

# MEMORANDUM

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## **EIB NAIROBI TEAM OUTLINES ENGAGEMENT IN EAST AFRICA TO PARLIAMENTARY DELEGATION**

Last week a high level delegation from the European Parliament were briefed on the European Investment Bank's current support for renewable energy, transport and water investment and backing for private sector investment in Kenya and the wider Eastern Africa region, and expected future engagement in the country. The European Investment Bank is the world's largest international public bank and last December celebrated the 10 year anniversary of the Nairobi office.

The visit to the Nairobi based East Africa representative office of the European Investment Bank allowed the members of the European Parliament's development committee to discuss key projects backed by the EIB. These include schemes crucial for increasing sustainable energy in Kenya, improving supply of clean water around Lake Victoria and enhancing access to finance by Kenyan and neighbouring countries' companies in cooperation with leading local banks.

The meeting also provided an opportunity for finance experts and engineers based in Nairobi to outline the economic and social benefits of long-term investment backed by the European Investment Bank, which is owned directly the European Union's 28 member states.

The parliamentarians led by Linda McAvan, Chairwoman of the European Parliament's Committee on Development, were welcomed to the Nairobi office by Catherine Collin, the European Investment Bank's regional representative in East Africa.

"Long-term investment plays a key role supporting sustainable economic and social development. As we embark on a new period of global cooperation on the new Sustainable Development Goals we need the EIB, the world's largest public bank and a leading development finance institution, to play a key role in building that sustainable future. As members of parliament, we want to work with the EIB to improve lives and opportunities in Kenya and the wider region and we welcome the EIB's transparent engagement with the European Parliament over many years." said Linda McAvan MEP, Chair of the European Parliament Committee on Development.

"The European Investment Bank supports long-term investment that improves lives and unlocks economic opportunities in more than 160 countries around the world. As a public bank we work closely with the European Parliament and 28 national parliaments across Europe to explain our commitment and engagement to support specific projects. The development committee visit comes weeks after a detailed independent assessment by the European Court of Auditors recognised the EIB's key role supporting European development cooperation and catalysing investment across sub-Saharan Africa." said Pim van Ballekom, European Investment Bank Vice President.

"Supporting sustainable growth in Kenya and across East Africa is in Europe's interest, as the European Union is Kenya's biggest export market by far. Good infrastructure and a thriving business sector that has access to finance are strategic pillars for Kenya's growth and regional integration. Implementing agreements at COP21 by supporting clean energy is also a key common priority to develop together, further to the already successfully cooperation on the Turkana Wind Farm. These are the DNA of the European Union. As the EU's development bank, the European Investment Bank is underpinning the European economy in similar ways and I'm glad that the EIB is expanding its portfolio in Kenya and the region to support this growing partnership." said Ambassador Stefano-Antonio Dejak, Head of the European Union Delegation to Kenya.

The parliamentary delegation's three day visit to Kenya included high-level meetings with government officials and members of the Kenyan Parliament, as visits to a number of projects supported by the European Union and by UNICEF.

The European Investment Bank is the world's largest international public bank and over the last 5 years has provided nearly EUR 13 billion for long-term infrastructure and private sector investment across Africa. (EIB 16-02-2016)

## **EGYPT MAKES DEVELOPMENT PLEDGE TO ERITREA**

Egypt's President Abdel Fattah al-Sisi on Monday made a development pledge to Eritrea during talks with Osman Saleh, the Eritrean Foreign Minister in Cairo.

During the meeting, Sisi said his country will continue to support development efforts in Eritrea, citing a number of sectors.

He said Cairo was looking forward to further strengthen cooperation with Asmara with a view to achieving their common economic interests.

Sisi affirmed Egypt's keenness on continuous consultation and coordination with Eritrea on various issues in the light of what unites them as neighbours.

Alaa Youssef, a spokesman of the Egyptian presidency noted that Sisi and Saleh discussed the development situation in Africa and the challenges of realising prosperity to a larger pool of Africans.

He said that the fight against terrorism and extremism in the Horn of Africa was also high on the agenda of the talks.(APA 15-02-2016)

### **RWANDAN BANK TO SUPPORT SWAZI MICRO FINANCE UNITS**

The URWEGO Opportunity Bank will support Swaziland's micro-finance units under the Council of Swaziland Churches through the provision of reduced interest rates on their loans, APA reports on Tuesday.

The bank's Chief Executive Officer Tineyi Mawocha is in Swaziland where he is educating Swazis on finance for starting their businesses.

Director for Micro-Finance Michael Myeni says they are working with institutions that will offer loans with reduced interest rates to the people so that they are able to survive during these tough economic times.

The Zimbabwe-born Mawocha is familiar with Swaziland's financial environment being a former Chief Executive Officer for Standard Bank Swaziland for seven years.(APA 16-02-2016)

### **DROUGHT PUTS SOUTH AFRICA MORE AT RISK OF RECESSION**

Rating agency Moody's on Tuesday issued yet another warning about SA's low economic growth — the second in two weeks — saying the severe drought has pushed the country to the brink of recession. Modest economic growth has many implications, including retrenchments, low tax revenues and less fixed investment spending by the private sector. It is also one of the reasons rating agencies have downgraded SA in the past.

"The worst drought on record in SA ... is aggravating the economic slowdown, threatening near-zero growth, if not recession in 2016," senior vice-president and lead analyst for SA, Moody's Kristin Lindow said.

This follows a statement on February 4 that lower economic growth was "credit negative" for SA because it would hamper efforts to raise tax revenues and broaden the tax base.

Until recently, Moody's was the most upbeat on SA compared to Fitch and Standard & Poor's, the two other major global agencies.

The spillovers from the drought, such as higher food prices and imports, would push headline inflation above the upper end of the 3%-6% target band for longer, Moody's warned.

"The pronounced rise in inflation expectations will now result in bigger rate hikes at a faster pace," Ms Lindow said. "The increase in rates will serve as a further brake on an already weak economy, with an

intensifying drought aggravating existing problems that have taken their toll on investor confidence over the past year."

The Reserve Bank raised interest rates by 50 basis points last month.

Moody's is also worried about the rand, saying that its "steep depreciation" was having "negative consequences" for the economy.

It cut its economic growth forecast for this year to 0.5% from more than 1% previously.

The negative outlook on Moody's Baa2 credit rating for SA suggests that a downgrade will follow if concerns raised are not addressed.

It has SA two notches above junk, while Fitch and S&P have SA one level above. Moody's has said that Finance Minister Pravin Gordhan's budget next week would need to "steady confidence" in SA. (BD 17-02-2016)

## **PORTUGAL FINANCES PROJECTS IN MOZAMBIQUE**

Portugal's development agency Sociedade para o Financiamento do Desenvolvimento (Sofid) will support the expansion and modernisation of companies in Mozambique through a Financing Memorandum signed Tuesday with Banco Terra Moçambique (BTM), the bank said.

The agreement signed in Maputo by the chairmen of BTM, Almeida Porto and Sofid, Paulo Lopes, covers all key sectors of the Mozambican economy, with particular focus on renewable energy, environment, infrastructure and tourism.

Sofid is a finance company that is 64.3 percent owned by the Portuguese State that supports the internationalisation of Portuguese companies and in Mozambique, where it operates through the InvestimoZ Fund finances public or private investment projects promoted by Portuguese companies or Luso-Mozambican partnerships.

BTM's shareholders are Rabobank Development, which is part of Rabobank Group of the Netherlands, Montepio Holding, part of Montepio Geral – Associação Mutualista, which was established in 1840, Norfund, a financial entity to support development controlled by the Norwegian State and GAPI, a financial institution for development based on a Mozambican public-private partnership. (17-02-2016)

## **NAMIBIA APEX BANK RAISES REPO RATE TO 6.75 PERCENT**

The Bank of Namibia on Wednesday increased the repo rate by 25 basis points to 6.75 percent, which it said is to align interest rates within the Common Monetary Area.

Bank governor Ipumbu Shiimi said the decision was necessary to avoid possible capital outflows, which could put pressure on the country's reserves.

"While the MPC (Monetary Policy Committee) welcomes the continued slowdown in the growth in instalment credit, the recent significant increases in other loans and advances are a concern. With the increase in the Repo rate, it is expected that deposit-taking institutions will also increase deposit rates by the same margin, thus encouraging savings," Shiimi said during a media briefing in Windhoek.

The hike came after the South African Reserve Bank raised its benchmark repo rate by 50 basis points to 6.75 percent, which local analysts have rightfully predicted will have spill-over effects on Namibia.

The Bank of Namibia's MPC held its bi-monthly meeting on Tuesday.

"The meeting reviewed the global, regional and domestic economic as well as the financial developments since its last meeting in December 2015," said Shiimi.(APA 17-02-2016)

## **SOUTH AFRICA: IDC MUST RESTRUCTURE R20BN WORTH OF DEBT**

The Industrial Development Corporation (IDC) needs to restructure about R20bn of debt, half of that because of the drop in commodity prices, which has also prompted SA's state-owned financier to consider delaying a \$5bn steel-mill venture with a Chinese partner.

The IDC is finalising a feasibility study for the mill, CEO Geoffrey Qhena said. It would make as much as 5-million tonnes of steel annually, or about 71% of SA's current capacity, and comes as other producers such as the local unit of ArcelorMittal are cutting jobs and closing plants as they struggle to compete against cheap imports from China.

The Bloomberg Commodity Index of returns on raw materials slumped to a 25-year low last month, with copper, zinc and lead recently touching multiyear lows as continued weakness in the economy in China, the world's largest metals consumer, curbs demand.

"The longer it goes, the more worried we become," Mr. Qhena said in an interview in Cape Town on Wednesday, referring to the commodity-price rout. "There will probably be more blood than we've seen now."

Restructuring could entail payment holidays and converting debt into equity, he said, adding that the level of impairments the IDC has recorded in the year that ends in March is higher than it had been before.

Among the IDC's mining and metals investments are stakes in ArcelorMittal SA, the continent's biggest steelmaker, Kumba Iron Ore and Oakbay Resources, which is controlled by the Gupta family, who are friends of President Jacob Zuma and are in business with his son.

The IDC and its partner in the steel venture, Hebei Iron & Steel Group, will announce by the middle of this year when the project will proceed, Mr. Qhena said.

"We're now having conversations on the timing of this," he said. "It is taking a little bit longer. The cycle where we find ourselves does not help."

The IDC has about R100bn of debt and equity investments, Mr. Qhena said. (Bloomberg 10-02-2016)

## **US COMPANY TO CONSTRUCT ETHIOPIA DJIBOUTI PIPELINE**

United States Company has agreed with Ethiopia to construct the fuel pipeline linking landlocked Ethiopia to Djibouti.

US secretary of state said in a statement seen by APA on Friday that the black Rhino company owned by funds from United States investment firm Blackstone Group has obtained the privilege of the construction of a 550-kilometer fuel pipeline linking Ethiopia to Djibouti.

The United States Assistant Secretary of State, Antony Blinken, said that construction of the \$1.55 billion project will soon be launched, without giving more details.

Last year Ethiopia and Djibouti signed an agreement to carry on the construction of the fuel pipeline due to be completed in 2018.

When the fuel pipeline project also known as Horn of Africa pipeline (HOAP), goes operational, it will transport diesel, gasoline and jet fuel to the horn of African nation whose annual fuel demand grows at an average rate of 15 percent.

The pipeline project is projected to boost energy security and economic development to Ethiopia, one of the world's fast growing economy.

Currently the country transports its imported fuel using hundreds of tanker trucks, but it is costly and time consuming ineffective to meet Ethiopia's energy requirements.(APA 12-02-2016)

## EGYPT TARGETS 6 PERCENT ECONOMIC GROWTH

The Egypt's government is working on achieving a 6 percent growth rate, up from the current rates ranging between 3 and 4 percent, Prime Minister Sherif Ismail said on Monday.

He told reporters that it must be to reach economic growth to 6 percent because when an increase in growth rates of one per cent , it means the creation of 120,000 jobs.

Prime Minister stressed that the national industry is the ability to promote the Egyptian economy and create jobs because the national industry means prosperity of small and medium industries which contributed strongly to the development of the economies of all countries of the world.

Prime Minister underlined the importance of completing efforts to overcome all obstacles facing foreign investments in Egypt and to implement a comprehensive economic reform program.(APA 15-02-2016)

## SOUTH AFRICA: CASHLESS, TICKETLESS PARKING APP LAUNCHED

A new cashless, ticketless, user-friendly parking app is set to take the hassle out of parking using license plate recognition (LPR) technology. [KaChing](#), which officially launches today, uses LPR technology to open the boom when users arrive at and leave a parking lot, and automatically deducts the parking fee from their credit cards or pre-paid accounts.

The KaChing Parking app is available on the Apple iStore and Google Play Store. The service first launched in 2015 on a commercial pilot basis. It is already available at Melrose Arch, Campus Square and Morningside shopping centres, and will be available at Pavillion (Durban) and Thrupps (Johannesburg) shopping centres shortly. There are also plans to expand to South Africa's other favourite shopping spots.

Co-founder of KaChing, Jaco Marais, explains why he and other co-founders, William Cosby and Rudolph de Wet created the service. "As drivers ourselves, we understand the frustration of waiting in queues to pay for parking and get through the boom. We figured there had to be a better way, and decided to use technology to create an innovative solution."

LPR captures photographic video or still images of license plates. These are processed by a series of algorithms that provide an alpha numeric conversion, which in this case is compared to KaChing's database of registered users.

De Wet comments, "LPR is just one cog in a much larger machine, and putting all the different pieces together and getting them working in unison is where the magic happens." He continues, "Reading tens of thousands of license plates a day on a variety of sites brings with it requirements for best-in-class connectivity and a robust, scalable cloud platform to handle all of these requests and respond within less than a second. With new technology there is always the fear that you'll get stuck at a boom, but we've taken great care and consideration of specific local conditions and constraints and put measures in place to mitigate this risk completely."

Over and above ensuring smooth operation, KaChing also offers landlords and users a host of security benefits. Landlords are presented with a "watchlist" of suspicious vehicles and alerted when one of these vehicles enters their premises, while users get a notification as soon as their vehicle leaves a parking area, giving them vital minutes to take action should their car be stolen.

Marais comments that the ROI when implementing KaChing is dramatic and easily achieved in a short period compared to conventional systems. He ends, "As we continue to develop the technology, we are excited about the new value adds we will be able to offer our partners and users." ( IT News Africa 10-02-2016)

## **MOZAMBIQUE INCREASE RAIL CAPACITY BY 31.5 MILLION TONS**

The capacity of the railways in Mozambique will increase significantly once the line between Moatize and Nacala, known as the Nacala Corridor, with the strengthening of the Sena line, to be completed in the coming months.

The Nacala Logistics Corridor has the capacity to transport 18 million tons of cargo per year and will serve mainly the coal industry at a time when some exporters are facing logistical problems that make it even more difficult to continue operating at a profit, given the low prices of the commodity.

The opening of the line led the Economist Intelligence Unit to revise coal production forecasts upwards in the short term, allowing for a faster increase in exports in 2016 and 2017 and, consequently, a smaller current account deficit for Mozambique.

“Nacala will finally ease transport bottlenecks in the Mozambique coal industry,” the EIU said in its latest report on the country.

About 18 months behind schedule and costing more than the initial budget, the 902-kilometre line and associated deep water port were developed by Brazilian group Vale, which has a concession on Mozambique’s largest coal mine in Moatize, which can now increase production and reduce costs.

Construction of the proposed US\$3.5 billion dollar project started in 2012 when the price of coal was over US\$100 per ton, double the amount recorded at the end of 2015, leading the major producers such as Vale, Jindal Power, International Coal Ventures Limited (ICVL) and Beacon Hills Resources to delay expansion plans.

“For the rest of the industry, Nacala will free up space on the Sena line, the only one available,” but the Mozambican coal industry will remain below its potential, said the EIU.

The new railway is also used by other mining companies to transport their production, and state port and rail company CFM will transport of passengers and cargo.

The provincial governor of Nampula, Victor Borges, recently said that the second phase of the works to modernise and expand the port of Nacala, a US\$270 million investment, could begin this year and tenders are currently being prepared.

In the first half of this year work to increase the capacity of the Sena line is due to be completed, increasing from 6.5 million to 20 million tons per year, said the provincial director for Transport and Communications of Sofala, Hécio Canda.

The Sena line links the port of Beira to Moatize, between the provinces of Sofala and Tete, over a total length of 575 kilometres, including the Inhamitanga/Marromeu branchline. (15-02-2016)

## **SENEGAL’S DECEMBER 2015 EXPORTS TO UEMOA UP BY 20.6 PERCENT**

Senegal’s exports to the West African Economic and Monetary Union (UEMOA) increased by 20.6 percent in December 2015 compared to the previous month, the Directorate Forecasting and Economic Studies (DPEE) told APA on Monday.

The exports totaled CFA 30.1 billion against CFA 24.9 billion in November 2015, an increase of CFA 5.1 billion in absolute terms.

These exports accounted for 20.7 percent of December 2015 export of goods total value against 23.8 percent the previous month, a decline of 3.1 percentage points, DPEE said.

The share of products shipped to Mali, Senegal's main destination for exports in the region fell from 55.5 percent to 51.6 percent over the period, a drop of 3.9 percentage points.

Cement remains the main exported product to Mali with a value estimated at 51.5 percent in December 2015 against 39 percent in November.(APA 15-02-2016)

## **JORDAN: EUR 1 MILLION TO REFORM THE CADASTRE**

The EU and the Department of Lands and Survey (DLS) on Tuesday launched a 1 million euro twinning project aimed at enhancing the technical and administrative capacities of the DLS in the fields of cadastre (mapping real estate ownership and values) and administration.

Finance Minister Omar Malhas said public agencies always seek to reach solutions and make use of modern technologies to facilitate procedures in public transactions.

"We aspire to provide an accurate database for buildings that matches reality, especially when it comes to maps and blueprints," Malhas said. DLS is the main beneficiary of the project — dubbed "Reducing discrepancies between the physical reality and the graphical cadastral information in Jordan" — while co-beneficiaries and participants include the Greater Amman Municipality, the Ministry of Municipal Affairs, the Royal Jordanian Geographic Centre and the Association of Owners of Land Survey Offices, the minister noted.

Planning and International Cooperation Minister Imad Fakhoury said the project, executed in cooperation with the governments of the Netherlands and Sweden, will be implemented over 18 months and falls under the EU technical assistance framework.

The services that DLS provides have a horizontal impact on the business environment, making it necessary to invest in simplifying and automating its services, as well as those of many other entities of the same nature, he noted at the project's launch ceremony.

"The past twinning project [for] the DLS and the systems associated with the project have significantly improved the skills and practices of the staff and management," the minister said.

Sweden implemented a previous DLS twinning project which concluded "successfully" in April 2013 and was evaluated with the highest score from the EU twinning reviewers, according to an EU statement.

"We encourage our colleagues at the DLS to absorb and sustain the benefits of this twinning arrangement, and to employ the best workable practices provided by their [European] counterparts, and we also encourage them to continue streamlining their services and make them accessible online," Fakhoury said.

In this regard, he noted that after 10 years of implementing twinning projects, it has become evident that twinning is instrumental in exchanging and maintaining international best practices.

EU Ambassador to Jordan Andrea Matteo Fontana praised EU-Jordanian cooperation in the field of cadastral and land surveys, noting that the EU partnership supports national reform efforts. Swedish Ambassador to Jordan Helena Gröndahl Rietz highlighted the role of the lead partner of the project — Swedsurvey, the state-owned overseas agency of Lantmäteriet (the Swedish mapping, cadastral and land registration authority), which implemented the first project — along with the Cadastre, Land Registry and Mapping Agency of the Netherlands.

"The project is multi-dimensional, because beyond the technical role of reducing discrepancies... it is about capacity building and transfer of knowledge," Rietz explained.

Dutch Ambassador to Jordan Paul van den IJssel said the project underlines the importance his country attaches to cooperation with Jordan in various fields.

DLS Director General Moeen Al Sayegh underscored the significance of the scheme in providing accurate information on lands in the Kingdom, commending previous experiences with EU partners.

(EEAS 12-02-2016)

## **ANGOLA ADOPTS MEASURES TO MINIMISE DROP IN OIL PRICES**

The government of Angola will adopt a set of measures on taxation, monetary policy, foreign trade and the productive sector of the economy to respond to the crisis resulting from the sharp drop in oil prices, state newspaper Jornal de Angola reported.

The newspaper noted that the price per barrel of oil currently stood at between US\$27 and US\$30 and because the State Budget for 2016 was prepared on the basis of a price per barrel of US\$45 it is urgent to adopt measures to replace oil as the main source of revenues, control the expansion of the deficit and debt and improve the efficiency and effectiveness of private investment.

The measures are contained in a memorandum that was presented at the joint meeting of the Economic Commissions and Real Economy of the Council of Ministers.



The document, which must still be approved by a Council of Ministers meeting, includes a series of measures to be taken to increase domestic production, promote the export of goods and services in the short term, increase non-oil tax revenue, optimise public expenditure and streamline the import of goods and services. (15-02-2016)

### **LIBERIA, US SIGN \$59.1M HEALTHCARE DELIVERY AGREEMENT**

The Government of Liberia and the United States Agency for International Development (USAID) on Tuesday signed a new five-year USD\$59.1 million Fixed Amount Reimbursement Agreement (FARA) to strengthen primary healthcare delivery in Liberia, especially in the areas of maternal, neonatal and child health.

The new FARA, which runs from 2016 to 2020, follows the previous four-year agreement that supported the successful implementation of Liberia's National Health and Social Welfare Policy and Plan from 2011 to 2015.

Under that agreement, USAID will reimburse the Government of Liberia for the cost of implementing an agreed upon set of activities delivery to Liberia's National Health and Social Welfare policy and plan.

With the signing of the latest agreement, USAID is expected to reimburse the Ministry of Health for producing quarter deliverables related to provision of primary healthcare services to the Liberian people in three core areas.

They include strengthening public financial management, improving performance management at central and sub-national levels and increasing the use of facility and community-based service.

Speaking during the signing ceremony held at the Ministry of Finance and Development Planning (MFDP) on Tuesday, USAID Liberia Mission Director, Dr. Anthony S. Chan, said that by emphasizing reimbursement based on outputs result than inputs, FARA promotes performance and accountability.

Dr. Chan noted that the FARA continues a history of innovation begun under the first FARA by continuing to channel assistance directly through a line Ministry in Liberia.

He, however, noted that for the first time, an escrow account has been created for the FARA with the MFDP, which has further improved the efficiency and effectiveness of this assistance.

In remarks, Finance and Development Planning Minister Amara Konneh, lauded the United States Government for their continued support to the Liberian Health sector and assured the USAID Director that the Liberian Government would live up to its obligation under the FARA.

Also speaking at the programme, Health Minister Dr. Bernice Dahn, also assured the USAID family of their commitment to the achievement of the FARA, which seeks to improve Public Financial Management and to strengthen MOH's performance Management and increase the use of quality and community health service.(APA 16-02-2016)

### **EGYPT: EBRD STRENGTHENS SMALL BUSINESS**

The European Bank for Reconstruction and Development (EBRD) continues to support small and medium-sized enterprises (SMEs) in Egypt, providing a US\$30 million loan to Bank Audi SAE Egypt for on-lending to local SMEs.

Philip ter Woort, EBRD Director for Egypt, said: "The EBRD considers SMEs to be the backbone of the economy and we focus on strengthening them across all our countries of operations."(EBRD 11-02-2016)

### **PM OF CABO VERDE LAUNCHES INVESTMENT FUND IN EUROPE**

The Prime Minister of Cabo Verde (Cape Verde) is making a tour of three European countries, Luxembourg, France and Portugal, which aims to launch the Afro-Verde investment fund, the archipelago's press reported.

The venture capital fund, which aims to mobilise about 100 million euros for investment in tourism and real estate in Cabo Verde, is due to be launched Monday, at the premises of the Luxembourg Chamber of Commerce.

The fund is domiciled in the financial centre of Luxembourg, according to a statement from the Windward Chamber of Commerce, one of the promoters and facilitators who took part in the process of structuring and incorporation of the company that will manage the Fund, "Afroverde Capital Partners."

In Paris, the Cape Verdean Prime Minister will liaise with the heads of the Organization for Economic Cooperation and Development (OECD) and in Lisbon, from 17 to 21 February will meet with various authorities and the Cape Verdean community.

This should be one of the last visits abroad by José Maria Neves as prime minister of Cabo Verde, as there will be parliamentary elections on 20 March next year and Neves is not a candidate, though he will remain in office until the end of his term. (15-02-2016)

### **BANK EXPLAINS COLLAPSE OF NIGERIAN TEXTILE COMPANIES**

Nigeria's Bank of Industry (BoI) says the failure of state governments to implement the recommendations of the Cotton and Textile Garment (CTG) scheme was responsible for the collapse of the textiles companies in the country.

Mr. Waheed Olagunju, the BoI's Executive Director, Small and Medium Enterprises (MEs), said at the regional vocational skills competition organised by the bank in partnership with the National Board for Technical Education (NBTE) in Kaduna that failure to implement the recommendation on increasing cotton production, addressing smuggling and lack of lubricants added to the woes of the companies.

Olagunju disclosed that BoI disbursed 60 percent of the N100 billion (about \$ facility to industries in the sector.

He explained that the CTG scheme, which was launched around 2010 was a N100 billion facility and that about 60 percent of the facility was disbursed to industries in that sector in Nigeria before it was converted to equity.

"You will agree with me that funding is only one of the factors of production, there are other things that go with running successful an industrial enterprise, the bank made money available, but other recommendations were not implemented.

"If other recommendations were implemented alongside the funding, it would have led to the revival of that sector. Other challenges that need to be looked into include smuggling, lubricants and others," he said.

According to him, if the industries have not done well, it is because the recommendations were not

implemented.

He added that the real sector of the Nigerian economy is experiencing shortages in terms of the required manpower needed to operate the industries. (APA 16-02-2016)

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