MEMORANDUM

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SUMMARY

FOREIGN AIRLINES STRUGGLE TO REFUEL IN NIGERIA AMID HUGE PRICE HIKE

Foreign airlines flying to Nigeria have started to refuel abroad to bypass pricey, and increasingly scarce, aircraft fuel, as the oil producer battles a hard currency shortage that has made fuel available only at a very high price.

It is the second blow for airlines operating in the recession-hit economy, in a year that first saw the central bank make it almost impossible to repatriate profits from ticket sales, as it tried to prevent a currency collapse.

The crash in the naira since a devaluation in June had led firms that market jet fuel locally, such as Total, Sahara and ConocoPhillips, to double the price to 220 naira (69 US cents) a litre in August, and to as much as 400 naira in September, an airline executive said.

Even at the higher costs, marketers' lack of dollars has made fuel scarce. Some carriers have had aircraft stuck, or were forced to cancel journeys, after frantic last-minute calls from ground staff warned there was no fuel available.

"The economy is crying out for investment, and now it is going to be even harder for anyone to visit," said John Ashbourne, an economist with Capital Economics. "Who is going to want to park a billion dollars in a country that you can't even easily fly to? It sends the worst possible signal."

A spokesman for state oil company NNPC did not answer calls for comment.

The central bank hoped floating the naira would attract dollar inflows, but the naira sunk 50%, forcing oil firms to charge airlines, stuck with piles of naira, in dollars for jet fuel.

"It's an impossible situation. The oil marketers don't want to sign long-term agreements anymore so we have to accept whatever prices they demand," one airline executive said. "We sell tickets in naira and now they want us to come with dollars."

Spain's Iberia and United Airlines cancelled their Nigeria services earlier in 2016, and two local carriers have also halted operations. Other international airlines responded by boosting ticket prices within Nigeria, charging its globe-trotting elite as much as $2,000 for an economy class ticket to Europe — more than double the cost of a Lagos ticket bought abroad.

Dubai-based Emirates had started a detour to Accra, Ghana, to refuel its daily Abuja-bound flight, a spokesman said. The airline already cut its twice-daily flights to Lagos and Abuja to just one. The move had been aided by a substantial drop in Ghana's jet prices amid tax reform in August, according to the Ghana Chamber of Bulk Oil Distributors.

Air France-KLM said that it had refueled abroad in "very exceptional cases" by juggling suppliers and stomaching extra costs.

Germany's Lufthansa was loading more fuel in Frankfurt for its Lagos flight, where the ground staff doubt their ability to refuel for the final destination of Malabo, the capital of Equatorial Guinea, an executive said. The airline did not respond to official requests for comment.

The scarcity has even pitted airlines against local consumers; a surge in demand for cooking and heating paraffin during the rainy season, when households cannot easily burn wood or charcoal, means if the airlines do not pay up, marketers will sell to locals.

Airlines had met with transport ministry officials last week in Abuja to press for fuel at lower prices, industry sources said.

Nigeria used to be one of the most profitable markets for foreign airlines, landing planes with plenty of first and business class to cater to executives and officials jetting around under former president Goodluck Jonathan.

President Muhammadu Buhari cut air travel allowances for officials in a bid to tackle graft; others simply have less spending power with consumer inflation running at an 11-year high of 17%.

British Airways, a popular choice for well-heeled Nigerians, said it was using smaller aircraft on its Lagos-London route, as did Air France-KLM. (Reuters 15-09-2016)

ANGOLA REDUCES FLOUR IMPORTS BY BUILDING MILL IN LUANDA

A mill with capacity to produce 400,000 tons of wheat flour per year is due to start operating in Luanda in 2017, allowing for a reduction of flour imports, the Minister for Industry said in the city of Malanje.

Minister Bernarda Martins said the mill, which will initially have an annual capacity of 200,000 tons, will be built in the province of Luanda.

The minister recalled that at onetime Angola had an annual output of 500,000 tonnes of wheat flour when factories came to a standstill, leaving the country dependent on imports, which in 2015 fell to 420,000 tonnes, after reaching 510,000 tonnes in 2014.

On her visit to Malanje, the minister announced the installation of a park for micro industries in the municipality of Cangandala under the Rural Industry Development Programme. (09-09-2016)

KENYA TO PLEDGE $5 MILLION AT GLOBAL FUND FORUM IN CANADA

Kenyan President Uhuru Kenyatta is expected to pledge $5 million at the Global Fund Fifth Replenishment Meeting slated for this week in Montreal, Canada at the invitation of Prime Minister Justin Trudeau.

The Global Fund to Fight AIDS, Tuberculosis and Malaria is a multi-billion–dollar international financing mechanism created in 2002 as a public private partnership to increase resources towards combating the global challenges of AIDS, Tuberculosis and Malaria. Kenya is among the top countries that benefits from the fund and looks forward to reporting on the measures taken to effectively fight the three diseases.

“President Kenyatta looks forward to joining other world leaders participating in this fifth replenishment conference, which aims to mobilise US$13 billion to save 8 million lives and avert up to 300 million infections,” said Manoah Esipisu in a statement issued Monday in Nairobi.

Specifically, grants have been used to provide anti-malarial drugs freely to the public, to fund a government malaria programme which has delivered 27.6 million free doses of malaria medication to the public, trained 16,837 on malaria case management, and provided ARVs to HIV positive citizens and effectively diagnosed and provided treatment for 1.2 million tuberculosis cases, among many other achievements.(APA 12-09-2016)

TALE OF TWO SUMMITS — AND A LAGGING AFRICAN REGION

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THE 11th Group of 20 (G20) summit in Hangzhou, China closed on September 5, focusing on the "new" industrial revolution and technological changes such as big data, robotics, and cloud computing.

Innovation has been China’s key area of interest throughout their G20 presidency and it has dedicated many discussions to how new industries could invigorate the global economy. The theme for their presidency was ‘Towards an Innovative, Invigorated, Interconnected and Inclusive World Economy’, and the summit communiqué reiterates that the global economy can grow via innovation.

On the other side of the world, the Southern African Development Community (SADC) summit took place in Swaziland on August 30, but the focus was decidedly different. Although industrial development was also the topic of the meetings, the industrialisation hoped for in Southern Africa is still at a low level, targeting manufacturing and agriculture — no talks here of robots replacing labour, but rather on how to involve more labour in production.

The SADC industrialisation plan is focused on facilitating investment, infrastructure development and regional value chains (RVCs), which will drive manufacturing in the region. Elsewhere in the world, RVCs are well established and talks are on how to upgrade within chains and how new technologies might disrupt the status quo.

With SA the only G20 nation from the continent, African views are weakly represented within this forum. The outcomes of the two summits show that the Southern Africa region is being left behind in global debates and SA is struggling to adequately represent the continent when faced with an agenda that has already moved beyond the realities of nascent economies in Southern Africa.

At the heart of the SADC summit discussions was the implementation of the industrialisation strategy and roadmap. The strategy highlights the importance of the formation of RVCs, which will allow SADC to pool resources, skills and market demand across the region in order to facilitate inclusive industrial development. Key sectors such as agro-processing and minerals are chosen for RVCs, based on the competitive advantages of the region.

SADC held its first Industrialisation Week in Swaziland in parallel to the SADC summit in order to provide input to the ministers attending the summit, in particular the ministerial task force on regional integration. The Southern African Business Forum (SABF) working groups looked at the challenges and opportunities for implementing the RVCs highlighted in the strategy. The event particularly promoted private sector engagement in the discussions.

Throughout the world, the private sector is not adequately consulted in policy decisions, such as industrialisation initiatives, which can only thrive with investment from the sector.

The SABF therefore drew up recommendations on how to facilitate private sector involvement in RVCs. In the agro-processing sector, recommendations included soliciting private sector inputs before implementing regulations or subsidies and incentives in the region, informing and involving the private sector in SADC’s new regional agricultural investment plan, and involving the private sector in agricultural financing initiatives.

The range of private-sector actors that should be involved extends from the large agro-processing multinationals, to the banks which provide finance to the sector, to the SMEs that are the recipients of subsidies and government initiatives to stimulate agricultural development.

These recommendations aspire to minimise the gap between those who design policies and those who utilise them.

The South African Institute of International Affairs (SAIIA) has undertaken research to support SADC’s industrialisation efforts, including a Global/Regional Value Chain (GVRC) Repository website, which provides information on the opportunities and challenges for forming such chains in the region. SAIIA and the OECD have also interviewed firms throughout the region, which validates the recommendations from SADC’s Industrialisation Week. Most firms indicated that more outreach and communication from policymakers was necessary in order to support their investments in the region.

Despite the challenges of facilitating RVCs, positive developments in the region include progress on infrastructure projects. The SADC infrastructure working group narrowed down a myriad of projects to five key priority projects: the north-south corridor railway; the Harare-Chundu road link; the Beitbridge and Kasumbalesa border posts; the Beira road and rail; and the Lusaka dry port.

In Hangzhou, the G20 declaration also recognised the need to support Africa’s industrialisation but places this firmly within the new industrialisation phase the world is entering. Particular attention is paid to the digital economy, again an area where Africa stands mostly outside.

A key area of concern for the promotion of "new" industrialisation is the strong protection framework that needs to be in place for intellectual property rights, an area that has only been weakly developed with the SADC region. The G20’s communiqué also commits it to continue work on food security and development in line with the Sustainable Development Goals.

This focus on food security is where the two summit outcomes converge. Africa is well-placed to step up agricultural production, and new agricultural practices could be introduced via a partnership between G20 nations and the continent.

SAIIA and the German Development Institute will be hosting the Think20 Africa Outreach in February 2017 under Germany's G20 presidency, which will be an ideal opportunity to cement mechanisms within the spread of G20 dialogues to solicit and incorporate African views. This is essential for success, both within the G20 and SADC's industrialisation plans. (BD 15-09-2016)

NIGERIA SPENDS $22BN ANNUALLY ON FOOD IMPORTATION

Nigeria's Minister of State for Agriculture and Rural Development, Senator Heineken Lokpobiri, has said that the country spends about $22bn yearly on food importation.

Lokpobiri told a town hall meeting with stakeholders in Yenagoa, Bayelsa State in south-eastern Nigeria that the development had led to the astronomical rise in prices of rice and other products.

Nigeria's Punch newspaper quoted the minister as saying that if Nigerians failed to produce some of the items being imported before December, the price of rice would skyrocket to N40,000 (about $100).

According to him, there is a projection that by 2050, Nigeria's population will be 450 million and wonders what will happen then if the people cannot not feed themselves now.

He lamented that the states in the Niger Delta have yet to give priority to agriculture the way the states in the North-West such as Kebbi, Jigawa, Kano as well as other states like Lagos, Ebonyi, Anambra, prioritised it.

He said that Anambra State, for instance, was not owing salaries despite the fact that it does not have oil, but was raking in money by merely exporting vegetables.

The minister, who decried the destruction of the region's resources by militants, said agriculture was one sure way of discouraging militancy.

And the only way we can take our people out of militancy is actually through agriculture and this is also an opportunity to tell our people that the most important resources to any man are land and water resources.

By the time you are blowing up pipelines, you are actually damaging the water resources. Today, people say it will take 20 years to clean up Ogoniland and we are blowing up our pipelines. We are the people suffering from our own decision, from our own wrong action. So, the time has come for change from blowing up pipelines as a way of drawing attention to constructive engagement, he added. (APA 12-09-2016)

BANKING PREPARED TO OFFER SERVICES IN RENMINBI IN PORTUGUESE-SPEAKING AFRICA

The internationalisation of China's currency, the renminbi, in cross-border trade in which Macau will serve as a clearing platform, has been anticipated by Portuguese and Chinese banks, offering a range of services in Chinese currency to companies in the Portuguese-speaking countries.

The use of Macau as a platform along with Shanghai's financial centre, to encourage cooperation between China and Portuguese-speaking countries was the subject of a conference organised by the state-owned Portuguese bank Caixa Geral de Depósitos (CGD), which on 5 September in Lisbon brought together the financial authorities of the two Chinese regions, as well as financial and legal sector executives.

Emidio Pinheiro, chief executive of CGD said that the public bank is "well placed to give practical meaning" to promoting China's financial exchanges with the Portuguese-speaking world, as it has a branch in Macau, Banco Nacional Ultramarino (BNU), an office in Shanghai and a presence in seven of the nine Portuguese-speaking countries.

Pedro Cardoso, BNU's CEO, stressed that the relationship between China and the Portuguese-speaking countries "has evolved very quickly" and that despite the "ongoing correction" in trade due to commodity prices, Chinese investment in these countries remains "very relevant", some of which has passed through Macau such as David Chow's hotel and casino complex in Cabo Verde (Cape Verde), valued at US$300 million.

In Macau, where it issues the pataca, the BNU has 220,000 customers, about a third of the population and in 2015 its revenue more than doubled compared to 2012.

Since 2009, the BNU has offered services in renminbi (RMB), including credit cards, debit cards and deposits, focusing on importers and exporters with a close relationship with China, which it offers in Portugal, Mozambique, Angola, Cabo Verde and Timor -Leste (East Timor) Cardoso said.

The Bank of China also offers an integrated cross-border RMB clearing service, which also includes deposits in RMB abroad, loans and various financial products in the Chinese currency.

Its agency in Macau, given the boost in relations between China and the Portuguese-speaking world, intends to play an important role in RMB internationalisation, as it is present in Brazil, Angola and Portugal, and has a support office for trade with Portuguese-speaking countries acting in partnership with Caixa Geral de Depósitos.

In November 2015, the IMF officially approved the inclusion of the RMB in its currency basket, with a weight of 10.92%, after the dollar and euro. This was an important milestone in the process of internationalisation of the Chinese currency, which is expected to experience a new impetus in its use with the "One Belt, One Road" initiative.

The Lisbon conference was attended by Anselmo Teng, chairman of the Macau Monetary Authority, which stressed that the MSAR is establishing an RMB clearing platform between China and Portugal, "and may support internationalisation procedures" of the Chinese currency and the "provision of facilities to clear economic and trade transactions in RMB between China and the Portuguese-speaking countries."

Potential development in the cross-border use of RMB between China and Portuguese-speaking countries is very broad, given the current level of trade of more than US$98 billion in 2015, said Teng.

Zheng Yang, director of the Shanghai Municipal Financial Services Authority said it intended to promote new financial products and international payments in RMB, "to strengthen cross-border use and develop offshore business in that currency, in what could be "a new factor for economic growth in Portugal."

Another objective, he said, is to promote financial cooperation between Portuguese-speaking countries, with financial institutions in Portugal and Macau able to take advantage of the language to increase trade between China and Portuguese-speaking countries.

"Portugal is China's most important business partner in the European Union, having almost served as the first stop for Shanghai's financial institutions on their investment path abroad," Zheng said, noting the Chinese groups that have invested in the Portuguese financial (Haitong) and insurance (Fosun) sectors and said he hoped more Portuguese financial institutions would set themselves up in Shanghai. (08-09-2016)

LAWMAKERS SLAM DIVERSION OF EU AID TO 'TRUST FUND FOR AFRICA'

A little under a year since its launch, the EU's Trust Fund for Africa is largely financed with EU development money and has failed to convince Members of the European Parliament, who warn about diversion of aid to stem migration flows from authoritarian regimes. EurActiv France reports.

Conceived as a response to the development challenges in migrants' home countries – mainly in the Sahel region, the Lake Chad region, the Horn of Africa and North Africa – the €1.8 billion fund lacks the financing it needs to fulfill its promises, MEPs said.

On Tuesday (13 September) European lawmakers adopted a critical report on EU development funding by Ignazio Corrao, an Italian MEP from the Five Star Movement of the populist politician and activist Beppe Grillo.

The report was voted by a comfortable majority, of 511 to 126.

Contribution of €81 million

First among the report's criticisms is the lack of funds allocated to the instrument proposed at last year's migration summit in Valletta.

"The contributions from member states have been too small," the report said.

"As a result, they are a long way from meeting the official commitment, with a total of just €81.71m in April 2016 (4.5% of the €1.8bn planned)," it added.

Yet the Trust Fund originally aimed to allow states to make direct contributions, so as to boost the European Commission's upfront investment.

Member states' minimal contributions to the fund have generally been just generous enough to grant them access to the fund's council of administration, but have gone no further.

And this lack of generosity is not the only problem facing the Trust Fund for Africa. The European Commission even dug into its own development aid credits to capitalise the new financial instrument.

MEPs believe that the diversion of money earmarked for development into this fund will negatively "impact the African countries that receive aid but are not covered by the Trust Fund".

Budget problem

For Spanish socialist MEP Eider Gardiazabal Rubial, the very existence of the fund is evidence of "the European budget's inability to adapt to new circumstances". And despite the bloc's growing list of challenges, the 2017 draft European budget has been cut, with big reductions tabled for development aid.

The budget cuts were confirmed on Monday (12 September) by the EU Council of Ministers, which represents the 28 EU member states. The budget under the revised plan includes a cut of almost 10% to the EU's development credits.

The move was described as "unacceptable" by Manfred Weber, the head of the Parliament's centre-right European People's Party (EPP) group, who spoke at a press conference in Strasbourg on Tuesday.

"The leaders of European countries spend their time saying we should respond to the problems in the migrants' countries of origin, then they cut funding for development aid," Weber said.

Risk of misuse

Another concern expressed by MEPs is that these funds may be used to prop up "governments responsible for human rights violations".

"This money will go to Eritrea, Somalia or Ethiopia to make them act as the guards of Europe's borders instead of spending it on schools, drinkable water or healthcare," warned Spanish GUE/NGL MEP Marina Albiol Guzmán.

"We are trying to strengthen borders using poor countries, countries that are war-torn or suffering from dictatorships to serve our purposes," she added.

But Commission spokesman Christos Stylianides resolutely denied that this was a possibility during the debate. "I am firmly convinced that the Trust Fund supports programmes in the migrants' countries of origin, which aim to create jobs," he said. (EurActiv12-09-2016)

AFRICAN LEADERS, PARTNERS COMMIT TO A US$30B BOOST FOR AGRICULTURE

Collective pledges amounting to US$30 billion were made by African leaders, business and major development partners towards increasing production, income and employment for farmers and African agriculture businesses.

The commitments were made under the Seize the Moment campaign on Wednesday in Nairobi, Kenya, during the official opening of the sixth African Green Revolution Forum (AGRF) attended by over 1,500 participants from 40 countries.

The Seize the Moment campaign is a frank acknowledgment that much more is needed for African countries to achieve inclusive economic development and ultimately realise the international community's Sustainable Development Goals, reads a statement issued by AGRF on Thursday.

Kenya's President Uhuru Kenyatta officially opened the three-day event of brokering new agricultural initiatives by outlining a clear vision for how agriculture transformation should play out in Kenya and across Africa.

He committed himself to deliver on both the political and policy agenda and also called on his fellow heads of state across Africa to step-up and invest aggressively over the next five years in agriculture-related endeavours. (APA 08-09-2016)

INFLATION RATE IN ANGOLA EXCEEDS 35% IN JULY

The inflation rate in Angola stood at 35.30% in July, while prices increased 4.04% year on year, according to a statement released recently in Luanda by the National Bank of Angola (BNA).

The BNA statement, which included the main decisions of the meeting of the Monetary Policy Committee, said particular attention had been paid to recent price trends within the economy, which have been increasing due to a drop in supply because of reduced exports.

The categories of Food and Non-Alcoholic Beverages, Miscellaneous Goods and Services and Health were the ones that showed the biggest variation and contributed most to inflation in the month under review, the statement said.

In July, credit to the economy increased 2.10% year on year and gross credit to the central government increased by 4.28%, while government deposits in the banking system increased by 4.21%.

The statement issued by the central bank also said that taking into account the development of the main macroeconomic indicators, the Monetary Policy Committee decided to keep all benchmark interest rates unchanged, including the BNA Rate that remained at 16%. (09-09-2016)

TOGO : LES EMPLOYES DANS LES MINES DE PHOSPHATE SE SENTENT « EXPLOITES »

En ligne serrée, avec leurs gilets jaune fluo et leur casque de protection vissé sur la tête, environ 500 employés de la SNPT sont descendus dans les rues de la petite commune de Hahotoé, à 40 km au nord de Lomé.

« Nous crions depuis des années et personne ne nous répond », martèle le vieil homme aux cheveux blancs, employé depuis 36 ans dans le secteur du phosphate.

A quelques kilomètres de là, dans l'immense cratère de couleur ocre, les tractopelles et tapis roulants sont à l'arrêt. Un nouveau coup dur pour ce secteur vital de l'économie togolaise.

Les grèves se multiplient depuis le 10 août, aucun accord n'ayant été trouvé face aux revendications des travailleurs. Le secteur avait été déjà paralysé en 2013 (72 heures), en 2014 (une semaine) et en 2015 (deux semaines).

Mais faute d'accord avec la direction de la société d'Etat, les quelque 1.500 personnes employées par la SNPT suspendent régulièrement leur travail depuis un mois, au sein des trois principales unités de production de Kpomé, Hahotoé et Dagbati.

« Nous invitons le chef de l'Etat à s'occuper personnellement de nos problèmes. Ça suffit », crie Lémou Tchao au milieu de la foule.

Bouclant jeudi une nouvelle grève de 48 heures, les employés du site de Hahotoé brandissaient des pancartes, peintes avec soin: « Nous voulons voir notre DG » (directeur général), « Le Togo doit être maître de son destin, fini l'esclavage ».

Partis de la cité minière, ils ont sillonné les artères de Hahotoé, scandant: « Trop, c'est trop ».

Ras-le-bol

Rejoints par leurs collègues du site de traitement de Kpémé (à 40 km à l'est de Lomé), les représentants des grévistes ont demandé à rencontrer la direction de la SNPT dans la capitale, qui a finalement accepté de les recevoir jeudi en fin de journée.

Les négociations devaient se poursuivre vendredi, selon Poro Egbohou, porte-parole du personnel de la SNPT.

« Nous avons manifesté pour exprimer notre ras-le-bol et dénoncer l'esclavage que nous subissons: nous ne sommes pas payés à la hauteur de notre travail, on nous exploite. Les salaires varient entre 35.000 et 241.000 FCFA (53,36 et 367,40 euros). Cette fois-ci, nous sommes décidés à aller jusqu'au bout », avertit M. Poro Egbohou, porte-parole du personnel.

Les employés de la SNPT, exigent la revalorisation des salaires conformément à la grille de la convention interprofessionnelle du Togo. Ils réclament également des tenues vestimentaires et de chaussures de sécurité, ainsi que des primes de production et de rendement.

La direction n'a pas souhaité répondre aux questions de l'AFP.

Mais, selon les syndicats, un arrêt de travail de 24 heures dans cette société engendre une perte sèche de plus de 282.000 dollars.

« Nous produisons au moins 3.000 tonnes de phosphate par jour. Or le produit est vendu à 94 dollars la tonne », affirme le porte-parole du personnel.

Le phosphate était jusqu'au milieu des années 1990, le poumon économique du Togo et son premier produit d'exportation, représentant 40% des recettes de l'Etat.

Mais le secteur, entièrement public, a été fortement affecté par la mauvaise gestion et la corruption entre 1997 et 2007 et s'est totalement effondré pendant cette période, passant de 5,4 millions de tonnes de production annuelle à 800.000 tonnes.

En 2010, le gouvernement a mis en place un plan de relance estimé à plus de 200 milliards de FCFA (près de 305 millions d'euros) pour doper la production.

En septembre 2015, le groupe minier israélien Elenilto, associé au géant chinois Wengfu, a remporté un appel d'offre international pour exploiter une production annuelle de 5 millions de tonnes de phosphate, d'engrais et d'acide phosphorique.

Mais malgré le plan de redressement mis en place par l'Etat togolais et la hausse de la demande mondiale, notamment pour l'utilisation d'engrais agricole, le secteur peine à retrouver ses niveaux de production de la fin des années 1990. La SNPT a extrait 1,5 million de tonnes de phosphate en 2015 contre 1,11 million en 2014. (JA 09-09-2016)

NIGERIANS DEMAND ACTION, NOT BLAME GAME IN TACKLING RECESSION

With a population of over 170 million, Nigeria is Africa's most populous nation and only recently the continent's biggest economy. But for some time now, it has been in danger of becoming Africa's biggest joke.

Apart from being overwhelmed by the war against the Boko Haram insurgency, agitations by Niger Delta militants and pro-Biafra groups from the South East region of the country, the politicians have let the oilrich country drift into economic mess and recession.

Before last week Wednesday, when the country was officially declared to be in recession, the officials came up with all kinds of defense with the hope that the Gross Domestic Product (GDP) and inflation figures for the second quarter would support their position that the country was not really in recession, but technically in recession.

However, the figures rolled out by the Nigerian Bureau of Statistics (NBS) showed a further contraction in the second quarter of the year with the GDP contracting by 2.06 percent after shrinking 0.36 in the first quarter.

The statistics painted a gloomy picture of the Nigerian economy with the non-oil sector declining due largely to weak currency, while the slide in oil prices dragged the huge contributions of the oil sector down with it.

In addition, the NBS said annual inflation reached 17.1 percent in July from 16.5 percent in June, which is more than 10-year high while food inflation rose to 15.8 percent from 15.3 percent.

The consequences of this economic mess are the closure of more industries, loss of jobs, high food and product prices and increase in crime in the country.

Since last week's announcement of the recession, mixed reactions have greeted the new status of the Nigerian economy with the politicians engaging in a blame game on who or what dragged the country's economy into recession.

For the former ruling People's Democratic Party (PDP), it is the faulty policies of the All Progressive Congress (APC) government and not their government, was responsible for the recession in the country.

Reacting to the allegations by the APC that the PDP administration was responsible for the present recession in the country, the spokesman of the PDP, Prince Dayo Adeyeye, said the APC government should stop the blame game and come up with policies that would move the country out of recession.

According to Adeyeye, instances abound where great leaders take over countries at the time of recession or even war and turn the country around.

"In the first place, this blame is misplaced because our elementary understanding of economics teaches us that the major cause of recession is inflation and poor handling of the economy, given that the higher the rate of inflation, the more impoverished people become, industrial production and GDP decline resulting in massive job losses.

"It is no secret that the policies and statements made by key government actors have not been business friendly and Nigerians and foreign business men took their hard currencies out of the country," he said.

He concluded that the current economic recession in the country was not caused by the previous PDP administration or leaders but due to the poor management of Nigeria's economy, lack of vision and incompetence of the present APC led Federal Government that drove Nigerians into this avoidable life threatening quagmire.

"Finally, we want to therefore advise the Government of the day to stop the blame game and look inward towards resolving the recession by inviting economic experts irrespective of their political leaning to join hands with the Administration at these trying times."

In the same vein, the other stakeholders in the Nigerian economy also heaped the blame on the doorsteps of the ruling APC government.

For instance, the Nigeria Employers Consultative Association (NECA), a private sector group, blamed the ongoing economic challenges on inadequate policy direction on the part of the government.

Speaking recently in Lagos, the Chairman of NECA, Mr. Larry Ettah, said: “While there is no doubt that the past administration was profligate in its management of our commonwealth, it is quite evident that the lack of clarity about the economic agenda of the current government and some wrong policy choices have contributed to the current economic stagnation and recession.”

Reacting to the recession, some labour unions urged the political and economic class to cultivate “a bipartisan and Pan-Nigerian approach” to overcome the current economic crisis instead of passing blame and giving excuses.

The General Secretary of the National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN), Mr. Issa Aremu, observed that “All Nigerians regardless of their callings are dammed by the data on rising inflation, double digit interest rates, factory closures and general underdevelopment. Nigerians must collectively confront underdevelopment instead of giving excuses and blaming each other.”

He noted that after 30 years of structural adjustment programme of privatization, trade liberalization and currency/financial liberalization, Nigeria urgently must replace the current disjointed policies with sustainable national development agenda consolidated in various national discourses articulated in visions 2010, 2020 and 2014 National Conference.

According to Aremu, President Muhammadu Buhari should through the National Institute for Policy and Strategic Studies (NIPSS), Kuru Jos, consolidate all the past “patriotic national economic policies” for economic growth instead of the prescribed IMF/World Bank prescriptions that would further fuel “growth” without development.

To tackle the current recession, some Nigerian experts have prescribed urgent investments in infrastructure, diversification of the economy, cabinet reshuffle, reconstituting the economic team of government, which they believe has no expertise to revive the economy and embarking on policies that are investment friendly.

In his first official statement on the recession, President Muhammadu Buhari said during the APC political rally on Tuesday in Benin that the economic hardship would be over soon.

“I assure you that we are going to get out of our economic problems. We are almost out of our security problem and we are going to make Nigeria great again. We are going to be very proud of our country once again. Our size and our resources will not be for nothing. We will continue to grow,” Buhari said.

As reassuring as this message may appear to be, most Nigerians are only interested in a concerted effort to pull the economy out of the current recession from a government that is too slow to effect any meaningful change to the economy and improving the standard of living of the people and above all, stop the ongoing blame game.(APA 08-09-2016)

MOZAMBIQUE INSURANCE COMPANY WANTS TO BROKER PREMIUMS PAID BY OIL COMPANIES

Mozambican state insurance company Empresa Moçambicana de Seguros plans to set up another insurer to broker the provision of insurance services to companies that explore natural resources, the company’s chief executive said in Maputo.
Antonio Carrasco, speaking at the meeting of the Advisory Board for the Institute of Management of State Holdings, noted that insurance in the oil and gas sector had “extremely expensive” premiums.
“This is a giant business, and we intend to set up e creation of Moçambique Seguros to retain a percentage of that wealth in Mozambique,” said Carrasco, according to Mozambican daily newspaper Noticias.

The CEO of Empresa Moçambicana de Seguros said the articles of association of the new company had been presented to the government, pending the approval of the Management Institute of the State Holdings and state oil company ENH.

Noticias said the government had found financial problems at the Mozambican insurer and demanded reforms for the company to return to profit, which included renewing its staff and equipment.

The entry of foreign insurers in the Mozambique market led to the Mozambican state insurance company losing its leadership position in the sector and fall into second place. (09-09-2016)

NAMIBIA PREPARES FOR NUCLEAR TALKS WITH INDIA

Last week, Namibia’s information minister announced that nuclear energy discussions with India are imminent.

According to Tjekero Tweya, the Cabinet made the decision to proceed with the nuclear discussions on Tuesday last week, following a 2009 agreement on the supply of uranium to be used on nuclear energy, which has not yet been implemented, China's News agency reported.

According to media, the implementation of the agreement has been stalled due to India not being a signatory to the United Nations Nuclear Non-Proliferation Treaty.

Nuclear developments

Tweya noted that the agreement stipulates that Namibia will only export uranium to India for non-weapon use.

In June this year, Indian President Pranab Mukherjee met Namibian President Hage Geingob, where Geingob assured that he would look into legal ways by which Namibia can supply uranium to India, News reported.

"According to Tweya, the Cabinet asked the mines ministry to come up with suitable dates for convening a meeting with India's technical team on how to operationalise the agreement," News added.

Uranium exports

According to media, it was during this visit that it was agreed that India will be responsible to deploy technical atomic energy experts to assist with any hurdles experienced with the uranium exports from Namibia.

"The move to have Indian atomic energy experts was necessitated by the fact that Namibia is a signatory to the African Union members that are against dealing with non-Nuclear Proliferation Treaty signatories. Tweya did not say whether these experts were sent to Namibia," media reported. (ESI Africa 09-09-2016)

MOZAMBIQUE PEGS THE PRICE OF BREAD UNTIL NEXT MARCH

Mozambique's Minister of Industry and Trade, Max Tonela, says the price of bread will remain stable until at least the end of the first quarter of 2017 after bakers signed a protocol with the government which is intended to avoid any rise in the price of bread for the next seven months, APA can report on Thursday.

However, Tinela says after March 2017, everything would depend on the behaviour of those factors which affect the bread price.

“We will have to find ways of reducing the effort the government is making in terms of subsidies and a lot will depend on the evolution of the exchange rate,” he warned.

The new protocol follows an agreement in July on the principle of compensation, under which the bakeries will be compensated for increases in the price of their main raw material, wheat flour.

Thus the subsidy on wheat flour will remain in force until at least next March.

Very little wheat is grown in Mozambique, and the bakeries are thus overwhelmingly dependent on imported wheat, the price of which has risen steeply because of the depreciation of the Mozambican currency, the metical.

According to figures from the Bank of Mozambique, the metical depreciated by 59.3 per cent between July 2015 and June 2016.

Tonela said the government has been working with the private sector and unspecified "other partners" to ensure that other essential goods will be available on the Mozambican market also until at least March 2017. "Joint work is being undertaken in terms of logistics, such as coastal shipping", he said.

He added that the government is working with the Bank of Mozambique, as the exchange authority, to ensure that sufficient foreign currency is available to import essential goods that are produced in insufficient amounts by Mozambique, and raw materials, particularly for the food processing industry. (APA 08-09-2016)

MOZAMBICAN AIRPORT MANAGER DRAWS UP NEW MASTER PLANS

Six airports in Mozambique should have new master plans in 2017, which will set out the interventions needed to adapt them to current and future requirements, state airport management company Aeroportos de Moçambique (AdM) said.

The company said that the airports are the Maputo and Beira international airports and the ones in Pemba, Mocimboa da Praia, Vilanculos and Nampula, whose passenger and cargo projections will be analysed at the same time as a projection of operational needs.

The new master plans include an inventory of existing conditions and information on the environmental impacts of operations and airport activities along with the options for meeting the needs of each of the six projects in the short, medium and long term.

AdM also said in a statement that preparations for the plans would begin in January next year and take between six and ten months to complete.

The news of the development of new master plans comes at the same time as the number of international airports has been reduced to three, Maputo (in the south), Beira (centre) and Nacala (north).

The remaining airports, including Nampula, Pemba, Vilanculos and Mocimboa da Praia will no longer receive international traffic. (09-09-2016)

INTRODUCTION OF SOL TO SOUTH AFRICA PART OF HEINEKEN'S PLAN TO BOOST MARKET SHARE

Heineken's recent introduction of Sol Mexican lager to SA forms part of a plan to boost its market share in a market dominated by soon-to-be-acquired SABMiller.

The Dutch brewer brought Sol to SA in September and planned to add more premium brands here, country head Ruud van den Eijnden said on Tuesday. Growth would also be achieved through established brands such as Heineken, Amstel and Windhoek, he said.

"South Africans love premium beers, with 39% drinking them on a regular basis," Van den Eijnden said. South Africans spent more than R103bn buying beer in 2015, an increase of 9.1% from a year earlier, according to researcher Euromonitor International.

Heineken took full control of its South African operations in April after dissolving a joint venture with Diageo. Its share of SA's beer market had remained at about 10% over the past five years, dwarfed by SABMiller's 80%. SAB's imminent takeover by Anheuser-Busch InBev would give the brewer access to more global brands and make competition even more intense, Van den Eijnden said.

"SABMiller is already a formidable competitor," he said. "Its new parent company has even more financial firepower than SAB, so in that sense I think competition will intensify."

Heineken added 300 jobs in SA this year, with 95% of these in its sales department, doubling its local sales team, Van den Eijnden said. That improved its ability to stock shelves and increase product sold, he said.

"It's probably helpful that the market leader will increase its focus on premium brands as that will pull more customers up the ladder to buy these higher-value beers," said Jonathan Fyfe, an analyst at Mirabaud Securities in London.

For Heineken, bringing in more premium beers was "stepping up its focus on these brands and a defensive move". (Bloomberg 14-09-2016)

SWAZILAND'S RESERVES FALL BY 6.5%

Swaziland has recorded a decrease of its Gross Official Reserves by 6.5 percent due to payments of government budgetary obligations, APA learns here on Thursday.

A report released by the Central Bank of Swaziland reveals that in August 2016 the reserves were down by 6.5 per cent and sufficient to cover only 3.8 months of imports.

"One of the factors is the looming arrest of South Africa's Finance Minister Pravin Gordhan which resulted to a plunge of Swaziland's currency, the Lilangeni.

An expert's analysis is that the drop of the reserves casts doubt on whether the government would afford to pay the civil servants' salaries consistently and further pay its suppliers.

In July 2016, the about 37, 000 civil servants were awarded a salary increase that ranged between 17 percent and 34 percent, which was also backdated to April 2016.

The implementation of this salary review increased the government's wage bill to $510 million per annum. (APA 08-09-2016)

TETE PROVINCE, MOZAMBIQUE, WILL HAVE DUTY FREE INDUSTRIAL ZONE

The government of Mozambique will create a duty free industrial zone in Revubué, in Tete province, which initially will occupy an area of 4,500 hectares and cost US$770 million, said the spokesman of the Council of Ministers.

The spokesman and deputy health minister, Mouzinho Saide, said the government intends to rely on support from the private sector to move ahead with the first phase of the project.

Saide said potential lenders were still being identified for the project which, according to the plan drawn up, will be a hub for industrial development and other services, and for creating jobs in the region.

"We have identified some potential investors, and the process of launching tenders is underway for the construction of the steel plant that will be deployed as an anchor project in that area," Saide said, quoted by daily newspaper Notícias.

The spokesman for the Council of Ministers added that the development of projects in the mining industry in Tete province has created conditions to set up industrial development hubs, bring together projects that can add value to various mineral resources in the exploration phase. (09-09-2016)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa Business Council, SwissCham-Africa and other organisations.

The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Corporate Council on Africa (USA), ELO,HTTC ,NABA,NABC (by posting selected news) and SwissCham-Africa to their Members.

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