MEMORANDUM

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Should a reader require a copy of the Memoranda, please address the request to fernando.matos.rosa@sapo or fernando.matos.rosa@skynet.be.

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SUMMARY

SOUTH AFRICA: ANC IS AT RISK OF LOSING 2019 ELECTIONS, SAYS RAND MERCHANT BANK

RMB notes in a report that while the odds of Jacob Zuma being forced out of office has risen, so have the odds that his faction will win the next ANC elective conference

Rand Merchant Bank (RMB) has warned that President Jacob Zuma's stay in office amid growing calls for him to resign, and the possibility of Nkosazana Dlamini-Zuma becoming the next ANC president, put the party at risk of losing the 2019 elections.

The warning is contained in RMB's report titled: Political Views In A post Downgrade, post Gordhan SA.

The report has raised the ire of Zuma's staunch defenders, with the ANC Women's League issuing a statement on Thursday reminding the bank that it was ANC members that elected party leaders.

RMB predicted that political uncertainty might persist until 2019, when there might be a change of government. "The market may be underpricing the probability that Zuma gets forced from office in the next few months," it said.

RMB also warned in the report that the removal of former finance minister Pravin Gordhan increased the chances of potential interference in the South African Reserve Bank.

"Risks of a shift to the left, including potentially interference in the SARB (South African Reserve Bank) are seen as having increased," RMB said.

But ANC Women's League secretary-general Meokgo Matuba dismissed the report.

"Despite current challenges that the ANC is facing, with spirit of humility, the ANC Women's League would like to indicate to the compilers of the alleged RMB report that the ANC remains the only hope for the ANC Women's League supporters, members and the general public who are, on daily basis, faced with untransformed financial sectors where some banks, such as FNB, charge different loan interests to different racial groups.

"It is only the ANC government through established institutions like Competition Commission, that can deal with banks which are involved in the corruption of the manipulation of the SA currency," Matuba said in the statement.

Since Zuma's Cabinet reshuffle in March, which led to the removal of Gordhan and his deputy, Mcebisi Jonas, there have been some jitters regarding the country's policy direction under the new finance minister, Malusi Gigaba.

This was amplified when SA's sovereign rating was downgraded to junk by both S&P Global Ratings and Fitch.

The report, which RMB says is confidential, noted that while the odds of Zuma being forced out of office had increased, so had the odds that his faction would win the next ANC elective conference in December.

The report was based on research by seven analysts.

RMB stated in the report that most analysts believed Dlamini-Zuma was the clear front-runner to win in December.

Deputy President Cyril Ramaphosa slipped to second place and ANC treasurer-general Zweli Mkhize to third.

"Outsiders suggested included [Kgalema] Motlanthe, [Jeff] Radebe and [Lindiwe] Sisulu," the report noted.

RMB spokesperson Joandra Griesel had not responded to requests for comment at the time of publishing. (TMG Digital 20-04-2017)

THERESA MAY OPENS DOOR TO DROPPING BRITAIN'S INTERNATIONAL AID TARGET AFTER ELECTION

The Prime Minister has opened the door to dropping the UK's international aid target by refusing to confirm that it will be retained in the next Tory manifesto.

Theresa May declined to commit to the target when pressed by one of her own MPs at Prime Minister's Questions today.

The aid target of spending 0.7 per cent of GNI on development assistance is unpopular with some right-wing newspapers and politicians, but was supported by David Cameron’s government as a way of helping the poorest.

Conservative MP Richard Benyon said he was proud of both “the commitment to NATO to spend 2 per cent of GDP on defence and our commitment to the UN to spend 0.7 per cent of GNI on overseas aid”.

He asked Ms May: “Will my right hon. Friend please commit the future Conservative Government to do the same?”

The Prime Minister responded by agreeing a commitment to the Nato target but would only say the UK was currently “meeting our UN commitment”.

“My right hon. Friend is absolutely correct. Obviously we have committed to meet our NATO pledge of 2 per cent of GDP being spent on defence every year of this decade,” she said.

“We are delivering on that. We have got a £36 billion defence budget that will rise to almost £40 billion by 2020-21—the biggest in Europe and second largest in NATO. We are meeting our UN commitment to spend 0.7 per cent of GNI on overseas development assistance. (The Independant 18-04-2017)

AFRICA: TOP AFRICAN AIRLINES BATTLE FOR LUCRATIVE NEW ROUTES

Regional airlines have in the past three months intensified their competition for intra-African and international business, as each positions itself to dominate the most lucrative routes.

Rwandan national carrier RwandAir announced on March 29 that it is ready for its maiden entry into Europe, while increasing flights on the Nairobi-Entebbe route.

The continent's dominant carrier, Ethiopian Airlines, continues its foray into new routes. In the past week, it launched four new routes from its hub in Addis Ababa to Victoria Falls in Zimbabwe; Antananarivo in Madagascar and Oslo in Norway; and cargo services to Ahmedabad, India.

RwandAir said it will start three weekly flights to London's Gatwick Airport on May 26. Chief executive John Mirenge said that they will use their two newly acquired Airbus A330s on the London route.

"We see this as another way to increase tourism from Europe, and the UK in particular, which is one of the key contributors of tourists to Rwanda," he said.

He said that the airline was planning to start flights to New York, Bamako in Mali, Conakry in Guinea and Lilongwe in Malawi.

"India and China are also on the cards," Mr Mirenge added.

RwandAir is banking on the delivery of a new aircraft, a Boeing 737-800, in May to bolster its long-range route plan to destinations like Mumbai in India, and also achieve increased passenger numbers.

Already, the airline has announced two back-to-back RwandAir flights between Nairobi and Entebbe.

Noting that Africa is still underserved in aviation services, Mr. Mirenge said that the carrier plans to hit the million-passenger mark in the next three years.

"In the next three months to July, we plan to have carried 750,000 passengers, up from 600,000 over the same period last year," he said.

Currently, the airline has 11 aircraft, including two Boeing 737-800NGs, two Boeing 737-700NGs, two Bombardier Q-400s and two Bombardier CRJ-900s. It bought two new Airbus airplanes in September and December last year, and plans to lease two Boeings for deployment in Europe and Asia, with delivery expected in May.

Last month, Ethiopian Airlines launched flights to Conakry, Guinea. It said it plans to start flying to Indonesia and Chengdu, China, in May.

The airline, which discontinued flights to Singapore in September 2014 due to low passenger numbers, now plans to resume services on the route.

According to OAG (an airline schedules database), Ethiopian Airlines will deploy its Boeing 787-8 Dreamliner aircraft, four times weekly on the Oslo route, and its Boeing 737-700s four times weekly on the Victoria Falls route.

The airline's chief executive officer, Tewolde GebreMariam, said in that these new routes are part of the airline's growth strategy of improving interconnectivity between African countries and the world.

"Three new passenger flights to three new destinations in just three days is one of the greatest expansions in our history," he said. "This is part of our ambitious target to reach more than 120 destinations in the next seven years."

The airline has a code share agreement with South African Airways (SAA) covering Cape Town, Durban and Toronto in Canada, with expected additional destinations later this year.

"The expanded code-share agreement between the two carriers enables our customers to enjoy the best possible connectivity options to multiple destinations and plays a significant role in enabling investment, trade and tourism ties within Africa as well as with the rest of the world," said Girma Shiferaw, vice-president of strategic planning and alliances at Ethiopian Airlines.

Code-share agreement The acting chief commercial officer at South African Airways, Aaron Munetsi, said, "The enhanced code-share agreement enables both airlines to offer reliable service to our growing markets, which demand customer-focused service. We believe the partnership will be scaled up in the future."

Kenya Airways is banking on the recent granting of Category One status by the United States of its main hub, the Jomo Kenyatta International Airport, to launch direct flights to the US, probably later this year. The airline has applied for access to the US.

"Our first priority now is to pursue code-share arrangements with our partners in the Skyteam Alliance," said chief executive officer Mbuvi Ngunze. "This will enable us to sell tickets to and from any US state and drive revenues directly to us. The process will take time, but we will start immediately." (The East African)

TRADE BETWEEN CHINA AND PORTUGUESE-SPEAKING COUNTRIES GROWS 32.64% IN JANUARY/FEBRUARY

Trade between China and the Portuguese-speaking countries reached US$14.844 million in January February, an increase of 32.64% compared to the same period of 2016, according to official Chinese figures issued by Forum Macau.

In the first two months of 2017, China sold goods worth US$4.561 billion (+12.97% year-on-year) to the eight Portuguese-speaking countries and bought goods worth US$10.283 billion (+43.74 %).

China's trade with Brazil totalled US$10.353 billion (+35.64%), with China selling goods worth US$3.692 billion (+27.61%) and having bought goods from Brazil totalling US$6.660 billion (+40.54%).

Trade with Angola reached US$3.489 billion (+42.40%), with China selling goods worth US$252 million (-7.72%) and buying of US$3.237 billion (-48.69%).

Portugal ranks third in terms of trade, with a total of US$704.9 million (-12.84%), with China exporting goods worth US$425 million (-35.73%), and exports of US$279 million (+90.26%).

Trade with Mozambique amounted to US$270 million (-1.44%), with China selling products worth US$164 million (-10.30%) and buying goods worth US$$105 million (+16.51%).

China's trade with the remaining Portuguese-speaking countries – Cabo Verde (Cape Verde), Guinea-Bissau, São Tomé and Principe and Timor-Leste (East Timor) – amounted to US$27 million. (18-04-2017)

EAST AFRICA IS THE MANUFACTURING STAR IN SUB-SAHARAN AFRICA IN 2017

China's Huajian shoe factory in Addis Ababa

Manufacturing is a hot topic in the global economic environment. Americans want to see locally made products. Same in the U.K. and other parts of Europe. The labor force in these markets are focused on creating jobs.

African leaders are equally concerned about jobs but they have the added advantage of low labor costs to produce goods locally for less than the West.

Home to over 1 billion people, Africa has the highest rate of urbanization in the world and overall economic growth second only to East Asia. Yet manufacturing of local products in Africa accounts for less than 2 percent of global output.

As commodity prices have fallen, African manufacturing has increased leverage — and the attention of investors — to garner more foreign investment.

Challenges facing African manufacturing

Sub-Saharan African manufacturing has its challenges. Lack of productivity undercuts the relative value of low labor costs. Raising worker productivity and managing costs is necessary to escape the remnants of nationalized manufacturing. Skills training and innovation are consequently major factors in upticking productivity.

Scaling manufacturing requires achieving gains in cross-border trade. Most countries do not present sizable growth strategies if manufacturing is concentrated in one or two urban communities. Private investors and government-backed companies accordingly have focused on opportunities that can be exported or scaled within a region.

Infrastructure, particularly transport and power, is another major challenge. Some countries are facing the problem head-on while others are punting responsibility, according to one global investor.

East Africa, home to the current manufacturing stars, is an example of early infrastructure investing reaping later rewards. West Africa, with countries such as Cote d'Ivoire and Senegal, will reap rewards in the near term as infrastructure investment pushes forward strongly. But until West African infrastructural investment reaches full fruition, East Africa is the star region for manufacturing in sub-Saharan Africa in 2017.

Tanzania

This is probably one of the easier bets if you are following the crowd. Manufacturing represents approximately 25 percent of foreign investment in Tanzania. Industry has grown an average of 7-to-8 percent over the past five years and contributes approximately 25 percent to the country's GDP.

Critics say manufacturing is generally tracking the country's growth rate or that it is heavily based in the food and beverages subsector (which receives protection from the government). Both criticisms obscure a couple of realities:

- The growing success stories in the country.
- Most countries (including the U.S.) employ some form of national protection in the market.

Growth success stories in Tanzania include include Catalyst Principal Partners, an East Africa-focused private equity firm based in Kenya which invested in Zenufa Laboratories, a leading Tanzanian pharmaceuticals manufacturer. Catalyst also invested in Chemi Cotex, which makes toothpaste, skin and hair products. Both involve non-food and beverage consumer goods that are manufactured locally and have taken market share due to quality products and competitive pricing.

But agro-processing with food and beverages do present investment opportunities in Tanzania — a country with a significant agricultural base and a government adamant to help it prosper. You can't blame investors for taking advantage of that scenario.

Ethiopia

This East African giant is the African manufacturing growth story. Many observers point to Chinese investment, especially in labor-intensive garment manufacturing, as a sign that the country is solely benefiting from a mix of highly competitive labor costs and a protectionist government. But both assertions misrepresent the government's leadership in this process.

Labor costs are actually on a gradual rise in Ethiopia. Yet many firms, especially Asian giants, find refuge in the vastly improved Ethiopian investment climate and the country's drastically improved infrastructure in the past five years, especially in transport and power.

H&M, a Swedish retail-clothing firm, and Huajian, a Chinese shoemaker, made headlines in 2014 and 2015 when they entered Ethiopia. But the upswing in local manufacturing and processing is coming from smaller local companies manufacturing food and beverages, detergents and personal care products.

Critics point to the working capital and foreign exchange challenges in 2016, but the government is pushing forward to address these issues. The country is benefiting from the bulls-eye focus on infrastructure in the short term.

Uganda

Uganda is another big player in the African manufacturing scene and part of the growing East African movement in manufacturing. Industry is still small and requires a significant bump in foreign investment. The sector currently benefits from investment from multinationals who navigated the challenges of introducing private manufacturing subsidiaries during the last decade. But the country is primed to benefit, in part, from the Tanzania model. Private investors are scouring the country for food and beverage processing opportunities as well as light manufacturing.

Power supply and stability remain constant challenges in Uganda. The government should be focusing on these issues in the near term, especially if it sees how Uganda's neighbors are creating economic growth opportunities by addressing such issues.

Nigeria – the West Africa wild card

Nigeria is home to over 180 million people and projected by the U.N. to reach 240 million by 2050. This suggests that Nigerian consumers could account for nearly 30 percent of Africa's consumption growth over the next 10 years. Those are the positives and the clear upsides of manufacturing in Nigeria.

In the second quarter of 2016, economic recession dragged Nigerian manufacturing down. The Central Bank of Nigeria took 40-plus items off the list of things that could be imported into Nigeria — foreign exchange utilizers — and the currency continued to nosedive. Manufacturers struggled to import raw materials and lacked dollars to pay suppliers on time.

Can Nigeria can fix its foreign exchange debacle and unleash its manufacturing sector on its large consumer base in 2017, or does the giant take another year — or more — to return to full force?(AFKI 14-04-2017)

KENYA AIRWAYS TO LAUNCH DIRECT FLIGHTS TO VICTORIA FALLS, ZIMBABWE IN MAY

Kenya Airways will start a direct flight between Nairobi and Victoria Falls, Zimbabwe on 01 May, 2017. This will be Kenya Airways 52nd destination and its second city in Zimbabwe after Harare where it operates 21 flights weekly.

The new route between Nairobi and Victoria Falls will operate three times a week on Monday, Thursday and Saturday, the airline said in a statement on Tuesday.

The Victoria Falls operation will be linked to Cape Town, South Africa. This will see the airline increase its operations to Cape Town from the current four, which are served via Livingstone, Zambia, to six.

Kenya Airways will be the only carrier offering direct services between Victoria Falls and Cape Town. This offering will see guests enjoying Victoria Falls from the Zambia side via Livingstone and Zimbabwe side via Victoria Falls. (APA 18-04-2017)

AGOA: JUST 1 REASON WHY CHINA LOVES MANUFACTURING IN ETHIOPIA

Ethiopia attracted foreign investments of US$1.2 billion in the first six months of the 2016-2017 fiscal year, dominated by Chinese companies.

The investment is helping Ethiopia develop as a manufacturing hub for the global textile market.

Out of the 124 foreign investors that expressed an interest in Ethiopia's textile and clothing sector over the past three months, 71 were from China. Indian clothing and textile industry could also be a significant future player, with more than 30 investor inquiries.

"The bulk of recent investment is being made by Chinese companies in the textile and apparel sector," said Mekonnen Hailu, public relations director for the Ethiopian Investment Commission.

Ayka Textile, Ethiopia.

Investors include Chinese conglomerate Jiangsu Sunshine Group, which deals in wool textiles and garments. The company has decided to invest close to US$1 billion in Ethiopia.

It is building a major textile manufacturing hub in Ethiopia for the same reasons that many other Chinese textile investors are choosing to relocate their textile operations to the East African country, says Helen Hai, vice-president of Chinese footwear manufacturer the Huajian Group and advisor to the Ethiopian government on industrial strategy.

“Chinese textile companies are moving closer to their raw material base, the cotton-producing countries such as Ethiopia. This is part of its value chain repositioning, a strategy most Chinese companies are adopting. Companies are also using Africa as a gateway to emerging markets on the continent and to the European market,” said Hai, who helped broker the Jiangsu investment deal.

Ethiopia’s economy has registered double-digit growth in recent years, making it one of the fastest growing in sub-Saharan Africa. The World Bank projects 8.9 percent growth this year. Foreign investment has played a critical role in the country’s economic success, with the government offering favorable benefit packages to attract clothing and textile companies looking to relocate their manufacturing bases to Africa.

Incentives include preferential trade deals and land policies, which can give investors profit tax holidays for up to nine years. Duty free imports of machinery, equipment and construction materials are also incentives used to attract investors.

All exports of products made in Ethiopia to the U.S. are duty- and quota free under America’s African Growth and Opportunity Act (AGOA). The same benefits are also available for exports to the European Union under its Everything but Arms trade access for least developed countries.

Furthermore, Ethiopia offers extremely cheap electricity at US$0.04 cents per kilowatt hour. It is now the second largest electricity producer in sub-Saharan Africa due to its hydropower dams. Ethiopia is the source of major rivers, such as the Blue Nile.

Such low costs are particularly attractive to Chinese companies. The rising cost of land and labor in their home country has spurred many of its textile and clothing businesses to eye moving production to African countries such as Ethiopia to tap their abundant cheap labor. Wages are approximately one tenth of what Chinese workers are paid, according to the investment commission.

“Ethiopia has a population of 100 million, the second largest in Africa after Nigeria and over 65 percent are under 20, making it a labor pool that is easily trainable to fit the requirements of the garment and textile industry,” said Zemedeneh Negatu, global chairman of Fairfax Africa Fund and former managing partner of EY Ethiopia (Ernst & Young).

Local textile companies can also find reasons to be hopeful about the “foreign textile invasion,” said Worku Zewde, general manager of Ethiopian knitted sportswear specialist Knit to Finish.

“Investors are putting money into training the local workforce to help raise manufacturing standards. To satisfy foreign buyers, the quality of cotton production has also been improving. I expect these industry improvements will trickle down and benefit local companies.”

(AFKI 16-04-2017)

DANGOTE WILL BE LARGEST RICE EXPORTER IN 5 YEARS

Akinwumi Adesina, president of the African Development Bank (AfDB), says billionaire businessman Aliko Dangote may become the largest exporter of rice in the world by 2021.

Speaking at the Mo Ibrahim Forum in Morocco over the weekend, Adesina said Africa must focus on agriculture to drive growth and create jobs on the continent.

“I remember when I was minister of Agriculture in Nigeria. Aliko Dangote was there, and he was our biggest importer at the time, and he and I used to have all the time to dialogue,” Adesina said.

“One day, I was in my office, about 10 o’clock; Aliko walks in; Ngozi was minister of finance. Aliko bangs on my door and said: ‘minister I came to see you’, and I said, ‘what are we going to disagree on this time?’

“He said ‘No!’ I have actually looked at the policies, and the policies you put in place for import substitution are very right policies. So, I have changed my business model from being an importer to being a local producer.”

Adesina narrated the role Dangote played in his happiest day as a minister in Nigeria.

‘I said what exactly are you going to do?’ He said I will put $300 million into producing and processing rice in Nigeria. I said yippee! I went home, I told my wife; and that was my best day as minister.”

“He comes back three months after that; he says, ‘I have changed my mind.’ I said, ‘what in the world happened?’ He said, ‘No, I have changed my mind from $300 million to a billion dollars.’

“If they continue that policy, he would probably be the single largest producer of rice in the world, in about four years. The reason why I was so excited about that is that agriculture is cool, agriculture is a business…agriculture pays.”

Adesina was named Forbes Africa Person of the Year 2013, while Dangote won the same award in 2014.

It would be recalled that a tripartite agreement put together by the Dangote Rice Limited to create jobs for 16,000 out-grower rice farmers in Sokoto was recently signed with the Sokoto State government and rice growers in the country, after which he launched the rice out-growers scheme in Sokoto.

Aliko Dangote chairman of Dangote Rice Limited, Adesina said, was moved to go into rice cultivation because of the genuine interest of the Federal government to revive agriculture as the mainstay of the economy, and reduce importation of foods that could be produced locally.

He lamented that Nigeria consumes 6.5 metric tonnes of rice which costs the nation over 2 billion dollars annually, pointing out that it is heartening that the government now has a policy direction that encourages the private sector’s active participation in agriculture.

Dangote declared back then that: “In the next three years, we want to produce one million tonnes of quality rice and make it available and affordable to the people. We hope to do 150,000 ha and when we are done, Nigeria will not have anything to do with importation of rice.

“Dangote Rice out-growers scheme is committed to creating significant numbers of jobs, increasing the incomes of smallholder farmers and ensuring food security in the country by providing high quality seeds, fertilizers and agro-chemicals, as well as technical assistance on best agricultural practice to farmers.

"This scheme will help to diversify the economy, alleviate poverty and reduce the nation's import bill. The scheme has been designed as a one-stop solution for the rice value-chain," Dangote stated.. (APA 17-04-2017)

ACP: ONE BILLION PEOPLE TO SPEAK TO EUROPE WITH ONE VOICE

Map of the African, Caribbean and Pacific Group of States (ACP) member states

Seventy-nine countries from Africa, the Caribbean and the Pacific, which are home to around one billon people, will speak with one voice as they prepare to negotiate a major partnership agreement with the European Union (500 million inhabitants) in May.

The decision, announced by the African, Caribbean and Pacific Group of States (ACP) informs that the group will negotiate as a single bloc with the European Union (EU) the new accord expected to come out of the ACP-EU ministerial meeting, scheduled for 4-5 May 2017 in Brussels.

The new accord will follow on the current ACP-EU Partnership Agreement (also known as the Cotonou Agreement), which covers trade, development cooperation and political dialogue between the two parties until 2020.

“The ultimate aim is to facilitate poverty eradication, sustainable development and improve the livelihoods of the one billion people that live in our countries,” ACP secretary general Dr. Patrick I. Gomes.

The Cotonou Agreement 2000 was signed in Cotonou, Benin on 23 June 2000 and was revised both on 2005 and 2010. In it, both blocs of countries affirmed their commitment to work together towards the achievement of the objectives of poverty eradication, sustainable development and the gradual integration of the ACP countries into the world economy.

They also asserted their resolve to make, through their cooperation, a significant contribution to the economic, social and cultural development of the ACP states and to the greater well-being of their population, helping them facing the challenges of globalisation and strengthening the ACP-EU Partnership in the effort to give the process of globalisation a stronger social dimension;

The two bloc reaffirmed their willingness to revitalise their special relationship and to implement a comprehensive and integrated approach for a strengthened partnership based on political dialogue, development cooperation and economic and trade relations.

Regarding the expected new agreement, representatives from the ACP and the EU have already agreed on several major issues to discuss at the upcoming joint ministerial council meetings.

There is “a clear common interest in aligning future ACP-EU cooperation to the 2030 Agenda for Sustainable Development and the Sustainable Development Goals,” the Brussels-based ACP secretariat added.

Dr. Patrick I. Gomes

Improving the Livelihoods of One Billion People

"These basic principles highlight the importance the ACP Group places on negotiating [with the EU] as a unified entity, aiming for a mature political partnership based on mutual respect," stated ACP secretary general Dr. Patrick I. Gomes of Guyana.

"The ultimate aim is to facilitate poverty eradication, sustainable development and improve the livelihoods of the one billion people that live in our countries, added Gomes, who was elected for this key post in December 2014, had served as Guyana's Ambassador to Belgium and the European Community and as Guyana's representative to the World Trade Organisation and the Food and Agriculture Organisation.

South Sudan, the youngest world nation, is expected to join the ACP group, raising to 80 the number of its member countries.

Climate Change, Migration, Private Sector, Finance and Economy

According to the ACP, the key issues on the agenda of the ACP-EU Joint Council of Ministers are:

— The implementation of the 2030 Sustainable Development Goals remains a top priority, and both ACP and EU sides agree that cooperation between the two parties should align with the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals.

— Climate change is also high on the agenda, being a concrete area where ACP and EU collaboration has enabled the global community to forge an international coalition, and paved the way for achieving the historic Paris Agreement. Continued cooperation is envisaged, including the development of effective programs and actions under the 11th European Development Fund (EDF).

— The future relations between ACP and EU countries is a fundamental issue in the lead up to negotiations for a renewed partnership agreement to follow the current ACP-EU framework, which expires in 2020. The ACP Group intends to negotiate as a unified entity, supporting a legally binding agreement with a dedicated development finance mechanism.

— Discussions on migration will look at the progress of the Valetta Action Plan as well as the EU Trust Fund for Africa, with the primary goal of assisting African countries to help stem migratory flows to Europe.

On this, the ACP has highlighted synergies with the ACP-EU Dialogue on Migration, while also underlining trends in the Caribbean and Pacific regions, particularly in relation to human trafficking, smuggling of migrants, and high cost of remittances.

— Both the EU and ACP recognise the importance of private sector development. Ministers will consider the progress made under the Joint ACP-EU Cooperation Framework for Private Sector Development Support.

— As far as development finance cooperation, talks will focus on aspects related to implementing the SDGs, the status of the European Development Funds and the implementation of the ACP Investment Facility.

— Finally, economic issues such as trade cooperation (including the state of play of the ACP-EU regional Economic Partnership Agreements – EPAS), the European External Investment Plan and perspectives of the Investment Facility, round up the main part of the agenda.

A set of several basic points have been outlined to guide member states in preparing for negotiations to reshape relations with the EU after 2020:

1) The ACP Group of States is committed to remain united as an inter-governmental organisation;
2) As a unified trans-regional entity, the ACP Group will negotiate a successor agreement to the ACP-EU Cotonou Partnership Agreement;
3) Formally structured relations with regional and continental groupings of developing countries will be an important aspect of the negotiations;
4) Principles and mechanisms for inclusive policy formulation, decision-making and programme implementation with Non-State Actors will be given serious consideration during the negotiations;
5) The substantive thematic areas and pillars of an ACP-EU post-Cotonou Agreement are (i) Trade, Investment, Industrialisation and Services; (ii) Development Cooperation, Technology, Science and Innovation/Research; and (iii) Political dialogue and Advocacy;
6) An ACP-EU post-Cotonou Agreement should maintain the core geographic and geopolitical character of the ACP Group structured in six regions of Central, East, Southern and West Africa, the Caribbean and Pacific, while being open to different types of association with other developing countries;
7) The negotiation process is envisaged as leading to a legally binding agreement;
8) A dedicated development finance mechanism is to be included within a negotiation framework for an ACP-EU post-Cotonou Agreement.

In addition, the ACP Group informed that it will also advocate for “preferential trading agreements” that are development-oriented, as well as structural support for debt management, trade facilitation and innovative development financing, especially for members with Middle Income status.

The ACP Group´s main objectives are: sustainable development of its member-States and their gradual integration into the global economy, which entails making poverty reduction a matter of priority and establishing a new, fairer, and more equitable world order, and the coordination of the activities of the ACP Group in the framework of the implementation of ACP-EC Partnership Agreements.

Other key objectives are the consolidation of unity and solidarity among ACP States, as well as understanding among their peoples, and the establishment and consolidation of peace and stability in a free and democratic society.(IPS 14-04-2017)

JAPAN BEGINS WITHDRAWING PEACEKEEPERS FROM SOUTH SUDAN

The Japanese government began withdrawing its troops from the United Nations peacekeeping mission in southern Sudan, ending five years of its participation in the mission in the war-torn country.

Spokesman for the United Nations Mission in Juba, Daniel Dickinson, said in a press statement on Wednesday, that "The mission will leave in three batches, The first batch was departed on Monday with 68 soldiers." Adding that "The rest will follow it systematically."

Dickinson stressed that "We appreciate the efforts and dedication of Japanese troops to serve the people of southern Sudan."

Japan's 350-strong contingent, stationed southeast of the capital Juba, helped build the infrastructure.

Japan announced its troop withdrawal from UNAMIS last March, five months after the government decided to appoint members of the ground self-defense force.

The Japanese Constitution prohibits the use of force in settling international disputes, but the government has reinterpreted the constitution to allow its forces to use force in some cases.

There are currently more than 12,000 United Nations peacekeepers in southern Sudan, which have been criticized for failing to protect civilians.

South Sudan is sliding into a civil conflict between forces loyal to President Salva Kiir and the rebels allied with his former deputy Riek Machar.

Fighting between the two sides has killed thousands and displaced millions of people since December 2013.

In August 2015, the two sides signed a peace agreement sponsored by regional leaders, but violence resumed and caused more suffering for the citizens of the new state. (APA 19-04-2017)

NIGERIA TO EMERGE MARITIME HUB IN WEST AND CENTRAL AFRICA

The Nigerian Maritime Administration and Safety Agency (NIMASA) has expressed confidence that the hosting of the Association of African Maritime Administrations (AAMA) will further enhance Nigeria's quest of emerging a hub of maritime destination for the West and Central African region.

The Director General of NIMASA Daduku Peterside,noted that AAMA is currently the biggest maritime event on the continent bringing together all the major operators in Abuja for the duration of the event.

He added that apart from showcasing Nigeria's maritime potential to the maritime community in Africa, it will also bring about interactions, business meetings, exchange of ideas and contacts among the maritime stakeholders across Africa including those from Nigeria.

"In addition to the maritime administrations that would be attending the event other critical stakeholders such as shipping companies, terminal operators, shipping agents, freight forwarders and other sundry maritime and shipping services providers would also be in attendance and this will bring about exchange of ideas and contacts with the Nigerian stakeholders."

The NIMASA DG also said that 32 countries from all parts of Africa are expected to participate at the continental conference and a number of maritime stakeholder organisations around the world.

"The International Maritime Organisation (IMO) delegation will be led by Mr. Kitack Lim the Secretary General of IMO which is a United Nations specialised agency that regulates shipping globally, "he said.

The director general said that interactions among importers, exporters, shipping firms, freight forwarders and even chandelier's, among several others will ultimately lead to increase in maritime activities in Nigeria thereby helping the country attain the desired hub port status within the sub-regions and ultimately advance the Nigerian economy.

He said that the convening of these Maritime Administrators in Nigeria would afford the country the opportunity of improving its economy via the maritime sector as issues such as Ports development and its modernisation, maritime tourism, shipbuilding and repairs will be at the front burner of the discussions.(CRO 19-04-2017)

KENYA'S ECONOMY GREW BY 5.8 PERCENT IN 2016-REPORT

Kenya's Gross Domestic Product (GDP) is estimated to have expanded by 5.8 per cent in 2016 compared to a revised growth of 5.7 per cent in 2015, the Kenya National Bureau of Statistic (KNBS) disclosed on Wednesday.

KNBS pointed out that accommodation and food services recorded an improved growth of 13.3 per cent in the year under review compared to a contraction of 1.3 per cent in 2015.

While presenting the KNBS economic report 2017 in Nairobi, Devolution Cabinet Secretary, Mwangi Kiunjuri said that the other sectors that registered significant improved performance in economic activities were in the information and communication, real estate and transport and storage.

He noted that persistent drought hampered growth in the fourth quarter of 2016 impacting negatively on agriculture and electricity supply.

According to the report, growth in construction, mining and quarrying and financial and insurance activities decelerated in 2016.

From the demand side, growth was buoyed by consumption in both the public and private sector, noted the report.

The report pointed out that the annual average inflation eased to 6.3 per cent in 2016 compared to an average of 6.6 per centin 2015.

This was mainly due to decline in prices of transportation, housing and utilities and communication, KNBS noted. (APA 19-04-2017)

ADEME, BOLLORE GROUP PARTNER TO BOOST ELECTRIFICATION ROLL-OUT IN GUINEA

In West Africa, the Environment and Energy Management Agency (ADEME) has signed a memorandum of understanding (MoU) with Bollore Group for electrification roll-out in Guinea.

Villages situated in upper Guinea will in next to no time receive power through a pilot project under the management of Blue Solutions, an auxiliary of Bollore Group, the Media reported.

According to media, the first juncture will be rolled out this year and shapes part of the nation's directive to electrify more than 14 villages in upper Guinea.

"This collaboration fortifies the operations carried out by States in the structure of the African Renewable Energy Initiative," the press reported.

The logistics firm will sustain its subsidiary by giving human, mechanical and fiscal resources to execute the project.

The Media also reported: "In order to trim down the energy divide in Conakry, ground-breaking spaces have already been put aside in Dixinn and Kaloum.

"The electrification of this village signifies a straight continuation of Blue Solutions projects around the development of its LMP batteries for electricity storage."

In other news, Guinea's neighbor Guinea-Bissau has been looking to carry out an impact study of environmental and social viability of the Saltinho Hydroelectric project on the Corubal River in Guinea Bissau.

An appeal by the Organization for the Development of the Gambia River (OMVG), the project design will mull over a second downstream dam at Cussilinta with a projected capacity of 34MW and the impact of potential dams upstream in Guinea (with the likes such as Fello Sounga, Kourawel).

The project is part of the second generation of the OMVG's energy programme for the expansion of the electricity network connecting the related nations.

The administration of Guinea Bissau is promoting renewable forms of energy such as solar PV systems, wind energy, biomass and other renewable energy systems and technologies (CRO 18-04-2017)

MOZAMBIQUE TARGETS 5.5 PERCENT ECONOMIC GROWTH IN 2017

Mozambique's Deputy Economy and Finance Minister Saltines Lucas has said her country's economy is expected to grow by 5.5 percent this year, with a "remarkable contribution" from the financial sector.

According to local media reports, the official made the announcement while addressing the opening session of the 8th meeting of the governors of the central banks of the Community of Portuguese-speaking Countries (CPLP) late on Tuesday when she said real growth rate of the financial sector averaged 17 percent in the 10 years to 2015.

The three-day meeting is underway in Matola on the outskirts of the Mozambican capital, Maputo.

"The growth forecast of 5.5 percent of gross domestic product (GDP) in 2017 follows an annual average of 7 percent up to 2015, but slowed the following year to 3.3 percent due to adverse internal and external factors,", the deputy minister said .

Lucas said the policy to develop banking services launched earlier this year contributed to the number of banks in Mozambique rising from 14 to 19, while financial branches rose from 274 to 646.

The number of micro-banks rose from just one to 10 while institutions providing microcredit increased to 466 from 72.

The governors of the CPLP central banks are meeting to discuss issues related to financial stability, in the framework of risk analysis and governance standards, in addition to discussing the economic and financial situation of the central banks themselves. (APA 19-04-2017)

TATA HOUSING VENTURES INTO EAST AFRICA PROPERTY MARKET

Tata Housing Development Company, after succeeding in the Asian property markets of Sri Lanka and Maldives, is now venturing into East Africa property market with its projects in Kenya and Tanzania spread over 70-acre mixed-use developments.

Brotin Banerjee, MD &CEO, Tata Housing said the reaped success in the former projects largely influenced the decision to expand their footprints into Africa. However, they will first taste the market in Kenya and Tanzania in East Africa, which Banerjee says is a promising market with robust pent-up demand and good brand visibility -on their part.

The Tata Group company is working on a plan to set up an investment platform worth $200 m for its projects in overseas markets for which it is in advanced talks with private equity players. According to Banerjee, the multiple private equity entities will help in the setting up of a separate investment platform for overseas opportunities.

Consequently, the $200m can be raised in one or two tranches depending on opportunities. Barnajee also stated that the company will resort to capital-light model of development through joint ventures and joint developments.

The company’s projects in Kenya and Tanzania will be executed through partnership with government and local private developers. Currently, it is in talks for three projects, including two government bodies and a private entity and of these, two are expected to materialize soon.

Moreover, time sheets for both projects have already been signed by the company, which will be concluding the agreement for the same over the next two months. The company plans to invest $146m in these projects over the next three years.

The first two projects to come up in Tanzania’s commercial capital Dar es Salaam and Kenya’s Nairobi will have a total 4.5 million sq ft saleable space. The projects are expected to start by the end of this year, and the company will explore more projects in Africa as it is optimistic about demand for housing in the entire region. (CRO 18-04-2017)

ERITREA GIVES EGYPT ISLAND MILITARY BASE

The opposition Eritrean Democratic Organization for the Red Sea Afar announced on Wednesday that the Eritrean government had given Egypt the greenlight to build a military base inside its territory.

According to opposition officials, citing "reliable" sources in Eritrea, Asmara allowed Cairo to obtain a military base in the town of Nora on the island of Dahlk for an indefinite period.
The Democratic Organization added that the agreement came in the wake of the high-level visit by the Egyptian delegation to Eritrea last week.
The organization said between 20 and 30,000 Egyptian troops would be deployed at the planned base.
A member of Ethiopia's ruling People's Democratic Front (RDP), Reda Muljita, said Cairo's motivation for a military presence in Eritrea was clear.
"The motivation of Egyptian leaders to have a military base in Eritrean territory is to sabotage the construction of the huge dam project in Ethiopia by supporting Eritrea, which is sponsored by elements hostile to Ethiopia and a Somali group allied to al Qaeda," he told APA in Khartoum.
"Egypt conspires with Eritrea to subject Ethiopia to a proxy war with its enemy, Eritrea, and local armed opposition groups, as well as with the youth movement."
Earlier, UN reports said Eritrea had already hired the coastal town of Assab to Saudi Arabia and the United Arab Emirates, to set up military bases to ease the battle of the alliance against the Houthi rebels in Yemen.
Recent reports indicate that Egyptian leaders have engaged in diplomatic efforts for countries in the region, including Somalia and Djibouti, to give them a military and commercial base on their territory.
However, Cairo's efforts have not succeeded, prompting the opposition group to reveal the matter.
Some Ethiopian politicians say Egypt's growing interest in securing a military incursion into the Horn of Africa is aimed at containing the Grand Nahda Hydropower Dam project, which Cairo fears will reduce the multi-billion dollar project from its Nile water holdings. (APA 19-04-2017)

REPATRIATED ETHIOPIANS GRANTED DUTY-FREE PRIVILEGES

The government of Ethiopia has granted duty-free privileges for its citizens who are being repatriated from Saudi Arabia.

The move is part of the efforts to encourage Ethiopians to leave the Kingdom within the 90-day amnesty granted by the government of Saudi Arabia, a statement by Ethiopia's Ministry of Foreign Affairs said on Wednesday.

According to the ministry, Ethiopian returnees from the kingdom could bring home 21 types of personal properties, including among others, washing machine, gas stoves, televisions, computers and printers duty-free.

The returnees could find the list of items at the Ethiopian embassy and consulates at Riyadh and its environs, it said

Saudi Arabia recently granted a 90-day amnesty for people who have been living there without residence and work permits to leave the country without penalties.

Those illegal immigrants who failed to take advantage of the 90-day amnesty period will face deportation.

The Ministry of Foreign Affairs is working vigorously to facilitate the safe return of Ethiopians, the statement said. (APA 19-04-2017)

TANZANIA'S 500 SHILLING BANKNOTE STILL IN CIRCULATION

Bank of Tanzania (BoT) has said that it is difficult to determine when the 500 shilling note will no longer be in circulation, because the note is currently in the public hands.

This is after the bank launched a Sh500 coin in 2014 to replace the fast wearing Sh500 note.

BoT, assistant manager, safe custody centers, Directorate of Banking, Mr Abdul Dollah said this on Wednesday in Dar es Salaam that the note has been in circulation together with the introduced Sh500 coin, and will continue as such until it phases out.

"The notes have to fade out on their own, and not destroy them as we have to get the value for money even as the coin catches momentum," he said.

He said that, this is because the government uses a lot of money to print the notes, and therefore it would not be prudent to destroy them

He noted that the Sh 500 note which was frequently used could only last up to six years as compared to the coin which goes as far as 20 years.

He stressed that at the moment, it was difficult to determine when the note will phase out as it was still in circulation and thereby in the hands of the public.

He noted that currently BoT has no stock for Sh 500 note, but it is in circulation and will only phase out when it is no longer in use.

He stressed that the coin was worn out fast because it is a lower denomination and there frequently used as compared to other notes.

The Sh 500 coin becomes the 12th to be changed from the note in the money circulation. (APA 19-04-2017)

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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NORDIC-AFRICAN BUSINESS SUMMIT 2017

26th of October 2017, Radisson BLU Scandinavia Hotel, Oslo

Welcome to the 7th annual NABA Summit – Nordic-African Business Summit

Norfund and NABA are pleased to welcome you to attend The Nordic-African Business Summit in Oslo on Thursday 26th of October 2017. The Nordic-African Business Summit is the Nordic region's leading business conference focusing exclusively on African markets. Meet business executives, policy makers, Ambassadors – and perhaps your future business partner – at this unique platform connecting Nordic and African business. From the first annual conference in 2011, it has grown to nearly 500 delegates from more than 25 countries represented in 2016. Click here to see a video from last year's Summit.

This year's overall topic is: "A continent in transition: finance, energy, technology". More information about speakers and programme will be shared this spring.

We are grateful to this year's partners:

Co-host: Norfund. Main partners: KLM – Royal Dutch Airlines, the Financial Times (FT) and FK Norway

Contact:
Ms. Daniella Woldemichael
Phone: (+47) 900 55 635
Mail: dw@norwegianafrican.no

Fernando Matos Rosa

fernando.matos.rosa@sapo.pt
fernando.matos.rosa@skynet.be