MEMORANDUM

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SUMMARY

EBOLA: EU HELPS DELIVER AID TO SIERRA LEONE

Medical equipment provided by the United Kingdom was ferried into Freetown, Sierra Leone in West Africa this weekend. The cargo included two ambulances, equipment for the construction and operation of a 92-bed treatment facility and four other vehicles.
The UK is the latest Member State to contribute vital assistance through the EU Civil Protection Mechanism (EUCPM). Previously, Austria, France and Belgium have made use of the EUCPM to deliver sanitation products, medical isolation equipment and experts to Liberia, Guinea and Sierra Leone in support of the international community's ongoing efforts to stop the spread of the Ebola epidemic.

"Ebola is taking an ever harsher toll in the West Africa region. Through the EU Civil Protection Mechanism, the Commission helps to deploy as rapidly as possible assistance provided by Member States to help stop the spread of this dreadful epidemic," said Kristalina Georgieva, European Commissioner for International Cooperation, Humanitarian aid and Civil Protection. "Our job is to make sure that European aid reaches those who need it as fast as possible".

Further assistance, including nutritional supplies, will be ferried from Europe to West Africa in the coming days as part of the coordinated EU response.

The European Commission has been scaling up its response to the Ebola epidemic since March 2014 and has until now pledged some €180 million to help the affected countries (Guinea, Sierra Leone, Liberia, and Nigeria). This assistance comes on top of assistance offered by the EU Member States. Humanitarian experts, mobile laboratories and teams of specialists from the European Mobile Laboratory project for dangerous infectious diseases have been deployed in the region, providing diagnostic support, monitoring the situation and liaising with humanitarian partner organisations and local authorities.

The European Commission is also working closely with the EU Member States through the Health Security Committee (HSC) to share information about the latest developments and coordinate the collective European response. The HSC has also produced a travel advice leaflet, available in all EU languages.

The EU Civil Protection Mechanism (EUCPM) facilitates co-operation in disaster response, preparedness, and prevention among 31 European states (EU-28 plus the Former Yugoslav Republic of Macedonia, Iceland and Norway). The European Commission manages the Mechanism through the Emergency Response Coordination Centre. Operating 24/7, the ERCC monitors risks and emergencies around the world and serves as an information and coordination hub during emergencies. Through the EUCPM, the Commission also provides financial support to transport operations. EC 06-10-2014

IMF EXECUTIVE BOARD HAILS KENYA'S MARKET-FRIENDLY REFORMS

The International Monetary Fund (IMF) Executive Board Thursday commended Kenyan authorities for maintaining macroeconomic stability, introducing important market-friendly reforms, and for Kenya's successful debut Eurobond issuance. Noting that the East African country's economy has continued to expand in a stable economic environment, the IMF executive board of directors said Kenya's economic outlook is favourable, although the country remains vulnerable to exogenous shocks.

In a statement, following conclusion of their consultation with Kenya, the directors 'encouraged stronger policy buffers and further structural reforms, including strengthening the business climate and improving security conditions' in order to mitigate downside risks.

According to the statement, they noted that this would help to consolidate the gains to date, contribute to poverty reduction, and promote more inclusive growth.

With foreign investor interest growing, notably in the extractive industries, credit to Kenya's manufacturing sector has also picked up.

The economy’s growth rate rose to 5 percent in 2013/14 and is expected to gain further momentum in 2014/15, driven by higher domestic and external investment.

Inflation remains moderate, but rising food prices and rapid credit growth may fuel inflation expectations, according to IMF assessment.

Following a successful first-time Eurobond issue (US$2 billion) in June 2014, Kenya's international reserves reached some four and a half months of prospective import coverage.

Also, the IMF has noted that the country's 'financial sector remains robust, the process of financial inclusion is ongoing, and efforts to develop Nairobi into a regional hub have advanced with Kenya’s recent removal from the Financial Action Task Force (FATF)’s watch list'.

FATF is an inter-governmental body developing and promoting policies to combat money laundering and terrorist financing.

Among other observations, IMF said that a new quarterly reporting framework for budget execution by counties would help to address transitional challenges for public financial management posed by devolution, while Kenya’s debt remains broadly stable and sustainable.

'The authorities plan a gradual fiscal consolidation with a view to meeting the medium-term convergence criteria specified in the East African Community (EAC) Monetary Union Protocol,' said the IMF statement.

'Kenya's medium-term growth prospects are favourable, supported by rising infrastructure investment in energy and transportation; the expansion of the EAC market; deepening financial inclusion, which fosters a more dynamic small and medium-sized enterprise sector; and the positive impact of large-size irrigation projects on agricultural productivity,' it pointed out.

IMF directors have called for continued commitment to fiscal discipline in the wake of challenges emerging from the ongoing process of devolution of government responsibilities.

'This process should lead to better delivery of services to help alleviate poverty and inequality across counties. Directors agreed that a prudent fiscal stance, consistent with Kenya’s medium-term debt target, will create space for much needed infrastructure,' said the statement.

It added: 'Directors encouraged the authorities to maintain the momentum of structural reforms and to continue their efforts to remove remaining infrastructure bottlenecks, in order to mitigate vulnerabilities to weather-related shocks and improve competitiveness.

'Looking ahead, they also underscored the need to put in place an effective framework for natural resource management, in light of recent oil and gas discoveries.' (Pana 03/10/2014)

CHINESE COMPANY GUANGXI BUILDS HOUSING ESTATE IN SAO TOME AND PRINCIPE

Chinese company Guangxi Hydroelectric Construction Bureau has started building a a housing estate on the island of Sao Tome, on a self-funding basis, the Minister of Public Works of Sao Tome and Principe said last week.
Minister Fernando Maquengo said that under the terms of the concession agreement, the company will have the right to market and manage the housing estate in order to make back its estimated US$300 million investment.

The new housing estate, which will be built between the capital of Sao Tome and Principe and the district of Lobata in an area of 214 hectares, will have just over a hundred dwellings as well as supermarkets, schools, kindergartens and a hospital.

Included in the “Expu Conga” project designed by the Ministry of Public Works of Sao Tome and Principe, the new housing estate will also have buildings to house accredited diplomatic personnel working in the archipelago as well as several facilities with a maximum of seven floors for public administration services, including, retail, tourist, cultural, sporting and leisure areas.

As well as building the new estate from scratch the contract also includes redevelopment of the current city of Sao Tome, built in the 1950s by the then Portuguese colonial administration.

This funding from Guangxi Hydroelectric Construction Bureau comes five months after the President of Sao Tome, Manuel Pinto da Costa, made a private visit to Shanghai, China, where he encouraged Chinese investment in the archipelago. (06-10-2014)

PROMOTING FINANCIAL INCLUSION THROUGH MOBILE SERVICES: NEW UFM LABELLED PROJECT KICKS OFF

A project is getting under way, which will support the Central Banks of Jordan and Morocco in the development of regulations aiming to expand access to financial services across the Mediterranean. The project, labelled by the Union for the Mediterranean (UfM) held its first working meeting at the UfM Secretariat in Barcelona this week.

The project will promote financial inclusion by supporting the development of innovative retail payment solutions, such as mobile financial services.

A press release said that by extending the availability of reliable payment services, users without access to traditional financial services could be encouraged to join the financial system. *“This can directly improve the lives of these individuals by offering them options beyond a cash-only system. This will also contribute to the development of the economy, both by increasing the amount of transactions carried out through normal channels and also by providing opportunities for innovative new products to develop.”*

This week’s first workshop aimed to share the experiences of the Financial Supervisors in European countries, together with representatives of the European Commission, European Investment Bank and the European Central Bank, in the implementation of European Directives on Payment Services and E-Money.

The “Promoting Financial Inclusion via Mobile Financial Services in the Southern and Eastern Mediterranean Countries” project will be implemented by the European Investment Bank, and is promoted by the Central Banks of Jordan (CBJ) and Morrocco (Bank Al-Maghrib – BAM) (03-10-2014)

GOVERNMENT OF ANGOLA BUILDS BASIC INFRASTRUCTURE IN INDUSTRIAL HUBS

Work to build basic infrastructure in the industrial hubs of Viana (Luanda), Caála (Huambo province), Negage, Soyo (Zaire province) and Saurimo (Lunda Sul province) will begin in 2015, said in Luanda, the Director of the Studies, Planning and Statistics Department of the Ministry of Industry.

Ivan Prado also said that the Ministry was aware that “interested entrepreneurs have many difficulties, given that in these hubs there are no water and power supply networks or sanitation services.”

In the Viana hub, on the outskirts of Luanda, the work will be carried out in 2015 and 2016, covering an area of 270 hectares, while in Negage, Soyo and Saurimo construction work will take place from 2015 to 2017.

“Five hubs will receive new infrastructure over three years, involving investment of about US$350 million to US$400 million,” Prado said, adding that the projects involved large hubs, of around 1,000 hectares each. (06-10-2014)

KENYA'S SAFARICOM CANCELS CHEAPER INT'L ROAMING SERVICE LAUNCH

Kenyan mobile phone company, Safaricom, has cancelled plans to introduce cheaper roaming international call tariff after the Rwandan government slapped taxes on international calls, company executives said. Safaricom Chief Executive Officer Bob Collymore said Thursday the firm suspended the proposed new International and Roaming tariffs between Kenya and Rwanda after a directive issued by the Rwanda government Wednesday.

The Rwandan authorities slapped new taxes on international calling and roaming tariffs between the two countries moments before the launch.

“This new developments make it impossible for operators in Kenya and Rwanda to go ahead with the planned downward revision in tariffs,” Collymore said in a statement sent to PANA. “We will therefore revert to the previous tariffs.”

The mobile phone firm planned to introduce the new tariffs that would have cost Kshs.10 per minute for Safaricom customers to make calls to Rwanda.

Customers visiting Rwanda would also pay Kshs.10 to call back home and within Rwanda. The move would also have scrapped the charges for receiving calls while roaming in Rwanda- which previously stood at Kshs. 25 per minute.

Collymore said the firm would push on with efforts to ensure there are affordable calling rates for the East African region.

Safaricom became the first African company to introduce cross-border roaming telephone services with the connection to Rwanda, Uganda and Tanzania.

The new services were expected to move a notch higher with the plans by the Kenya and the rest of East African states to introduce “One Area-Network” across East Africa, linking Burundi, South Sudan and Tanzania from 8 October.

“We remain committed to the effective implementation of One Network Area initiative by the East African Community Heads of State, which envisages the reduction of International and Roaming tariffs reduced to lower costs of doing business and deepen social integration in the entire region,” Collymore said.

Safaricom has entered into discussions with the Kenyan Ministry of Information and Communications and the regulator Communications Authority of Kenya, seeking a revision of the position taken by the Rwanda government.

The last tariff review between Kenya and Rwanda took effect in October 2013, when governments within the region introduced taxes to international calls forcing operators to revise their rates upwards.

Safaricom, the largest company in Kenya, has annual revenues in excess of Kshs 140 Billion and a subscriber base of 21.6 million. It hosts Kenya’s widest 3G network alongside a growing fibre optic cable footprint. (Pana 03/10/2014)

GOVERNMENT ANGOLA AWARDS CONSTRUCTION OF 177 KILOMETERS OF NATIONAL ROADS

Angolan companies Omatapalo – Engenharia e Construção and Marsanto have been selected to build two national roads in the province of Lunda Norte under contracts worth a total of US$135 million, the Angolan press reported.

Omatapalo will build 90 kilometres of the EN-190 road, which connects the city of Dundo (capital of Lunda Norte) to the town of Nzagi, under the terms of a contract worth 6.75 billion kwanza (US$68.6 million).

Marsanto, in turn, will build a stretch of 87 kilometres of EN-170, which connects tLubalo Camaxilo to the municipality of Caungula and that intersects with EN-225, which gives access to the coast of the country. This contract is worth 6.525 billion kwanza (US$66.3 million), and the execution time for both projects is 24 months.

Omatapalo started operating in August 2003, in the province of Huila, and is the result of joint efforts of José Carlos Fernandes e Cª., a company with over 70 years' experience in the construction sector in Portugal, and CNS, a services company, with the aim of creating a civil construction company in Angola that operated from inside the country. (06-10-2014)

EAST AFRICA: EAC, PARTNERS PUSH CLIMATE SMART AGRICULTURE

Regional experts from Eastern Africa are meeting in Nairobi, Kenya, to create a robust network to promote climate smart agriculture. The meeting will also highlight the big role smart agriculture plays in achieving importance in attaining increased agricultural yield and productivity within the region, the East African Community (EAC) Secretariat said on Thursday in a statement.

The three-day dialogue is being hosted by the Food and Agriculture Organisation (FAO) Eastern Africa, and supported by the EAC-COMESA-SADC Climate Change Programme.

It aims to form a sub-regional working group that will enable millions of farmers in the region to practice climate smart agriculture and thereby strengthen food security and improve farmers livelihoods.

The experts in Nairobi are developing the terms of reference for the formation of a Climate Smart Agriculture Eastern Africa Regional Working Group to promote faster adoption of CSA in the region.

The regional body's headquarters says the concept of Climate Smart Agriculture, initiated by FAO, addresses the interlinked challenges of food security and climate change, with the objective to increase agricultural productivity.

It also adapts and builds resilience of agricultural and food security systems to climate change and reduce greenhouse gas emissions from agriculture.

The statement adds that developing the resilience of agricultural systems to adverse weather events and climate change is fundamental to achieving food security in the region.

Regional efforts underway to support climate-smart agriculture include the Africa Climate-Smart Agriculture Alliance, which aims to help 25 million farming households across Africa practice climate smart agriculture by 2025.

This was as agreed by the first Africa Congress on Conservation Agriculture in March 2014 in Lusaka, Zambia.

The three Regional Economic Communities (RECs) of EAC, COMESA and SADC recognize that farming cannot remain business as usual: conventional farming of burning, cutting down trees and degrading landscapes will impact the environment adversely.

The statement notes that most member states have already set their targets. For example, the government of Uganda, through the Ministry of Agriculture is implementing CSA in 11 districts and has a vision of covering 250,000 hectares and reaching one million farmers by 2025.

EAC together with COMESA and SADC are implementing a programme on climate change to bring significant livelihood and food security benefits to at least 1.2 million small-scale farmers.

This is done through the application of well-tested, Climate Smart Agriculture that combines crop production with agro-forestry and livestock management.

In 2010 these three Regional Economic Communities (RECs) agreed to jointly implement a Climate Change programme covering 26 African countries. (Pana 03/10/2014)

ANGOLAN FLAGSHIP AIRLINE WILL BE MANAGED BY EMIRATES

Angola's flagship airline Linhas Aereas de Angola (TAAG) will be managed by Emirates of the United Arab Emirates under a strategic partnership agreement signed in Dubai last week, the Angolan press reported.

Under the agreement Emirates will appoint the Chairman of the Board of Directors of TAAG and three executive directors, of a total of nine members, but day to day management will be carried out by an Executive Committee composed of the executive directors appointed by Emirates for the commercial, operational, financial and administrative departments.

"We are making a decisive step towards the transformation that is needed in terms of governance and management of the company," said Angola's Minister for Transport, Augusto da Silva Tomás.

In a statement issued in Luanda, the Transport Ministry said that the agreement was intended to provide TAAG with professional management of an international standard moving the company forward from problems of efficiency and allowing it to increase the number of destinations it offers and improve the service and operational and safety standards.

Meanwhile TAAG will take on loans of US$261 million to pay for two Boeing 777-300ER Boeing aircraft, of an order of three, the first of which is already in service, according to a presidential authorisation.

With this authorisation TAAG will be able to enter into funding agreements with the Hong Kong and Shanghai Banking Corp, Angola's Banco de Negócio Internacional, the African Export-Import Bank – Afreximbank and a syndicate of banks, in the amounts of US$130.2 million and US$131.5 million. (06-10-2014)

AFRICA'S AIRLINES FACE TOUGH FUTURE WITH EBOLA SPREAD TO US

The Ebola spread to the US has created fears that US aviation authorities could slap travel restrictions, which would signal a major crisis for African airlines struggling to make profits, analysts warned in a report on Thursday.

DaMina Advisors, an African political risk advisory service firm, warned that with the first US confirmed case of Ebola diagnosed in Texas and growing public pressure on the Obama administration to restrict US airline travel to West Africa, the financial viability of a number of already struggling domestic African airline carriers may be under threat.

Africa's financially struggling airline industry, which supports over 7 million jobs and contributes US$80bn in Gross Domestic Product (GDP), may witness several financial insolvencies if the US and European Union impose travel restrictions to West Africa.

There are fears if the travel restrictions specifically target Nigeria, Ghana, Senegal and Cote d'Ivoire, the potential of crippling the region's economy would increase.

"While a US and EU airline travel ban on flights from Guinea, Liberia and Sierra Leone may not materially affect the financial viability of the struggling West African airline companies, any flight bans on travel from larger economies of Nigeria, Ghana, Senegal and Cote d'Ivoire has the real potential of financially crippling several domestic African carriers and negatively impacting West Africa's GDP for 2014," DaMina warned.

African airline companies are severely hit by poor airport infrastructure, high costs of operations and high insurance premiums.

The business challenges make the airlines least profitable aviation companies globally, according to the International Air Transport Association (IATA).

African airlines are projected to return a profit of just US$100 million in 2014, with a net profit margin of only just 0.8%, the lowest of all aviation regions globally.

KLM-Air France, Lufthansa, British Airways, Turkish Airlines, Emirates, Royal Air Maroc, TAP, South African Airways, Kenya Airways and Ethiopian Airlines which operate dozens of daily flights to key West African hubs of Lagos, Abidjan, Accra and Dakar will also see a sharp fall in patronage.

This might arise from business passengers postponing trips, tourists looking elsewhere for pleasure and Diaspora returnees stay home until the Ebola pandemic is under control.

Meanwhile, financial viability of several domestic African airlines may be under severe threat as a result of the Ebola spread.

Currently, Asky Airlines (Togo), Senegal Airlines (Senegal), CAA (DR Congo), Camair-co (Cameroon), Afric Aviation, Rwandair, Starbow (Ghana), Equajet (Congo, Brazzaville), Air Cote d'Ivoire, Mauritanie Airlines (Mauritania), DanaAir (Nigeria), Medview Air (Nigeria), First Nation Air (Nigeria), SN2AG (Gabon), Africa World Air (Ghana), CEIBA Intercontinental (Equatorial Guinea), Discovery Air (Nigeria) and Overland (Nigeria), dominate the local routes in West Africa.

Analysts fear their survival could be endangered if air transport services within West Africa become severely restricted due to Ebola. (Pana 03/10/2014)

ANGOLA CUTS INTEREST RATES ON AGRICULTURAL LOANS TO BOOST INVESTMENT

The government of Angola has reduced interest rates for the beneficiaries of loans in the Agricultural Credit Campaign from 5 percent to 2 percent, according to a decree from the Minister of Finance, Armando Manuel.

In the document cited by news agency Lusa, the minister said the government had recognised the "need to reduce the rate of interest of the beneficiaries [of this type of loan] from 5 percent to 2 percent," and "the difference is subsidised by the state."

Angola's Agricultural Credit Campaign was launched in June 2010 to "strengthen small and medium sized agro-livestock producers and the credit line to support them," the decree said.

The Agricultural Credit Campaign is a government programme to support agriculture involving Banco de Poupança e Crédito, Banco de Comércio e Indústria, Banco SOL and Banco Africano de Investimentos, which provided initial funding of US$150 million.

The interest rate, amounts, loan and reimbursement limits for beneficiaries are set annually by the Ministry of Finance after consulting members of the Coordinating Committee for Agricultural Credit. (06-10-2014)

CAMEROON: A TRAINING AND SUPPORT STRUCTURE FOR THE COCOA SECTOR

On 21st of August in Obala (Cameroon), COLEACP and the Interprofessional Coffee and Cocoa Council (ICCC) celebrates 14 months of cooperation on the occasion of a ceremony.Training of trainers with technical assistance actions have allowed the period to set up a permanent training structure.

During the ceremony, the outcome of this joined initiative was praised by Michel Schleifer, representing the EU Delegation to Cameroon, as well as by various private and public-sector representatives, including the Ministries of Trade and of Agriculture, and the National Cocoa and Coffee Board (NCCB).

The EDES Programme was designed and implemented in three operational stages:

1) Seven intensive training of trainer sessions, each lasting two weeks, enabled some 100 Interprofessional Coffee and Cocoa Council and National Cocoa and Coffee Board officials to acquire the requisite technical and training skills in order to support small-scale producers in their efforts to respect Good Agricultural practices therefore impacting quality and yield.
2) A training session for master trainers was organized in August 2014 to create a team of fifteen coaches to supervise trainers on the ground with the aim of enhancing the quality of training and the transfer of key messages.
3) Finally, COLEACP has provided support through the EDES Programme to the ICCC in setting up its own Training Department, which has been in operation since September. On the 13th of October it will begin training for 90,000 small-scale cocoa producers, starting initially with a pilot phase in the Nyanon and Ndom regions. COLEACP will continue to support this Training Department through an ongoing monitoring programme.
COLEACP has adapted the training provided to the real needs of small-scale cocoa producers, focusing the content on evaluation of the sanitary and phytosanitary risks. It has worked with service providers and existing public communication structures involved in monitoring the smooth operation of the cascade training system by ensuring in order to ensure that good agricultural practices are communicated to all the small-scale producers concerned. (Coleacp 30-09-2014)

AFDB APPROVES 100-MILLION-EURO LOAN FOR MOROCCO

The African Development Bank (AfDB) has approved a loan of 100 million euros for Morocco to support the African country's financial sector, PANA reported from here, quoting a communiqué issued this weekend.

According to the communiqué, the AfDB said the fund will help to improve access to basic financial services to the benefit of the most vulnerable categories of the population as well as the Small- and Medium-size Enterprises (SME).

Earlier in 2009 and 2011, the AfDB helped Morocco to strengthen the regulation and control programme of its financial markets, improved the guarantees to SME and elaborated a monetary and financial code for Morocco, the communique indicated.

It said that the development programme supports the strategic policies of the Moroccan government which are destined to create the conditions of an inclusive economic growth.

AfDB's cumulative financial engagements in Morocco amount to 2.1 billion euros for 33 projects that are still being implemented. (Pana 06/10/2014)

L'APE CONCLU AVEC L'UE EST UN ACCORD EQUILIBRE

L'accord de partenariat économique (APE) conclu par l'Afrique de l'Ouest et l'Union européenne (UE) peut être considéré comme un accord équilibré, a déclaré lundi à Dakar, le ministre sénégalais du Commerce.
Alioune Sarr présidait l'ouverture d'un séminaire d'information et de sensibilisation sur les négociations des APE à l'intention des journalistes économiques.
''Face à l'ouverture progressive de nos marchés, l'UE s'est engagée à accompagner la Région par la mobilisation de ressources financières nécessaire à la mise à niveau de notre système productif», a ajouté le ministre.
A ses yeux, la conclusion de l'APE permet de préserver les acquis en matière d'intégration fortement menacés par les accords intérimaires de la Côte d'Ivoire et du Ghana.

‘’Enfin l’accord consacre un cadre juridique harmonisé et prévisible de mise en œuvre de notre partenariat économique et commercial avec l’Europe ‘’, a affirmé M. Sarr, selon qui le volet communication occupe une place importante en termes d’information et de sensibilisation de toutes les couches de la population sur les défis et les opportunités de l’APE.
‘’Malheureusement, ce volet n’est pas toujours adéquatement pris en charge aussi bien par les organisations d’intégration sous-régionale qu’au niveau de nos différents Etats», a déploré le ministre pour qui le séminaire entre dans ce cadre.
Au cours de cette rencontre qui prend fin mardi, différents thématiques seront abordées avec les journalistes comme l’évolution des négociations sur l’APE, les incidences économiques et budgétaires de cet accord, le programme APE pour le développement ou encore le tarif extérieur commun (TEC) de la CEDEAO. (SENEWS 09-09-2014)

VALUE ADDED TAX REFUND FOR MINES MAKES HEADLINES IN ZAMBIA

The controversy over the US$600 million Value Added Tax (VAT) refund which the Zambia Revenue Authority (ZRA) needs to make for some mines in the country, made headlines here with some newspapers asking ZRA to refund the money. The private Daily Nation called on ZRA to refund the over US$600 million VAT owed to the mines, warning that the consequences of not doing so would be too grave to contemplate.

“What Zambians and other stakeholders should understand, from the onset, is that VAT refund is legal as the law provides for this undertaking by the ZRA using VAT Rule 18 which came into effect in 1997,” the paper pointed out in its editorial this week.

Initially, all a taxable supplier required to claim VAT refund was simply provide copies of export documents for the goods, bearing a certificate of shipment provided by ZRA and tax invoices from the country of destination.

But few years ago, VAT Rule 18 was amended to compel exporters to show proof of receipt of payment for the goods so exported.

This is what has brought about the problems that have resulted in more than US$600 million which the ZRA is refusing to refund to some mines.

The ZRA has said refunds withheld on account of non-compliance with the existing Rule 18 can only be made when the legal documentations have been provided.

“In the midst of all the legal jargon and debate, there seem to be an element of overlooking the consequences of the mines lacking liquidity.

“Already, members of the Chamber of Mines of Zambia have announced the suspension of various projects because of lack of financial resources particularly because of the withheld VAT,” the Daily Nation said

Mopani Copper Mine this week announced a possible retrenchment of 20,000 workers because the mines were experiencing financial problems.

Mopani Mine, which is owed U$200m in withheld VAT refunds, is only one of the mines in Zambia which collectively employs 75,000 direct and indirect workers.

“Government cannot allow the mining sector to collapse because of legal encumbrances which can be resolved. If the mines collapsed, it is not only the investors who would lose out but Zambians who include workers, their families, the suppliers and their workers,” the paper said.

“The impediments being encountered in the administration of ZRA VAT Rule 18 were enacted by Zambians who have a national responsibility to act in the interest of majority Zambians who largely depend on the proceeds from the mines.

“Our view is that a way must be found to ensure that the withheld US$600 million in VAT refunds is unblocked to put life in the mines,” it added.

The independent Post newspaper said “the truth is things are not well or as they should be with the taxing and regulation of the mining transnational corporations. And things have now gotten to a point where they cannot be ignored, and have to be effectively addressed.”

The paper blamed Finance Minister Alexander Chikwanda, charging that it all started with his promotion and defence of Statutory Instrument 89, which President Michael Sata had to revoke because it was not in national interest.

Through Statutory Instrument 89, the mines were able to export unprocessed or semi-processed minerals whose value, for tax purposes, could not be efficiently and effectively determined.

“And there is no doubt, as President Sata correctly observed, the country was losing millions or billions of dollars every year through the export of 'soil'. Chikwanda didn’t see anything wrong with this.

'When this Statutory Instrument of his was denounced by the President, Chikwanda simply kept quiet as if nothing had happened, as if it was something bequeathed to him by some distant uncle and not a product of his own hands. What type of person is this,” the Post questioned in an editorial this week.

“As if Statutory Instrument 89 was not enough, Chikwanda later comes up with the removal of the Value Added Tax Rule 18 to allow mining corporations to claim VAT refunds without providing any meaningful documents showing proof of mineral exports and their destinations,” it said. (Pana 05/10/2014)

EAST AFRICA: EAC EXTERNAL TRADE DEFICIT GAP COULD BE NARROWED WITH EU PACT

Trading with the European Union (EU) as a regional bloc will enable East African Community (EAC) states reduce on their external trade deficit, Amb. Valentine Rugwabiza, the Minister for EAC affairs, has said.

Amb. Rugwabiza was explaining the benefits of the long-awaited EAC-EU trade pact to the regional economies.

Over the weekend, EAC partner states reached a consensus on the contentious clauses in the Economic Partnership Agreement with the EU.

This, the minister said, allows them to embark on the final negotiations with the EU which started in 2007.

"The bilateral trade agreement will allow favourable tax regimes, guarantee market access for goods from both blocs, enable technology transfer to the region, create value-addition for products and services, and create jobs," she told journalists in Kigali yesterday.

Rugwabiza noted that the region's low export earnings were mainly as a result of the low production levels of goods and services, high costs of exporting and the high quality standard levels required by European markets.

"This pact will enable us diversify the level of exports, undertake the EAC infrastructure projects in order to lower transport costs, and gauge how much to invest in order for our businesses to be able to meet EU quality standards," she said.

The EU has for long been a good market for products and services from EAC and the reverse is also true.

In the first half of this year, Rwanda's total exports increased by 1.2 per cent in value to $ 293.53 million (Rwf202 billion) from $ 289.92 million (Rwf199.4 billion) in the same period last year, according to figures from the central bank.
Tea, coffee, minerals, hides and skins and pyrethrum are still regarded as the country's major exports which, in spite of the value increase during the period, their total export volumes declined by 1.8 per cent during the period.
Amb. Rugwabiza said that increasing production volumes, maintaining consumer standards, streamlining transport costs and ensuring other trade operations go on smoothly in the bloc will allow goods from the region to become more competitive. (The New Times 29-09-2014)

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The aim of Africa Works! is to strengthen the dialogue between the private and public sector, NGOs and knowledge institutions to form partnerships on the African continent. By participating in Africa Works! you can attend interactive workshops, enlarge your professional network and most importantly you will have the possibility to create new partnerships. There will be:

* More than 500+ participants!
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* Network App to have all the participants on your mobile during and after the conference
* More than 35 workshops to attend
* Possibility to transfer your ticket to a colleague for the second day!
* High Level Speakers such as Minister Ploumen, Board member of Rabobank, CEO of Vlisco Group & Vice president of Unilever

For more information about the programme, workshops and registration, please visit africa Works or contact us via africaworks@nabc.nl. Register on time to select the workshop of your choice.

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Next Events

October 11-25, 2014

Trade mission D.R. CONGO (Lubumbashi/Mbuji Mayi/Kinshasa)

Organizers : AWEX/BIE/FIT/CBL-ACP

October 15, 2014

Mauritius Board of Investment - B2B organized by AWEX in cooperation with the CBL-ACP

October 23, 2014 - 15:00

Round table "Trade and Investment Opportunities in Zambia" followed by a networking reception offered by the Ambassador of the Republic of Zambia on the occasion of the National Day (50th Anniversary of the Independence)

October 30, 2014 - 12:00

Joint conference-lunch CRAOM/CBL-ACP

Guest of honour : Mr. Peter Moors, Director General, Belgian Development Cooperation

Theme : "La Coopération au Développement a-t-elle encore un avenir ?"

November 16-21, 2014

Economic and trade mission to Kenya and Tanzania organized by AWEX in cooperation with Brussels Invest and Export, and the CBL-ACP

November 25-28, 2014

Economic and trade mission to Egypt organized by FIT in cooperation with the ABLCC, CBL-ACP and EBBA

Fernando Matos Rosa
Brussels

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European Business Council for Africa and the Mediterranean
The European Private Sector Organisation for Africa's Development

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