MEMORANDUM

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11 YEARS OF UNINTERRUPTED PUBLICATION

SUMMARY

MOODY'S SEES MORE DOWNGRADE MISERY FOR SUB-SAHARAN AFRICA

Rating agency Moody's, which downgraded seven sub-Saharan African countries last year, expects pressures that led to the downgrades to go on this year.

Moody's has a negative outlook for sub-Saharan Africa as a region, citing liquidity stress, low economic growth rates and political risk.

The region's economies "will continue to face commodity-induced liquidity stress in 2017, with recurring fiscal deficits amid challenging financing conditions", says Moody's vice-president Lucie Villa.

Villa is also a senior analyst and co-author of the agency's latest report on the region.

"These will remain important credit constraints and underpin our negative outlook for Sub-Saharan Africa sovereigns overall," she said.

Moody's issues ratings on 19 countries in the region, and last year downgraded seven by two notches on average. Five still carry negative outlooks, meaning they could be downgraded again.

The three major agencies — Moody's, Fitch and S&P Global Ratings — gave SA a reprieve at the end of last year.

Moody's says oil-and commodity-induced liquidity stress will be felt most acutely in Gabon, Mozambique, Republic of the Congo and Zambia, and to a lesser extent in Angola and Nigeria. But low oil prices will benefit East African countries such as Uganda, Kenya and Rwanda.

Moody's expects some positive effects from fiscal consolidation plans in most of the countries it rates but says they will run into headwinds from "subdued growth, related social demands and potential shocks from the weather and geopolitics".

This is despite a forecast for economic growth to rise to 3.5% this year from an estimated 1.5% last year.

Growth in powerhouses Nigeria and SA, is expected to remain subdued. Rapid growth is expected in Ethiopia, Ivory Coast and Senegal.

Political risk clouds the outlook for Democratic Republic of Congo and Rwanda, where coming elections create scope for civil unrest, says Moody's. (BD 10-01-2017)

BEAC DOWNGRADES GROWTH IN CEMAC ZONE

The growth rate of the Economic Community of Central African States (CEMAC) is expected to be 1.0 percent in 2016, compared with the 1.7 percent forecast in October and the 1.8 percent announced in July 2016.
This was revealed by the Bank of Central African States' (BEAC) Committee of Monetary Policy (CPM) during a session.

Meeting in Yaoundé on Tuesday, the body spoke of a deceleration in sub-regional growth, which is more pronounced than initially expected, in relation to the depressive effects of the sluggishness of the oil sector on domestic demand and the non-oil sector.

It also pointed to the rebound in inflationary pressures, with the community's 3.0 percent standard, the persistence of the budget deficit (7.9 percent), the fall in the external current account deficit.

On the basis of these data, the BEAC's CPM decided to keep the interest rate on tenders (2.45 percent), interest rates on banks' investments (0.00 percent) as well as its key policy rate (2.45 percent), in order to maintain the sub-regional monetary and financial stability. (APA 21-12-2016)

BURKINA: TWO-YEAR YIELD FROM MINING INDUSTRY AT CFA280M

The mining industry has yielded Burkinabe state more than CFA280 billion in the past two years, the Permanent Secretariat for Extractive Industries Transparency (EITI) said in its 2014 and 2015 reports.

The two reports indicate that the mining industry in Burkina Faso have accrued for the government CFA138.714 billion in 2015 and CFA141.608 billion in 2014.

EITI's 2014 and 2015 reports suggest that during the two years, the country produced a total of 35.81 tonnes of gold.

The EITI exercise consisted of collecting, reconciling and compiling for the years 2014 and 2015 the payments paid to the state and declared by mining companies with licenses in Burkina Faso as well as the revenues from these enterprises declared by the state.

Burkina Faso is experiencing a mining boom in recent years.

Mining companies, supported by an investment-friendly mining code, have settled alongside several hundred gold-washing sites.

Nowadays, there are about ten industrial mines in production and many research permits granted.

Since 2009, gold has become Burkina Faso's leading export product. (APA 21-12-2016)

SUSTAINABLE ENERGY PROJECT SHARES EXPERIENCE AT MOROCCAN ECOCITY EVENT

The EU-funded sustainable energy project CES-MED is taking part in the second edition of the 'University' organised by the Moroccan EcoCity Association (AMEV) this week in Kenitra, Morocco, under the theme "The role of elected representatives in sustainable urban development".

The objective of the University is to present the best experiences and practices carried out by the association's cities in the area of sustainable urban development in Morocco, and to develop the knowledge of elected representatives at national level in legislative, regulatory, organisational, and technical matters, as well as regarding communication and public awareness.

The CES-MED team will present the project's experience and impact in Morocco and the MENA region, the application of SEAPs (Sustainable Energy Action Plans), as well as the Covenant of Mayors initiative.

The **"Cleaner and Energy Saving Mediterranean Cities" (CES-MED)** project is an EU-funded regional initiative set up to provide training and technical assistance support to local and national authorities in the southern Mediterranean region, with a view to helping them respond more actively to sustainable policy challenges.

CES-MED ensures that the actions proposed match with the objectives of the Covenant of Mayors: to reach and even go beyond the European objective to reduce CO_2 emissions by 20% thanks to the improvement of energy efficiency and the increased use of sustainable energy. (EEAS 10-01-2017)

CES-MED project – fiche and news

ANGOLAN INDUSTRIAL SECTOR NEEDS TECHNICAL PRODUCT CERTIFICATION STANDARDS

The Angolan industrial sector loses competitiveness due to the lack of technical standards to certify processes and entities that guarantee consumers the reliability expected of a quality standard system, said the Angolan Minister of Industry.

Bernarda Martins, quoted by Angolan news agency Angop, said that these failures pave the way for the introduction on the market of poor quality products that are unfair competition to those produced according to international standards.

The minister stressed the need to support the Angolan industrial sector with training programmes for entrepreneurs and workers, to encourage entrepreneurship and innovation processes and products through technology centres.

“The macroeconomic reality was reflected in the case of manufacturing, in the contraction of the domestic market with impact on sales of businesses, a situation that was aggravated by the lack of foreign exchange available to our industries for the purchase of raw materials, parts and technical assistance abroad,” added the minister.

Taking stock of the Ministry’s activities, Bernarda Martins said that, Angolan industrial production therefore fell, after very positive growth from 2002 to 2014, with an interregnum in 2009 as a result of the global economic and financial crisis.

The manufacturing sector has two thousand active companies, employs 30,000 workers, represents 4.3% of Angola’s gross domestic product and between 2009 and 2013, approved deals valued at US$1.3 billion, according to figures provided in December by the Minister of Industry. (09-01-2017)

NIGERIA: NNPC ASSURES OF IMPROVED OPERATION OF REFINERIES IN 2017

The state-run Nigerian National Petroleum Corporation (NNPC) has said that it will embark on a comprehensive rehabilitation of the nation's refineries to achieve optimal capacity utilisation in 2017.

A statement by the Group General Manager, Group Public Affairs Division, Mr. Ndu Ughamadu, said in a statement on Tuesday in Abuja that the assurance was given by the Chief Operating Officer in charge of Refineries at the NNPC, Mr. Anibor Kragha.

It noted that the three refineries in Warri, Kaduna and Port Harcourt have had skeletal operations this year and that the Corporation was determined to move away from the approach of quick fixes and undertake a comprehensive revamp of the plants.

The plan for next year is to get the comprehensive rehabilitation programme done. The situation is like having three cars in your garage that have not been maintained for 15 to 20 years while you expect optimal performance from them, he said.

According to Kragha, once the exercise is achieved, a chart for routine Turn Around Maintenance Programme would be drawn.

On the earlier plan to have other refineries co-located with the existing refineries, Kragha explained that though the plan was still on course, none of the projected co-location refineries would come on stream in 2017 based on existing timeline for assemblage of the plants.

He added that the Port Harcourt Refinery was a few steps away from commencing the production of Aviation Turbine Fuel known as aviation fuel.

The statement recalled that the Managing Director of the Kaduna Refining and Petrochemicals Company, Mallam Idi Maiha, had assured that the plant was assiduously working towards a target of 75 percent capacity utilisation in 2017.

It added that the Managing Director of Warri Refining and Petrochemicals Company, Mr. Solomon Ladenegan, noted that despite the hostile operating environment, fraught with incessant cases of pipeline pulverization and outright product theft, the refinery was looking forward to better days ahead. (APA 21-12-2016)

NEW DIRECT FLIGHTS A 'FABULOUS BOOST' FOR CAPE TOWN TOURISM

New direct flights to Cape Town gave the tourist industry a "fabulous boost" when it was most needed, Cape Chamber of Commerce and Industry president Janine Myburgh says.
Last year there was a sharp 15.71% rise in international arrivals to the Mother City, significantly higher than the 5.41% increase in the number of domestic passenger arrivals. Most of the tourists were from Europe.
"Every month from June to December last year (we) saw record numbers of international passengers arriving at the Cape Town Airport," Myburgh said on Tuesday.
"In June international passenger numbers increased by 21.8% and this was followed by increases of 27% in July, 23.6% in August, 26.6% in September, 21.4% in October and 17.2% in November.
"December saw the biggest increase ever, when the number of incoming international passenger rose from 88,608 to a staggering 114,208 — an increase of 28.9%.
"These figures are exciting and I am sure they will justify further investment in tourism facilities and that should mean even more visitors in the future," Myburgh said.
She explained that Cape Town had a growing international reputation as a quality destination which had been marketed successfully.
Also, airlines had increased the number of direct flights to the city and Myburgh suggested that the time could be ripe for a direct flight to the US.
"There used to be an SAA flight between Cape Town and Miami and it was always fully booked," she said.
"There was an outcry when it was cancelled so I don't see why the route should not be reopened. It would be a great boost for the growing film industry and the local economy." (BD 10-01-2017)

NIGERIA: AERO CONTRACTORS RESUMES FLIGHT OPERATIONS

One of Nigeria's leading carrier, Aero Contractors Airlines has announced the resumption of its scheduled services across the country from December 21 after about four months of suspension of flight operations.

The airline's Chief Executive Officer (CEO), Capt. Fola Akinkuotu, who made the confirmation in a statement in Lagos on Tuesday, explained that the suspension of flight was embarked upon as a strategic business realignment to re-position the airlines and return it to the part of profitability.

According to Akinkuotu, the airlines is re-launching schedule services to Lagos, Abuja, Warri and Port Harcourt, using its Boeing 737-400/500 and the Dash8-Q400.

He said that this was with the expectation that as more aircraft returned to service, more routes would be re-opened.

We are delighted to inform our esteemed customers that our schedule operation is back. Full flights will commence on Thursday December 22, 2016 with consistent passenger demand despite the suspension of schedule services.

This patronage reinforces the strength of our brand and the quality of our service, Akinkuotu said that the airline was aware of the impact the four months suspension had on its staff and highly esteemed customers.

Hence our move to return to operations is to continue to offer the most reliable, safe and secure operations, which the airline is renowned for, he said. (APA 21-2-2016)

ANGOLA SEEKS FINANCING FROM CHINA AND PRIVATE SECTOR FOR DIGITAL MIGRATION

The government of Angola plans to include the analogue to digital television migration programme in China's credit line and involve private companies in the process to reduce government spending, according to an order signed by the President.

The order said that the public broadcasting company TVDA – Serviços de Transmissão e Difusão, created for the digital migration of terrestrial broadcasting services, is now just 16% owned by Angolan Public Television.

"The Minister of Telecommunications and Information Technologies must ensure all legal and administrative procedures with private entities for the subscription of 84% of the capital investment required for the capitation of TVDA," said the order cited by Portuguese news agency Lusa.

The cost of the analogue to digital television migration programme is estimated at US$386 million and a decision was made not to wrap up analogue services and launch the digital terrestrial television service (DTT) in 2017.

The presidential order recognises the "need to establish a more suitable model for the current economic context," through the participation of "private entities" and said that the finance minister "should ensure compliance with the conditions for eligibility and inclusion in the credit line from the People's Republic of China."

Angolan DTT, according to the initial plan, should have reached 117 municipalities in the country by June 2017, using the DVB-T2 standard, an evolution of the current European standard, also used by African countries. (04-01-2017)

IN ZIMBABWE, A FIRST LADY EXERTS HER POWER

The first lady of Zimbabwe's display of power was unspoken, though clear, during the governing party's annual congress, as she focused her speech on new party regalia featuring a teacup-shaped image of her country.

"We all drink from the teacup," Grace Mugabe, the first lady, said, explaining that she had designed the regalia herself.

Not surprisingly, the next morning in Masvingo, the small town in southern Zimbabwe where the congress of the Zimbabwe African National Union-Patriotic Front, President Robert Mugabe's party, was held recently, nearly all officials wore clothes adorned with Ms. Mugabe's teacup design.

Ms. Mugabe — known mostly for her lavish overseas shopping trips until she entered politics just two years ago — has emerged as one of the main actors in the fierce maneuvering to succeed Mr. Mugabe that has engulfed Zimbabwe in the last year, as the president's visible decline presages the end of an era.

She is, to many people, the real power behind the throne, vowing to keep her husband in office until his death while she consolidates her support. She told supporters recently that she was "already the president," planning and doing everything with her husband.

The signs of Ms. Mugabe's growing stature are unmistakable. On stage at the party congress, she sat closest to her husband, who, a couple of months shy of 93 years old, dozed through most speeches. Party leaders invariably praised her also — "Forward with President Mugabe! Forward with Dr. Amai Grace Mugabe!" — before others officially higher in the party hierarchy. A choir that usually sings the president's praises composed a song for the first lady for the first time.1

"Be pleased to follow Mrs. Mugabe, a mother who has love, mother of the nation, the one who takes care of orphans," the Mbare Chimurenga Choir sings in its new song, "Following Mother Mugabe."

Though visibly asleep during most of the congress, Mr. Mugabe, the world's oldest head of state and the only leader Zimbabwe has known since its independence in 1980, was selected as his party's candidate in the 2018 presidential election. He would be 94 by then and, should he win, 99 by the end of his term.

At the congress, Mr. Mugabe appeared increasingly dependent on his wife, who is 51. When a waiter carrying bags of potato chips on a silver tray startled Mr. Mugabe, the first lady chose a bag, from which the president then slowly picked out one single chip after another. At a tree-planting ceremony, a seemingly confused president kept tapping a mound of dirt with his shovel until the first lady intervened — "honey," she called him — by grabbing the shovel herself.

Whether the first lady's power will survive her husband's death is unclear. She is reported to head one of the two competing factions inside ZANU-PF, but is she its leader, or just a useful puppet for veteran survivors of Zimbabwean politics? After her husband dies, will she hop on a plane for Dubai or elsewhere in Asia, where she and her children have established homes? The Mugabes are thought to have more than $1 billion invested outside Zimbabwe, according to an American diplomatic cable released by WikiLeaks.

But if she succeeds in grabbing power, it would most likely be a continuation of her husband's government. Changes critical to reviving Zimbabwe's crumpled economy, including land reform, are thought politically impossible under Mr. Mugabe and would remain so under Ms. Mugabe, whose legitimacy derives from her husband's legacy. Her elevation could also intensify tensions in Zimbabwe's small political class by upsetting Mr. Mugabe's lieutenants, many of whom have been waiting decades to take over.

Confident of their grip on power, the Mugabes flew out of Zimbabwe a few days after the end of the congress in mid-December for their annual extended holiday in Asia, where Mr. Mugabe is thought to have received medical care in Singapore and Malaysia, and where the first family owns real estate in Hong Kong.

Ms. Mugabe left for her latest holiday even though she was embroiled in a dispute with a Lebanese diamond dealer over a $1.35 million ring. According to a court document, Ms. Mugabe ordered the diamond from the dealer; issued the payment from a bank in Harare, the Zimbabwean capital; then canceled her purchase after the diamond had already been prepared. Ms. Mugabe demanded that the dealer refund the money to a bank account in Dubai, according to the court document.

The dealer, Jamal Ahmed, said he had refused to transfer the money to Dubai because it would be considered money laundering, but agreed to reimburse the first lady in installments, according to an affidavit submitted to the High Court of Zimbabwe. Men associated with Ms. Mugabe and her son from a previous marriage subsequently seized and occupied three of the dealer's properties in Harare.

Wilson Manase, Ms. Mugabe's lawyer, did not return calls and messages to his cellphone.

Ms. Mugabe had picked the diamond as her husband's 20th wedding anniversary present to her.

The president and Ms. Mugabe became involved when she worked as a typist in the president's secretarial pool. The president's first wife — Sally, a much-loved figure in Zimbabwe although she was from Ghana — was terminally ill at the time and approved of the affair, Mr. Mugabe has said in the past.

To some who have long known Mr. Mugabe, the marriage to Grace changed the president's priorities.

"Mugabe did change automatically — it was so dramatic," said Margaret Dongo, a former ZANU-PF official now in the opposition, adding that Mr. Mugabe had never shown interest in money before his second marriage. "But Grace knew that it was the time to make money. Whatever she did, she made sure she benefited more out of it."

Ms. Mugabe has run a large dairy business from a farm she owns and seized former white-owned farms from top ZANU-PF officials for her own family. According to American diplomatic cables released by WikiLeaks, Ms. Mugabe was engaged in the illegal mining of diamonds in eastern Zimbabwe. She was also involved in many commercial and residential construction projects, choosing to contract South Korean construction firms.

In 2007, in an assessment of Ms. Mugabe, the political officer in the American Embassy in Harare wrote that "Grace's primary personal interest appears to be shopping."

"We believe Grace has little or no political influence over her husband," the officer wrote.

But two years later, Gunnar Foreland, a Norwegian ambassador with experience in Africa, warned his American counterpart about underestimating Ms. Mugabe's influence over her husband. "She acts as a kind of gatekeeper, often controlling who sees him, and what information gets to him," the ambassador said.

Ms. Mugabe formally entered politics in 2014, becoming leader of ZANU-PF's women's league. She was awarded a doctorate after only two months at the University of Zimbabwe. Supporters have engaged in the kind of mythmaking that had been reserved for the president, who is often described as walking on water and in other Christlike terms.

Namatirai Chivhanga, a top women's league official, said the first lady's loving embrace of the country's orphans was so moving that one couldn't help crying.

"Somehow she's putting on Pampers and all the children are calling her Mama, Mama," Ms. Chivhanga, a delegate to the congress, said, adding that she had seen Ms. Mugabe personally change the diapers of many orphans. "It's amazing."

Ms. Mugabe has also systematically secured support by using her wealth or access to state funds.

"She gave us thousands and thousands of chickens in all the provinces," said Angeline Muchemeyi, the chairwoman of the women's league in the Mashonaland West Province. "And the new cars — we got Ford Rangers. She's good, she's very good to us, that lady."

Ms. Mugabe has treated potential rivals without mercy. She expelled from ZANU-PF a vice president and war hero, Joice Mujuru, by accusing her of engaging in treason, practicing witchcraft and wearing short skirts. She also initiated a fierce attack against another vice president and leader of a rival faction, Emmerson Mnangagwa.

Supporters of Mr. Mnangagwa said Ms. Mugabe was being used by more experienced politicians to undermine their candidate.

"She's soft and inexperienced," said Douglas Mahiya, spokesman of the National Liberation War Veterans Association, which supports Mr. Mnangagwa. "Even if she becomes president, it will be easier for these people to push her aside and take over."

Ms. Dongo, the former ZANU-PF official, said the first lady's political rise was part of the president's plan to build a family dynasty. "The kids are too young and don't have the capacity," she said.

None of the Mugabes' three children — the oldest is 28 — have shown any interest in politics. Mr. Mugabe has spoken of his disappointment in his two sons' poor academic performance. The older son, Robert Jr., who is studying in Dubai, often posts photos on social media of himself partying with different women.

In an interview on his 92nd birthday, Mr. Mugabe said he had given his wife his approval to enter politics.

"It has proved to be rough waters," he said, "but she can cope with it. She is a rough swimmer." (NYT 07-01-2017)

UK PROVIDES £7.7 MILLION TO FIGHT CHRONIC MALNUTRITION IN MOZAMBIQUE

The United Kingdom and the Global Alliance for Nutrition Improvement (GAIN) have signed in Maputo an agreement to fund a £7.7 million program to empower private sector participation in the expansion of nutrition in Mozambique - Scaling Up Nutrition in Mozambique (SUN), APA learns here Thursday.
A media statement from the British High Commission in Mozambique emailed to APA says the agreement will help GAIN Mozambique develop the SUN Business Network on a pioneering multi-sectoral platform to mobilize the private sector to invest in improving nutrition in Mozambique .

"This initiative will support the Mozambican Government's ambitions described in the Multi-Sectoral Plan for the Reduction of Chronic Malnutrition (2011-2020) to reduce chronic malnutrition through the growth of a sustainable market for nutritious food accessible to all," reads the document.

The UK Department for International Development (DFID) believes that the support will create opportunities for the private sector to engage in nutrition through the development of the SUN platform, as well as provide advice and services to companies wishing to improve on-the-spot nutrition.

"This will be the first SUN Business Network, at the national level, of the 13 existing ones, to have an investment fund to mobilize private sector action in the development and supply of affordable nutrition products and services," the release says.

The SUN Business Network is a component of the response led by Mozambique to end malnutrition. Mozambique joined the SUN movement in August 2011 and launched the Business Network in February 2016.

Current data indicate that malnutrition rates in children under five remain alarmingly high in Mozambique, at 44 per cent, where one-third of the population faces chronic food insecurity and average life expectancy is only 50 years.

"About 30 percent of the population has a basic diet with limited access to a variety of foods capable of providing a full range of nutrients, including micro-nutrients needed for optimal health and physical and mental development," the statement said. (APA 22-12-2016)

JUBA AND KHARTOUM EXTENDS OIL AGREEMENT FOR THREE YEARS

Sudan and South Sudan on Tuesday extended the agreement to allow South Sudan's oil flow through Sudanese territory for another three years. The oil flow agreement signed between the two countries in September 2012 will end this month.

The Sudanese Minister of Oil Mohamed Awad Zaid told reporters in Khartoum on Tuesday that the oil ministers of the two countries have signed the agreement on Tuesday.

He stated that the agreement included its extension in addition to other technical understandings.

“The agreement has included two parts, the extension of the agreement and the financial transitional arrangements, especially after the sharp declining of oil international oil prices,” it pointed out.

“Sudan has accepted to rescheduling of South Sudan’s debts according to the transit fees agreed between the two countries in 2012,” he noted.

For his part, the South Sudan Oil Minister Izakil Lol Gatkoth admitted that his country should pay more than $3 billion to Sudan to absorb Sudan’s economic shock as a result of the loss of oil revenues after the independence of South Sudan in 2011.

He added that Sudan has also accepted to drop part of the transit fees if the international prices will decline to under $20 per barrel.

“However, if the international prices are above $50, Juba should pay the transit fees as agreed before,” he further explained.

In September 2012, the two countries agreed that South Sudan was to pay around $32 per barrel. (APA 21-12-2016)

CONSTRUCTION OF NEW PROPERTY DEVELOPMENTS IS FROZEN AND HIGH-END PRECINCTS LIE DESERTED AS RECESSION GRIPS NIGERIA’S POWERHOUSE

With inert cranes, deserted construction sites and empty buildings, Lagos is suffering a hangover from a construction binge as Nigeria wrestles to overcome a recession.
Look no further than Eko Atlantic, billed as the largest real estate project in Africa, where once frenetic construction has slowed to a snail’s pace.
Dubbed the "Dubai of Africa", the so-called city within a city is being built over 10km² on tonnes of sand dredged from the Atlantic Ocean off the coast.
Just a year ago, it was a symbol of the promise of Lagos, when Nigeria was still the continent’s number one economy. But today it is mostly an expanse of sand, interrupted by two lonely ultramodern skyscrapers and a couple of roads lined with young palm trees.
The island is expected to house nearly 500,000 people and see 300,000 others visit daily when it is finished in the next 15 to 20 years.
"The business continues but there is no point in going too fast in the context of a general slowdown," said Pierre Edde, development director at South Energyx, a subsidiary of the Chagoury group of

developers. The first phase of the billion-dollar project is under way, with the construction of a dam to follow.

Edde said some 80% of the plots had already been bought but investors were "waiting for positive signals to get started" on building construction.

Falling global oil prices and repeated attacks on crude infrastructure in Nigeria's south severely hit the country's economy in 2016, hammering the naira against the dollar.

Nigeria, which gets more than 70% of its revenue from oil, is suffering from a shortage of foreign exchange, hitting imports and overseas investment.

"Perhaps the greatest constraint for businesses operating in Nigeria at the moment has been the inability to access foreign currency, notably for the importation of goods, and repatriation of profits," said Roddy Barclay, an analyst at the Africa Practice research firm, in a November report.

The extent of the construction freeze is difficult to assess in the absence of official figures.

No bank wants to lend money, rent revenues no longer make it possible to repay construction costs, and there is no return on investment

But Dapo Abe, who heads an engineering consulting firm in Lagos, estimates that 60% of major projects — public and private — are shut down.

"No bank wants to lend money, rent revenues no longer make it possible to repay construction costs, and there is no return on investment," he said.

Now the real estate market is left in an ironic situation: landlords of upmarket office blocks and apartments are struggling to find occupants in the wealthy suburbs of Lagos.

Yet at the same time, there is not enough housing stock for the city's estimated 20-million-strong population.

According to the Federal Mortgage Bank of Nigeria,

16-million people need a house in Lagos. In the past, Nigeria's booming growth attracted real estate developers who scrambled to build high-rise apartments and modern office blocks catered to the executive class in the country's economic hub.

Rich Nigerians and expatriates flocked to the neighbourhoods of Victoria Island and Ikoyi — two islands of wealth separated from poorer Lagosians living on the mainland by an 11km bridge.

Yet today many of those buildings have "to rent" spray-painted in a red scrawl on the outside walls in a desperate bid to attract tenants.

"Companies have reduced their activities and many expatriates have left," said Ade Kunle, a real estate agent.

It is unclear when they — and the construction projects — will come back.

"The Nigerian banking sector will remain under pressure in 2017 and as a result, will look to limit higher-risk lending, such as that to construction projects", said Richard Marshall, an analyst at BMI Research, a market research firm.

It was unlikely the economy would whet the "appetite" of foreign investors over the next two years, he said.

In Eko Atlantic, a project with a longer horizon, the attitude is more optimistic. "The potential remains immense," said Edde. "Despite the crisis, there is still a lot of money. Nigeria is the land of miracles."

(AFP 09-01-2017)

SWISS-ANGOLAN PARTNERSHIP INVESTS MILLIONS OF DOLLARS FOR FUEL TANKS IN ANGOLA

The Angolan private company Pumangol will invest US$295 million to build, starting in 2017, aircraft fuel storage and distribution units at airports in Luanda, Huíla, Benguela and Cunene, indicates the official investment contract signed in Luanda.

The investment contract was signed with the Technical Unit for Private Investment (UTIP). Pumangol is a partnership between Puma Energy, whose shareholders are the Swiss group Trafigura and Sonangol Holdings, and the Angolan private group Cochan.

The project also aims to build a storage and distribution terminal for oil products at the fishing port of Luanda, with several tanks and total capacity of 300,000 cubic metres, including acquisition and installation of a conventional traction buoy (mooring system used to transfer products such as oil and gas between oil tankers and coastal facilities) and construction of a harbour quay in Luanda.

UTIP deputy director-general Cláudia Pedro said the project would contribute to Angola's growth by creating direct and indirect jobs with a major impact on the population's living standards. (22-12-2016)

LIBERIAN GOV'T EARMARKS $10M TO EMPOWER OVER 15, 000 YOUTHS

Liberia's Ministry of Youth and Sports has received a grant of US$10 million to empower more than 15, 000 youths from across the 15 counties under its Youth Opportunity Project (YOP) which is expected to last for the next five years.

Making the disclosure to reporters at his office in Monrovia Wednesday, Youth & Sports Minister Saah Charles N'Tow said the money is a loan agreement signed between the Liberian government, through his ministry and the World Bank in September.

Minister N'Tow pointed out that unlike other youth empowerment programs like the "Youth Empowerment Program" (YEP) organized by the Ministry, which basically provides skills training, YOP is focusing on "livelihood opportunity" for less fortunate youths.

According to him, the project has two cardinal objectives which are "Improving income generation opportunities for vulnerable youths in the country and strengthening govt's capacity to implement its Social Cash Transfer (SCT).

Minister N'Tow noted that of the targeted number, 2,000 vulnerable youths in Monrovia, between the ages of 15 to 17 will benefit from job awareness and skills training, while 3,000 others will also benefit from small business grants to help them engage in household enterprises.

N'Tow added that 3,000 vulnerable youths between the ages of 18 to 35 in rural communities in Montserrado will be provided simple farming tools and agriculture skills to get involved in communal farming to make them self-sufficient in food production.

N'Tow also noted that additional 700 vulnerable youths from the remaining counties will also benefit from farming implements and agriculture skills to enable them engage in agricultural activities in an effort to alleviate poverty in the country.

According to N'Tow, the selection of beneficiaries will be done on a transparent basis through a data collection process. He added that if there are over-subscriptions in specific areas, selection will be done through a lottery process. (APA 21-12-2016)

OIL BONUSES AN EARLY SIGN UGANDA SUFFERING RESOURCE CURSE, SAY CRITICS

Hefty bonuses paid to Ugandan officials who oversaw tax dispute settlements with international oil firms are a sign hydrocarbon discoveries are increasing corruption in the country, government opponents and transparency campaigners said.

Commercial production is due to start in 2020 and some campaign groups are warning Uganda is already suffering the resource "curse", in which a rush of petro-dollars suffocates the rest of the economy, encourages graft and stirs unrest.

Uganda first discovered oil more than a decade ago but production has been stalled by lengthy rows between government and oil companies over tax payments and infrastructure.

Local media reported some 40 senior officials in the impoverished country's tax agency, energy, finance and justice ministries received bonuses, some exceeding $100,000.

"This is nothing but the beginning of the resource curse," said Dickens Kamugisha, CEO at African Institute for Energy Governance.

The Uganda Revenue Authority (URA), which paid the officials, said the bonuses were legal.

A first tax row erupted in 2010 between President Yoweri Museveni's government and Heritage Oil after the firm sold its stake in two oil blocks to its then partner, Tullow Oil.

The government netted $434m after arbitration.

In a second case, Tullow disputed a Uganda tax assessment of $473m against its asset sale to China National Offshore Oil Corporation, and France's Total in 2012. Tullow paid $250m in an out-of-court settlement in 2015, nearly half of what was originally claimed.

The URA said in a statement that the payouts were to "appreciate the professionalism and ... ability to resist all pressure and compromise given the magnitude of the figures involved."

About 6-billion shillings ($1.66m) were paid out in total to officials who included the head of the URA, the Treasury's top technocrat and a former attorney-general.

Ugandans have expressed anger at the payments on social media and on radio talk shows, asking why well paid civil servants had to be rewarded for doing their job.

Independent legislator Wilfred Niwagaba told Reuters he planned to introduce a parliamentary motion on Tuesday demanding the bonuses be returned and the recipients prosecuted.

"This is contemptuous abuse of public funds. How do you talk of bonus payments as if government is now a profit-making company. We're staring a resource curse in the face," he said.

The motion is unlikely to gain traction in an assembly dominated by the ruling National Resistance Movement party. (Reuters 08-01-2016)

EGYPTIAN GOV'T APPROVES MARITIME BORDER DEMARCATION AGREEMENT WITH SAUDI

The Egyptian cabinet on Thursday approved the Egyptian-Saudi maritime border demarcation agreement and referred it to parliament for ratification.

The agreement stipulates that the two islands of Tiran and Sanafir fall within Saudi territorial waters.

The administrative court had annulled the agreement in June and affirmed that the two islands fall within Egypt's borders.

The State Lawsuits Authority, representing the government later challenged verdict.

The Supreme Administrative Court is set to rule on January 16 on the government's appeal against the annulment of the agreement. (APA 30-12-2016)

PORTUGAL'S GALP ENERGIA GROUP APPROVES INVESTMENT IN MOZAMBIQUE

Portugal's Galp Energia group has approved the plan for investment in the Coral South project in area 4 of Mozambique's Rovuma Basin, indicates a statement released by the Securities Market Commission.

The approval is "a significant step toward making the final decision on investment in the project, which besides requiring conclusion and signing of all associated documents also depends on the project's approval by the other consortium partners, completion of the project's financing and approval of conditions concerning financing of the respective stake of Empresa Nacional de Hidrocarbonetos (ENH) on behalf of the Mozambican government."

The area 4 bloc is operated by the Italian group ENI, whose direct partners are Galp Energia, South Korea's Kogas and ENH, all with 10 percent stakes, and indirectly the China National Petroleum Corporation group, which holds 20 percent via ENI East Africa.

In November the Italian group approved the investment for the Coral South project's first development phase, which will require inputs amounting to US$8 billion from all partners.

The Coral field was discovered in May 2012 and assessed in 2013. It is located entirely within area 4 and contains about 450 billion cubic metres (16 trillion cubic feet) of natural gas. (22-12-2016)

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 - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), ELO,HTTC ,NABA,NABC (by posting selected news) and SwissCham-Africa to their Members.

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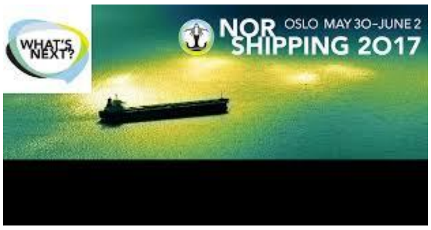
Upcoming Events

Business mission to The 11th German – African Energy Forum

25th-26th April 2017

World Economic Forum on Africa – Durban, South Africa

3rd - 5th May 2017



Africa @ Nor-Shipping

30th May - 2nd June 2017

NORDIC-AFRICAN BUSINESS SUMMIT 2017

26th October 2017

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