

MEMORANDUM

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SOVEREIGN WEALTH FUND PARTNERS WITH LONDON-BASED FIRM TO BOOST INFRASTRUCTURE FUNDING IN NIGERIA

The Nigerian Sovereign Investment Authority is partnering with GuarantCo to set up a Credit Enhancement Facility Company that will enable pension funds to invest in Nigerian Infrastructure bonds. The new company will serve as a facility to help provide credit enhancements for infrastructure projects in Nigeria.

“The company will provide enhancements for infrastructure bonds, and we believe this will make an effective platform for Nigerian pension funds to invest in them,” [said](#) Uche Orji, chief executive of the Nigeria Sovereign Investment Authority (NSIA).

The lack of an appropriate credit enhancement system has been a barrier to attracting capital to invest in infrastructure funds. The Nigeria Sovereign Investment Authority is partnering with GuarantCo towards establishing a Nigerian Credit Enhancement Facility that would provide credit enhancement for critical infrastructure projects by improving their credit ratings to investment grade.

An improvement in the credit ratings would enable a fresh surge of capital such as the Nigeria’s pension fund, which has assets under management worth \$26.4 billion at December 2015.

Orji explained that most pension funds do not buy into infrastructural funds when the credit rating of the issuer is not strong enough.

The new venture will provide a form of monoline insurance, giving a guarantee and allowing pension funds and insurance companies to invest. “The NSIA cannot give guarantees by itself, so we have created a company that can do this,” he said.

The company is expected to be launched in a few weeks’ time and it aims to boost the financing of infrastructure projects in Africa’s most populous nation.

GuarantCo is a London-based development financing institution supports infrastructure related projects in low-income African, Middle East, and Asian countries by issuing guarantees in local and international currencies to banks and bond investors. It specialises in frontier market infrastructure. The governments of Netherlands, Sweden, Switzerland, and the United Kingdom are sponsors of GuarantCo. The company is rated AA- by Fitch and A1 by Moody’s.

Nigeria Sovereign Investment Authority (NSIA) is the Nigerian investment institution that manages the Nigeria sovereign wealth fund. The sovereign wealth fund was established in 2011 for the purpose of managing and investing the funds obtained from the surplus of the excess oil reserves on behalf of the government of Nigeria.

The NSIA have been instrumental in raising investments for the Nigerian government to consequently boost development in the country. In December 2016, the Federal Government announced that it was working with NSIA to raise a \$600 million investment fund for the mining sector in Nigeria. The government had also recently [secured](#) a \$150 million support from the World Bank for the Mineral Sector Support for Economic Diversification (MSSED) programme.

Infrastructure has been a major obstacle to harnessing Africa’s most populous country’s potential. Despite its vast amount of resources, Nigeria still suffers from a high level of poverty with 60 percent of its population lacking basic amenities such as water, electricity, education, and health facilities. An investment in infrastructure would help boost Nigeria’s growth and promote greater inclusiveness and poverty reduction. (Ventures Africa)

ANGOLA’S BENGUELA RAILROAD RECEIVES GE LOCOMOTIVES

Caminhos-de-Ferro de Benguela (CFB) is the first railway company in Angola to receive new generation GE-C30-ACi locomotives, from US group General Electric, whose first 15 units of an order of 100 have arrived the country, state newspaper Jornal de Angola reported.

The 15 units that have arrived in Angola were sent to three railway companies – Caminhos de Ferro de Luanda, Caminhos de Ferro de Benguela and Caminhos de Ferro de Moçâmedes – and CFB was the first to receive a batch of eight.

While the Luanda Railroad is due to receive two units and the Moçâmedes Railroad has been assigned the final five, all of which have yet to be delivered. CFB has pledged to double the number of weekly

journeys, from Lobito to Luau, from two to four, and double the number of passengers and amount of cargo transported.

The CFB is an important tool in the transport system that makes up the so-called Lobito Corridor, and, of the three railway companies, has absorbed the most public resources because of the extensive damage it suffered due to the country's civil war, but above all because of its strategic importance for the country. CFB starts in Lobito, crosses the provinces of Huambo, Bié and Moxico, to the municipality of Luau, where it links up with the Democratic Republic of Congo.

Through a connection with Zambia, which requires building an extension from Moxico to the border of that country, it is possible to travel onwards to the city of Beira in Mozambique, Dar es Salaam, Tanzania, by the Indian Ocean, which gives it a continental dimension.

The work involved to build the links with the Democratic Republic of Congo and Zambia that was the responsibility of Angola has now been concluded and the links now depend on those two countries. (12-01-2017)

GOVERNMENT OF SÃO TOMÉ AND PRÍNCIPE CHANGES BUSINESS INVESTMENT RULES

Foreign citizens or companies will have to invest at least US\$5 million to be able to carry out commercial activity, São Toméan Prime Minister Patrice Trovoada said on Monday during the parliamentary debate on the state of the nation.

Trovoada explained that priority must be given to national citizens and that "a foreigner can no longer just arrive here and set up a small business that competes with local merchants," indicates a report from Lusa news agency.

But "if a foreigner wants to invest five million dollars, in money and not via a credit line, then it can be done," he added.

The prime minister emphasised that he favoured the market economy, "but with limits," and announced that his government plans to introduce a number of reforms at business sector level to "end excessive liberalisation."

He said his government was evaluating the possibility of aid to capitalise domestic merchants, many of whom are insolvent while others have lost property to banks where they had contracted loans.

Natives of Lebanon and China dominate the business activity of larger shops in São Tomé and Príncipe, while Nigerians and some Cameroonians dominate the informal market that mainly deals in auto parts and clothing. (23-12-2016)

MOROCCANS LARGELY POSITIVE ABOUT EU AND THEIR COUNTRY, POLL FINDS



A large majority (73%) of Moroccans have a good perception of the EU, more than the average in the Maghreb (63%), and a significant 85% of those asked believe relations between the EU and their country are good, according to the findings of a survey carried out in the framework of the EU-funded EU Neighbours South project.

Over three quarters of respondents think that the EU has a positive influence on socio-economic development in Morocco, and most of them would like the EU to play a bigger role in their country in economic development (76%), trade (82%), human rights (80%), transport (77%) and education (71%).

An overwhelming majority of Moroccans (86%) are satisfied with their life, with 65% of them positive about the economic situation in Morocco while less than half (48%) believe the employment situation is good in the country, which is higher than the respective rates in the Maghreb (43% and 32%).

This survey is part of the first series of opinion polls, conducted in seven EU Southern Neighbourhood partner countries: Algeria, Israel, Jordan Lebanon, Morocco, Palestine and Tunisia, looking, inter alia, at perceptions of, and attitudes towards the EU, level of information about the EU awareness of EU financial support as well as the general mood of respondents in the Southern Neighbourhood countries, including their views on current and future economic, employment and general life situations. (EEAS 27-12-2016)

Opinion poll – [Morocco](#)

ANGOLAN BANK BAI PLANS TO FUND RELAUNCH OF HUAMBO INDUSTRIAL PARK

Angolan bank Banco Angolano de Investimento (BAI) intends to finance the revival of the industrial park of the central province of Huambo, which is currently at a virtual standstill, the bank's director responsible for providing credit Inokcelina dos Santos said on Wednesday.

The director, addressing entrepreneurs at a lecture on credit policy at the BAI said that the revival of the industrial park would make use of venture capital, according to Angolan news agency Angop.

"The industrial park in the province is virtually inactive and may be relaunched through venture capital operations, where investors provide capital for the time required for the business to move forward alone," added the director.

Inokcelina dos Santos also said that conditions had been created to invest and enable the province to return to the levels of agricultural, livestock and industrial production it had a few years ago.

The BAI director argued called on entrepreneurs to establish partnerships with the state, given that they can go on to have access to lines of credit that "open up a range of opportunities for those who have less capital." (12-01-2017)

ANGOLA'S FINANCE MINISTER CALLS FOR COST CONTAINMENT

Angola's Finance Minister, Archer Mangureira, called on public administrators to contain expenditure included in the state budget for the current year due to the economic and financial difficulties the country is facing.

In a speech given in Solo, in the northern province of Zaire, the minister said administrators should take into account the small amount of funding that the budget has available for government expenditure.

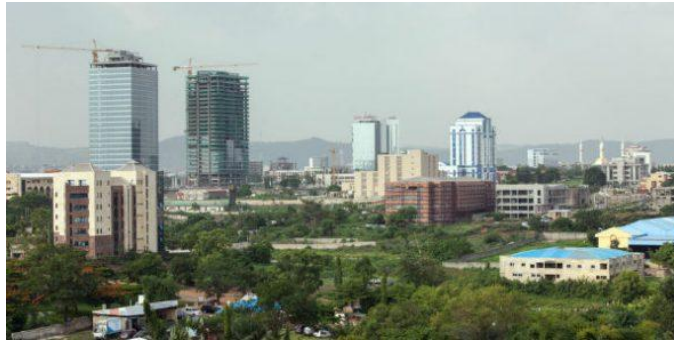
"The money has to be well managed and we are calling on administrators at all levels, to spend wisely, and for every effort to improve the collection of non-oil revenue to continue," he said, quoted by Angolan news agency Angop.

Mangureira gave assurances that the execution of the 2017 State Budget will meet the main needs of the population and that the State did not intend to ring-fence funds.

The Minister of Finance announced a programme to drive tax revenues, the results of which should enhance the state budget with an increase in tax revenues.

At the end of 2016 Manguera swore in the new members of the Board of the General Tax Administration (AGT), the entity resulting from the merger of the National Tax Directorate, the National Customs Service and the Executive Project for Tax Reform (PERT). (13-021-2017)

LE NIGERIA MET EN PLACE SON PREMIER SYSTEME D'AIDE SOCIALE POUR LES PLUS PAUVRES



Une vue d'Abuja, la capitale du Nigeria, le 16 mai 2014.

Le président nigérian Muhammadu Buhari a décidé de mettre en oeuvre l'une de ses promesses électorales en attribuant une aide financière mensuelle aux plus pauvres et aux plus vulnérables dans le courant de l'année.

D'ici la fin de 2017, 1 million de Nigériens devraient ainsi recevoir 5 000 nairas par mois (environ 25 dollars), sur un compte en banque qui aura été spécifiquement ouvert pour eux, afin qu'ils puissent recevoir cette aide de l'État. D'ici 2021, leur nombre devrait s'élever à 5 millions.

Maryam Uwais, conseillère spéciale à la présidence pour les questions sociales dit espérer qu'avec cette aide, les bénéficiaires puissent « acheter des chèvres, envoyer les enfants à l'école, ou démarrer un petit commerce ». « J'ai confiance dans l'esprit entrepreneurial des Nigériens », a-t-elle souligné, ajoutant que ce programme d'aide était « un début ».

« Nous espérons continuer dans cette direction. Les pauvres ont toujours été ignorés dans ce pays », a conclu la conseillère.

3 milliards d'euros sur 3 ans

Ce premier « filet de sécurité sociale » coûtera près de 3 milliards de dollars sur trois ans (977 milliards de nairas) au Nigeria. La Banque Mondiale (BM), qui supervise le processus de sélection des bénéficiaires et encadre le projet, a accordé au pays un prêt de 500 millions de dollars, mais il doit encore être validé par le Parlement.

Une tâche qui s'annonce difficile, puisque le Sénat a rejeté une demande d'emprunt extérieur de 30 milliards de dollars début novembre, [alors que le pays souffre de la chute des cours du pétrole et traverse la pire crise économique de son histoire](#).

[L'inflation frôle les 20%](#), notamment pour les produits de consommation courante (huile de palme, riz, transports, etc.) et [le pays est étranglé par une pénurie de devises étrangères](#). « Nous avons conscience des difficultés financières de l'État, mais nous espérons atteindre notre objectif cette année », a toutefois soutenu à l'AFP Laolu Akande, porte-parole du vice-président.

« Une goutte d'eau dans un océan de pauvreté »

À Bauchi (nord), l'un des trois premiers États à bénéficier du programme, « un comité enregistre actuellement le profil biométrique de 10 800 personnes » pour éviter les candidats fantômes, rapporte Mansur Manu Soto, conseiller local pour le développement.

Contrairement à l'Afrique du Sud ou au Kenya, le Nigeria n'attribue pas cette aide qu'aux personnes âgées ou handicapées et l'argent est directement versé par le gouvernement fédéral sur un compte bancaire personnel, « sans intermédiaire », pour « éviter les fraudes ».

Pour l'économiste Nonso Obikili, ce programme reste cependant une « goutte d'eau dans l'océan de pauvreté » qu'est le Nigeria. « Ce programme paraît sérieux et bien organisé, notamment sur les problèmes de corruption. Mais l'aide sociale peut rapidement devenir hors de contrôle et le jour où l'État ne veut plus ou ne peut plus payer, c'est la crise », explique le consultant pour Economic Research Southern Africa.

Selon l'économiste, « c'est une bonne chose en soi, mais cela fonctionne surtout dans des pays où l'économie est en croissance ».

Initiatives similaires sur le continent

Ainsi en Côte d'Ivoire, où 58% de la population vit dans la pauvreté mais où le taux de croissance en 2016, selon la Banque mondiale avoisinait les 7,8%, un programme similaire a été mis en place. Depuis janvier, 5 000 ménages pauvres de milieu rural doivent percevoir 36 000 F CFA (55 euros) tous les trimestres jusqu'en 2020. Une aide qui devrait concerner 35 000 foyers.

Au Sénégal aussi, des programmes se mettent en place. En 2017, près de 300 000 ménages devraient se voir attribuer des bourses par l'État à hauteur de 25 000 F CFA (environ 38 euros) par trimestre, a indiqué Anta Sarr Diacko, la déléguée générale à la Protection sociale et à la Solidarité nationale. Cela représente environ 2% de la population.

110 millions de Nigériens dans le besoin

En 2015, le vice-président Yemi Osinbajo estimait à 110 millions le nombre de Nigériens se demandant chaque jour « comment [...] trouver à manger, [se] soigner, envoyer [ses] enfants à l'école ». Au Nigeria, le salaire minimum est de 18 000 nairas (soit 57 dollars), très faible par rapport au coût de la vie dans le pays.

D'autres projets d'aides sociales ont été mis en place, tels que des formations pour les jeunes, des programmes de distribution alimentaire dans les écoles primaires, ou des micro-crédits pour les femmes. (JA 10-01-2017)

SENEGAL: MANUFACTURERS LAMENT UNFAIR COMPETITION, DEBT RECOVERY DIFFICULTIES

The majority of companies in Senegal have blamed they called an unfair competition and challenges in the way of debt collection as the main factors undermining their enterprises.

This dissatisfaction was vented during the course of an opinion poll conducted by the Directorate of Forecasting and Economic Studies (DPEE) in October.

The results of the survey, released on Friday, suggest that 23 percent and 17 percent of such entrepreneurs respectively complained about these two challenges.

According to the DPEE quoting business leaders "however, production has improved on a monthly basis due to good performance of the sub-sector."

The quantities of finished products in warehouses are, for their part, above their long-term average.

Looking ahead to November, business leaders are expecting a drop in production and orders, compared to the situation in October 2016.

In the building and public works (BTP) sub-sector, difficulties in recovering debts (29 percent), competition deemed unfair (24 percent), taxation (12 percent) and problems of access to credit (12 percent) are considered by entrepreneurs as the main hindrances to their enterprises in October 2016.

"On the whole, respondents' opinion on activity has remained stable, on a monthly basis, despite the increase in private and public orders," the DPEE noted.

In anticipation of November 2016, BTP business leaders anticipate a reinforcement of the activity, thanks to a good orientation of public orders, which should be above their long-term average. (APA 23-12-2016)

BURKINA TO RAISE CFA73BN FOR NATIONAL DATA SYSTEM

Burkina Faso is considering raising CFA73 billion francs with the support of its development partners to implement the 2016-2020 Statistics Master Plan (SDS), APA can confirm from the Finance and Economy Ministry.

The masterplan presents the statistical activities to be carried out between 2016 and 2020 and defines the National Statistics System's priorities for survey and census.

"This Plan is of crucial importance because its implementation will facilitate the timely production and dissemination of statistical information necessary for the formulation and the conduct of public development policies" according to the government.

The plan will also contribute to the follow-up of the National Economic and Social Development Plan (PNDES) and the objectives of sustainable development for the period 2016-2025.

In the framework of the National Statistical System, the government will proceed with the fifth General Population and Housing Census (RGPH) in Burkina Faso next year at a cost of about CFA 19 billion francs.

The last general population and housing census that took place in 2006 revealed Burkina Faso's population as almost 14 million inhabitants.

The next census will take into account questions concerning the possession or otherwise of a birth certificate, residence abroad, arrival or return to Burkina Faso, the grounds of the arrival or return, survival and residence of biological parents and maternal mortality. (APA 26-06-2016)

MINING AND TOURISM SECTORS TO DRIVE GROWTH IN 2017

One of Namibia's leading stock brokerages, Simonis Storm Securities (SSS), expects domestic economic growth for 2016 to be 2.5 percent, down from the 5.3 percent in 2015. The main drivers of this reduced growth include a struggling Fiscus and slower private sector credit extension (PSCE), which have led to significantly slower construction activity. Construction has been the main private sector driver of the economy over the last three years.

At the same time the looming water crisis has severely affected the manufacturing and agricultural sectors. SSS expects expect 2.8 percent GDP growth for 2017, mainly on the expectation of a strong mining sector in 2017.

"We forecast gross domestic product (GDP) for 2017 at 2.8 percent with an expectation of a stronger mining sector on the back of stronger commodity prices and higher output across the board. The sectors that we believe will do well this year are mining, due to a recovery in commodity prices, and tourism, due to a weaker rand and increased Namibian competitiveness compared to Botswana and other countries in region," explained SSS's director of research and securities, Purvance Heuer. He added that if normal rainfall is experienced and the mines produce at full capacity, then the economy could grow significantly faster.

He noted that sectors that are expected to continue to perform poorly are fishing, due to scarce resources and regulatory challenges, and construction, due to indebtedness and lower government spending.

“With regard to the currency we expect continued volatility and the currency to remain weak. Political tension and a divided African National Congress (ANC), coupled with structural challenges that will have a negative effect on the economy and current account, are some of the reasons,” said Heuer. Interest rate uncertainty and high inflation expectations might further lead to rand volatility as well. US monetary policy and SA political uncertainty are expected to add to this anticipated volatility.

“We expect inflation to continue its upward trajectory in 2017, averaging 6.8 percent in 2017, compared to 6.5 percent in 2016. Food inflation, a weaker rand exchange rate, higher oil prices and increased tariffs will be the main drivers in 2017. We anticipate inflation to average 6.5 percent in 2016 and 6.8 percent in 2017 before moderating to 6.1 percent in 2018,” Heuer stated.

Interest rates are anticipated to rise during the course of 2017 and SSS expects the Bank of Namibia to hike the benchmark repo rate at least twice in 2017 by a total of 0.50 percent. This is on the back of at least one rate hike in South Africa and the United States. (New Era 10-01-2016)

VIANA INDUSTRIAL DEVELOPMENT HUB, ANGOLA, ATTRACTS US\$300 MILLION IN INVESTMENT IN 2016

Angola’s Viana Industrial Development Hub in 2016 received more than US\$300 million in investments in the construction, expansion, modernisation and equipping of industrial infrastructure, according to data compiled by news agency Angop.

The agency added that the beverage industry, engineering units and for production of food and construction materials, as well as fish farming, were sub-sectors that attracted the most investment.

Beverage company Refriango, for example, invested US\$50 million in building a “Tigra” brand brewery, with an initial production capacity of 50 million litres per year, which is located in the company’s industrial complex.

The Viana hub in the last quarter of 2016 became the location of the new Auto-Sueco Angola and Automaquinaria, which are part of the Nors group, inaugurated by the minister of Transport, Augusto da Silva Tomás.

The new facilities, which deal with after-sales for trucks, buses, and semi-trailers and sales and after-sales of construction equipment, also have a social building and are located just a few kilometers from the capital.

In 2016 the hub also became home to a vinegar factory, inaugurated by the Minister of Industry, Bernarda Gonçalves Martins, the result of an investment of US\$5 million in the first stage, under a partnership between the Mendes Gonçalves and Angoalissar companies.

The Viana Industrial Development Hub, where investments of US\$35 million have been made to date, occupies an area of 10 hectares, and has a covered area of 14,000 square metres and is located at km 34 of national highway 230, near the new airport in Luanda. (03-11-2016)

CAMEROON: CAMAIR-CO DEBT TO BE AUDITED

The debt of the Cameroon Airlines Corporation (CAMAIR-CO) estimated at CFA35 billion francs will be audited, its general management announced on Monday.

This revelation comes after a difficult week when the five aircraft belonging to the flagship national carrier were immobilized for various reasons.

According to Ernest Dikoum, the new Director General of CAMAIR-CO, all the necessary precautions must be taken to shed light on the issue where it is difficult to agree on the exact figure of the debt.

“The CFA30 or CFA35 billion francs are evolutionary. We are in the process of choosing a firm that will audit this debt”, he explained.

The DG added: “When we analyze the debt, we are crossing our fingers, perhaps some structures will grant us moratoriums, reductions, etc. If we inspect the airline’s debt and it comes back to CFA 25 billion francs, for example, we will commit ourselves to the government to amortize it over time”.

Heavily indebted since it came into being in 2011 to replace the former national carrier, Cameroon Airlines which was liquidated, CAMAIR-CO went into restructuring proposed by the US firm Boeing Consulting estimated at CFA 100 billion francs which provides among other things the acquisition of 15 aircraft, the opening of new services in Cameroon and abroad and downsizing. (APA 26-12-2016)

REPORT UNDERLINES IMPORTANCE OF GOOD GOVERNANCE FOR BOOSTING TRADE IN SOUTHERN MEDITERRANEAN

Governance in Middle-Eastern and North African countries is a major factor in their businesses’ ability to trade and participate in the global economy, as shown by the latest report from the EU-funded Euro-Mediterranean Forum of Economic Institutes (FEMISE), titled "Corporate Performance in Transition: The Role of Business Constraints and Institutions in the South Mediterranean Region”.

This report analyses recent trends in corporate performance and economic success in Southern Mediterranean countries at the firm and country level. More specifically, it seeks to identify and evaluate the potential factors that may trigger and foster economic changes in the region, focusing in particular on the role played by skill constraints, the business environment and the institutional setting in explaining economic performance, measured as productivity, sales growth rates and exports, as well as quantifying their relative importance.

After analysing the knowhow and constraints of companies located in the Middle East and North Africa, the report goes on to examine the case of Egyptian companies, looking at the obstacles impeding their performance. The third part of the report underlines the importance of governance in companies’ ability to export or import. The FEMISE economists looked at bilateral exports between 189 trading partners and 19 exporting countries between 1996 and 2013. It transpires that, while democracy and well-functioning institutions are a prerequisite, the business environment not only has an influence on productivity, but also has an effect on the performance of the economy as a whole. Both the trading environment and the institutional framework impact corporate performance and the country’s economic vitality.

FEMISE is an EU-funded project, which aims to contribute to the reinforcement of dialogue on economic and financial issues in the Euro-Mediterranean partnership, within the framework of the European Neighbourhood Policy and the Union for the Mediterranean. More specifically, it seeks to improve understanding of the priority stakes in the economic and social spheres, and their repercussions on the Mediterranean partners in the framework of their implementation of EU Association Agreements and Action Plans. (FEMISE 11-01-2017)

[Download FEMISE report](#)

ANGOLAN AND MOZAMBIKAN CURRENCIES AMONG THE MOST DEVALUED WORLDWIDE IN 2016

The national currencies of Angola and Mozambique are among the ten most depreciated currencies over 2016, with the kwanza falling almost 20% and the metical losing more than 30%, according to financial news agency Bloomberg.

The currencies of Angola and Mozambique, the two largest Portuguese-speaking countries in Africa are among the ten worst, only surpassed by the currencies of Nigeria, Venezuela, Suriname and Egypt, in the case of Mozambique, which experienced a devaluation of 33.2%.

Angola, whose kwanza depreciated by 18.9% over the last twelve months, performed slightly better than Mozambique, ahead of the currencies of Mongolia, the Congo and Sierra Leone.

Angola and Mozambique are facing a significant economic downturn due to the fall in commodity prices, particularly oil, and global economic cooling.

The International Monetary Fund (IMF) projects growth of 1.5% for the Angolan economy this year, while its forecast for economic expansion in Mozambique points to 5.5%. (03-01-2017)

ETHIOPIA SET TO LAUNCH 19 POWER PROJECTS IN 2017

Ethiopia is set to launch 19 hydro-power, solar, wind and geothermal energy projects, which could generate more than 5,000MW next year which begins next Sunday.

The projects will be executed in Oromia, Amhara, SNNP, Tigray and Ethiopian Somali regional states, Bizuneh Tolcha, public relations director at Ethiopia's Ministry of Water, Irrigation and Electricity (MOWIE) told APA on Tuesday.

He said preparations have been finalized to generate 3, 879 MW, 570MW, 440MW and 300MW from eight hydropower, four geothermal, four wind and three solar energy projects, respectively.

The over \$1.5 billion projects will be financed by the government of Ethiopia and other financiers, he said.

Studies are being conducted to launch the first phase of the Aluto Langano geothermal Energy-II project at a cost of \$30 million allocated by the government of Japan, the World Bank and Ethiopia.

Once completed, the projects will make Ethiopia a renewable energy hub for the neighbouring countries, besides meeting the energy demand of the country, Bizuneh claimed.

Gibe-III hydropower plant, which was inaugurated last week, raised the current power generation capacity of the country to 4, 200MW, he added. (APA 27-12-2016)

STUDY GROUP EXPLORES OPPORTUNITIES OF THE NEW SILK ROAD FOR THE PORTUGUESE-SPEAKING COUNTRIES



The analysis and dissemination of the opportunities offered by the official Chinese initiative of the New Silk Road for the Portuguese-speaking countries is the goal of a study group set up in Lisbon, whose work will begin in 2017.

The Association of Friends of the New Silk Road, officially established in December, brings together personalities from the academic, economic, business and even cultural spheres, and includes as a promoter Fernanda Ilhéu, a researcher at the China Logos Chinese studies centre (Higher Institute of Economics and Management).

"It is an initiative of civil society, people from various areas, with an initial core from the economic area, who are sympathetic to the initiative of China, think that it can be good for China, for developed and developing countries, the world economy and for the relationship of the various peoples," .

"You have to know the document (One Belt, One Road), the initiative to realize that it is bold, advanced, and long-term. China wants to build it with other countries and organisations that think it is a good project," she said.

The economic and trade stimulus initiative, announced in 2013 by the Chinese President, Xi Jinping, comprises an infrastructure plan that aims to revive the ancient Silk Road between China and Europe through Central Asia, Africa and South East Asia, and in which the Portuguese port of Sines may become an important hub.

It includes the construction of a high-speed railway network between China and Europe, covering 65 countries and 4.4 billion people, taking advantage of the already established the Silk Road Fund, worth US\$40 billion.

The founders of the new Association include figures from the Chinese business community in Portugal such as Choi Man Hin, president of the Association of Luso-Chinese Merchants and Industrialists in Portugal, and Hao Zhang, of the Energias de Portugal (EDP) group, Portuguese entrepreneurs with links to China and Macau, such as Alberto Carvalho Neto, economist Jitendra Tulcidas as well as Hélder Oliveira from the Portugal-Africa Foundation.

The statutes set out the objective of "cooperating pro-actively in the construction of the One Belt, One Road project through knowledge, information and dissemination of valid contributions, either in the presentation of projects or the development of relationships to achieve the objectives of this Chinese Initiative in which Portugal is included."

Ilhéu said the Association will operate in an "interactive" way, acting as a study group to reflect on the potential of Portugal-China cooperation in various areas related to the One Belt, One Road initiative.

In December 2015 the Macau Association of the Maritime Silk Road (Macau) was created, which aims to study the potential that the Maritime Silk Route has for the relationship between China and the Portuguese-speaking countries using Macau as a platform.

The association also proposes to present China's capacity to execute large works of infrastructure to the Portuguese-speaking countries, conduct and present studies on major Chinese groups involved in overseas infrastructure construction projects and business opportunities in the industrial and trade sectors and promote cooperation with similar institutions.

The association is chaired by Thomas Chan, a consultant to the governments of China and Hong Kong on the Pearl River Delta and its vice-presidents are José Luís Sales Marques and Gonçalo César de Sá.

Last May the association organised, together with the City University of Macau and the Institute of European Studies of Macau, a seminar on the implications of the One Belt, One Road initiative for the Portuguese-speaking countries. (28-12-2016)

RWANDA: MINERAL SECTOR INCOME GROWS BY 40 PERCENT

Income from Rwanda's mineral sector is on the rise after the price of tin shot up by 40 percent on the London Metal Exchange.

Prices for tin rose from \$13,000 per tonne at the end of October to \$21,000 (Rwf17 million) per tonne in November, a trend that has held through the first two weeks of December, raising hopes for an industry that has endured a steady decline in revenues for the past three years.

The price of tin had fallen by 38 percent over the past three years, while that of coltan and wolfram had

dropped by 25 percent and 22 percent respectively, bringing down its \$226 million turnover in 2013 to \$149 million last year.

This year, Rwanda expects \$152 million from mineral revenues, representing a slight increase from \$149 million collected in 2015, according to projections from the Ministry of Natural Resources.

The increase is partly attributed to the exportation of new minerals like iron ore, gold and gemstones, which have supplemented the country's principal minerals of tin, coltan and wolfram — whose prices have been in decline for a while now.

“Price fluctuation is a real big problem, and that is why we are now looking at value addition. We are in the process of acquiring a certificate for smelting conflict-free minerals at our Karuruma smelter. This will enable us to increase production of processed minerals which fetch more on the international market,” the Minister of Natural Resources, Vincent Biruta, said Tuesday.

After a long period of hardship, companies are now beginning to readjust in order to have their share while conducive prices last.

Biruta said with the country looking to earn \$400 million from mineral exports by 2018, the government has set out a strategy to increase the sector's efficiency and productivity by weeding out “unserious investors.”

Last week, the ministry signed mining agreements with 17 companies, following a directive from the cabinet last month which approved quarry and mining licenses for up to 37 firms.

The government is now in the process of re-evaluating all the 582 companies and co-operatives operating in the country, with those underperforming in danger of having their licenses revoked or not renewed.

“There are some companies whose applications were not approved. We realised that they do not understand the nature of the business or do not have the minimum requirements,” Vincent Biruta explained.

“We are in the process of cleaning the sector of unserious players who get licenses for large mining concessions but end up doing nothing. We will have to revoke or deny renewal of those licenses and offer them to others who can invest in the sector to grow” the minister vowed. (APA 27-12-2016)

RWANDA, CONGO BRAZZAVILLE SEAL LANDMARK PENSION DEAL

Rwandans who worked and retired in Congo Brazzaville will begin drawing their pension benefits from the Rwanda Social Security Board (RSSB), thanks to a landmark agreement signing to that effect by the two countries.

Details of the deal seen by APA on Tuesday revealed that the agreement which was signed last week, caters for those who served previously as well as those who will work in the future.

The Minister for Finance and Economic Planning, Claver Gatete signed on behalf of Rwanda and the Minister of Labour and Social Security, Emile Ouosso on Congo Brazzaville's part.

The Director Generals of the countries' respective social security institutions, RSSB for Rwanda, and the Caisse Nationale de Sécurité Sociale (CNSS) signed an administrative arrangement to facilitate the implementation of the social security understanding signed by the ministers.

The pact will enable employees who worked and those who may work in either of the countries in future to have access to their pension and occupational hazard benefits through the social security institution of

their country of origin in accordance with the respective laws governing pension scheme.

Minister Claver Gatete explained that the retired workers will not have to go to either country, where they used to work, to get their benefits, but will effectively access them from their home country or vice versa.

The minister added that it is one of the most important milestones in the cooperation between Rwanda and Congo Brazzaville.

“We have people who worked in Congo Brazzaville and have retired. There are those who are still working there as of now. We also have people from Brazzaville who will probably be working in Rwanda due to good cooperation,” Gatete said.

“What this agreement signifies is that we have sealed the entire arrangement of how the benefits will be received by anyone at the place of their choice. If you want to get it in one country, that’s no problem. If you want to get your benefits in another country, the framework allows you to do that,” Minister Gatete added.

Minister Emile Ouosso, said that “retired employees be it Rwandans who worked in Congo or his compatriots who worked in Rwanda need a social protection and everything needed to ensure social and security and protection.”

He noted that since Rwanda seeks to develop at all fronts they need bilateral relations in all sectors for the welfare of the people of both countries.

RSSB Director General, Jonathan Gatera, said that they have so far identified Rwandans who worked in Congo and qualify for pension benefits.

Figures from RSSB show that pension scheme in Rwanda covers about 16,000 active employers and 460,000 employees contributing to the pension scheme.

The social security scheme in Rwanda collected about Rwf60 billion in premiums last year and targets to collect Rwf65 billion by the end of 2016.(APA 27-12-2016)

The Memorandum is supported by the ACP-African, Caribbean, Pacific Secretariat, Chamber of Commerce Tenerife, AHEAD-GLOBAL, Business Council for Africa, Corporate Council on Africa, ELO - Portuguese Association for Economic Development and Cooperation, Hellenic-African Chamber of Commerce and Development, HTTC - Hungarian Trade & Cultural Centre, NABA - Norwegian-African Business Association, NABC- Netherlands Africa Business Council, SwissCham-Africa and other organisations.

The Memorandum is also made available by AHEAD-GLOBAL, BCA, Chamber of Tenerife (by posting it at the Africa Info Market), CCA - Canadian Council on Africa, CCA - Corporate Council on Africa (USA), ELO,HTTC ,NABA,NABC (by posting selected news) and SwissCham-Africa to their Members.



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