MEMORANDUM

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The Memorandum is issued daily, with the sole purpose to provide updated basic business and economic information on Africa, to more than 4,000 European Companies, as well as their business parties in Africa.

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MIGRATION – EU LEADERS MEET TODAY TO DISCUSS SOLUTIONS TO MASS DEATHS IN THE MEDITERRANEAN

All media report on today's emergency European Summit following the capsizing of a boat and the death of some 800 migrants in the Mediterranean Sea. European leaders will exchange on "*the destabilisation of neighbouring countries south of Europe and the tragedies in the Mediterranean Sea caused by the chaos in Libya*." They will try to come up with solutions to prevent the migrant tragedy from worsening in the Mediterranean – many media outlets such as the *FT* consider it is now one of the most serious challenges facing the bloc. EU leaders are expected to work on Italy's ten-point action plan and first increase, if not double, the budget and forces of Operation Triton. *Rai Uno* quotes EC President Jean-Claude Juncker saying that saving lives is the top priority, and reports that David Cameron apologised for having secured the interruption of Mare Nostrum, along with other governments. However, Triton will remain a border control operation without the humanitarian dimension Operation Mare Nostrum had, some deplore. In an interview with *The Guardian*, Frontex chief Fabrice Leggeri, explained that saving migrants' lives in the Mediterranean should not be the priority for the maritime patrols he is in charge of. In the *Independent,* Andreas Whittam Smith argues that there is a strong moral case for resuming an effective search-and-rescue operation in the Mediterranean, and any hesitation in taking resolute action to prevent the loss of life would add to doubts about the EU being a force for good. Many media also report that possible military missions in Libya will be discussed. *Politiken* quotes Italian defence minister Roberta Pinotti saying yesterday that the plans for such a move are ready, and Italy is prepared to lead an EU operation if it is backed by the UN. *ABC* adds that Spain and Greece are also pushing for the use of military force against boats used by human traffickers. Belgium and Norway have also reportedly endorsed the plan. However, *Les Echos* notes that it could take time, as a UN mandate and the agreement of Tripoli are required. Another point on the agenda is the way the immigrants are treated when they arrive in the EU, writes *Information*. Officially, the Common European Asylum System is supposed to ensure that all are treated equally, but according to Kris Pollet, a senior legal officer in the ECRE network, it has become clear that a joint system with joint standards does not exist. *Aamulehti* mentions that the solution could be a humanitarian visa, which would allow a person to travel safely to an EU country and apply for asylum. François Gemenne, from the Politics Institute of Paris, actually believes that "*the current problem is the absence of a single asylum and immigration policy in Europe*" (*Público)*. European policies currently do not provide for any legal ways to enter Europe, therefore visas could represent an evolution for European immigration policy. Wolfgang Bauer says on *rbb* that the only way to prevent refugees from getting on the boats is to open legal paths to immigrate to Europe. Klaus Zimmermann suggests in *Handelsblatt* that Europe could offer bilateral agreements with neighbouring countries in order to allow temporary and circular work migration. *Les Echos* reports that European Council President Donald Tusk hopes for more solidarity in the distribution of refugees between EU member states, but that it is unlikely that the latter will accept reshaping their migration policies. *Les Echos* also reports that yesterday, Turkish President Erdogan accused Europe of *"letting migrants die"* while Italian PM Matteo Renzi called his partners to unite against "*modern-day slavers." Il Sole 24 Ore* argues that the objectives of the EU summit on immigration are "*ambitious,"* and adds that Prime Minister Matteo Renzi's "*capacity for leadership"* in Europe and Italy is at stake over the immigration emergency. In *La Repubblica,* Andrea Bonanni claims that Matteo Renzi will have a *"difficult job"* at getting Europe to "*shift up a gear*" in its response to the immigration emergency and the people-smuggling racket. Indeed, the newspaper notes that the draft final communiqué does not show "*significant progress*" on several "*crucial questions*," especially search and rescue operations. *De Standaard*'s Bart Sturtewagen comments that migration is the policy where European values and political powerlessness conflict the most. In other more general comments, *Svenska Dagbladet* argues that the EU has "*built Fortress Europe*," and that the ten-point plan presented by the EU on Monday continues this failed approach. It argues that treating migrants like criminals is not only morally void, but it is also not working. Austrian writer Robert Menasse argues in *Die Presse* that the competence for asylum and migration policy and the responsibility for European laws must be withdrawn from nation states and handed over to the European Commission and European Parliament. *L'Humanité*'s editorialist Maurice Ulrich says that developed countries, which have "*played with people*" to protect their strategic interests, have to assume their share of responsibility for the current conflicts, and Europe must make the "*humane choice of justice over continental market selfishness."* Several media outlets including *Naftemporiki* and *Libération.fr* report that Amnesty International published a report entitled "*Europe's sinking shame*," calling on the EU to take specific measures and immediately start an international humanitarian operation (© *European Union, 2015)*

RUSSIA HOPES AFRICAN PROJECTS WILL PAVE WAY FOR ARMS SALES

Russia is pursuing costly state oil and platinum projects in Africa despite an economic crisis at home, hoping they will bolster sales for businesses hit by western sanctions.

The African deals signal a desire to rebuild what was a big market for its weapons and technology during the Soviet era.

Government-owned industrial conglomerate Rostec, which includes Russia’s monopoly arms exporter in its vast portfolio, says it is on track to build a $4bn oil refinery in Uganda and a $3bn platinum project in Zimbabwe.

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THE conglomerate, which controls hundreds of firms ranging from arms exporter Rosoboronexport to the world’s top titanium producer, VSMPO-Avisma, sees the projects as a door-opener in Africa, particularly to its arms market.

"Apart from proceeds from the project itself, building the crude oil refinery (in Uganda) opens markets for products of all Rostec’s companies and Russian companies as a whole," it says.

The company and its CEO, Sergei Chemezov, face sanctions over Russia’s annexation of the Crimea region and Western accusations, which Moscow denies, of supplying separatists with weapons and troops.

RT Global Resources, a 100%-owned Rostec subsidiary, won the contract to build and operate the refinery in February, raising concerns among some Ugandan opposition MPs about the selection of a company closely linked to Russian arms exports.

Uganda and Zimbabwe are not legally obliged to comply with the sanctions against Russia.

Rostec says the project was launched in 2013, well before the introduction of sanctions, and remained interesting in economic terms despite them.

The first stage of the Ugandan project will require $2bn and the second $1.7bn, with the peak of investments expected in 2018-19.

Rostec did not provide details of its involvement in the platinum-mining project in Zimbabwe. Russian development bank Vnesheconombank, which is expected to provide finance for the project and is also under sanctions, says a co-operation agreement has been signed.

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WHEN the platinum deal was signed in September, Zimbabwe Defence Minister Sydney Sekeramayi said the country was looking at possible weapons purchases from Russia.

While geopolitical rivalry with the West may play a role, Rostec may be inspired by China, which has spent years pouring investment and loans into Africa to help meet its demand for natural resources, although for Russia, markets are the key.

Rosoboronexport signed more than 20 contracts worth more than $1.7bn with sub-Saharan African countries in 2013-14, and Rostec says it intends to increase shipments to Africa in the coming years.

Only 2% of military products supplied to African countries come from Rosoboronexport at present, Rostec says on its website.

Konstantin Makiyenko, deputy head of the Centre for Analysis of Strategies and Technologies, a Moscow security and defence think tank, says Russian firms are interested in increasing exports to Africa because the region’s weapons market is growing rapidly. "Civil projects have always aided weapons exports. That’s why Rostec, which covers both civil and defence sectors, may well act as a link between civil projects and weapons sales," Makiyenko adds. (Reuters 23-04-2015)

TUMBLING CEDI: ANALYSTS FEAR WORST YET TO COME (GHANA)

The first disbursement of the International Monetary Fund (IMF) programme is not a likely antidote to the ailing cedi, which has already taken a 16.1 percent fall since beginning of the year, analysts have cautioned the central bank.

Earlier this week the Bank of Ghana was reported to have received US$114.8million, being the first tranche of the announced US$918million economic support programme from the Washington-based lender.

While government had insisted the first tranche should offer some much-needed balance of payments support, economists at InvestCorp argue that the inflows from the IMF, which average US$306million, are “limited compared to the financing gap of about US$2billion in the 2015 budget, and an expected current account deficit of about US$3-4billion in 2016”.

Just like InvestCorp, most analysts view the cedi’s weakness as a product of macroeconomic instability underlined by high fiscal and current account deficits, which necessitated the country seeking a bailout from the Bretton Woods organisation.

The Accra-based investment advisory firm warned that the local currency is further threatened by government’s debt financing strategy — which has seen the increasing use of US dollar-denominated debt as a refinancing strategy.

In its March 2015 research and analytics, the firm raised “concerns over Ghana’s public debt mix and the increasing use of US dollar-denominated debt as a refinancing strategy — which is likely to worsen the outlook for Ghana’s debt sustainability and currency risk over the medium-term”.

The local currency’s 16.1 percent slump as at April 15 compares to 19.5 percent depreciation within the same period last year, by which time the central bank had introduced a raft of measures to stem the rapid decline.

The central bank is yet to publicly announce measures it is pursuing to tame the cedi, and has not responded to queries made by the B&FT on its approach to calming the troubled cedi which has begun to stoke inflation.

Inflation now stands at 16.6 percent in March from 16.5 percent the previous month, and is beginning to add to the central bank’s troubles. The marginal increase in inflation pushes it further adrift of government’s end-year inflation target of 11.5 percent.

IMF proposed escape route

The Fund’s Extended Credit Facility (ECF) worth US$918million granted to Ghana will support a reform programme aimed at boosting growth and help cut poverty by restoring macroeconomic stability through tighter fiscal discipline, strengthened public finances, and slowing inflation.

According to the IMF, lower inflation and interest rates — combined with a more stable exchange rate, will help support private sector activity. It is also expected that an increase in oil exports and lower oil imports, on the back of domestic gas production, will spur the current account and support reserves over the medium-term.

Slowing momentum

Ghana’s economic growth rate topped 9 percent in 2011, but three difficult years followed that were characterised by slowing activity, accelerating inflation, rising debt levels and financial vulnerabilities.

The country’s economic prospects were put at risk by the emergence of large fiscal and external imbalances, as well as electricity shortages.

Growth decelerated markedly in 2014 to an estimated 4.2 percent, driven by a sharp contraction in the industrial and service sectors. This was largely due to the negative impact of currency depreciation on input costs, declining domestic demand, and increasing power outages.

Inflationary pressures rose on the back of a large depreciation of the cedi and financing the fiscal deficit by the Bank of Ghana. Despite several hikes in policy interest rates in 2014 — which brought them to 21 percent — headline inflation reached 17 percent at end-2014, well above the 8 +/- 2 percent official target range. (Business and Financial Times Ghana 18-04-2015)

THE UK INVESTS £ 10 MILLION IN RENEWABLE ENERGY IN BOTSWANA

The UK will support the development of renewable energy in Botswana. It will invest for this purpose about 10 million pounds ($ 14.7 million) in the country’s energy sector by 2020. “The UK is committed to supporting Botswana in realising the potential of renewable energy for job creation, mitigation of climate change effects and energy self-reliance,” said Oliver Richards, the Deputy British High Commissioner to Botswana.

This support comes within the framework of the Climatescope initiative, a comparative analysis of the efforts of developing countries to create a favorable environment for the development of renewable energy. Under this initiative, Botswana is ranked 48 out of 55 assessed countries in Sub Saharan Africa, Asia and Latin America in terms of its clean energy investment framework. The United Kingdom believes that this country has impressive resources for the development of renewable energy, including solar.

This initiative is part of a series of activities carried out by the British High Commission in an attempt to promote renewable energy in Botswana (Agence Ecofin 15-04-2015)

137 EGYPTIAN COMPANIES INVEST USD 2 BLN IN ETHIOPIA

Egypt hopes to increase the volume of trade with Ethiopia by 150 percent over the coming three years, as well as to boost Egyptian investments in the Ethiopian market, according to Egyptian Trade and Industry Minister Mounir Fakhry Abdel Nour.

A press release issued by the minister said that the current Egyptian trade volume in Ethiopia reaches USD 200 million and that would be raised by one and half folds to USD 500 million in the three coming years.

Around 137 Egyptian companies have invested a total of USD 2 billion in Ethiopian market at present. The highest-ranking investments, reaching USD 250 million, are carried out by the El Sewedy Industries Group, which hopes to establish an industrial zone for Egyptian companies in Ethiopia. The required licenses are currently being issued.

The Ethiopian-Egyptian Business Council will henceforth be led by Ahmed Sadeq al-Sewedy, Chairman of El Sewedy group, according to administerial decision.(Capital Ethiopia 15-04-2015)

ANGOLA PLANS TO RAISE EXTERNAL FUNDING OF US$10 BILLION

The Angolan government plans to raise US$10 billion to build infrastructure that it considers essential, including a new oil refinery, the Angolan Economy minister told the Financial Times.

“There are projects that have been delayed, others have not yet begun and there are some in progress that will be delayed,” said Abraão Gourgel in an interview with the newspaper, adding that taking into account that most of the infrastructure projects were being funded foreign credit lines the impact will be reduced.

In order to obtain the necessary funds for construction of infrastructure, including a new refinery that will cost US$6 billion, the Economy Minister announced that the government later this year would issue Eurobonds worth between US$1 billion and US$1.5 billion.

The World Bank is also putting together a loan of US$500 million, the first of its kind for Angola, with Gourgel saying that credit lines with several countries, such as Brazil, China and Spain, may be increased.

Overall, the government of Angola wants to raise US$15.2 billion by issuing debt in the domestic market and US$10 billion in foreign markets.

Angola’s economy, which depends on exports of oil and diamonds, has been suffering the effects of the drop in the price of oil, and the national currency, the kwanza, suffered a sharp devaluation, and is currently worth 110 kwanzas per US dollar.

In the interview, the Angolan minister said the fall in oil prices would be an incentive for Angola to diversify its economy. (23-04-2015)

.CHINA REJECTS TEA FROM KENYA OVER HIGH FLUORIDE LEVELS

The Chinese government has rejected most of Kenya’s tea leaves over high fluoride content, erecting yet another road block on Kenya’s bid to grow its earnings from tea exports.

Officials at Kenya’s tea directorate say the rigorous checks introduced by Chinese regulators seeking to curb entry of high fluoride content tea into their market has significantly cut exports to the Asian nation.

"We have not yet understood why China has introduced this standard, which has never been a quality requirement in all other tea markets including our traditional ones," said Ms Elizabeth Kimenyi, interim head at the Directorate. Most Kenyan tea is grown in Rift Valley, a region where soils tend to have high fluoride content.

"We are pursuing the matter with the relevant authorities so that we can sort out the issue soon since China provides a huge market for our tea," Ms Kimenyi told the Senate committee on Agriculture, Livestock and Fisheries that visited the Mombasa tea auction on Tuesday.

China is regarded as a potential high-volumes market for Kenya's tea. In 2009, Kenya exported 918,140 kilogrammes to the populous Asian market, rising over the years to 1,305,781 kgs by 2012.

These exports have since plunged to 922,828 kgs in 2013 and 935,600 kgs in 2014, following the introduction of the new standards, said Ms Kimenyi.

The Senate committee vice chairman Henry Ole Ndiema said it was surprising that a country like China, which exports more goods than it imports from Kenya, could slap such an "unnecessary" requirement on the country's tea.

"Most of the lucrative infrastructure projects are being undertaken by Chinese companies and these "trade barriers" are not acceptable. We will take up the matter with them," he said.

Tea is Kenya's top foreign exchange earner, netting an average of Sh100 billion annually in the last three years. Its traditional markets for tea are Britain, Pakistan, Egypt, Afghanistan and Sudan but the Tea Directorate says there were efforts to diversify the markets not only to China but also such African countries as Ghana, Nigeria and Algeria.

The current restriction in China adds to the woes of an industry which has been hit by low global prices in the last two years.

The East African Tea Trade Association (EATTA) managing director Edward Mudibo told the committee that tea prices at the auction increased from Sh181 ($2.02) per kilo in the first week of January to Sh225 ($2.50) in March. (BD 16-04-2015)

CHINESE COMPANY CITIC CONSTRUCTION SUPPORTS TRAINING OF YOUNG PEOPLE FROM ANGOLA

China's Citic Construction is supporting young Angolans who lack the funds to continue their academic and professional training, said Tuesday in Luanda the deputy director-general of the BN Angola Citic Vocational Training Centre.

Figo Han told Angolan news agency Angop that to date 107 people had been trained in various areas of construction, electricity and machine operation.

That deputy director-general also said the centre, which is celebrating its first anniversary, was focused on training young Angolans who upon completion of the courses, as well as taking up internships with CITIC, may also work on other projects in Angola.

"We have projects underway in several provinces so we need Angolan technicians," said Figo Han, who recalled that the company had borne the costs of sending 19 young Angolans to China to study agronomy and urban planning.

The BN Angola Citic Vocational Training Centre was opened in May 2014 by Vice President of the Republic, Manuel Vicente and the Chinese Prime Minister Li Keqiang.

In addition to technical training, which is free and offered on a boarding basis, students have additional training in Portuguese, English and Chinese as well as in information technology, history, moral and civic education, music and sports.

The courses take 1 year and 9 months of theoretical and practical training followed by a three-month internship in companies. (23-04-2015)

AGREEMENT REACHED ON LOCALLY ASSEMBLED BUSES (MOZAMBIQUE)

Mozambican Transport Minister Carlos Mesquita on Wednesday signed an agreement with the vehicle assembly plant, Matchedje Motors, to acquire buses in order to improve urban public transport.

Matchedje Motors, built on an area of 20,000 square metres in Machava, in the southern city of Matola, results from a partnership between the Mozambican state and the Chinese company China Tong Jian Investment. With a total planned investment of about 150 million US dollars, the factory was inaugurated by the then President, Armando Guebuza, last October.

The factory can produce a variety of vehicles, including electric scooters, buses and four wheel drive cars. It should reduce the need to import vehicles, thus saving the country a considerable sum in foreign exchange.

Mesquita said he was impressed by his visit to the factory, and hoped that buses from Matchedje Motors will eliminate the use of overcrowded and hazardous open pick-up trucks (known ironically as “My Love”) for passenger transport.

He said the company has guaranteed that it can make the necessary buses available, and this would go some way “towards mitigating the deficit of buses in the country. No less important, the company has also guaranteed maintenance of the vehicles”.

The costs of acquiring the buses at Matchedje Motors will be much lower than buying them on the international market, Mesquita added.

The company’s general manager, Song Shengjie, said 20 million dollars has already been invested in Matchedje, and he was confident that the factory will be able to meet the demand for buses.

“So far Matchedje has managed to sell 60 light and heavy vehicles in Mozambique”, said Song. “Our current objective is to promote the export of cars assembled in Mozambique”.

But the sale of just 60 vehicles is a meager result for an assembly plant inaugurated six months ago. At the inauguration ceremony, reporters were told that, in the company’s initial phase, four to five vehicles would be assembled a day from parts imported from China. By the end of 2014 production was expected to reach 22 to 24 vehicles a day, but this has clearly not happened.

Mesquita also confirmed to reporters that he has sacked Ana Dimande as General Director of the scandal-ridden Land Transport Institute (INATTER), the body responsible, among other things, for the issuing of driving licences.

He signed the dispatch relieving Dimande of her duties on Tuesday, a few days after the independent newssheet “Mediafax” had published details of how Dimande was paying herself a salary of about 500,000 meticais (about 14,800 US dollars) a month, which is more than the President of the Republic earns.

“Mediafax” had reported that the arrangement over Dimande’s salary violated a directive signed by the ministers of finance and of transport in September last year which fixed the basic wage of the General Director at 168,000 meticais a month, plus rent, telephone and entertainment allowances amounting to around 33,000 meticais a month. Bonuses and allowances other than those mentioned in the dispatch were not permitted.

In February, after Mesquita visited INATTER, the institution cancelled 75 of its 81 bank accounts. There had been persistent allegations of corruption in the issuing of driving licences, and INATTER did not explain why it needed such a large number of accounts.

An even more serious measure was a drastic reduction in the number of INATTER staff who can operate the computer system used to issue the licences. Previously no less than 222 INATTER officials had access to the computer system, but this was now reduced to 59.

Mesquita has appointed Ana Paula Simoes, previously Nampula provincial director of transport and communications, as the new General Director of INATTER.(AIM 16-05-2015)

REVENUE FROM THE SALE OF DIAMONDS IN ANGOLA GROWS 8.8 PCT IN JANUARY/FEBRUARY

Tax revenue collected by the Angolan state from the sale of diamonds in January and February amounted to US$14.5 million, a year-on-year increase of 8.8 percent from both industrial tax and “royalties,” according to the Angolan General Tax Administration.

In the first two months of the year, Angola sold more than 1.4 million carats of diamonds that generated revenue of US$195.7 million, which represents a 3.5 percent increase over the same period of 2014.

In 2014, Angola earned about US$91.1 million in sales taxes on a total of 8.6 million carats, sold for US$1.274 billion. (23-04-2015)

NIGERIA MAY COMPEL INDEBTED AIRLINES TO MERGE

There is an indication that airlines that are hugely indebted to the Asset Management Corporation of Nigeria (AMCON) may be compelled to merge and form strong airline that would be supported by the federal government.

Sources at the Ministry of Aviation hinted that this is one of the options the incoming government may likely consider in a bud to establish strong Nigerian carrier that could compete effectively in the regional and international markets.

Although Nigerian airlines have found it extremely difficult to merge or even code-share, but it has been established that their merger or partnership may be the only way to grow economy of scale and be turned into strong carriers that could meet Nigerian needs in air transport.

Informed sources have disclosed that the in-coming administration may not allow the situation, whereby Nigerian airlines lack the capacity to even airlift 50 per cent of the country's traffic to international destinations.

Reports also indicate that the in-coming government may review the entry points arbitrarily given to foreign carriers in order to create market for local airlines through code-share and other forms of partnership with foreign carriers.

This means that international airlines may be forced to land in one airport in the country and distribute passengers to other local destinations through domestic carriers.

CEO of Medview Airline, Alhaji Muneer Bankole, who condemned the parlous state of Nigerian airlines, said there is need to work with the in-coming government to grow stronger carriers that would boost air transport in the country.

"First and foremost from what I have heard from the President-elect, he was so dissatisfied with the situation that he looked sad that a country as big as Nigeria has no national airline. And we all here witnessed the death of Nigeria Airways; we witnessed the death of National Shipping Line, so all those things he has said he needs to bring them back because he knew them and he asked why and where and what went wrong? A country like Nigeria with the population we have, we need to have an airline that will carry our image beyond the soil of Nigeria. You have seen Ethiopian Airline, Egypt Air, South Africa Airways even Air Maroc, they have many aircraft in their fleet.

"So we too could do something better to improve this industry and to let Nigerians feel proud. This is why I am saying that the president elect has said it many times that he promised to do something for all of us," Bankole said.

The Medview Boss suggested that government may take aircraft in the fleet of existing airlines to establish stronger carrier.

"The government might say we are taking three, four , five to bring everybody together and let's start from this team and see how you can grow. First and foremost we need commitment from individual carriers to show sincerity of purpose for whatever we want to deliver for this government," he said. (This Day 17-04-2015)

MOZAMBIQUE EXTENDS DEADLINE OF 5TH OIL EXPLORATION TENDER

The deadline for submitting proposals to the 5th tender for concession areas for research and production of hydrocarbons in Mozambique has once again been extended, this time until 30 July, the National Petroleum Institute (INP) said in a statement.

This is the second time the deadline for proposals has been extended for the international tender launched on 23 October 2014 after the first date, 20 January 2015, was extended to 30 April due to pressure from interested parties who needed more time to prepare their proposals.

The INP now says that the extension is intended to allow time for completion of the review of the Petroleum Operations Regulations and Contract Model, as well as to consider the request from companies that want to have the entire legal package approved before submission of tenders.

The tender, launched simultaneously in Maputo and London, is to grant 15 areas, on and offshore, for oil surveying and production in Mozambique.

The offshore areas included in the tender include the Rovuma basin, with three areas, Angoche, with two and the Zambezi delta with six and onshore include Pande/Temane, with three areas and Palmeiras with one, totalling 76,802 square kilometres. (23-04-2015)

ETHIOPIAN BASED FLOWER EXPORTER TO GET 90 MILLION EUROS TO EXPAND BUSINESS

The International Finance Cooperation (IFC), member of the World Bank Group, announced it will lend up to 90 million Euros to Afriflora Group, a large-scale rose grower and distributor based in Ethiopia.

In a statement it issued, IFC said that the funding will support Afriflora's plan to expand production by 60 per cent, install water recycling systems and increase employment by more than 50 per cent.

German Vegarra, IFC Head of Manufacturing, Agribusiness, and Services in Africa said the support will help Ethiopia's horticulture sector by improving export capacity and increase employment opportunity.

He said: "The horticulture industry holds great potential for creating jobs, generating economic growth, and reducing poverty. Ethiopia's climate, land and water resources can make it a strong competitor in the European market for cut flowers, and this investment will help develop the logistics, cold storage and transport required to fulfill this potential. With IFCs support, Afriflora will strengthen its labor conditions, ensuring a safe, healthy and productive environment for its workforce in Ethiopia."

Founded in 2004, Afriflora Group is a manufacturer and marketer of cut-rose products with a large scale production farm based in Ethiopia. The company's main growing facility is located in Ziway. (Ethiopian Herald 20-04-2015)

PRESIDENT OF GUINEA-BISSAU SAYS THE COUNTRY IS SAFE AND OPEN TO PRIVATE INVESTMENT

Guinea-Bissau is “safe and open to private investment” with “real and diverse” opportunities that should be made use of, said Wednesday in Bissau President José Mario Vaz.

The Guinean head of state spoke at the opening of a conference of the Community of Portuguese-speaking Countries (CPLP), taking place in Bissau until Thursday, co-organised by the Business Confederation of the CPLP and the Chamber of Commerce, Industry, Agriculture and Services (CCIAS) of Guinea-Bissau.

“This is precisely the right time to invest in Guinea-Bissau, which as well as being a sensible choice offers very real and diverse opportunities,” noted the Guinean President, cited by Portuguese news agency Lusa.

The president of the business confederation of the Community of Portuguese Speaking Countries (CE-CPLP), Mozambique’s Salimo Abdula, in Bissau said this was “a new moment” in the life of Guinea-Bissau.

“We are witnessing the start of a new moment in the life of this country, laying the foundations for more evident growth, that is more sustainable and mainly based on the development of the economy,” Abdula said.

The president of the CE-CPLP also said that CPLP entrepreneurs are likely to invest in the four “main drivers of growth” presented by the government of Guinea-Bissau, particularly agriculture and agro-industry, fisheries, tourism and mining. (23-04-2015)

DEVELOPING BUSINESS OPPORTUNITIES BETWEEN SOUTHERN MEDITERRANEAN AND WESTERN BALKANS

A hundred representatives of business supporting organisations (BSOs) from 18 countries from the EU, the Southern Mediterranean and Western Balkans as well as Turkey, attended the 3rd Euromed Invest Academy Serbia organised last month in Serbia under the theme “Cooperation - Complementarity between the South Mediterranean and the Western Balkans”.

The Academy was focused on further development of business and investment opportunities between the Southern Neighbourhood and the EU Enlargement countries through two main components: benchmarking between both regions on their relations with the EU and better understanding between regions to improve business and investment opportunities.

The objective of the **EUROMED Invest** project is to boost private business and investment within the Euro-Mediterranean region to contribute to an inclusive economic development. The project activities aim to empower Euro-Med business and investment networks to implement targeted strategies in support of SME development in specific sectors: agri-food, water and alternative energies, tourism, transport and logistics, cultural and creative industries. (EU Neighbourhood 21-04-2015)

PORTUGAL’S SOFID PROMOTES INVESTMENT FUND FOR PROJECTS IN MOZAMBIQUE

A mission of Sofid, a Portuguese financial credit institution, has been in Maputo since Monday to promote an investment fund for projects in Mozambique at a standstill since 2011, said one of the company’s directors.

Investimoz was created by the two countries in 2010 but of its budget of 94 million euros only 3 million are being invested in projects in Mozambique.

“There is a lot of money to apply in Portuguese companies or in Portuguese-Mozambican partnerships,” said Francisco Almeida Leite, former Secretary of State for Foreign Affairs who is in Maputo, with two other members of the board of Sofid, to promote the fund to 50 companies from both countries represented at the Tektonica construction fair, which began Tuesday in the Mozambican capital.

The director told Portuguese news agency Lusa that Investimoz had been at a standstill for four years because “it was not adjusted to the Mozambican reality,” requiring a very high minimum share capital, and being directed at projects in the renewable energy sector and that because of the very nature of the fund, focused on financing the acquisition of stakes rather than on the investment itself.

By making the fund more flexible all structural sectors of the Mozambican economy will be eligible for funding, with the exception of real estate investment, and minimum starting capital has been reduced from 250,000 euros to 150,000 euros and the funding period has been increased to nine years.

Sofid’s shareholders are the Portuguese State, with 59.99 percent, Portuguese banks Banco Comercial Português, CGD, Novo Banco and BPI, with 10 percent each and the Portuguese Association for Economic Development and Cooperation (Elo) with the remaining 0.01 percent. (23-04-2015)

THREAT TO ROBERT MUGABE LIES IN ZANU

For 13 years the biggest threat to Zimbabwe President Robert Mugabe’s grip on power came from an opposition party that grew out of the country’s labour unions. Now he is facing an even bigger challenge from within his own party.

The ruling Zanu (PF) is effectively breaking apart because of a power struggle between factions of the party with the one backing Mr Mugabe, including politicians who played no role in the liberation struggle that led to independence from the UK in 1980, people familiar with the situation say.

The split deepened when vice-president Joice Mujuru was ousted at a congress in December last year. Her followers plan to try and compete in by-elections in June and may take part in the 2018 general and

presidential elections, the people say, asking not to be identified because public announcements have not been made.
"She has a lot of wealthy and influential people who would support her," Charles Laurie, a senior Africa analyst at UK based Verisk Maplecroft says. "They may have underestimated her ability" and her faction will probably form an opposition party, he says.
The dispute highlights the tension between long-time party stalwarts like Ms Mujuru, who fought in the war, and newer leaders such as Environment Minister Saviour Kasukuwere, have allied themselves to Mr Mugabe, his wife, Grace, and newly appointed Vice-President Emmerson Mnangagwa.
The conflict comes as an economic crisis deepens, with government laws that demand that black Zimbabweans own as much 51% of businesses hindering foreign investment and government worker wages accounting for about 82% of the budget.
Consumer demand is slumping, and 87 companies closed last year compared with 44 in 2013, according to the Reserve Bank of Zimbabwe.
"Given the prevailing economic hardships, the looming food crisis and declining inflows to the fiscus, the politburo's silence on these matters is deafening," Ms Mujuru said on April 9, a week after being expelled from Zanu (PF). The politburo is the party's highest decision making body.
Appointed as vice-president in 2004, Ms Mujuru is viewed as a rival to Mr Mnangagwa and a successor to Mr Mugabe. She has won her constituency in every election since 1980.
Mr Mnangagwa has served in several ministerial roles. He spent time in prison for blowing up a train during the independence war and rose through Zanu (PF) ranks after his release.
"The only real opposition to the ruling party is a splintering of Zanu (PF)," NKC Independent Economists Paarl, SA-based analyst Gary van Staden says. "That is where any hope of change must lie."
(Bloomberg 21-04-2015)

CONOCOPHILLIPS ABANDONS TEST WELL IN ANGOLA

Two test wells drilled by the ConocoPhillips group, one of which in Angola, have been abandoned due to lack of oil of commercial value, according to a group statement issued Wednesday in Houston, United States.
The Omosi-1 well in deep waters in block 37 of the Kwanza basin was drilled to a depth of 20,666 feet (6,298 metres) and found only a natural gas column of 525 feet.
The well has been sealed and abandoned, the group said.
The second well was drilled in the deep waters of the Gulf of Mexico at a depth of 19,400 feet (5,913 metres) and once again no oil was found and the well was therefore sealed.
Drilling the two wells cost ConocoPhillips about US$142 million. (23-04-2015)

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