessman filed application through the Swaziland Communication Commission (SCCOM) to offer competitive satellite TV service in Swaziland in 2016.
This is set to give competition to Multi-Choice Swaziland, which is also quite new in the country.
According to Masiyiwa, subscribers need to have access to television services even when they cannot afford a subscription on that particular month, hence the provision of at least five free channels on Kwese TV network.
SCCOM general manager Strategy and Economic Regulation Lindiwe Dlamini confirmed receipt of an application from Kwese TV, and said the delay was due to the absence of a licensing framework.
"Kwese TV did express the desire to operate in the country. However, the commission has not

undertaken any licensing of new broadcasters in the sector pending the promulgation of the Broadcasting Bill into a law," the official said.
She revealed that the commission was also awaiting Kwese TV to re-engage it in light of the recently formulated Broadcasting Guidelines in terms of which considerations for the grant of new licences will be guided.
Despite having two television stations, most Swazis subscribe to Multi-Choice Africa which is based in South Africa where they are able to watch foreign television channels, resulting to Multi-Choice Swaziland struggling to secure a firm clientele base in the country.
(APA 09-10-2017)

CONSTRUCTION OF INTEGRATED PORT IN SENEGAL TO COMMENCE END OF 2018

Construction work on the integrated port in Dakar, Senegal is set to commence at the tail end of 2018. This is according to DP World, the UAE-based global marine terminal operator.
Port de Futur is aimed at providing seamless movement of cargo to neighbouring countries and also movement of over 200 million people in 16 landlocked African nations.
The multi-purpose port with an economic zone and a logistics zone is adjacent to the new Blaise Diagne International Airport. It will allow for the movement of goods to support the country's economic diversification, boasting non-resource exports.
Once complete, the project will be one of the most advanced and well-organized free zones. The contractor is going to utilize state-of-the-art equipment and technology; this is according to Sultan Ahmed Bin Sulayem, DP World Group chairman and CEO. Sultan Ahmed Bin Sulayem was speaking during a meeting with Macky Sall, the President of Senegal.
The DP World chief is in Senegal as part of a tour of West and North Africa to confirm the development of infrastructure projects in the country. The Prime Minister of Senegal and senior government officials attended the meeting.
"The size of the region and their population reinforces the need for multi-modal transport. Logistics and customs capabilities across borders. We have the know-how to help in that mission," he added.

"In addition, we are already part of Africa's future sharing our experience on cargo movement. Across the continent's supply chain and have the experience to deliver major projects here," explained further Sultan Ahmed Bin Sulayem.
He also said that the company will soon reach an agreement on land allocation. For the associated free zone. It will also provide a master plan for redevelopment of the old port of Dakar, he added.

Project benefit

Bin Sulayem said African nations are determined to develop their infrastructure to encourage trade and the growth of their economies. "The region has major trade potential, especially landlocked nations seeking gateways to the sea. Connectivity between them is key," he pointed out.
Across Africa, DP World has operations in Senegal, Egypt, Mozambique, Djibouti, Algeria and Somaliland where it is developing a multi-purpose port project at Berbera.
It also secured a 25-year concession to develop and operate a new logistics centre in Kigali, Rwanda at the beginning of 2016, he added.(CRO 05-10-2017)

NIGERIAN OIL UNIONS THREATEN STRIKE ACTION OVER $2.2B DEBT

The five major unions in the oil and gas sector have given notice of strike over US$2.2 billion debt owed by the Nigeria government to the oil marketers.

The unions are Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSEN), National Union of Petroleum and Natural Gas (NUPENG) and Major Oil Marketers (MOMAN).

Others are the Independent Petroleum Marketers Association (IPMAN), and Depot Petroleum Products marketers Association (DAPPMA).

The unions are also irked by the threat to retrench oil workers by the oil marketing companies.

The Public Relations Officer of PENGASSAN, Mr. Fortune Obi, urged the government to intervene to save the country the agony of crisis in the petroleum and gas sector.

Obi reiterated the importance of rescuing oil marketers from financial crisis, adding that many oil marketers were finding it difficult to cope “due to the backlog of debts owed them during the subsidy regime’’.

“Many marketers borrowed money to import fuel, hoping to be paid afterwards but up till date, they have not received their money from government.

“It is time to take oil marketers out of recession and financial crisis by duly paying them all the debts,” he said.

Obi, however, said that payment of the debt would not only enhance fuel supply in the country, but restore efficiency in the oil sector.

He said that the marketers could no longer import fuel due to their inability to service loans.

Meanwhile, the Lagos Chamber of Commerce and Industry (LCCI), has warned that the economy would lose an estimated $400 million daily, if the proposed strike is not averted.

The Director-General of LCCI, Mr. Muda Yusuf, said on Monday in Lagos that it would not be a good development for an economy that was just emerging from recession.

Yusuf urged the Federal Government to engage the unions and propose a credible payment plan to settle the arrears.

He noted that the consequences of the proposed strike would be severe because of the strategic and critical nature of the oil and gas sector.

President Muhammadu Buhari stopped subsidy on petroleum products in 2015, when he assumed office because of corruption in the system. (APA 09-10-2017)

SENEGAL : LA FORMATION DES PILOTES D'AIR SENEGAL AURA BIEN LIEU

Un avion aux couleurs d'Air Sénégal sur le tarmac de l'Aéroport International Blaise Diagne, en septembre 2017

Annulée in extremis par un simple mail, à l'insu du nouveau directeur général d'Air Sénégal, Philippe Bohn, la formation des futurs pilotes de la toute jeune compagnie aérienne sénégalaise aura bien lieu.

Pour son arrivée à la tête de la nouvelle compagnie aérienne sénégalaise, le Français Philippe Bohn se serait bien passé de cette péripétie. Avant sa prise de fonction, début septembre, l'ancienne direction générale avait recruté une quinzaine de pilotes de nationalité sénégalaise qui devaient constituer les premiers équipages de la compagnie nationale qui doit débuter son activité le 7 décembre, à l'occasion de l'inauguration de l'aéroport international Blaise-Diagne (AIBD).

Suspension in extremis

Au terme d'un processus de sélection de plusieurs mois, conclue par des évaluations en simulateur assurées par un pilote instructeur/examinateur du constructeur aéronautique ATR, à Toulouse, ces derniers devaient partir en « qualification type » (QT), courant octobre, à Toulouse ou Miami.

Mais le 22 septembre, ces pilotes recevaient un courriel de la compagnie les informant *in extremis* de la suspension du processus et du renvoi à une date ultérieure du départ en QT. Plusieurs d'entre eux avaient pourtant démissionné de leur précédent emploi, sans pour autant avoir signé leur nouveau contrat de travail avec Air Sénégal.

Les pilotes veulent une politique de recrutement privilégiant les compétences nationales

Le 26 septembre, un « collectif des pilotes » adressait donc à la ministre des Transports aériens, Maïmouna Ndoye Seck, un courriel exposant leur désarroi : « Les raisons invoquées, qui tiennent à la remise en question de la légitimité du précédent processus de sélection, nous laisse dans une profonde incompréhension et nous réfutons vigoureusement leur pertinence, écrivaient-ils. Une telle décision, prise au stade ultime du processus, ne saurait qu'entraîner des conséquences regrettables. »

Demandant le « respect des engagements pris à [leur] égard », les pilotes insistaient en outre sur « la nécessité de définir une politique de recrutement privilégiant les compétences nationales, seul chemin pour une compagnie sénégalaise pleinement au service des intérêts patriotiques ».

Couac interne

Comme l'a révélé le 2 octobre *Jeune Afrique Business*+, l'inquiétude justifiée des pilotes résulte en réalité d'un couac interne à la compagnie. Le mail d'annulation qui leur avait été adressé le 22 septembre émanait non pas de la direction générale, mais de Malick Tall, un prestataire de services dépendant du pôle projet « Opérations ».

Aussi, le 27 septembre, le DG Philippe Bohn a adressé un nouveau courriel aux pilotes concernés, indiquant que « de fausses informations concernant "l'annulation des QT" et le "renvoi des pilotes" sont véhiculées dans certains médias. Ces informations sont erronées […] J'ai donc promptement réagi en appelant le coordinateur ATR pour m'inscrire en faux sur la demande d'annulation. Le lendemain, samedi 23 septembre, j'ai réitéré mon message par e-mail en insistant sur le fait que la demande d'annulation du pôle projet "Opérations" était contraire à l'avis de la Direction Générale. En totale transparence avec vous, je vous joins copie de cet e-mail ».

Début des formations ce mois-ci

Dans ce courriel adressé à Flavien Masquarenc, Customer Support Director de ATR Aircraft, Philippe Bohn précise encore: « Afin d'éviter tout malentendu, il n'a jamais été question d'annuler les QT. […] J'attends simplement les dossiers pilotes, complets et conformes au plus élémentaire respect des standards basiques de notre industrie. Malick Tall a pour charge et unique tâche de me les soumettre dès qu'il les aura complétés… »

Contacté par *Jeune Afrique*, l'un des pilotes sénégalais concernés confirme les informations de *JAB+*, assurant que les choses sont globalement rentrées dans l'ordre. Sous réserve de cas particuliers, lui et ses collègues devraient donc participer, en octobre, aux QT initialement prévus.(JA 04-10-2017)

MAURITIUS SBM HOLDINGS MAKES BID FOR KENYAN BANK

The Central Bank of Kenya(CBK) on Monday disclosed that it has received an offer from Mauritius-based financial Institution (SBM) Holdings acquire to Chase Bank Kenya which is under receivership since April 2016.

CBK said that they have received a non-binding offer which includes the acquisition of certain assets and matched liabilities from Chase Bank.

Last year, CBK placed Chase Bank, under statutory management for a year due to what the regulator termed as unsafe financial conditions.

"Whilst the non-binding offer is still subject to confirmatory due diligence and a binding contract, it is expected that this transaction will inter alia ensure a substantial recovery for depositors currently under moratorium and a transfer of a substantial number of staff and branches of the existing Chase Bank (Kenya) Limited (In Receivership) (CBLR),operations," said CBK in a statement.

If agreed, it is expected that the proposed transaction will be concluded by the end of 2017.

SBM is a leading financial services group and the third largest company listed on the Stock Exchange of Mauritius, with a growing international presence currently extending to Madagascar, India and Kenya, where SBM acquired Fidelity Bank in May 2017.

SBM has a market capitalisation of approximately $700 million, with the Government of Mauritius as a significant shareholder, and total assets in excess of $5 billion.

"Through this potential acquisition, and combined with its other operations in Kenya, SBM will bring its experience and expertise from Mauritius and other markets, to further enhance competitiveness and the resilience of Kenya's banking sector," said CBK. (APA 09-10-2017)

SOUTH AFRICAN AIRWAYS HAS HAD R20BN FROM STATE COFFERS, AND REPAID ONLY R1.6BN

Bankrupt state-owned airline South African Airways has received R20bn from the state since before 2003-04 in the form of loans or capitalisation.

Of this only R1.6bn has been repaid. An initial capitalisation of R3bn was made before 2003-04.

In addition, SAA has received R19bn in state guarantees since 2007, of which R17.8bn were going-concern guarantees which are required before financial statements can be finalised.

According to a written reply by Finance Minister Malusi Gigaba to a parliamentary question by DA deputy finance spokesman Alf Lees, SAA has used R16.4bn of its guarantees with R2.7bn remaining.

The airline received R2bn from the state in June to repay a loan from Standard Chartered Bank, and R3bn at the end of last month to repay part of Citibank's R1.8bn loan and provide for the airline's working capital needs.

An appropriation of R10bn for SAA is expected to be made in the medium-term budget policy statement to be tabled in Parliament by Gigaba on October 25 to cater for the R5bn taken out of the National Revenue Fund and to provide for the airline's future needs.

Lees has argued that pumping money into the failing airline is throwing good money after bad and that SAA should be immediately placed into business rescue.(BD 06-10-2017)

SIERRA LEONE: $300M REQUIRED TO ATTAIN FOOD SECURITY

The Sierra Leone government must consider increasing its budgetary allocation to the agriculture sector if the country is to meet its food self-sufficiency dream, a senior official has said.

Mr. Mohammed Tejan Kella, Project Coordinator in the Ministry of Agriculture, Forestry and Food Security, said Sunday an annual allocation of at least $300 million to the sector will be needed if the country should attain food security.

This amount, according to him, will translate to 10 percent of the national budget.

Agriculture is largely described as the mainstay of Sierra Leone's economy, with about 70 percent of the country's population directly and indirectly involved in it. In spite of this, however, the sector currently receives one of the lowest shares of the national budgetary allocations, between 4 percent and 5 percent.

Only 8 percent of the country's 20 percent arable land is under cultivation, according to the World Bank.

"If we want to depend on agriculture for national development then the minimum accepted budget allocation to agriculture should be 10 percent. With that most likely we will be able to achieve our food security goal," said Mr Kella.

The Ministry of Finance estimates that at least $100 million is spent in rice imports annually. Rice is the staple food of the country.

According to the 2015 Population and Housing Census, Sierra Leone's population stands at over 7 million people.
And with poverty very widespread (60 percent of the population living under $1a day), according to the UN's Human Development Index, access to food has been characterised as a security issue.
Sierra Leone was earlier this year named in an FAO report alongside 37 countries – 28 of them African countries – as requiring external food aid due to poor crop performances.
Part of the fueling factors of this apparent neglect of the agriculture sector is also the over concentration on the mining sector, which between 2011 and 2013 boomed and earned the country its major foreign currency needs. But fall in mineral resources prices at the international scene, coupled with the effect of the 2014-2016 Ebola epidemics, saw the mining sector embark on a free fall which has left the economy struggling since then.

The government has recently accelerated efforts to diversify the economy by boosting agriculture. But experts say much more is still needed to get the sector on its feet. A major requirement is increased budgetary allocation.

Mr. Kella, the agriculture ministry project coordinator, said with an annual allocation of $300 million, the country would be sure to attain food security within the next three years. (APA 09-10-2017)

COLEACP:
40 YEARS WORKING
FOR DEVELOPMENT

New EU Plant Health Regulation: anticipating impacts for African, Caribbean and Pacific countries!

On 13 December 2016, the new EU Plant Health Regulation (Regulation (EU) 2016/2031) was introduced*. This is a major overhaul of the EU Plant Health legislation, which has been in place since 1977. It repeals and replaces the 7 existing Council Directives on harmful organisms, and becomes **fully applicable on 13 December 2019**. In the interim, a series of delegated and implementing acts will be adopted, and competent authorities and operators must adjust to the new rules.

One of the main changes under the new regulation is that it addresses **all pests – quarantine and non-quarantine - which will be categorised following risk assessment**. This will include **priority pests**, which are Union Quarantine Pests with the most serious potential impact on the EU. They will be subject to enhanced measures including surveys, eradication action plans, and contingency plans. A list of priority pests will be adopted through a delegated act by the time the new regulation is fully applied in 2019.

The regulation also introduces **specific measures concerning imports**, and the movement within the EU, of certain **high risk commodities**; this is a new level of precaution. Annexes III and IV of Directive 2000/29** under current rules will remain valid, and **an additional list of high risk plants or plant products will be adopted**.

Finally, there will also be important changes concerning **requirements for phytosanitary certificates**, registration of professional operators, traceability of commodities, plant passports (planting material), and export, re-export and pre-export certificates.

While the import of most plants and plant products from non-EU countries will in principle be allowed, **under the new regulations they will be subject to more stringent conditions**, and there could be some serious implications for trade. The main concerns include the introduction of the regulations itself, the requirement for phytosanitary certificates, and the listing of high risk commodities.

During the lead up to the full application of the new EU Plant Health Regulation on 13 December 2019, **COLEACP (via FFM) will work hand in hand** with ACP representatives at the SPS Committee, competent authorities in ACP countries and industry representatives to avoid any **loss or breaks in trade which would have a negative development impact**.

Contact COLEACP for more details at info@coleacp.org

Previous news on this topic: "Stringent new European Union plant health regulations introduced"

**http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32016R2031 ; http://europa.eu/rapid/press-release_MEMO-16-4310_en.htm*

***Annex III: Listing of harmful organisms whose introduction and spread within member states (or protected zones) is banned if they are present on certain plants or plant products; Annex IV: plants, plant products and other objects the introduction of which is prohibited in all member states (or protected zones).*

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