MEMORANDUM

N° 05/2016 | 08/01/2016

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SUMMARY

KENYA HOPING FOR DIRECT FLIGHTS TO US BY MAY

Kenya hopes to start direct commercial flights to the US by May after it met most of the requirements set by an international aviation authority, its transport minister said on Wednesday.

The East African nation, which hosted US President Barack Obama last July, wants to boost exports to Washington and increase visits by US tourists. Starting flights was part of a package of deals announced during Mr. Obama's visit.

"We shall get direct flights to the US by May this year," Minister James Macharia said.

Mr. Macharia said several airlines were keen to offer direct flights between Kenya and the US. Delta Airlines previously set a launch date for flights but cancelled due to security concerns.

Financially embattled Kenya Airways also plans to offer direct flights. US traffic usually transits through hubs such as Dubai and Amsterdam.

Jomo Kenyatta International Airport, Kenya's main airport, scored 88% when it was assessed by the International Civil Aviation Organisation last September, the minister said, disclosing the score for the first time.

Inspectors from the US Federal Aviation Administration are expected to complete their audit of the airport before the end of March, he said.

The airport failed the same assessment in 2013, but has since improved security, Mr. Macharia said.

A new terminal opened two years ago and a second one will open soon, allowing the airport to separate departures and arrivals, a key security requirement.

"We have more trained security personnel and very modern scanners for people and goods," the minister said.

Kenya has suffered frequent attacks by Islamist militants from neighbouring Somalia in recent years.

Kenya's main airport was built in the 1970s to handle 2.5-million passengers a year but now handles 6-million passengers a year. (Reuters 06-01-2015)

PORTUGAL'S BPI BANK PROPOSES SEPARATION OF BANKING ASSETS IN AFRICA

Portuguese bank BPI has delivered draft terms of a project to hive off operations in Africa to the Commercial Register, the bank said in a statement issued Monday through the Portuguese Securities and Exchange Commission (CMVM).

"(…) Following the information provided to the market on 30 September, 2015, Banco BPI announced that today it submitted o the Commercial Register, the de-merger project of Banco BPI," the statement said adding the date for the next general meeting of shareholders and bondholders to vote on the project.

The project now aims to bring together in a separate unit held by the bank's shareholders and not by the bank itself the 50.1 percent stake in Banco de Fomento Angola and in Mozambique 30 percent of Banco Comercial e de Investimentos and 100 percent of BPI Moçambique – Sociedade de Investimento.

With this solution, the board of directors is complying with the European Central Bank's rules limiting the exposure of banks in the European system to major risks, with major impact on BPI's exposure to Angola.

This operation requires a number of authorisations, including from Unitel, a shareholder of Banco de Fomento Angola controlled by Isabel dos Santos and the National Bank of Angola itself. (29-12-2015)

MARITIME FISHERIES: DAKAR, BISSAU TO NEGOTIATE NEW PROTOCOL IN JANUARY

The Senegalese and Bissau Guinean governments will in January 2016 begin a new round of negotiations towards the signing of a new protocol of maritime fishing, a statement from the Senegalese ministry of Fisheries and Maritime Economy issued on Wednesday indicates.

“The two ministers agreed to open of a new round of talks with the view to signing of a new protocol for the application of the convention on maritime fishing between Senegal and Guinea Bissau. The negotiations due to last three months with three rounds will kick off as early as January 2016 and end in mid-March 2016,” the statement observed.

The bid comes on the heels of a meeting of experts of the two countries on 26 and 27 December in Bissau after which, the 14 December 2013 protocol implementing the agreement between Guinea Bissau and Senegal on maritime fishing sealed in Dakar on 22 December, 1978 was extended for three months.

According to both parties, the extension of the protocol confirms their desire to maintain and strengthen bilateral cooperation in the field of marine fisheries.

They furthermore reaffirmed their commitment to ensure sustainable fisheries development in the two countries “taking into account the need to review and deepen the provisions of the protocol.” (APA 28-12-2015)

SOUTH AFRICA: AGRICULTURE FEARS LOSS OF BENEFITS FROM AGOA

Fruit, wine and nut farmers are bracing for hardship as the US looks set to rescind their duty-free access to the world’s largest market at a time when they are facing the worst drought in 23 years and rising input costs.

The government missed the December 31 deadline to remove barriers on beef and chicken imports from the US, placing it at risk of losing trade preferences for its agricultural goods under the African Growth and Opportunity Act (Agoa).

SA exported $154m worth of farm goods under the programme in the first nine months of last year, according to the Trade Law Centre, which is based in Stellenbosch.

"The US is the crown jewel of our markets," Piet Smit, a citrus farmer in Citrusdal, said. "If we lose the Agoa benefits, there will be extra costs that the farmers will have to swallow."

Adopted in 2000, Agoa eliminates US import levies on more than 7,000 products ranging from textiles to manufactured items from 39 African countries. To remain beneficiaries, countries are required to eliminate barriers to US trade and investment, operate a market-based economy, protect workers’ rights and implement economic policies to reduce poverty.

Agricultural goods accounted for about 14% of total local exports under Agoa in the first nine months of last year, according to the Trade Law Centre. The bulk of its shipments were vehicles and car parts.

SA had made progress in tackling outstanding issues and a deal might still be reached to avoid the loss of the trade preferences, Trade and Industry Minister Rob Davies said on Monday.

If the negotiations collapse, the hardest-hit will be farmers in the Western Cape, which exports 78% of the agricultural goods shipped to the US under Agoa.

"The province’s wine and citrus industries benefit substantially from duty-free access to the US market via Agoa," said Tim Harris, CE of trade and investment promotion agency Wesgro. "We are extremely concerned that these industries will be collateral damage if these benefits are not retained."

Drought has curbed farming, extending a recession in the industry into the third quarter as output contracted an annualised 12.6%.

SA is the world’s second-biggest exporter of oranges and the top producer of macadamia nuts.

It sold 10.7-million litres of wine to the US last year, or 2.5% of its total wine exports, according to Wines of South Africa, an industry body. The wine industry employed 289,000 people nationally, and job losses were likely if trade preferences were lost, said Andre Morgenthal, the group’s spokesman.

SA is the world’s seventh-biggest wine producer. "The US is the last great hope for SA’s wine exporters," Etienne Heyns, global sales executive for Graham Beck Wines, said from Franschhoek. "Should wine be excluded from Agoa benefits, it will add about R5 extra to every bottle." (Bloomberg 06-01-2016)

TURKISH AIRLINE PAYS COMPENSATION FOR DELAYED LUGGAGE

The Turkish Airlines has compensated all the passengers whose luggage did not arrive with them in the infamous Flight TK 624 scheduled service operated from Istanbul to Abuja on December 20 last year.

The General Manager, Public Affairs of the NCAA, Mr Sam Adurogboye, told journalists on Tuesday that the decision to compensate the affected passengers was sequel to the intervention of the Nigerian Civil Aviation Authority (NCAA) on the matter.

According to Adurogboye, the Turkish Airlines has paid the prescribed compensation to all the passengers whose luggages were delayed in the flight.

He explained that the airline under the supervision of the Consumer Protection Officers (CPO) of the regulatory authority ensured that the passengers were paid full monetary compensation as contained in the Nigerian Civil Aviation Regulations (NCARs).

He added that in addition to the compensation, a cargo flight and an Airbus were arranged to freight to Abuja, Nigeria, all contentious backlog of baggage which all the concerned passengers have collected.

Adurogboye said that the compensation and ferrying of the backlog of luggage of the affected passengers were contained in a report of the investigation carried out by NCAA over the recent tarmac invasion by Turkish Airlines passengers submitted to the Director General of NCAA, Captain Muhtar Usman.

He said that there were several observations and recommendations in the report and these included provision of signs informing passengers of possible penalties of unlawful acts at the airport. (APA 06-01-2016)

MOZAMBIQUE TO BEGIN COAL SHIPMENTS VIA NEW NACALA PORT

The provincial director for Transport and Communications in western Mozambique province Tete, Romeo Sandoca has said trains loaded with coal which will link Moatize, in that mineral-rich region to the port of Nacala, in Nampula province should start circulating soon and in the first quarter for international shipments, APA learnt Monday.
The official was quoted by state-controlled Radio Mozambique as saying everything was in place for the start of the transport of coal mined in the province, given that the railway line is fit for the purpose, having been inspected and tested in November, when the first shipment of coal was carried to the port of Nacala.

Inspection and testing of the railway was conducted with a train made up of four locomotives pulling 120 wagons, which ran without incident over the 902-kilometre route to Nacala.

This railroad, which runs through neighbouring Malawi, was built by global mining company Vale Mozambique, a subsidiary of Brazilian group Vale, in order to increase coal transport capacity.

Coal is currently carried to the port of Beira along the Sena railroad over a distance of 570 kilometres.

Sandoca added that the new railway line would also be used by other mining companies to carry their products, and Mozambican port and rail company Portos e Caminhos-de-Ferro de Mozambique (CFM) will carry passengers and cargo.

In addition to Vale Mozambique Indian consortium International Coal Ventures Private Limited (which acquired the coal assets of Rio Tinto) and Jindal Africa, a subsidiary of Indian group Jindal Steel and Power Limited (JSPL) also mine and export coal in Tete.

The first two companies have concessions in the Moatize district, and the third company is active in the new district of Marara, which was previously part of the Changara district. (APA 04-01-2016)

CORPORATE COUNCIL ON AFRICA (USA) ACQUIRES NATION'S PREMIER TRAVEL ORGANIZATION FOR AFRICA

The nation's oldest travel organization dedicated to U.S.-Africa tourism since 1975, and long considered the top global organization promoting tourism to Africa, will become an operating element under the Corporate Council on Africa effective immediately. The formal announcement will be made at the New York Times Travel Show on January 8, 2016.

Stephen Hayes, President and CEO of the Corporate Council on Africa (CCA) said, "The addition of the Africa Travel Association (ATA) to our portfolio of activities strengthens both the Africa Travel Association and the Corporate Council on Africa. Tourism is an essential ingredient in growing the economies of Africa. The potential for growth and investment in tourism in nearly every country in Africa is simply huge, regardless of the stage of development."

The opportunity to combine the two organization presented itself when long-time ATA Executive Director, Edward Bergman, announced he would step down from his position at the end of 2015, following the successful ATA 40th Annual World Congress in Nairobi, Kenya this past November. Edward Bergman added, "finding a home for the Africa Travel Association at the Council provides an opportunity for the travel industry within Africa and between the United States and the countries of Africa to reach new heights.

The Corporate Council's focus on investment and development matches the requirements of today and supplements ATA's existing cultural and historic tourism endeavors throughout Africa. It was hard to imagine a better match for both organizations."

CCA has been a leading advocate for U.S.-Africa trade and investment since its founding in 1993 through a grant from then Secretary of Commerce, Ron Brown, and the United States Agency for International Development. In the past 23 years, the council has grown to incorporate 180 corporations representing approximately 85 percent of all U.S. private investment in Africa. CCA focuses on various sectors for investment including infrastructure, financing, health, energy, power, and agribusiness.

Mr. Hayes added "Our background in working with major corporate players and investors who are looking for new opportunities in Africa is a perfect fit for the historical mission of the ATA for driving tourism growth on the African continent beyond its current global market share of this three percent of international travel."

ATA will operate in Washington, DC as a division of the Corporate Council on Africa. (CCA 07-01-2016)

WORLD BANK GRANTS FUNDING TO MOZAMBIQUE

The World Bank has approved a loan of US$70 million to Mozambique in direct support to the State Budget for 2016 and the five-year programme of the Mozambican government, the bank said in a statement.

The funds will be provided by the International Development Association (IDA), the World Bank Group agency that grants subsidised loans to developing countries.

The funding consists of a soft loan of US$35 million and a donation of equal value, granted under the 11th poverty reduction programme.

In a statement, the World Bank noted the high growth rates of the Mozambican economy in the last two decades, with an annual average of 7.0 percent, but warned there had been few structural changes in the economy resulting from this growth.

In concrete terms, there had been little industrialisation of the Mozambican economy, with the statement noting the weight of the industrial sector in the economy rose from 13 percent in the 1990s to 16 percent in the 2000s, before it dropped back to 10 percent from 2010 to 2014. (29-12-205)

COMPANIES INCREASE PRODUCTION OF ORNAMENTAL STONE IN ANGOLA

The production of companies exploring natural stone in Angola's Huíla province recorded a real increase of 2,103 cubic meters or 10 percent in the period from January to November, according to a report from the provincial government.

The document presented to the Board of Social Consultation and Dialogue reports that the eight companies involved in the exploration of ornamental stones sold 22,539 tons of granite, of which 6,929 tons of black granite, and together posted turnover of overUS$2.5 million.

The total included production by Rodang, with 1,795 cubic metres, Angostone (1,562), Osbal (275.7), Metarochas (406.1), DFG África (360.7), Galiangol (121.4), Granisul (62.3) and Omatapalo (2.4 cubic metres), according to Angolan news agency Angop.

The Directorate of Industry, Geology and Mining of Huíla has 30 mining and natural stone processing companies on its registers, with five areas marked for exploration of gravel and ornamental stone in Lubango and Gambos. (29-12-2015)

HEALTH FEARS JUST ONE CONCERN FOR AFRICA'S FAST-FOOD FIRMS

Fast-food companies in Africa have raked in the money over the past three years, but are now facing fresh risks. These range from looming high prices and a potential shortage of meat to job losses in key markets such as Zimbabwe, as well as other constraints such as food imports and rising infrastructure costs.

Average regional sales growth for quick-serve businesses such as those running fast-food counters for KFC, Nando's, Chicken Inn and pizza restaurants stands at about 20%, according to experts at Lynton Edwards Stockbrokers.

However, the industry is facing mounting concerns including health fears, with a study carried out by the World Action on Salt and Health group saying in December that KFC SA's children burger had the highest amount of salt at 2.91g.

The study surveyed about 387 popular children's meals and said this was only one of the health issues raised over fast-foods, which also include concerns over high fat content.

The industry is also set to suffer the results of dry weather conditions currently affecting sub-Saharan Africa. Low and late rainfall is set to affect livestock productivity, with prices for feed stocks that are likely to be in short supply set to rise.

"Infrastructure costs, food imports and meat shortages might lead to high prices at many quick-serve restaurants across Africa, and in the process affect customer count to restaurants as prices become higher than most people can afford," Lynton Edwards said in a report released on Tuesday.

Zimbabwe's Simbisa Brands — which runs Chicken Inn, Steers, Nando's and Pizza Inn quick-serve restaurants — has earmarked acquisitions in the sector, riding on a net cash position of $3.7m and sales growth of 9% in 2015.

Lynton Edwards, however, said Simbisa Brands "offers a diversified product mix … reducing product concentration risk and maintaining margins".
The forecast for disposable income growth this year is "conservative" amid continued uncertainty in Zimbabwe's economy, while "political and labour environments will weigh further on consumer confidence".
Simbisa has raised its counters to 388 across 11 countries in sub-Saharan Africa. KFC and McDonald's have also made strides in some key markets in the region, with KFC now expanding its presence in Zimbabwe.
Revenue in 2015 was $153m and has been projected to grow further this year. Innscor Africa Limited — which has a partnership with Tiger Brands in National Foods — has unbundled this business. It intends to list it separately on the Zimbabwe Stock Exchange to boost potential for access to cash lines, and to promote growth potential through acquisitions. (Fin24 06-01-2016)

EGYPT HANGS HOPE ON NILE DAM TALKS

A spokesman for the Egyptian government has expressed profound hope about the outcome of a meeting in Khartoum to reach a decision on a controversial hydroelectric dam by Ethiopia on the River Nile.
In a statement released in Cairo on Tuesday, Ahmed Abu Zeid described the output of the meeting of the Foreign Affairs and Irrigation minister of Egypt, Ethiopia and Sudan as an important step towards implementing the Tripartite Declaration of Principles signed by the three country's leaders in March 2015.

The declaration is aimed at committing them to an amicable resolution of the fundamental disagreement over Ethiopia's decision to build a dam on the river to address its energy needs.

According to Zeid, the talks between the ministers in Khartoum from 27th to 28 December have been characterized by a healthy climate of transparency and clarity with respect to the aspirations and concerns of each party.

Zeid said they reflect the recognition of the concept of partnership and common interests from the leaders of Egypt, Ethiopia and Sudan through their meetings.

Egypt, Ethiopia and Sudan were signed a declaration of principles in Khartoum on Tuesday setting guidelines for resolving disagreements related to Ethiopia's Grand Renaissance Dam project.

The document signed by foreign ministers from the three countries sets a period of 8-12 months for technical studies of the operational mechanisms and implications of constructing the dam, which Cairo and Khartoum fear will diminish their share of water from the River Nile.

The methodology of conducting technical studies on the project was the subject of a dispute between the three countries during previous talks.

French consultancy group Artelia is joining BRL Group, another French firm, to carry out feasibility studies on the suitability of constructing a dam on the river.

The ministers have also agreed a new round of talks during the first week of February.(APA 29-12-2015)

CAMEROON SIGNS NEW POWER PLANT DEAL

The Cameroonian government has signed a loan agreement estimated at €198 million for the construction and operation of a 216 megawatt plant to be constructed in the coastal town of Kribi (south), official sources said on Wednesday.
The partners involved in the project include the African Development Bank (AfDB), the Development Bank of Central African States (BDEAC), Proparco (French Development Agency), the International Finance Corporation (IFC) the Netherlands Development Finance Company (FMO) and a syndication of local banks led by Standard Chartered Bank.

The contribution of AfDB alone amounts to â‚¬39.5 million and is meant for the construction of a 100 km transmission line to connect the south network (RIS) which is the largest in Cameroon.

According to the AfDB, the Kribi power plant will provide greater reliability of electricity supply and enhance energy security in the country as Cameroon has been grappling with reliable energy which is a major challenge for the development of the business environment.(APA 30-12-2015)

SOUTH AFRICA TOPS IN AFRICA FOR SUPER-RICH TOURISTS

South Africa was the most popular African destination for the super-rich during the 12-month period to September 2015, with about 11,000 multi-millionaires visiting the country.

The term "multi-millionaires" refers to individuals with net assets of $10m (about R150m) or more.

According to a survey on millionaire tourism in Africa, released by New World Wealth, SA remained in the top spot among multi-millionaires despite new visa rules "that made it more difficult for visitors to go to SA".

The most popular destinations within SA for these visitors included Cape Town, Johannesburg, Umhlanga, Franschhoek, Stellenbosch, the Kruger National Park (mainly around Sabi Sands) and the Garden Route (mainly around Knysna).

Africa received about 43,000 multi-millionaire visitors during the 12 months to September 2015. Major destinations for them outside SA included Mauritius, the Seychelles, Marrakech, Casablanca, Cairo, Nairobi, the Serengeti in Tanzania, Sharm el-Sheikh in Egypt, the Masai Mara in Kenya, Livingstone in Zambia and the Okavango Swamps in Botswana. Gorilla safaris in Uganda were also popular.

The second most popular African country for the super-rich to visit, according to the latest report, is Morocco with 4,000 such visitors, followed by Botswana (3,000), Kenya (3,000), the Seychelles (3,000), Tanzania (2,000), Egypt (2,000), Mauritius (2,000), Uganda (1,000), Zambia (1,000), Mozambique (1, 000) and Nigeria (1,000).

The survey also determined the top 10 rated hotels in Africa (excluding lodges) for 2015. La Mamounia in Marrakech, Morocco, came out tops, followed by the 12 Apostles Hotel & Spa in Cape Town and the Royal Mansour, also in Marrakech. Other SA hotels among the top 10 include The Oyster Box in Umhlanga north of Durban (5th), the Lost City and Sun City (6th), the Cape Grace (8th) and the Beverley Hills Hotel (9th) also in Umhlanga.

Franschhoek features strongly among the top rated small boutique hotels (fewer than 30 rooms) in Africa, according to the survey. La Petite Dauphine is rated number one, the Franschhoek Country House third and La Residence fifth. North Island on the Seychelles (2nd) and Cleopatra (4th) in the KwaZulu-Natal Midlands round off the top five in this category.

Sabi Sands is home to three of the top 10 rated safari lodges in Africa, according to the survey. The Savanna lodge is third, the Londolozi camp fifth and the Singita Ebony lodge eighth. The Ngorongoro Crater Lodge in Tanzania took the top spot and SA’s Ngala Tented Camp in Timbavati came second. (Fin24 29-12-2015)

LIBERIA DISCOVERS 34 HYDROPOWER SITES IN EIGHT COUNTIES

The Liberian government Tuesday says it has discovered 34 potential sites in eight counties where mini hydropower plants could be built.
According to the Ministry of Lands, Mines and Energy (LME), the potential sites are located in Grand Gedeh, Grand Kru, Lofa, and Maryland Counties, as well as Nimba, Rivercess, River Gee and Sinoe Counties.

A report by the ministry released on Tuesday indicates that activities which led to the discovery of the sites were funded by the Norwegian Funded Program on institutional capacity building and strengthening of the energy and water resources sector in Liberia.

This program falls under the Rural and Renewable Energy Agency (RREA) which was established in January 2010 by Executive Order Number 23 to facilitate and accelerate the economic transformation of rural Liberia through the promotion of commercial development.

It was also meant to facilitate the supply of modern energy services to rural areas by using locally available renewable resources.

Meanwhile, according to the report, as part of the government's drive to
light up public facilities in rural Liberia, it has with the use of solar power lighted up the Zorzor Central High School, the immigration checkpoint and other public institutions in Lofa County where electricity is needed.(APA 29-12-2015)

MALI AS SENEGAL'S MAIN ECOWAS TRADING PARTNER IN LAST FIVE YEARS

Over the past five years, Mali has remained Senegal's main trade client as it has imported on average 43.5 percent of its neighbor's exports to countries of the Economic Community of West African States (ECOWAS), the Senegalese Agency for Export Promotion (ASEPEX) said in a statement copied to APA on Thursday.

ASEPEX, which made a review of the situation of intra-regional exports, emphasized that 2014, exports were directed mainly to Mali (36.5 percent), Cote d'Ivoire (12.2 percent), Guinea (11.8 percent), Gambia (9.1 percent), Burkina Faso (7.8 percent) and Guinea-Bissau (6.4 percent).•

These destinations account for almost all exports to ECOWAS countries.

Thus, ASEPEX said Senegal's exports to ECOWAS countries amounted to 405.4 billion CFA francs in 2014 against 415.9 billion CFA francs in 2013, representing a 2.5 percent decline.• This development is attributable to the decline in exports of finished petroleum products (over 20.7 percent), cigarettes (minus 15.3 percent) and crude salt (minus 8.8 percent).

On the other hand, the increase in fresh sea fish exports (over 26.7 percent) mainly to Cote d'Ivoire has reduced the downward trend.

Products exported in 2014 to ECOWAS countries are mainly cement (21.9 percent), sea fresh fish (10.7 percent), fuel (4.9 percent), cigarettes (3.7 percent), fertilizer (3 percent) and crude salt (2 percent).(APA 07-01-2016)

AS HYDROPOWER DRIES UP, TANZANIA MOVES TOWARDS FOSSIL FUELS

As drought continues to cripple its hydropower plants, Tanzania is struggling to produce enough electricity — and is moving towards using more fossil fuels to make up the shortfall.

Hydropower plants normally produce about 35% of Tanzania’s electricity needs, with gas and oil plants making up most of the difference.

But as demand grows and water shortages hit hydropower production, Tanesco — the state-run power utility firm — is investing in more fossil fuel plants to maintain its electricity supply.

In October the east African nation was forced to shut down its main hydropower facility for nearly a month because the water level was too low to run the turbines, officials said.

In December, the country’s hydropower plants, which can produce as much as 561 megawatts of power, generated only 110MW, according to Tanesco.

"The main challenge we have been facing is overreliance on hydropower as the major source of electricity, which is hard to maintain due to unpredictable weather," said Tanesco’s managing director Felchesmi Mramba in an interview.

Solar and wind untapped

While Tanzania has significant untapped renewable energy potential from sources such as geothermal, solar and wind, the government has mostly failed to tap this potential as an alternative to hydropower, said University of Dar es Salaam Institute of Resource Assessment climate change expert Agnes Mwakaje.

However, Tanzania’s minister for energy and minerals Sospeter Muhongo said the government is keen to invest in alternative power production, including using wind and solar, to meet the hydropower shortfall and give hydropower dams time to refill.

Mtera and Kidatu hydropower dams on the Great Ruaha River at one point shut down for three weeks because water levels fell below the minimum required, officials said.

"The water level in most of our hydropower dams is not sufficient to generate electricity, yet there’s nothing we can do other than waiting for the rains to come," Mr. Mramba told the Thomson Reuters Foundation.

The hydropower shortfalls have led Tanesco to suffer losses of about 500 million Tanzanian shillings ($230,000) daily, Mr. Mramba said.

In an effort to find a more reliable mix of energy sources, Tanesco is now building more gas-fired power plants, and looking at other renewable energy sources to supply the national grid.

"We are hoping to reduce hydropower dependence to 15% once our gas-fired plants become fully operational," Mr. Mramba said. According to Tanesco, gas power plants could provide 60% of the country’s electricity needs.

Tanzania’s government last year launched an electricity supply "roadmap" that aims to boost generating capacity from about 1,590MW today to 10,800MW in a decade, largely by building more gas and coal power plants.

Analysts say diversifying power sources is crucial to avoiding shortages like that caused by the current drought.

"Tanesco must use an energy mix in the order of priority to include natural gas, coal, hydro and renewables if it has to make electricity generation sustainable," said an economics professor at the University of Dar es Salaam, Haji Semboja.

"Natural gas can keep electricity flowing when the sun doesn’t shine and the wind fails to blow. You can switch it on and off pretty quickly," he said.

Tanzania might also consider importing electricity from large-scale hydropower projects in Ethiopia, Mr Muhongo said.

Dirty but cheap

Although Tanzania has for many years depended on hydropower, the country’s electricity generation has moved increasingly towards gas over the last decade after off-shore gas deposits were discovered near Mtwara on the southeast coast.

Today, oil and gas facilities account for 63% of the country’s power generating capacity, compared to 36% for hydropower, the government said.

Tanzania has more than 58-trillion cubic feet of gas, equivalent to 9.2-billion barrels of oil, according to the Ministry of Energy and Minerals. The country also has 1.9-billion tons of coal that could be used to generate electricity, the ministry said.

Ministry officials say that Tanzania, facing power shortages, should consider increasing its use of coal to produce electricity, even though burning coal is a major driver of climate change.

"It is the dirtiest but cheapest source of energy. Many countries are still producing their electricity almost entirely from coal. So why not Tanzania?" asked Ministry of Energy and Minerals commissioner for petroleum and energy Hosea Mbise.

But the government is also planning to use some solar, wind and geothermal power in its energy mix. A $132-million, 50MW wind facility is being built, Mr. Mbise said, and the country hopes to win funding from the African Development Bank to develop geothermal plants.

About 36% of Tanzanians have access to electricity, and only 7% of those are in rural areas, according to the ministry. It said demand for electricity is growing by between 10% and 15% a year. (Thomson Reuters Foundation 29-12-2015)

LESOTHO GOV'T SETS ASIDE US$130M FOR DROUGHT RELIEF

Lesotho's Minister of Energy and Meteorology Selibe Mochoboroane on Tuesday announced that the government has set aside US$130 million to counter the threat of hunger caused by the prevailing prolonged dry spell.

Mochoboroane said part of the money would be used to bring water closer to the communities affected by drought while some funds would go towards Ministry of Health efforts to fight diseases that might occur due to shortage of food and the excessive heat.

He said the remainder of the funds would be given to the Ministry of Agriculture and Food Security to help save animals which are dying of hunger and thirst. (APA 05-01-2016)

ANGOLAN FACTORY STARTS EXPORTING FISHMEAL TO CHINA

The province of Benguela in Angola, will start exporting fishmeal to China, following a request submitted to a factory in Baía Farta, said the provincial director of Fisheries, José Gomes.

Cited by state newspaper Jornal de Angola, Gomes said this plant produced 285,000 tons of fishmeal between January and November 2015, with the majority being exported to Namibia and South Africa, priced at US$1,250 a ton.

In the same period, said the Director of Fisheries, the factory also produced a considerable amount of fish oil, which was exported to the same two neighbouring countries, which sometimes re-export it to other destinations.

The factory in Baia Farta began operating in 2011 and has a fishmeal production capacity of 6 tons per hour. (07-01-2016)

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