

# MEMORANDUM

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**THE BIGGEST BUILDER IN THE WORLD BY TURNOVER, STATE-OWNED CHINA STATE CONSTRUCTION ENGINEERING CORPORATION (CSCEC), HAS BEEN AWARDED THE CONTRACT TO BUILD THE TALLEST TOWER IN AFRICA, IN NAIROBI, KENYA.**



China's CSCEC to build tallest tower in Africa

Reflecting hopes that Kenya will soon be a major oil exporter, a named investor is oil marketing firm Hass Petroleum Group, whose \$195m (Sh20 billion) Hass Towers scheme will consist of two towers: a 45-storey Hilton hotel, and a record-breaking 67-storey tower with Grade A office, retail and leisure space, *Capital Business* [reports](#).

CSCEC starts work next month on the scheme in Nairobi's Upper Hill district, which is becoming a hub for international business.

The 67-storey tower, when complete in 2020, will be 300m high, beating the current record-holder in Africa – the 223-m-tall Carlton Centre in downtown Johannesburg, South Africa, completed in 1973.

Excavations have already begun on the project, which has been planned for several years by a partnership between property firm Jabavu Village Ltd and a real estate firm based in the US, White Lotus Projects.

Global engineer Meinhardt Group had been hired for [lead engineering, structural and MEP services](#).

In October 2016 hotel group Hilton signed a management agreement with Jabavu Village Ltd to [open a 255-room hotel](#) alongside the tower.

Hass Petroleum Group said CSCEC beat 10 big companies from Europe, Turkey and China in bidding for the job. "It has not been an easy road," said Hass chairman Abdinassir Ali Hassan, reports *Capital Business*. "CSCEC went through a rigorous tender system which they won over ten international companies including European, Turkish as well as other Chinese competitors."

He added: "Hass Group awarding the contract to CSCEC demonstrates a stronger growing economic partnership between the Chinese Government and the Kenyan Government, and is a testament to Kenya's economic and political stability. This project will give CSCEC a majestic entry point into Africa."

ENR currently ranked CSCEC as the top global contractor by turnover in the world in 2016.

"This will be the tallest building in Africa and [will] become a landmark in Kenya," said Li Mingguang, Vice President of CSCEC Overseas Operations, reported *Capital Business*.

"It is sure to drive regional development, promote economic growth, and attract more investment and tourism into Kenya. China State Construction understands the importance of this grand project and is honoured to be chosen as the main contractor."

In recent years Upper Hill in Nairobi has become a hub for international embassies and organisations including Cisco Systems, the World Bank and the IMF.

The hotel will be Hilton's third in Kenya.(CGR 10- 03-2017)

## SOUTH AFRICA: ZUMA WANTS TO CHANGE CONSTITUTION TO ALLOW LAND EXPROPRIATION WITHOUT COMPENSATION



President Jacob Zuma addressing the official opening of the National House of Traditional Leaders at the Old Chambers in Parliament on March 3, 2017

The Constitution will have to be changed to allow for the restitution of land without compensation, President Jacob Zuma said Friday in his annual address to the National House of Traditional Leaders. Such a move would require the unity of black parties in Parliament, the president said, as amending the Constitution would require a two-thirds majority.

Zuma insisted the government and the ruling ANC would want to ensure that land restitution was an orderly process and would not support “chaos and illegal land grabs”.

The process of land reform would have to be undertaken in terms of the Constitution and the laws of the land.

“We must use our majority to correct the wrongs within the law and within the Constitution. The time has come to unite and speak with one voice,” Zuma said.

An audit of pre-colonial land ownership, use and occupation patterns would be undertaken and then a single law of land restitution without compensation should be developed.

The necessary constitutional amendments would be made to address this process.

The government must make it easier for us to open our own banks ... so we can have money circulating amongst ourselves and grow ourselves and be in control

Zuma said the government was also looking at a redesign of the Land Claims Commission as a Chapter Nine institution so that it could have the necessary powers. This too would require a constitutional amendment.

“All of this will require unity and common purpose,” Zuma stressed.

The current land redistribution and restitution programme was flawed, he noted. The willing buyer, willing seller approach did not work as it made the state a price-taker in an unfair process.

There were also too many laws dealing with land reform, which caused confusion and delayed the process.

“The fact remains that land hunger is real,” Zuma said.

This was not surprising as it was at the fundamental question at the centre of the liberation struggle.

The critical element of the economy was the land, and lack of ownership meant that economic power was not in the hands of the majority.

Zuma also emphasised that as part of the process of radical economic transformation, the government had to make it easier for “us to open our own banks ... so we can have money circulating amongst ourselves and grow ourselves and be in control”.

The time for talking, writing and analysing about radical economic transformation was over and it was now time for concrete action, the president said.

The year 2017 would be the year of implementation and decisive action to effect socioeconomic transformation. “It is time for action.”

### Progress reports

He said he expected to get regular progress reports from members of his Cabinet on what they were doing to achieve socioeconomic transformation and increase the participation of black people, and in particular Africans, in the economy.

Zuma also addressed the question of crime in residential areas. He was working with the security cluster of ministers to address this, and if a strengthening of laws was required this must be done. On the attacks on foreign nationals, Zuma said the government had been asked to bolster its immigration controls.

The president [expressed confidence](#) in Social Development Minister Bathabile Dlamini and Finance Minister Pravin Gordhan to ensure that the payment of social grants to beneficiaries on April 1 too place. Cosatu has called for Dlamini to resign or be fired.

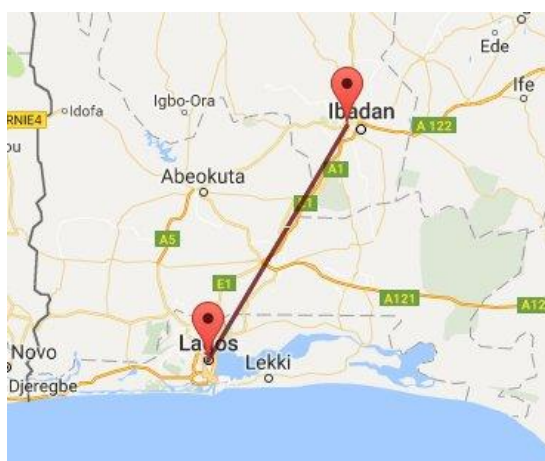
On the drought in the Western Cape, Zuma said the Department of Water Affairs and Sanitation would be tightening water regulations in municipalities across the province.

The agriculture sector had been informed of 10% additional restrictions on water to curb excessive water use. The restrictions would remain in place until the dams filled up to at least 85% of their capacity.

Water restrictions in place had not resulted in serious savings, Zuma said.

The national government would support the province in these efforts, he said. (BD 03-03-2017)

## NIGERIA STARTS WORK ON LAGOS-IBADAN RAILWAY



Acting President of Nigeria, Yemi Osinbajo, has officially launched construction work on a long-delayed, 156km, Chinese-funded railway from coastal Lagos to the inland city of Ibadan.

“Our ultimate goal is to restore a railway-using culture for both commercial and personal transportation,” Osinbajo said at the ceremony on 6 March, adding that the target date for completion of the \$1.5bn double-track railway was December 2018, reports Nigerian newspaper, [The Guardian](#).

State-owned China Civil Engineering Construction Corporation (CCECC) will build the railway.

The Lagos-Ibadan rail link is the first leg of a much longer railway stretching from Lagos inland to Kano. A multi-billion-dollar contract for this railway was first awarded to CCECC in 2006 under then-President Olusegun Obasanjo, but a [lack of funds](#) prevented the project from starting.

It was re-awarded to CCECC by another president, Goodluck Jonathan, in 2012, but again failed to start.

In 2016 China and the new Nigerian administration of President Muhammadu Buhari renegotiated the contract, packaging it with another proposed coastal railway from Calabar to Port Harcourt, for \$11bn.

Nigerians will have to wait to see if, this time, the Lagos-Ibadan railway will finally be built.

In February Nigeria’s transport minister Rotimi Amaechi said a \$1.5bn loan for the Ibadan link [had been approved](#) by China’s Export Import Bank, but that the bank was still processing it.

Alarmed at its rising national debt, China this month ordered banks to scrutinise loans more carefully. The Nigerian economy, meanwhile, has been hit by the fall in the price of oil, its main export. (BD 07-03-2017)

## **SOCIETE GENERALE GROUP INTENDS TO EXPAND BANKING BUSINESS IN CENTRAL AND NORTHERN MOZAMBIQUE**

French banking group Societe Generale plans to expand its business in Mozambique, particularly in the centre and north of the country, said on Thursday in Maputo the deputy director of international banking and head of the group for Africa, during the inauguration of the new headquarters of the bank in Maputo. Alexandre Maymat said the group wants to invest in the cities of Beira, in the centre of the country, and Nampula and Pemba, in the north, and mentioned mobile banking as the solution adopted to bring banking services to the remotest parts of Mozambique.

The managing director of Societe Generale Mozambique, Laurent Thong Vanh, said that the aim of the group is to focus its activity in Mozambique on company banking and investment banking, areas where it considers it has a competitive advantage because of the worldwide reputation and stability of the group. In a statement, the banking group said that with the inauguration of the new headquarters, it confirms its commitment to Mozambique, the first Portuguese-speaking country in Africa where it has invested.

The French group entered Mozambique in 2015 when it concluded the acquisition of a 65% stake of the capital of Mauritius Commercial Bank Mozambique (MCBM), an institution that changed its name to Societe Generale Mozambique.

Societe Generale Mozambique is one of the banks in the country that offers its business customers the ability to pay orders to Chinese companies directly in Renminbi, the Chinese national currency. (03-03-2017)

## **Q&A: EU AID COMMISSIONER CHRISTOS STYLIANIDES**

The parents at Jad'ah camp for displaced Iraqi civilians were full of mixed emotions this week as they met EU Commissioner for Humanitarian Aid and Crisis Management Christos Stylianides. They were overjoyed to see their children toting blue UNICEF backpacks after after two to three years living under the harsh control of Islamic State.

At the same time, parents worried about the unconventional tent classroom where their children now studied. "I saw this agony to see their children to be under national curriculum," Stylianides told Devex. Their children were still not in government schools — the ones that could certify their graduations and send them on to high school and maybe university.

What would happen, they asked, when they returned home?

The first victims of an apparent chemical attack in the campaign to liberate Mosul from the Islamic State recount their story to Devex, revealing a public health system ill-prepared to receive and treat future cases. Government officials, NGOs and agencies are now urgently pivoting to reorganize protocol.

That tension is at the heart of what Stylianides and ECHO are now focusing on in Iraq: how to build the nexus between immediate relief and longer term reconstruction and development. Home to nearly 3 million internally displaced, Iraq has urgent humanitarian needs — among them getting children back into school..

During his visit to Iraq — the fifth during his tenure as commissioner — Stylianides announced 42.5 million euros in new humanitarian assistance for Iraq, on top of 159 million euros last year. Many of the projects ECHO funds speak directly to Iraq's unique position, hovering between a dramatic crisis and a country in need of longer term development.

Stylianides and his team spoke with Devex about the complexities of building flexibility into relief, thinking about the transition to reconciliation and stabilization, and how the big debates in the



humanitarian community are directly shaping programs on the ground. The conversation has been lightly edited for length and clarity.

*As we think about how to bridge the gap between the humanitarian and development spaces, how do you see this playing out on the ground in Iraq and across the sector more broadly?*

Definitely the situation in the humanitarian field day by day unfortunately is deteriorating. It's a real stress for the humanitarian community and for the humanitarian donors. At the same time, due to financial crises in many countries, the funding is limited. An important objective is to find new donors.

This region — the Syrian crisis and the Iraq crisis — remains a priority. [We are working to] find solutions and give hope through a comprehensive approach. Humanitarian aid alone cannot solve political problems. Here in Iraq now, we have already formulated not only humanitarian assistance but also assistance for development, early recovery, stabilization, and the whole [picture of] necessities.

Of course, for us as humanitarian actors, the major goal is to deal with the urgent needs. We saw on the ground that regardless of some of the very critical predictions [about the potential crisis around the campaign to liberate Mosul], the humanitarian community avoided a humanitarian catastrophe and now we can cope with a humanitarian crisis, more or less an ordinary crisis.

The majority of the children didn't go to school for three years because of the Daesh [ISIS] control of Mosul. They didn't have any opportunity. Maybe their parents decided to avoid any engagement with Daesh. Now [through our emergency education support], we can provide psychosocial support, protection of course, and at the same time, we can cover this gap between education in emergencies and national curriculum. In our discussions with these parents, we heard this unbelievable expression: 'thank you commissioner because now I saw my children to smile again.'

*How can you as a donor encourage organizations to think about filling that gap — making a continuum of aid from relief to development?*

This is one of the big challenges in our community — the link to create this nexus between humanitarian phase and development phase. In our institutions, we have established an every day link in order to sit together [and consider] all the problems on the ground and find practical solutions.

[A project we have supported here] for health care is another example: There is a network, first, of three to four trauma points around Mosul, very close to the operations places. Then humanitarian actors and other personnel can transfer wounded, injured people to [a secondary line of] first aid centers. There, the nurses, or maybe a doctor, can evaluate the physical situation of the injured within the golden hour: it's very critical to face this unique situation for any patient in his period, otherwise it's impossible to save lives.

And of course [we work] in collaboration with the national system. It's impossible for humanitarian actors to establish hospitals with real infrastructure. It is a part of this approach that we can face this problem in collaboration with the national health care system.

*Do you think the grand bargain and some of the other discussion of humanitarian reform are taking hold at this point?*

Definitely our discussions at the World Humanitarian Summit in Istanbul about the grand bargain were very critical in order to create effectiveness and efficiency in our system. We have to admit that there is room to see on the ground this effectively and efficiency in all levels of our activities, starting with the overhead costs. These discussions are sincere among humanitarian actors.

I had a lot of experience on the ground where I realized that the cash and voucher scheme is the most cost-effective procedure in order to provide humanitarian assistance, where we can.

My experience in Turkey, where we launched the largest humanitarian project ever funded by the European Union — the so-called emergency social safety net. I recognized on the ground that through this cash and voucher system, we can provide and we can return the dignity for the vulnerable people. It's completely different to give in-kind assistance and different for any human being to be more or less self-reliant in terms of their needs and thoughts — what they need.

At the same time, I saw on the ground that this process is very important in order to see a real reconciliation between refugee communities and host communities, because definitely it is a financial injection for the local economy. It's very tangible for the local entrepreneurs to understand that this is something that is beneficial for them in their everyday life. In Gazi-Antep, Turkey, they welcomed us as real donors for their local economy. It was very important in order to accept the refugee communities, because they realized their benefits through this cash and voucher scheme.

Also in Turkey we evaluated that more than 85 percent of our contribution is going directly to the beneficiaries, so this is a real example of what we are saying about the grand bargain and cost-effectiveness. For me, the project is a real turning point in our estimation of cash and voucher schemes.

*What's your vision for how much of the aid budget could or should move into cash assistance? Do you see the revolution some talk about with more than 50 percent of aid moving into cash?*

Inevitably it's difficult to see that all humanitarian activities go only through cash and voucher scheme. In some areas in Africa, for example, we should utilize also in-kind systems. Part of the grand bargain is our thinking about flexibility: we have to be flexible and we have to follow the needs and the circumstances in any real conflict area or areas affected by natural disasters.

It's important to realize that cash and voucher is not a magic approach. For example, we already imposed that education in emergencies is not optional; it's a basic need. And for me, this is more or less a revolutionary approach within our community, because four or five years ago, education was considered a real development activity. Now, I strongly believe that the only way to cover this gap between the conflict and when a national curriculum can start is to provide education to the vulnerable children — this gap is very critical to avoid a lost generation. And cash and voucher scheme is the real vehicle in order to provide this education.

*What are the innovations that the sector is making in what emergency education should be? What are the elements that make up a successful bridge program back into the national education system?*

I remember in Bekaa Valley, Lebanon, we met a single mother with six children. She told me, 'thank you commissioner, now we have shelter above our heads, we have food for my children. But the future, hope, prospects?' She insisted on education processes.

I saw that the first priority in this conflict areas for children is the protection. We realized at that time 85 percent of the refugee children in Bekaa Valley were out of school, and after our initiatives, with many humanitarian partners, we managed to reduce this to 45-50 percent.

Education in emergencies for me is not the most important process for educational skills. It's difficult in these circumstances to provide physics, math and chemistry; it's not our objective. [Rather, it's] psychosocial support, protection, and of course social skills. It's completely different for any children to create his or her confidence through school environment rather than family environment, especially under a tent. Especially under these conditions.

The reaction yesterday: we saw their faces, they enjoyed this connection, this contact with the other children in a very disciplined environment, under the auspices of a teacher. It's completely different than to make education in your homes.

*Is there a role for you as a donor to play as well in advocating with national authorities to understand this bridge and accept the credentials it provides?*

In many areas, we faced some obstacles. It was difficult for some authorities to understand that education in emergencies sometimes would be out of their control in a typical regular places. But I think after the first experience, they understood and now everywhere we have a very good collaboration with local and national authorities in order to connect this period with the national curriculum.

Yesterday in our discussions with parents, I saw this agony to see their children to be under national curriculum. But after the discussions, they understood that this is the first step, and they realized that this first step is very important for their psychosocial support.

When I was minister of state in my country, I lived in war conditions. I know well this very problematic circumstances. It is difficult for the children to concentrate on education and skills without psychosocial support. It's needed as a necessity to pass this period in order to make themselves ready to accept more educational skills.

[This is all possible because civilian protection was prioritized in the operation to liberate Mosul.] I think this unique phenomenon here is a real outcome of good preparation. Our humanitarian partners and in particular Lise Grande, the U.N. coordinator, did very good work with military forces: They persuaded them that it's quite important to protect civilians. This is a part of one of the first steps of the reconciliation process. Don't underestimate this side of this very critical period for Iraq, because for us, for me, the reconciliation process already started through military operation.

*Since so much humanitarian need is now in conflict areas, is this political awareness becoming more important in planning relief operations?*

I'm coming from the political field. Before my mandate, I didn't have many experiences in the humanitarian field. Now, I realize that humanitarian activities are maybe the best background in order to realize many political issues, in particular in conflict areas and especially when we deal with the reconciliation process.

For the reconciliation process — it's very critical to start with tangible preparation on the ground, when military operations are taking place. Otherwise, it's difficult to turn immediately and say that, 'look, now we finished military operations and now we start reconciliation processes.' It's totally artificial, it's totally fake. It's quite important to understand this connectivity and continuation of this process.

In Iraq, it's a unique example. Of course, a lot of things remain to take place on the ground. For me, it's the most important challenge here because it's quite important to defeat the Daesh narrative, not only militarily but also in the ideological battleground. Maybe its most difficult challenge in the military operation.

*How could the changing funding picture affect your work, for example possible cuts in aid funding from the U.S. or Brexit, whose impact isn't yet clear?*

I hope that at the least the donor community will remain focused on the humanitarian needs on the ground, and we have to continue at least in the same level as now. I hope so.

It's to stay optimistic and to try to keep this level of funding because definitely it's absolutely necessary to keep this level — and value for money. (Dev. 10-03-2017)

## RWANDA BECOMES NEWEST ADDITION TO VWSA'S AFRICA EXPANSION



Africa drive: Volkswagen Group SA's Uitenhage plant. The company plans to export 1,000 Vivos to Kenya in 2017

Volkswagen SA's joint venture aims to establish a Rwandan motor industry and stimulate growth in vehicle assembly

Barely two months after starting production at a low-volume car assembly plant in Kenya, Volkswagen SA (VWSA) is in discussions with Rwanda about a similar operation there.

However, unlike the Kenyan joint venture, which is limited to building vehicles, VWSA's Rwandan deal could extend to car-sharing and other forms of urban mobility.

Production at the Kenyan plant, just outside Nairobi, started in earnest in January. The facility, owned by Kenya Vehicle Manufacturers, receives partly assembled Polo Vivo kits from VWSA's Uitenhage assembly plant in the Eastern Cape.

VWSA MD Thomas Schaefer said on Thursday his company expected to send 1,000 Vivos to Kenya in 2017.

This annual number would eventually rise to 5,000 as the Kenyan government made good on its promise to reduce the local market's reliance on used Japanese imports by raising import duties.

Rwanda is similarly reliant on dumped used cars, but Schaefer said government officials had made clear their desire to encourage a local motor industry. He said the capital, Kigali, was a small, compact city that lent itself to vehicle usage, as well as ownership.

A joint-venture model in Rwanda might include vehicle assembly, as well as car sharing, taxi services and other forms of transport. "We have not settled on a model yet," Schaefer said. "Once we do, we will work out the details. In principle, it could be possible to start vehicle-assembly in Rwanda by the end of 2017."

VWSA might also send Polos and trans-ship kits for VW models built in other countries. Because vehicles arrive partly built, the assembly process is much simpler and cheaper than that of a full-scale manufacturing operation.

VWSA, for example, is in the advanced stages of a R4.5bn investment to build the next generation of Polo and Vivo cars in SA.



The investment will increase Uitenhage's annual capacity from 120,000 to 180,000 vehicles, most of which will be exported to markets throughout the world.

While most multinational motor companies including VW, have chosen Nigeria as their second major African manufacturing base after SA, Schaefer said smaller markets should not be neglected. Tanzania and Ethiopia are both on VWSA's radar for future deals.

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Schaefer, who was recently handed responsibility for all VW activities in sub-Saharan Africa, said: "VW global headquarters in Germany wouldn't look twice at the numbers we are talking about in African countries, but you have to take a long-term view. In Africa, you never go from A to B in a straight line."

While new-car sales in most African countries were negligible, reduced dependence on exports could transform the numbers.

Schaefer said Rwanda could support an annual market of up to 100,000 new cars. If Kenya, Tanzania and Ethiopia followed suit, and then other countries, the whole situation would change.

If it didn't happen, then VWSA's risk exposure was small. "The main financial risk is to our partners. There is more pressure on the Kenyan government to get the joint venture right than there is on us.

"The Chinese go to some of these countries and say they will put up an assembly plant that can build 1-million cars.

"But where will those cars go? I am offering reality," said Schaefer. (BD 03-03-2017)

## **MIMI WOMEN SEEKS R10M TO BUILD SOUTH AFRICA PLANT TO MAKE AFFORDABLE SANITARY PADS**

South African sanitary towel company, Mimi Women, is looking to raise R10m to build a manufacturing plant to produce affordable sanitary pads. On Wednesday, it launched the Mimi Agents for Change campaign to coincide with International Women's Day.

The campaign is a bid to sell shares to 100 women at R100,000. Its first investment came from Wendy Luhabe, the founder of Women Private Equity Fund.

Mimi Women CEO, Ramona Kasavan, said in a statement: "Many of the successful women entrepreneurs we will be approaching already contribute large amounts of money through various charities to this end, but this activity is fragmented. This [campaign] will enable us to bypass the inevitable delays of waiting for development finance institutions for funding, who may spend months studying the project and would not have the same urgency that women would for this issue."

The company currently imports the material for the pads, which are then assembled by a local producer.

The campaign also launched a business initiative for women. The "MimiBizBox" consists of 600 pads that can be purchased for R799. Each pack of six pads will cost R10, which can then be resold for R15.

The packs also include marketing information and access to an online portal. The idea is for women to recruit additional sales reps and establish their own network, which will be based on commission. (BD 11-03-2017)

## **IVORY COAST IS CONCERNED AS COCOA BEAN PRICE SLUMPS**

Cocoa prices have dropped to near their lowest in more than three years, threatening the pace of expansion in Africa's fastest-growing economy



A family of cocoa growers helps with drying cocoa beans in Ghana's eastern cocoa town of Akim

Ivory Coast, the world's biggest cocoa producer, will revise its budget for 2017 after prices for the beans dropped by a third since the middle of last year, according to a government official.

While the slump in cocoa prices weighs on income, the West African nation also has to provide for new expenditure, government spokesperson Bruno Kone said by phone.

Ivory Coast's "resources are largely sufficient to face these expenses despite a drop in cocoa prices", Kone said. "It's a significant drop but won't throw the country's finances off balance. There's nothing catastrophic." He did not elaborate.

Cocoa prices have dropped to near their lowest in more than three years, threatening the pace of expansion in Africa's fastest-growing economy. The government took on additional expenses in January by agreeing to pay bonuses of almost \$20,000 to soldiers to quell a mutiny.

The International Monetary Fund was due to visit the country later in March for a review of reforms under a \$670m extended credit facility agreed to in December. Ivory Coast targeted a budget deficit of 3.4% in 2017, from 3.8% in 2016, the government said in September. (Bloomberg 10-03-2017)

## **AU LAUNCHES .AFRICA DOMAIN NAME WHICH IS SET TO BE A 'DISRUPTOR'**

Despite Sub-Saharan Africa having the lowest rates of internet penetration, Africa now has its own domain name which gives the continent a 'digital identity'. In the beginning was .com, followed by a host of other .somethings, but on Friday, 32 years after the world's first domain name was registered, the African Union (AU) has launched .africa.

Africans who want to register a website will be able to apply for a .africa domain name in the coming months, which outgoing AU commission chairwoman Nkosazana Dlamini-Zuma said would allow the continent's people and businesses to better reach the world.

"With .africa, I would say Africa has finally got its digital identity," said Dlamini-Zuma, who will hand power to Chadian foreign minister Moussa Faki Mahamat next week after four years at the helm of the continental body.

Sub-Saharan Africa has one of the lowest rates of internet penetration in the world, according to the World Bank, with only about 22% of people online compared to the global average of 44%. The AU has vowed to increase broadband internet penetration by 10% by next year as part of its "Agenda 2063" development proposal.

As Africa's largest economy, SA dominates African presence online, holding 1.1-million of the 2-million website registrations on the continent, said Lucky Masilela, CEO of ZA Central Registry, the SA-based company that will oversee .africa.

High fees are an obstacle to many people who want to register a website, Masilela said. In some African countries it can cost as much as \$250 (€235) but Masilela said .africa addresses will be available at a cut-rate price of just \$18 to anyone on the continent: ".africa is going to be a market disruptor and will assist in lowering the cost of domain names."

The AU is hoping proceeds from the domain registrations will help cover some of its administrative costs and fund the AU commission. The domain is due to be available to the public in July but it remains unclear how strong demand will be. (AFP 10-03-2017)

## RECESSION-HIT NIGERIA LAUNCHES OPTIMISTIC ECONOMIC RECOVERY PLAN



Property is seen along a road in the Ikoyi district in Nigeria's commercial capital Lagos

Nigeria is hoping to hit 7% growth by 2020, but economists believe that is too high, given that last year its economy shrank by 1.5%

Nigeria's government launched a master plan this week to lift it out of recession, hoping to hit 7% growth by 2020, but economists believe the programme sets the bar too high.

The detailed plan was published on Monday and outlines how the West African oil giant thinks it can turn around its worst economic crisis in 25 years. "One of the key goals of the plan was probably to get the World Bank and African Development Bank on board with lending Nigeria some more money, since both of them have made a detailed plan a pre-condition of further borrowing," said John Ashbourne, an Africa economist at the Capital Economics.

Nigeria's ministry of budget and national planning gave a sober assessment of the current situation in the 140-page document, titled Economic Recovery and Growth Plan 2017-2020.

Global crude prices have fallen, slashing revenue coming into Nigeria's oil-dependent economy, weakening the naira and causing inflation to soar to levels approaching 20%. At the same time, militant attacks in the country's oil-rich south have hit production.

"The current administration recognises that the economy is likely to remain on a path of steady and steep decline if nothing is done to change the trajectory," the master plan warns in an unusually candid assessment of Nigeria's fortunes.

The recovery plan aims to diversify the economy using key sectors, such as agriculture and energy, while at the same time increase crude production to 2.5-million barrels a day (bpd). Currently production is at 1.9-million bpd.

The government, which has launched major infrastructure projects to develop the transport network across the country, plans to sell off or reduce its stake in certain state assets. The goal is to increase GDP by an average of 4.62% between now and 2020, when growth is forecast to be at 7%. Such figures are way above current levels: last year, the economy shrank by 1.5%.

Razia Khan, chief Africa economist at Standard Chartered Bank, described the overall plan as "positive" and "encouraging". "The key here is how it's going to be implemented and how quickly it's going to be implemented," she said. As part of the recovery plan, a delivery unit will be set up with the sole task of supervising the implementation and government ministers will be given clear objectives.

Monetary policy is a key area, given that the Central Bank of Nigeria (CBN) has been heavily criticised for doing little to turn around the flagging economy. "The CBN is in the process of improving the implementation of its current policies, aimed at achieving a market-determined exchange rate regime to build confidence and encourage foreign exchange inflows," the plan states.

Such a statement is a U-turn for the bank, which has been accused of stifling investment by enforcing unpopular currency controls that have resulted in a foreign exchange shortage. Backed by President

Muhammadu Buhari, the bank has refused any devaluation and kept the currency at an artificial level — the official rate is 315 naira to the dollar, even as dollar scarcity has caused the naira to hit 520 on the black market.

Last month, the central bank gave some relief by making billions of dollars available from the country's reserves, but the once-off measure did nothing to fix the problem in the long term. Even though economists welcomed the apparent change of direction, they remained sceptical about the introduction of a flexible exchange rate.

How that would be implemented is not set out. "The key reform, many observers would agree, is foreign exchange because this has been the one bottleneck holding back a lot of activity," said Standard Chartered's Khan. "And until we have more clarity on how that issue is going to be dealt with, it's very difficult to determine what kind of a growth path we'll see in Nigeria as a result of all of this."

Capital Economics' Ashbourne said the plan gives the impression that "there will be no change", as it indicates the government is counting on a provisional figure of 305 naira to the dollar until 2020.

"Wanting the exchange rate to be stable is not necessarily a bad thing but it opens up the possibility that the bank will intervene to make it stable, which will therefore not be hugely different from the current system," he said. (AFP 09-03-2017)

## AT LEAST 17 FIRMS EXPRESS INTEREST TO OPERATE BOTSWANA NATIONAL AIRLINE



The carrier's financial losses have prompted a five-year turnaround plan, but previous offers from Comair, SA's Airlink and Air Mauritius have fallen through

At least 17 companies have expressed an interest in operating Air Botswana as the government embarks on its latest drive to privatise loss-making state companies.

The country's transport department invited expressions of interest last month, saying it was open to proposals on various forms of privatisation of the national airline, including joint ventures, ownership, franchising and concessions.

"At least 17 companies have expressed interest, but for now I cannot say who they are or what model of privatisation they proposed," Transport Minister Kitso Mokaila said on Thursday. "We have roped in the International Air Transport Association to help us assess them with the intention of getting the one that has the most suitable model for Botswana. From there we will go to tender."

As well as four domestic routes, Air Botswana provides cargo and air passenger services to Cape Town and Johannesburg from Gaborone, Francistown and the tourism hubs of Maun and Kasane.

Financial losses, blamed on a large workforce and an aging fleet, have prompted a five-year turnaround plan that includes cutting costs and canceling unprofitable routes. Previous offers from Comair, SA's Airlink and Air Mauritius have fallen through.

Botswana, whose main source of wealth is diamonds, has more than 30 state-owned enterprises, most of them loss-making, in industries ranging from tourism and power to housing and finance. (Reuters 09-02-2017)



## KENYA TO DOUBLE COFFEE EXPORTS TO US, THE WORLD'S LARGEST COFFEE CONSUMER



Kenya plans on doubling its coffee exports to the US, the world's largest consumer of the beverage, by marketing the East African nation's speciality premium grade beans.

"North America is a big market for speciality coffee and we expect the visibility Kenyan coffee gets will help grow our market share in the US," Kiplimo Melli, head of Kenya's Coffee Directorate, said in an interview on Wednesday.

Africa's fifth-biggest coffee producer exported 6.1-million kilograms of the beans to the US in 2015-16, from 7-million kilograms a year earlier, accounting for 14% of total coffee exports. Kenya wants about 30% of its crop to end up in the US by the end of 2019, Melli said.

Germany bought the most speciality Kenyan coffee in the last season — at 8.17-million kilograms — followed by Belgium with 7.4-million kilograms. While Kenya is a tiny grower compared with regional producers such as Ethiopia and Uganda, its beans are highly sought after for their acidity and often used in blends to improve coffee from other origins.

### US exposure

Average export prices to the US were the highest in 2015-16 at \$296 per 50kg bag, 18% higher than to Germany, according to government statistics. The nation's produce will be showcased as a "portrait country" at this year's Specialty Coffee Association of America symposium in Seattle, the home of Starbucks, exposing it to more than 12,000 producers, roasters, brewers and buyers. This follows a delegation of American buyers visiting Kenyan coffee-growing regions in November.

Coffee exports rose 6% to 44,400 tonnes for the 2015-16 season, earning Kenya \$206m. Sales to the US accounted for \$32.8m in the same period. (Bloomberg 09-03-2017)

## BANK OF MOZAMBIQUE ENSURES SMOOTH OPERATION OF MOZA BANK

The capitalisation process of the Moza bank is progressing according to the schedule approved at the Mozambican bank's general meeting, and the bank is operating normally under the intervention of the Bank of Mozambique and leadership of an interim board, the Mozambican central bank said on Thursday.

The statement from the Bank of Mozambique's said there was, "no sign of alarm about the present and future stability of Moza," and added that the stability of the financial system and strengthening confidence in the future of the bank are the main objectives of the capitalisation process.

In a separate statement released on Wednesday, the Chairman of the Interim Administration, João Figueiredo, said the capitalisation process began on 23 January, when the shareholders unanimously approved the required capital increase.

At the end of September 2016 the Bank of Mozambique decided to suspend the members of the Board of Directors and Executive Committee of Moza due to deterioration in the financial condition of the bank, as the solvency ratio had fallen below the minimum required.

At the same time the Mozambican central bank appointed an interim board, chaired by João Figueiredo, to lead the bank until the situation is normalised.



At the end of January, the General Meeting of shareholders of Moza, which is part-owned by Portugal's Novo Banco, approved a capital increase of 8.17 billion meticaïs (107.7 million euros), after December the Bank of Mozambique injected about 8 billion meticaïs (105 million euros) in the bank, to halt its collapse and avoid "an earthquake" in the Mozambican financial system. (03-03-2017)

## AIR FRANCE-KLM GROUP TO CONTRIBUTE TO AIR CÔTE D'IVOIRE'S CAPITAL SURGE



The Air France-KLM Group will contribute to the increase in the capital of Air Côte d'Ivoire's capital, Group CEO, Jean-Marc Janaillac announced, at the end of a meeting with Ivorian leader, Alassane Ouattara on Thursday in Abidjan.

Mr. Janaillac added that his talks with President Ouattara focused on the development of Air France-KLM in Abidjan and the country in general, APA can report from a release by the Ivorian presidency.

In this regard, he pointed out that Abidjan was the only city in Africa where his company makes two daily flights and where an Airbus 380 is operated.

He added that his Group intended to pursue this development path in Cote d'Ivoire.

He revealed that Air France-KLM was ready to support the development of Air Cote d'Ivoire at the operational, financial, and commercial levels, insisting that the Ivorian national carrier was "steadily" growing in the region.

In this regard, the top Air France-KLM Group manager said he was reassured by the support of the President and the Ivorian authorities for the continuation of the collaboration between his company and Air Cote d'Ivoire.

This, he stressed, to the benefit of Franco-Ivorian relations on the one hand, and the Ivorian companies and the French companies present in Côte d'Ivoire, on the other hand.

As for the support for Air Côte d'Ivoire, Mr. Jean-Marc Janaillac announced the contribution of his Group to the increase in the capital of the national airline and the extension of the network of services of the two companies in Africa, from the Abidjan hub.

In this regard, the CEO of Air France-KLM Group said that during his stay in Abidjan, he would meet with Air Cote d'Ivoire leaders to know "concretely" what actions they could take together. (APA 02-03-2017)

## JAPAN TO INVEST \$30BN IN DEVELOPMENT PROJECTS IN AFRICA



The Japanese government is to commit \$30bn to a number of investment projects in Africa meant for infrastructural and human resources development, technological advancement as well as regional stability.

The Director-General, Japan External Trade Organisation, Mr. Susumu Kataoka, said at a business seminar, organised by the Japan External Trade Organisation on Thursday in Lagos, that the Prime Minister of Japan, Shinzō Abe, made the pledge at the Tokyo International Conference on African Development.

Local media reports quoted Kataoka as saying that more Japanese companies were getting more interested in doing new business in Nigeria or expanding their activities in other African countries.

“This is why I am here with the delegation of Japanese companies who are not yet fully based in this country, but are showing interest in investing in this country.

“The Japanese private sector is now motivated in doing business here in Nigeria with a huge potential, especially in terms of your population and the volume of the economy. The purpose of our visit here is to know the business environment and this seminar is a step to further deepen the existing relationship between both countries,” he said.

In his remarks, Nigeria’s Minister of Industry, Trade and Investment, Okechukwu Enelamah, assured the Japanese investors of a safe and friendly environment for their investments and that the government was doing all it could to improve the ease of doing business in the country.

The minister, who was represented by the Executive Secretary, Nigerian Investment Promotion Commission, Ms. Yewande Sadiku, said that although the country was going through trying times, the present administration was working relentlessly to identify areas where Nigeria could attract the much needed foreign exchange to carry out developmental projects to achieve economic growth and stability.

The minister said that there were more investment opportunities in Nigeria and that the country was seeking increased trade and investment inflows from Japan. (APA 03-03-2017)

## MTN AND 16 SA FIRMS GIVEN 60 DAYS TO VACATE NIGERIA



MTN and 16 other South African companies given a year to vacate Nigeria

Nigerian militants groups on Wednesday, threatened to bomb South African companies in retaliation for the Xenophobic attacks that have occurred in Johannesburg and Pretoria over the past couple of weeks. [Nigeria Communications Week](#) reports that Niger Delta militants have given South African firms a month to vacate the country.

Niger Delta Watchdogs, Niger Delta Volunteers and Niger Delta Strike Force yesterday addressed a letter with their concerns to the Office of the South African High Commissioner to Nigeria. In the letter titled 'Attack and killings of Nigerians living in South Africa', the militants expressed anger that the South African Police were shielding criminals and joining them (criminals) to kill Nigerians.

Apart from MTN, some of the South African companies in Nigeria listed for attack by the militants are DSTV and Shoprite, Eskom Nigeria, South African Breweries (SAB Miller), Umgeni Water, Refresh Product, LTA Construction and Protea Hotels (ITNA 02-03-2017)

## **NIGERIA EYES MORE INVESTMENT IN GAS SECTOR**

Nigeria's Minister of State for Petroleum Resources Ibe Kachikwu has said that the Nigerian government has initiated gas policy interventions that will move the economy from oil to gas.

Speaking at the on-going 2017 Nigeria Oil and Gas Strategic Conference and International Exhibition in Abuja on Thursday entitled: "Nigeria's Gas Sector – The Catalyst for Economic and Industrial Growth", the minister disclosed that Nigeria will diversify the gas supply options within the country to ensure security of supply; extend gas penetration in the domestic market.

This programme, he noted, will facilitate the growth of the electric power, agricultural, and industrial sectors; gain a presence for Nigerian gas in international markets; and operate a gas industry with a clear division of roles between private and public sectors

In his speech, the Group Managing Director of the Nigeria National Petroleum Corporation (NNPC), Dr. Maikanti Kacalla Baru, said that about \$51 billion investment opportunities were existing in the midstream and downstream gas sector to achieve the growth phase in the Industry in Nigeria.

Baru said that about \$35.4 billion investment would be required in the gas exploration and production activities, power plants projects, fertilizer plants, virtual pipelines and flare gas commercialization initiatives.

He disclosed that the Corporation is promoting the use of compressed gas for cars in the country and that more than 400 cars are already running on gas in Benin, the capital of Edo state as a pilot project. (APA 03-03-2017)

## **EGYPTIAN COURT CLEARS WAY FOR HOSNI MUBARAK'S RELEASE**

[Egypt](#)'s top appeals court cleared former President [Hosni Mubarak](#) of any responsibility for the killing of hundreds of people during the 2011 [protests that ended his 30-year rule](#), sweeping away the final legal hurdle to Mr. Mubarak's release from detention.

The ruling drew cheers from Mr. Mubarak's supporters, who have in recent years cast off the stigma once associated with his name to air increasingly vocal demands for his release. But it represented a bitter landmark for the millions of Egyptians who risked their lives to oust Mr. Mubarak and his circle during the heady, 18-day uprising in early 2011.

None of the Mubarak-era figures who grew rich and influential during his time in power are still in jail. The sole exception is Mr. Mubarak himself, who has been under guard for years at the Maadi Military Hospital in Cairo, at a room overlooking the Nile.

But the decision to keep him in detention is widely seen here as a political matter rather than a legal one — constructed to avoid any embarrassment to Egypt's current leader, President Abdel Fattah el-Sisi, who sometimes praises the 2011 revolution.

In contrast, thousands of Egyptians who rose against him in 2011 are stuck in prison, in many cases after mass trials that drew stinging international criticism. The prisoners include supporters of the banned [Muslim Brotherhood](#), but also activists, lawyers and journalists who dared to challenge Mr. Sisi.

"It's pretty telling that Mubarak, who ran the country into the ground, gets acquitted, and people who gave their everything to try and do something for the country are sitting in prison," said Ahdaf Soueif, an author whose nephew, the activist and blogger [Alan Abd El Fattah](#), is in jail.

Some Egyptian prisoners have been held without trial for years, often in terrible conditions, in stark contrast with the relatively gilded conditions enjoyed by Mr. Mubarak. According to supporters who have visited him, Mr. Mubarak gets regular deliveries of flowers, newspapers and takeout restaurant meals, as well as a constant stream of visitors.

Occasionally, Mr. Mubarak emerges onto the balcony to wave at cheering supporters gathered at the hospital gates. His sons Alaa and Gamal, who were convicted on charges of embezzling millions of dollars of state money, were released from prison in 2015 and are often sighted in restaurants and shops in upscale Cairo neighborhoods.

In the past six years, Mr. Mubarak has faced a slew of criminal charges for corruption and misrule. He was often seen glowering with anger when he appeared in court and was forced to sit inside a cage. But he has been convicted in just one corruption case, which concluded in 2015 when an appeals court upheld a three-year sentence. The judge allowed Mr. Mubarak to count time served against the sentence.

Alternately defiant or embittered, Mr. Mubarak never publicly displayed much contrition for his actions during his three decades in power. On Thursday he was flown by helicopter to the courtroom, where he sat in a wheelchair and smiled at supporters from the defendant's cage. Among those watching from the public gallery was his son Gamal, once groomed as his successor.

Yousri Abdelraziq, a lawyer and Mubarak supporter who was present in court, said the former president was in a buoyant mood after his acquittal. "He fully intends to go home, perhaps in a month or two," he said.

He suggested that Mr. Mubarak might want to go to his palatial villa at the Red Sea resort of Sharm el Sheikh, which was the subject of a different, failed corruption case.

The final case against Mr. Mubarak centered on accusations that he ordered shootings by security forces that led to the deaths of 239 people during the 2011 uprising. In 2012, a court sentenced Mr. Mubarak to life in prison, but an appeals court ordered a retrial, which resulted in his initial acquittal in 2014.

Thursday's ruling confirmed that acquittal, prompting renewed speculation that Mr. Sisi might release Mr. Mubarak from detention, though it could prove politically awkward. In speeches, Mr. Sisi regularly pays tribute to the 2011 uprising, which was supported by the Egyptian military.

"If they let Mubarak out, what does that say about 2011 — that the military got it wrong?" said Hisham A. Hellyer, author of "A Revolution Undone: Egypt's Road Beyond Revolt."

Still, Mr. Sisi's tenure is more strongly defined by the tumultuous events that brought him to power, when the military he led toppled the democratically elected president, [Mohamed Morsi](#) of the Muslim Brotherhood, in 2013.

Since then Mr. Sisi has cracked down hard on the Brotherhood, while his supporters have sought to portray the events of 2011 as a result of foreign interference in Egypt.

Some Egyptians believe that Mr. Sisi might want to free Mr. Mubarak before the presidential election set to take place next year, as a means of drawing a line under the 2011 uprising. Mr. Sisi himself has yet to make his views clear.

Mr. Mubarak, for his part, has always insisted he did nothing wrong. After a list of charges against the former president was read aloud in court on Thursday — quite possibly for the last time — he responded curtly: “It did not happen.” (NYT 02-03-2017)

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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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## **Oceans Forum on trade-related aspects of Sustainable Development Goal 14**

In preparation for the high-level United Nations Oceans Conference, an oceans forum co-organized by UNCTAD, FAO, the ACP Secretariat, COMSEC and International Ocean Institute (IOI) is to be held from 21 - 22 March 2017, Palais des Nations, Geneva, Switzerland. The Forum shall be preceded by a briefing session on the Fisheries Regulatory Framework at the Multilateral Level scheduled for the 20 March 2017.

*More information*

Briefing session: <http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=1297>

Oceans Forum: <http://unctad.org/en/pages/MeetingDetails.aspx?meetingid=1299>

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