MEMORANDUM

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SUMMARY

EUROPE AND AFRICA DOUBLE RESEARCH EFFORTS TO TACKLE AIDS, EBOLA AND OTHER INFECTIOUS DISEASES

The EU and Africa are today doubling the research efforts to develop new and better medicines for poverty-related diseases affecting sub-Saharan Africa such as AIDS, tuberculosis, malaria, hookworms and Ebola.

Building on the success of the first programme, the second European and Developing Countries Clinical Trials Partnership programme(EDCTP2) will work with a budget of €2 billion over the next ten years to fight infectious diseases in developing countries. For this, the EU will contribute €683 million from Horizon 2020, the EU's research and innovation programme, and around €1.5 billion will come from European countries. EDCTP2 heralds a new era of cooperation between Europe and Africa in medical research with countries from both continents working as equal partners.

Carlos Moedas, European Commissioner for Research, Science and Innovation, said: "*Infectious diseases like AIDS, Ebola or malaria are a major global threat, but they hit poor communities hardest. The latest Ebola outbreak reminds us that more research is needed to find new medicines and vaccines that will help save millions of lives. Today, Europe and Africa are stepping up their efforts to fight the spread of infectious diseases together. With the investment of EUR 700 million from Horizon 2020, the EU will boost research efforts to prevent new epidemics in the future."*

Prof. John Gyapong, Board Member of the EDCTP Association said: *"The birth of EDCTP2 is very timely. Neglected Infectious Diseases and Implementation Science Research are now covered. This presents a great opportunity for African countries to improve their health care delivery systems through good science. The prospects are indeed very bright."*

The EDCTP Association now includes 13 European countries (Austria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, and the United Kingdom) and 11 African countries (Cameroon, the Republic of the Congo, the Gambia, Ghana, Mozambique, Niger, Senegal, South Africa, Tanzania, Uganda, and Zambia). Mali, Burkina Faso, Sweden and Switzerland are about to join as well.

The main features of the EDCTP2 programme are:

- Increased budget: from €1 billion in EDCTP1 to €2 billion in EDCTP2. The EU has increased its contribution from €200 to €683 million.
- extended scope: EDCTP2 does not only cover HIV/AIDS, malaria and tuberculosis but also emerging epidemics of particular relevance to Africa, such as Ebola, as well as some neglected infectious and parasitic diseases. It can now support all stages of clinical development and testing, from phase I to phase IV. This gives the potential to fund a new treatment from the moment it leaves the laboratory bench right up to its full regulatory approval and subsequent surveillance.
- Stronger engagement of external funders: investment from other private and public funders will be increased. €70 million were raised from the private sector in EDCTP1, but the aim for EDCTP2 is to reach €500 million. The EU has already signed a Memorandum of Understanding with the Bill and Melinda Gates Foundation, and is about to sign a similar agreement with the Calouste Gulbenkian Foundation.

Infectious and parasitic diseases such as HIV/AIDS, tuberculosis, malaria, hookworms and Ebola are widespread in sub-Saharan Africa where they affect in particular the poor, impoverished and malnourished population. Almost one billion people, many of whom are children, suffer from these diseases and each year they cause millions of deaths. HIV/AIDS alone kills more than 1.5 million people every year, while malaria and tuberculosis together kill an estimated 2.1 million people. In 2013, an estimated 6 million people were living with HIV in South Africa, which represented 17% of the people infected globally.

The problem cannot be solved by the market alone – businesses are often not willing to take the risk and invest in the development and production of medicines most needed by the poor but with uncertain returns on the research and development costs.

The EDCTP partnership corrects this market failure and is needed to develop and test new medicines in the population that will ultimately use them. By the end of 2012, EDCTP had funded 246 projects involving researchers from 259 institutions in 30 sub-Saharan African and 16 European countries. (EC 02-12-2014)

CAPE VERDE: EU HELPS VOLCANO ERUPTION RESPONSE

The EU Civil Protection Mechanism has been activated upon the request of Cape Verde due to the volcano eruption on the island of Fogo. Portugal offered in-kind assistance through the Mechanism. A navy vessel with specialized telecommunications equipment, a helicopter and relief items such as beds, blankets and disposable respiratory protection masks is on its way. The European Commission is supporting the transport costs. In addition, two civil protection experts are being deployed through the Mechanism to support The United Nations Disaster Assessment and Coordination mission to Cape Verde. The European Commission's Emergency Response Coordination Centre (ERCC) is in close contact with the Cape Verde authorities and participants in the EU Civil Protection Mechanism. Lava flows and eruptions have intensified in recent days. The national authorities have ordered the evacuation of several hundreds of residents. *(*EC 02-12-2014)

MOATIZE/NACALA RAILWAY IN MOZAMBIQUE IN LOAD TESTING PHASE

A train arrived Monday in Nacala-a-Velha, in Mozambique’s Nampula province, having left Moatize days before, carrying a variety of cargo in order to test the line, according to Mozambican daily newspaper Notícias.

This will be the railway that will transport coal mined in Moatize, Tete province, to the port under construction in Nacala, built as part of the project Northern Integrated Logistics Corridor (CLN), which includes Brazilian group Vale and Mozambican port and railway company CFM.

Notícias also said the train had left days before from Nacala-a-Velha towards Moatize with empty wagons, and on its return was carrying a variety of goods other than coal.

According to information that was issued, the trains that will ensure the transport of coal from Moatize to the Nacala-a-Velha coal terminal should have an average length of 1,500 meters and will be made up of more than 120 coal trucks pulled by four locomotives .

Normal coal transport to the Nacala-a-Velha terminal will be offered by just over 90 locomotives, the first of which arrived in Mozambique in early July, according to information previously advanced by CLN.

The railway will offer universal access to all coal producers located in Tete province, under a memorandum of understanding signed between the government of Mozambique and the consortium promoting construction of the railway and the pricing model is currently under consideration.

CLN’s hope to offer a transport capacity of over 11 million tons per year by the end of 2015 and continue to make investments to reach 13 million tons in 2016 and 18 million tons in 2017.

Development of project of the port of Nacala-a-Velha and the Moatize/Nacala railway, run by Sociedade de Desenvolvimento do Corredor do Norte and owned by Vale Moçambique, with 80 percent, and CFM, with the remaining 20 percent, represents an investment of US$4.5 billion. (28-11-2014)

UN AGENCIES ASSESS EBOLA IMPACT ON FARM PRODUCTION, NUTRITION, LIVELIHOODS

Preliminary results from an impact assessments of the dreaded Ebola disease effects on people in Guinea, Sierra Leone and Liberia, has showed a decrease of agricultural production, deterioration of livelihoods and poor nutrition intake, according to the UN Food And Agriculture Organization (FAO).

“Farmers are losing income, and that is reducing their access to food. In Sierra Leone, for example,70 percent of the people we interviewed said they were eating only one meal per day; instead of two to three meals as was the norm before the Ebola outbreak,” Vincent Martin, FAO’s Response Coordinator for Ebola, was quoted as saying in a statement posted on the UN agency website.

The first outcome of the assessment was done by the FAO, the World Food Programme (WFP) the three national governments where Ebola is most pronounced and other partners.

The final results, to be released early next month, will provide detailed analysis on agricultural production, prices, markets, trade and stocks situation.

“This information will help us to adapt our strategy to help farmers most in need. We need to help them rebuild their livelihoods, and to resume agricultural production as soon as possible”, the FAO official added.

Also, the assessment noted that the closure of borders due to the Ebola outbreak has negatively impacted the income of rural and urban population in affected countries as well as the bordering areas of the neighbouring countries.

The preliminary assessment results were jointly presented at a special session dedicated to the impact of the Ebola virus disease on food and nutrition security in West Africa, during the meeting of the Food Crises Prevention and Management Network (PREGEC) in Dakar, Senegal.

Representatives from all West African countries and the Sahel attended the meeting.

Other participants included regional organizations; non-governmental organizations such as Action against Hunger, Oxfam and Save the Children, the European Commission Humanitarian Aid and Civil Protection (ECHO), the European Union (EU), US Agency for International Development (USAID), farmers and herders organizations. (Pana 30/11/2014)

COCA-COLA BANKS ON GROWING AFRICAN MARKET OF APPLETISER

The Coca-Cola Company believes the Appletiser brand has "lots of legs" and the US-headquartered firm will look for opportunities to grow the niche brand, its regional head said.

Coca-Cola said last week it would buy Appletiser and 19 other soft-drink brands from SABMiller for $260m, as part of a larger deal to create a dominant African bottler of Coca-Cola products with SABMiller and a private firm.

Nathan Kalumbu, president of Coca-Cola’s Eurasia and Africa unit, said: "Appletiser is a fantastic brand — it’s growing across a number of markets in Africa as we speak, and outside Africa too.

"As we evolve our strategy in the next couple of years, we will look at all opportunities to leverage this brand," he said.

Both Coca-Cola and PepsiCo are broadening their portfolios in the face of changing consumer preferences, particularly in developed markets such as the US where health concerns are weighing on soda sales.

Appletiser, a specialist rather than mass-market type brand, was started in the Western Cape in 1966 and has since grown to be available to consumers in more than 30 countries.

But despite its growth, Mark Bowman, MD of SABMiller’s Africa business, said last week much of Appletiser’s success abroad had hinged on Coca-Cola’s franchise model, where third parties bottle and distribute the carbonated apple juice.

Franchised Coca-Cola bottlers in Africa make Coca-Cola from concentrate derived from two main sources — a French unit supplies bottlers in West Africa with concentrate, while a Swaziland unit provides concentrate to bottlers such as SABMiller in the rest of Africa.

"Appletiser has done very well. It boxes much higher than its actual size — its visibility is high in the market but it’s quite a small brand. And I suppose from a SABMiller perspective we’ve never quite got it to where we felt it should be," Mr Bowman said.

Mr Bowman said it had been an anomaly having an SABMiller-owned brand being sold through the Coca-Cola system. "Now all of that dissonance disappears and I think that probably opens an opportunity."(BD 01-12-2014)

COAL INDIA BEGINS COAL MINING IN MOZAMBIQUE

Indian state group Coal India will soon begin coal mining in Mozambique, a senior executive of the group told Indian newspaper the Economic Times in Kolkata.

The official said the prospecting phase in the A1 and A2 blocks in Tete province, central Mozambique was complete and the phase of laboratory analysis of the samples taken was underway.

“Afterwards a geological and a detailed report will be drawn up and we expect that the coal mining to start within six months to a year,” the senior official added.

The group established a subsidiary in Mozambique, African Coal India, after being granted two coal blocks in Tete province in 2009 under a mining and development license valid for five years.

The newspaper said the group was also involved in coal projects in Australia and South Africa in order to increase the import of coal, given that the country is faced with lack of coal for burning in power plants. (28-11-2014)

LOW OIL PRICE HARMS INVESTMENT IN AFRICA

Plunging world oil prices have dealt a blow to Africa far greater — purely in economic terms — than Ebola, setting back investment in exploration and plans to industrialise.

The highest-profile victim so far has been Africa’s top producer, Nigeria, which was forced to devalue its currency 8% this week after the central bank admitted dwindling reserves were making it hard to defend it.

In dollar terms, the devaluation knocked $40bn off the value of Nigeria’s economy — considerably more than the $32bn worst-case scenario the World Bank projected during last month for Ebola’s economic effect on the entire sub-Saharan region.

Last week, the bank’s chief Africa economist said the latest assessments of Ebola suggested the economic fallout might not be as bad as feared, and was likely to be closer to the $3bn-$4bn end of its projected range.

The same cannot be said for crude-backed African currencies.

Even after the Nigerian devaluation and a 100 basis-points hike in interest rates, the naira came under more pressure, trading at a record low of 178.85 to the dollar.

It opened flat on Thursday around 177.0, a level that is already weaker than the de facto 176.40 lower limit of the central bank’s target band, revealing scepticism that the currency could hold at that level.

In Angola, the continent’s number two oil producer, the kwanza has shed more than 3% since September, hitting record lows on an almost daily basis amid concerns about the state of government finances.

A year ago, Luanda was projecting growth of 8.8% with a fiscal deficit of 5% of gross domestic product (GDP) as it poured cash into reconstruction from a long civil war that ended in 2002. But its spending plans were all predicated on oil — which accounts for half of GDP and 90% of foreign exchange earnings — at $98 a barrel.

The government is budgeting a more sober $81 for next year but even that might be over-optimistic after Brent crude hit a four-year low Thursday of $76 as ministers from oil-producing OPEC countries met in Vienna. Nigerian Petroleum Minister Diezani Alison-Madueke is expected to succeed Libya’s Abdourhman Ataher Al-Ahirish as the Organisation of Petroleum Exporting Countries’ president next year.

Reserves are at a relatively healthy $27bn — enough to prevent a full-scale currency blow-out, analysts say — but if oil stays below $80 for some time, the kwanza will continue to weaken and the budget deficit will balloon.

The result is likely to be sharply reduced spending, a big increase in foreign borrowing, either through Eurobonds or syndicated loans, and possibly even an International Monetary Fund (IMF) bailout, as happened after the 2008 financial crisis.

"If there’s no support for oil prices, the budget deficit could be much larger than 7.6% and then you could see an IMF programme," said Standard Bank African currency strategist Samantha Singh in Johannesburg.

Although they have vast agricultural potential, the likes of Nigeria and Angola import nearly all their food and consumer goods, which will become more expensive, fuelling inflation and even raising the prospect of social and political unrest.
Weakening currencies also make imports of machinery more expensive, hampering Africa's efforts to capitalise on above-average growth rates by building industries to employ the millions of young people entering the labour market each year.
Ghana, which became an oil producer in 2011, has already had to go the IMF route to try stabilise a plunging cedi and pull itself out of a financial crisis caused in part by lower-than-expected oil receipts.
Even beyond sub-Saharan Africa's established oil producers, which also include Equatorial Guinea, Chad, Sudan and South Sudan, the effects are being felt as frontier exploration projects contemplate shrinking margins.
Britain's Tullow, a major regional player, said this month that "short-term variations" in oil prices would not cast a shadow over projects that may last decades.
Others are less sanguine. Toronto-listed junior explorer Africa Oil, which has interests in Kenya, Ethiopia, Somalia and Mali, said this month that its plans in Kenya might be brought into question if the long-term outlook saw prices dropping below $70 a barrel. (Reuters 28-11-2014)

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FRANCE GRANTS GUINEA 100 MILLION EUROS TO COMBAT EBOLA

France has granted Guinea 100 million euros to fight the Ebola virus disease that has killed more than 1,000 people in the West African country. French president François Hollande announced the aid on Friday evening shortly after his arrival in the Guinean capital, Conakry, for a short visit.

Speaking at a joint news conference with his Guinean counterpart, president Alpha Condé, president Hollande said the aid would help buy materials to fight the disease and also protect French citizens against the disease which knows no borders.

The French president also said that his country would set up three new Ebola treatment centres in the southern city of Beyla, Kairouané in the east and Forécariah in the west, which would complete the four treatment centers.

These are in addition to the military hospital offered in mid-November in the southern city of Macenta, about 900 km from Conakry, where the first case of Ebola was reported in January.

The French government will also set up a treatment centre for aid workers from all nationalities operating in Guinea to eradicate the deadly Ebola, which according to the latest statistics, has killed 1,223 people out of more than 2,000 reported cases all over the country.

Bound for the Senegalese capital, Dakar, where the two-day 15th summit of International Organisation of Francophonie (IOF) heads of State and government will be held, president Hollande said that this would be 'the best opportunity for me' to urge Canada and Switzerland, two francophone countries, to help another francophone country, Guinea, which is being ravaged by the Ebola disease.

President Hollande is visiting Guinea 15 years after Jacques Chirac in 1999, when President Condé, then an opposition member, was in jail.

He said that his visit, although short, had the main goal of expressing solidarity with Guinea and Guineans who were struggling against the Ebola epidemic.

'I have come to deliver a message of solidarity to Guinea, the patients, the aid workers who are taking risks and also to healthy people … I urge you to be careful to reduce contamination,' he said, and called on all countries to avoid isolating Guinea, which was on the path for development, but now faced several difficulties.

President Condé announced that an office of the French Pasteur Institute would soon be opened in the Guinean capital to monitor Guinean researchers to enable them to quickly face epidemics in the future.

He said, without giving details, that France would review its debt with his country, which would also benefit from budget assistance.

'Hollande, (the first president to visit Guinea), has given the best example to the rest of the world at a time when a country, in the neighbourhood particularly, has closed its borders with Guinea,' said president Condé, whose participation in the IOF summit had yet to be confirmed.

Diplomatic sources said that president Hollande tried to convince the Guinean president, who had expressed his anger at the decision of Senegal to close its borders with Guinea, to take part in the Dakar IOF conference. (Pana 30/11/2014)

FUTURE AIRPORT IN THE CAPITAL OF ANGOLA WILL RECEIVE 15 MILLION PASSENGERS PER YEAR

The future Luanda International Airport, under construction on the outskirts of the Angolan capital, is expected to receive at least 15 million passengers a year, Secretary of State for Construction, António Flor said Thursday.

The Secretary of State, cited by Angolan news agency Angop, said that of that number 10 million passengers would relate to international traffic and the remaining 5 million to domestic traffic.

The airport will have 31 sleeves, 21 for international flights and 10 domestic and capacity to process 50,000 tons of cargo per year under a plan to make infrastructure a platform logistics and airport in the region.

As the largest in central and western Africa, the new international airport is being built 40 kilometres from the centre of Luanda, in an area of 1,324 hectares and will have two double runways, and the southern runway will be prepared for landing by the largest commercial aircraft in the world, the Airbus A380.

The airport is being built with funding from the China International Fund Limited, with construction work in the hands of China’s CITIC Construction of state group CITIC, formerly known as “China International Trust and Investment Corporation.” (28-11-2014)

EBOLA BATTERS ECONOMIES OF LIBERIA, GUINEA, SIERRA LEONE, SAYS WORLD BANK

The Ebola outbreak in West Africa is taking a heavy toll on the economies of Liberia, Sierra Leone and Guinea, all of which face negative or slower growth next year because of the virus, the World Bank said on Tuesday.

The bank said growth estimates for the three countries hardest hit by Ebola had tumbled since its previous analysis in October, and that projections showed the outbreak costing them more than $2bn in lost income over the 2014-15 period.

For this year, gross domestic product growth estimates in Liberia were projected to fall to 2.2%, compared with forecasts of 2.5% in October and 5.9% pre-crisis.

In Sierra Leone, 2014 growth was now forecast at 4%, down from previous estimates of 8% in October and 11.3% pre-crisis, the World Bank said.

It lowered its 2014 growth forecast for Guinea to 0.5%, compared with 2.4% in October and 4.5% pre-crisis. It said all three countries had been growing rapidly in recent years and through the first half of 2014.

The bank added that, for 2015, it was projecting negative growth of minus 2% in Sierra Leone, down from a 7.7% growth forecast in October and 8.9% before the crisis.

It also forecast negative 2015 growth for Guinea of minus 0.2% versus October's estimate of 2% growth and a pre-outbreak forecast of 4.3%.

"In Liberia, where there are signs of progress in containing the epidemic and some increasing economic activity, the updated 2015 growth estimate is 3%, an increase from 1% in October, but still less than half the pre-crisis estimate of 6.8%," the bank said.

The report comes as the World Bank Group's president, Jim Yong Kim, begins a two-day visit to West Africa to discuss ways of addressing the outbreak.

"This report reinforces why zero Ebola cases must be our goal," Mr Kim said in a statement.

"While there are signs of progress, as long as the epidemic continues, the human and economic impact will only grow more devastating."

The World Health Organisation said on Monday that some 5,987 people had died of Ebola in Liberia, Sierra Leone and Guinea. (Reuters 02-12-2014)

ANGOLA RECOVERS 1,000 KILOMETRES OF ROADS IN 2014

Over 1,100 kilometres of primary roads were built or rebuilt in Angola this year, the National Director of the Office of Planning of the Ministry of Construction, said Thursday in Luanda.

Carlos Santos said the ministry had planned to build and/or rebuild 3,500 kilometres of the primary road network but due to financial constraints was only able to work on 215 kilometres in the first quarter, 258 kilometres in the second quarter, 299 kilometres in the third and 342 kilometres in the fourth quarter.

Cited by Angolan news agency Angop, Santos also said that 646 kilometres of secondary roads were also built or rebuilt and 703 kilometres of the tertiary network of roads.

Presenting the annual statement for the sector at the II Advisory Council of the Ministry of Construction, to be held Thursday and Friday in the town of Catete, Santos said that 10 public buildings had also been built or rebuilt and that refurbishment work was conducted on two airports. (28-11-2014)

SOUTH AFRICA: GAUTENG FAST LOSING STATUS AS GATEWAY TO AFRICA

With Nigeria leapfrogging SA as the largest economy in Africa earlier this year, along with pedestrian rates of economic growth, the role of SA in the "Africa rising" narrative is up for debate. If we are no longer the biggest economy and our economic growth is well below par, is SA a springboard to new African markets? How do our commercial centres compare with others vying to be the gateway to Africa?

Gauteng has been described as the Gateway to Africa. At its centre is Johannesburg, which this year's MasterCard global destination cities index ranked as the most popular destination city in Africa. It also ranks as the top African city for doing business by various surveys of African companies.

But things are changing fast. Other fast growing cities, from Lagos to Nairobi, are positioning themselves as emerging African hubs. The new reality is that the locomotive driving African markets has clearly shifted from the south, with investors now seeking new entry points and direct access to Africa's high-growth markets. Johannesburg does still have the most advanced financial services, and is well ahead of most other African markets on measures of competitiveness. But the window is closing quickly as other locations — including non-African — present themselves as a potential gateway to the continent. Dubai has emerged as one such example, leveraging world-class competitive services and connectedness.

In September, Sheikh Mohammed Bin Rashid Al Maktoum, vice-president and prime minister of the United Arab Emirates (UAE), met the presidents of six West African countries. The meeting highlighted the strengthening economic ties between the UAE and Africa.

According to the Dubai Chamber of Commerce, non-oil trade between Dubai and Africa has increased 700% over the past 10 years. The city-state's advanced legal, financial and banking sectors are credited with attracting businesses seeking a robust and secure place from which to invest in Africa. Companies such as MiDCOM, the telecommunications arm of UAE-based Midland Group and the leading Nokia distributor in Africa and the Middle East, maintain their Africa offices in Dubai. Other global brands, including Nestlé and even the Bank of China, base their Africa offices in the UAE.

Connectedness is the fundamental reason. The pan-African Mara Group is also headquartered in Dubai. Asked why, Ashish Thakar, founder and CEO of Mara, insists it is the easiest and quickest place for African executives and managers to convene. The air travel connectedness and visa requirements are friendly to living and working in Africa.

Dubai's modern logistics and transport infrastructure have boosted commercial activities between the UAE and Africa. Ranked by Forbes Magazine as the seventh most influential city in the world, Dubai took first place for air connectivity. As the largest airline by passenger kilometres flown, Emirates Airline boasts one of the largest and newest fleets of aircraft in the world, and is the dynamo behind Dubai's connectivity.

Dubai's ports, particularly Jebel Ali port, are also regarded as the most important linking Africa to the rest of the world. A significant amount of cargo that arrives at Jebel Ali is re-exported to Africa. While ports such as Jebel Ali are known for their fast cargo clearing times, sub-Saharan African ports, in contrast, are notoriously slow at clearing cargo.

Many Africans use Dubai as a trading hub, which is widely regarded as safer and more convenient than China and increasingly more cost-effective. A favourable tax regime, greater efficiencies and relatively low costs of storing and shipping goods have made the city more attractive to African traders.

Johannesburg still boasts some of the leading financial, legal and commercial services in Africa. However, if the city is to rival world-class gateways such as Dubai, it has to work hard to tackle many challenges — from poor service delivery and declining utilities, to high levels of corruption and crime, which tarnish its reputation and hamper investor confidence.

With cutting-edge transport and logistics, as well as a modern banking sector, Dubai is set to become a competitive gateway to Africa. SA, and particularly Gauteng, may be surprised to learn that the future gateway to Africa might in fact be a competitive hub off the continent. (BD 02-12-2014)

EIB DONATES 5.1 MILLION EUROS TO CABO VERDE FOR ENERGY SECTOR

The European Investment Bank (EIB) has donated 5.1 million euros to Cabo Verde (Cape Verde), and the respective donation document was signed by Finance Minister Cristina Duarte, the ministry said in a statement in Praia.

The donation is intended to enhance the efficiency and effectiveness of the energy sector in the country, specifically "improving demand management and reducing energy losses due to technical and business issues."

The official statement said that the funding would set up a laboratory for power companies Electra Sul and Electra Norte, introduce reforms and boost the grid as well as purchase and install new meters.

The projects covered by the funding also include power limiters for low voltage customers and development of network management systems on Santiago, Sao Vicente and Sal. (28-11-2014))

ILLOVO PLANS TO BOOST DIVERSIFICATION WITH ZAMBIA DISTILLERY

Illovo Sugar plans to build an alcohol distillery in Zambia, its second biggest market by earnings, as part of its long-term strategy to generate 20% of operating profits from downstream sources.

Company MD Gavin Dalgleish said on Monday that Illovo hoped to have board approval in the first quarter of next year for potable alcohol production in Zambia, which would be part of the expansion of its Nakambala factory.

Illovo recently commissioned a distillery in Tanzania, which was operating at its full capacity of 14-million litres, thanks to strong demand for potable alcohol across east Africa.

Its clients in the region include Tanzania Distilleries, in which SABMiller is the largest shareholder through the firm’s parent company, TBL.

SABMiller CEO Alan Clark said last month that his company would consider growing its presence in Africa’s spirits market.

In the six months through September, about 9.3% of Illovo’s operating profit came from downstream sources such as alcohol and furfural (byproduct used as extractive solvent and to make industrial alcohol) — up from 4% a year before.

Operating profits from downstream businesses more than doubled in the interim period, from R62m to R130m.

This growth in contributions "is probably a vindication of our model to diversify revenue streams", Mr Dalgleish said.

"Our furfural exports also benefit significantly from rand weakness, as do our ethanol exports out of our Meerbank distillery in Durban, which also had a record production year."

Illovo’s group-wide operating profit fell 14% to R1.39bn as lower cane and sugar production, and a decline in sugar prices globally affected earnings.

Demand for potable alcohol in east Africa was strong, while supply had been constrained because of an under-pressure sugar industry in Kenya. "So we’ve had a lot of trade enquiries from our Tanzanian distillery and we’re producing at maximum capacity," Mr Dalgleish said.

Illovo developed a market for its potable alcohol in east Africa by first supplying the region from its distillery in Durban, but built a plant in Tanzania in an effort to capture the margin lost to transport costs.

The company also supplies electricity generated from its plants to the national grids of Swaziland and, to a lesser degree, Mozambique.

Sugar industry competitor Tongaat Hulett, which is diversified through its land development and starch businesses, hopes to supply electricity to SA’s national grid once a procurement process framework is put in place.

But Mr Dalgleish said he believed the existing tariff structure meant co-generation in SA did not yet make sense for Illovo. (BD 02-12-2014)

WORK IN MOZAMBIQUE HELPS INCREASE PROFITS FOR PORTUGUESE CONSTRUCTION GROUP

The work performed in the Nacala Corridor, Mozambique, helped Portugal’s Mota-Engil group end the first nine months of the year with a profit of 50 million euros, a year-on-year rise of 31.2 percent, according to information issued by the group.

In a statement, the group reported that activity in Africa (47 percent of total production) increased by 19 percent to a record of 840 million euros in the first nine months, driven by works like the Nacala Corridor, where it built a 145.1-kilometre railway.

In Europe, by contrast, the company’s turnover fell 11 percent to 649 million euros, of a total 1.789 billion euros, or +7.6% year on year.

The order book performed well once again, reaching 4.4 billion euros (76 percent outside Europe), which compares with 3.8 billion euros at the end of June and 3.4 billion euros at the end of 2013.

Mota-Engil “managed in the last quarter to increase its order book to record values,” said the statement from the contractor, who warned the figure did not include work in Cameroon and Congo (2.6 billion euros).

Latin America accounted for 21 percent of the group's business, with a turnover to September of 375 million euros (24 percent more than 2013).
In November, the group delivered the second bridge over the Zambezi River in Tete, which is 715 metres long and was built in partnership with Portuguese companies Soares da Costa and Opway.
This work cost 105 million euros and, along with the bridge, viaduct and access roads, included reconstruction of 260 kilometres of roads linking Tete to the borders with Malawi and Zimbabwe. (02-12-2014)

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The "German – African Business Association (AV)" is improving German- African Business relations since 80 years. It is the key German foreign trade association for businesses and institutions with an interest in Africa.

The currently 600 members can draw from a wide array of experience and knowledge. Through its quality network of contacts in Africa the Association senses the pulse of African markets and provides insights about current developments on the continent.
The AV further creates networking opportunities and represents members` interest both domestically and abroad, in order to best satisfy its members` needs and expectations.

Information is compiled in a biweekly published newsletter, and bimonthly in the „afrika wirtschaft", a German language magazine that keeps track of German – African business relations and informs about events such as business forums, delegation visits or regional round table meetings.

Moreover, the AV offers business trips to African countries, organizes business days as well as regional, country and branch specific events about current hot topics. These include country forums like the German-Angolan Business Forum, the German-Kenyan Business Forum, the German-Nigerian Business Forum and the German-South African-Business Forum. The AV additionally offers an annual industry forum for topics like energy, finance or infrastructure. The regional round tables are platforms for successful network building among interested businesses within Germany.

Members` interests are represented in the leading policy bodies and institutions in African states, as well as in Brussels and Germany. Here, the AV can rely on its wide network within the German political Africa scene. Moreover, the Association will take over the presidency of the European Business Council for Africa and the Mediterranean (EBCAM) in 2014, which will raise its clout on the European level. AV is also part of the two biggest regional initiatives of the German economies for North Africa and the Middle-East (NMI) and for Southern Africa (SAFRI).

THE EASTERN AFRICA ASSOCIATION
www.eaa-lon.co.uk

RWANDA INVESTMENT MISSION March 11th-14th 2015

Advance and Background Information

Following a successful UK-Rwanda Investment Forum in London on October 22nd 2014, the EAA has been invited to collaborate with the Rwandan Government and Developing Market Associates (DMA) in organising an Investment and Trade mission to Rwanda from March 11th-14th 2015. The EAA knows the country very well and has built good relationships in the country over the years. We wish to invite you to join us on this mission, which will expose you to one of the most exciting investment destinations in Africa.

The main focus of the mission will be on Investment and both the Rwanda Development Board (RDB), responsible for promoting foreign investment and the national government have promised their support. Participants will hear presentations from a variety of Ministers and other government officials depending on the composition of the mission and there will also be opportunities to meet some of them on a personal basis. The EU Head of Delegation, together with other Heads of Mission, have also promised their support as this mission will be open to EAA members from Europe and the UK, as well as those already based and active in the region. Political briefings will therefore be provided, as well as summaries of the various aid programmes being supported in the country, which may well present business opportunities for delegates. Non-members will also be welcome.

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