MEMORANDUM

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BY 2040 '1-BILLION AFRICANS SHOULD HAVE ACCESS TO ELECTRICITY'

Power generation capacity in Africa will quadruple from 2020-2040, giving nearly a billion people access to electricity, the International Energy Agency (IEA) said in its first Africa Energy Outlook released on Monday.

"Reform programmes are starting to improve efficiency and to bring in new capital, including from private investors, and grid-based generation capacity quadruples in our main scenario to 2040, albeit from a very low base of 90GW today (half of which is in SA)," the West's energy watchdog said in the report.

This will help to reduce the number of people in the continent without access to electricity.

"The total number without access starts to decline in the 2020s and 950-million people gain access to electricity by 2040 — a major step forward, but not enough," the report said.

Much more needed to be done, it added.

"More than half a billion people, mainly in rural areas, remain without electricity in 2040," the report said.

Much of the expansion in electricity would come from renewable energy, it said.

Looking at crude oil, the International Energy Agency said West African production was set to fall more than 12% between 2020 and 2040 at a time of fast rising domestic demand, squeezing the region's exports.

It said the current production level of above 6-million barrels a day would fall to 5.3-million barrels a day in the 20 years from 2020.

Over the same time, demand for oil products, including petrol and diesel, would double to 4-million barrels a day, a factor exaggerated by subsidised prices in some countries.

"The result is to squeeze the region's net contribution to the global oil balance," the report said. (Reuters 13-10-2014)

AFFECTED COUNTRIES WORKING ON POST-EBOLA RECOVERY PLAN

The three countries worst hit by the Ebola outbreak in West Africa are working on a post-Ebola recovery plan, Sierra Leone Finance Minister Kaifala Marah said.

He told an October 11 news conference during the 2014 IMF–World Bank Annual Meetings in Washington, D.C., that he had recently met with the finance ministers of Guinea and Liberia to explore a post-Ebola strategy.

"We have decided that we will come up with a holistic strategy that we will share with our partners, both bilateral and multilateral," Marah said, adding that the three ministers had resolved to "use country strategies to be able to help our countries out."

Marah recalled that thanks to its strong mining sector, Sierra Leone had for the last few years been one of Africa's fastest-growing economies. "Our growth rate for this year was set for 11.3 percent, we were doing well and our macroeconomic fundamentals were also strong. We were doing well on roads, on energy, on tourism, on agriculture."

Foreign investment flows were also buoyant as the country attracted major companies, Marah stated. The government was even reviewing its 2035 target date for Sierra Leone attaining middle–income country status, with a view to bringing the date forward.

'Then came Ebola'

"Then came Ebola, in May, and everything was reversed," Marah said. "Ebola has made me appreciate and begin to understand that fragility is self reinforcing, because if we had had the right infrastructure, the right institutions, and the right human capacity to be able to confront Ebola, we would not have suffered as we have."

Marah said mining companies were cutting back operations in Sierra Leone and manufacturing activity has declined. "Cocoa and coffee, which account for 90 percent of agricultural exports, is also at the bottom now, because people have abandoned their farms—everybody is running away from Ebola. Construction also is bad, because many of the contractors have abandoned their sites.

"Tourism is down 50-60 percent. Air travel is about to stagnate and strangle the whole subregion. We have been isolated. Whether that is a global best practice or strategy, someone has to advise us. But it really is killing our economies," Marah said, adding that the isolation amounted to an "economic embargo" on the subregion.

Marah welcomed the international response to the Ebola outbreak. "The world has responded. It has been slow and it has been late, but we are delighted that the world has recognized that Ebola is not only a subregional thing: it's a global challenge to humanity."

Spillover effects

Kenyan Treasury Secretary Henry Rotich said the Ebola outbreak is also having spillover effects in East Africa. "In Kenya we have had tourism cancellations which have affected our growth, and we have revised our growth down this year." Kenya's position as a regional hub means it has seen transportation being affected by Ebola effects, and this was affecting the overall growth outlook, Rotich added.

Rotich said the Kenyan government is worried about economic prospects in the euro area—destination for most of Kenya's exports. Strong growth in sub-Saharan Africa, another key Kenyan export market, could also weaken as a result of the Ebola outbreak, and this is also an area of potential vulnerability for the Kenyan economy.

Importance of stability

Chad's Minister of Finance and Budget, Bedoumra Kordje, highlighted security as a factor affecting economic growth in Africa. "Stability is an issue for much of Africa, and we must integrate this into our analysis and evaluations."

Kordje said Chad, in particular, is ready to champion this cause because the country is in its longest period of stability since independence, and the country is reaping the rewards of its achievement.

But Chad is also surrounded by threats to its security, Kordje stated. "That means we must invest in security, because it is simply part of our reality if we wish to maintain the stability of our country."

Kordje also stressed that there could be no development without infrastructure. "But infrastructure is expensive, and Africa cannot finance it with concessional financing. We need grants, without which we will stagnate or go backwards."

He said low-income countries cannot fulfill their wider development ambitions either if the financial assistance offered is only on a concessional basis. Grants are the best way to finance the lasting growth of poor countries, Kordje said.

Peace dividend

Guinea-Bissau's Minister of Economy and Finance, Geraldo Joao Martins, said the country was enjoying a "peace dividend" after the elections and new economic policies that followed its 2012 military coup. A spirit of national reconciliation had been generated by the inclusion of elements of the political opposition as part of the government.

"We are mobilizing all the resources in the public and private sectors to support the rebuilding of a new nation. Our country has enormous potential in the areas of agriculture, fish, tourism, mines, which are still not being exploited fully," Martins said. (IMF 11-10-2014)

GEOCAPITAL RETURNS TO THE BANKING SECTOR IN MOZAMBIQUE

Investment company Geocapital is about to return to the banking sector in Mozambique, now through Banco Mais and a new partner, more than a year after it scrapped a partnership that took Moza Banco to the Mozambican market.

Geocapital, an investment company with a significant shareholder from Portugal and two from Macau, is preparing to take a 45 percent stake in Banco Tchuma, which will be renamed Banco Mais, as part of a restructuring process, according to the Africa Monitor Intelligence newsletter.

This deal will be conducted in partnership with Tunisian investment fund, Tuninvest, which is expected to have a shareholding of 38 percent, the same as Geocapital, to through a capital increase operation.

The newsletter said that the founders of Tchuma and so far its only shareholder – the Foundation for Community Development, linked to Graça Machel, and Gildo Lucas, which represents small Mozambican investors, will remain in the new bank with smaller stakes – about 7 percent and 8 percent.

Geocapital and the Tunisian partner will share the management of the new bank and the future President of Banco Mais will be Narciso de Matos.

With foreign investment at a high, mainly focused on large-scale extraction of mineral resources, the Mozambican banking sector has a high potential return and is attracting new investors.

Geocapital is a holding company with based in Macau focused on investments in the basic economic sectors of all Portuguese-speaking countries and territories.

The company thus returns to the Mozambique market, from which it had retired in June 2013, unexpectedly, when it sold its stake in Moza Banco to Portugal's Banco Espírito Santo.

Following a previous shareholding arrangement, the Portuguese group took a stake of 44 percent in the Mozambican bank by taking an 18.9 percent stake to Geocapital, which remained as a shareholder of the bank with 5.6 percent.

Geocapital then sold what was left of its stake in the bank and Mozambique Capital, which brings together more than 300 small Mozambican shareholders, ended up with a 51 percent share and Banco Espírito Santo, through BES Africa, had 49 percent.

Geocapital has stated its interest in complementing its financial "network" in Portuguese-speaking countries with a stronger presence in Portugal, Angola, Brazil and Timor-Leste (East Timor).

It currently has stakes in Banco da África Ocidental (Guinea-Bissau) and Caixa Económica of Cabo Verde (Cape Verde), as well as the project to create the Timorese Investment Bank.

After an initial attempt to acquire a stake in a bank in Angola, Geocapital turned to a strategic partnership with Global Pactum and Banco Privado Atlântico, which brings it together with state oil company Sonangol, which is the largest shareholder of Millennium BCP. (13-10-2014)

RULING PARTY SET TO WIN MOZAMBICAN POLLS, DESPITE ANGER OVER INEQUALITY

Mozambique's ruling Frelimo party and its presidential candidate look likely to win elections this week, despite voters' dissatisfaction with graft and inequality in one of Africa's fastest-growing economies that boasts abundant energy reserves.

On Wednesday, former liberation movement Frelimo, which has dominated voting in the former Portuguese colony since its 1975 independence, is widely expected to win the fifth presidential ballot held since the end of a devastating 1975-1992 civil war.

More than 10-million voters will also select on Wednesday a new 250-seat parliament and members of 10 provincial assemblies.

The advantages of incumbency and his party's historic dominance have allowed Frelimo's presidential hopeful, Filipe Nyusi, 55, to run a better-resourced campaign than his main challengers, veteran Renamo opposition leader Afonso Dhlakama, and Daviz Simango, who heads the Mozambique Democratic Movement (MDM), an emergent third political force.

The winner will be well-placed to reap the early rewards of multi-billion-dollar gas and oil developments in the north of the Indian Ocean nation, which though poor is forecast by the International Monetary Fund to see economic growth of more than 8% this year.

In lively but generally peaceful campaigning, the candidates have faced insistent demands from voters that Mozambique's plentiful resources — which besides offshore gas and oil include huge coal deposits as well as farming and fisheries potential — be used to generate more jobs and higher living standards.

"We only want the country to get better," said Maputo resident Sara Chilundo, as she waited for a minibus taxi beside a wall plastered in red Frelimo election posters in the capital Maputo, where new malls and office blocks have sprouted skywards among the older colonial era houses and buildings.

"There has to be jobs for our children, schools," she added.

Frelimo's stewardship under outgoing President Armando Guebuza, who is barred by the constitution from standing for a third term, has come under fire over corruption and deep divisions between rich and poor in the nation of 25.8-million.

Western aid donors have also criticised the government over a lack of transparency.

‘Honey’ of power

In the election campaigning, Frelimo’s opponents focused their attacks on what they say is the ruling party’s unfair and arrogant stranglehold over political and economic power.

"Mozambique belongs to everyone" was the slogan of MDM’s Mr Simango, 50, a Renamo defector and civil engineer who made a credible first showing in the 2009 presidential vote and whose party made gains in local government elections last year.

Many Mozambicans complain that government jobs and business opportunities are reserved for card-carrying Frelimo members.

"Frelimo only governs for those who have money and those who have money don’t worry about anyone else in the country," said transport inspector and Renamo supporter Jeffrey Mucombo, 44.

Mr Dhlakama, the former rebel chief who has lost every election to Frelimo since the end of the civil war that pitted his Renamo guerrillas against the formerly Marxist ruling party, emerged from a bush hideout in central Mozambique only last month.

He had remained holed up there for two years during which his partisans clashed with soldiers and police and ambushed traffic on a main north-south highway. A deal signed last month by Mr Dhlakama and Mr Guebuza reaffirmed the 1992 national peace pact.

"To vote Dhlakama is to vote stability," the white-haired bespectacled Renamo contender, who is 61, said on Saturday when he made a surprise tour of Maputo’s main neighbourhoods.

Mr Dhlakama said that if he won he would work with all Mozambicans "as long as they are not corrupt or thieves".

At his final rally on Sunday, which saw some of Mozambique’s best-known music stars entertain several thousand supporters, Mr Nyusi voiced Frelimo’s confident message of continuity.

Promising "food in the stomach, transport, education, health, energy, water, shoes and clothes", Mr Nyusi said his name in the northern Makonde language meant "bee".

"This produces the honey," he said.

Frelimo’s choice of Cabo Delgado northerner Mr Nyusi seeks to marry its power in the south with the new energy hub being developed in the north by firms such as US oil major Anadarko Petroleum Corp and Italy’s Eni.

Whoever wins on Wednesday, most Mozambicans agree that political differences should be solved through the ballot box.

"When elephants fight it’s the bush around that gets trampled," said Ana Mateus, 38, a self-employed beauty care entrepreneur. "We don’t want war, we want our nation to develop". (Reuters 13-10-2014)

MATCHEDJE MOTOR SELLS FIRST CAR ASSEMBLED IN MOZAMBIQUE

The only company assembling cars in Mozambique cars, Matchedje Motor, on Thursday sold the first vehicle rolled off the production line, the Mozambican press reported.

The delivery of the first car came a week after the factory was opened by Mozambique’s President, and the first 100 double cabin Matchedje vehicles, valued at 720,000 meticals per unit, will be sold for 595,000 meticals (US$19,600) as part of a promotional campaign.

Founded around three years ago in the town of Machava on the outskirts of the Mozambican capital, Maputo, Matchedje Motor is the result of investment by China Tong Jian Investment Co., Ltd. In this initial phase it is operating with two assembly lines, a painting area and an inspection area, with an annual production capacity of 30,000 vehicles.

At the 20,000-hectare complex, where a park of state company Portos e Caminhos de Ferro de Moçambique (CFM) was previously set up, a testing track has also been set up as well as an area for the company’s offices.

The company is preparing a network of distributors in Mozambique, as well as dealers, in order to reach its annual sales target of 30,000 vehicles, but the directors also plan to expand into the rest of Africa.

In the second phase, planned for 2016-2017, the factory’s production capacity will increase to 100,000 vehicles per year, after which it should be increased to about 500,000 vehicles.

Currently, Matchedje Motor is focused on producing all-terrain vans, buses and electric scooters, but with the expansion of the Machava unit expects to expand its range to other types of vehicles. (13-10-2014)

NETHERLANDS AND UNITED STATES BECOME TOP KENYA EXPORT MARKETS

New economic data from Kenya National Bureau of Statistics (KNBS) received Monday indicates the country's exports to Netherlands hit 244 million U.S. dollars in the first six months of this year, compared to Britain's 195 million dollars.

Britain has been Kenya's second top destination of exports for over two years after beating Tanzania.

However, the country, according to the economic data, now stands at position four, with U.S. coming in third as Kenya strengthens its bilateral ties with President Barrack Obama's administration.

U.S. imports from Kenya stood at 206 million dollars in the first half of the year.

The imports have been on the rise since January, where they stood at 27.2 million dollars and grew to 42 million dollars in June, an indication of US warming up to goods from East Africa's biggest economy.

Uganda remains Kenya's top destination of goods, with an import worth 251 million dollars in the first half of this year.

Kenya exports to Netherlands include mainly cut flowers, tobacco and horticultural products. On the other hand, Netherlands exports to Kenya chemicals, machinery, engines and transport equipment.

The relation between the two nations, however, goes beyond trade.

According to the Dutch embassy in Nairobi, the Netherlands funds various programes in Kenya in art, water and environment sectors.

Cut flowers contribute to close to 80 per cent of Kenya's exports to Netherlands.

Trade between the two nations has been vibrant since the start of the year. It peaked in March, where it stood at 47 million dollars, the highest so far.

The least Kenya exported to Netherlands in the period January to June was 35.2 million dollars in April.

Last year, Kenya's exports to Netherlands stood at 363 million dollars.

If the current momentum is sustained, this year's exports would surpass those of 2013.

Kenya, however, does not import as much from Netherlands. In the first six months of the year, the East African nation imported goods worth 94 million dollars.

Analysts note that growing ties between the two nations show that Kenya is keen on seeking new trade partners, especially those who benefit her most as in the case of Netherlands.

Trade between Netherlands and Kenya is growing at a time when Britain and the East African nation’s bilateral ties are lukewarm."Kenya’s central location in East Africa is attractive to Dutch investors.

"Investing in this country means access to a market of over 135 million consumers in East Africa, an abundant labour which is skilled and enterprising," noted Dutch Embassy in Nairobi.

It is further not surprising that US has overtaken Britain as a popular destination of Kenya’s exports.

President Uhuru Kenyatta has been on tour of the U.S. twice in two months, where he met President Obama. In August, Kenya sealed deals worth 562 million dollars with US investors.

But it is not only the East African nation’s exports to the US that are growing, Kenya’s imports from the country have increased about six-fold since January.

U.S. exports to the Kenya have grown from 60 million dollars at the beginning of the year to 344 million dollars in July, according to economic data.

In July, U.S. was the biggest supplier of goods to Kenya, followed India’s 284 million dollars and China’s 199 million dollars. However, in general, India remains the biggest supplier of goods to Kenya.

Imports from the U.S. in 2013 totalled 660 million dollars, KNBS data shows.

Kenya imports include aircrafts, electric machinery and grains, according to the Office of United States for Trade Representative. (Xhinua 13-10-2014)

ANGOLA CREATES SUPPORT PROGRAMME FOR SMALL INDUSTRIAL INITIATIVES

Small business initiatives in Angola, especially in the industrial sector, will have their own specific support programme, said Angola’s Minister of Industry, Bernarda Martins.

The minister said support for small industrial projects was fundamental for the overall growth of the sector, with a view to reducing imports into the country, as she opened a tyre re-treading factory, according to Angolan news agency Angop.

With an estimated cost of 108.2 million kwanza (US$1.08 million), the new factory will provide truck tire re-treading services, repair tires, sell new tires of different brands and sizes and provide after-sales service.

Named “Pneuang” the factory is expected initially to re-tread 10,000 tyres per year.

The factory, which also has a store for retail customers, will provide services for all types of vehicles and equipment, including wheel and steering alignment, quick lube and mechanics.

The factory, which has been operating for two months with a single production line, has passenger, cargo and fuel transport companies as its main customers. (13-10-2014)

KENYA, FINLAND SET TO SIGN DOUBLE TAXATION PACT

Kenya and Finland are set to sign a double taxation agreement in order to promote trade and investment relations, a Finnish envoy has said.

Finland's Ambassador to Kenya Sofie From-Emmesberger told Xinhua that a draft agreement has already been prepared and is waiting approval from both countries.

"We are currently sensitizing investors in Finland on the growing opportunities in Kenya's growing economy," Emmesberger said on the sidelines of the launch of the Interpol Environmental Security Office in Nairobi late on Monday.

"The current level of bilateral trade is below the potential," she said, adding that Kenya is important to Finland because it is the regional hub for east Africa.

"It is a member of major trading blocs in Africa such as the Common Market for Eastern and Southern Africa (COMESA) and the East African Community," the envoy said.

Emmesberger noted that Kenya is at the center of one of the fastest growing regions in the world. "We are therefore encouraging Finnish investors to expand their presence in Kenya," she said.

In 2013, bilateral trade between the two countries was approximately 35 million Euros. Kenya exported goods worth 17 million Euros while Finland exports to Kenya stood at 18 million Euros, according to the envoy.

She said Kenyan goods consisted of horticulture, tea and coffee, while Finland sold mainly information communication technology and power plant equipment.

There are currently no direct flights connecting the two nations. The envoy said it affects the volume trade among the two countries.

Some 2,000 Finns visited Kenya in 2013 while the Kenyan community in Finland stands at approximately 700, the envoy said.

Kenya is one of Finland's seven development partners. In the current financial, total Finnish overseas aid to Kenya will reach 13.9 million Euros.

Under the Local Cooperation Fund, the Finnish embassy in Nairobi will disburse 11.6 million Euros from 2013 to 2016 to Non- Governmental Organizations in order to promote good governance. (Xinhua 07-10-2014)

BANCO BIC OF ANGOLA ENTERS NAMIBIAN MARKET

Banco BIC of Angola has received authorisation from the Central Bank of Namibia to operate in the country, a first step to extend its business to the member countries of the Southern African Development Community (SADC), the bank said.

The authorisation granted by the Namibian central bank is provisional for a six-month period and gives Banco BIC time to complete feasibility studies to back up its business plan to enter the market.

During this six month period, the Banco BIC Namibia is not entitled to carry out any kind of banking activity, especially customer acquisition.

This entry into the Namibian market coincides with a reshuffle of the shareholder structure of Banco BIC, in which Portuguese businessman Américo Amorim sold his 25 percent stake in the bank, thereby strengthening the shareholdings of businesswoman Isabel dos Santos and of the executive chairman of the bank Fernando Teles.

Last February Banco BIC opened a delegation in Johannesburg, South Africa, and is now preparing to open a representative office in China, which is the main buyer of Angolan oil. (07-10-2014)

NIGERIA GATEWAY TO WEST AFRICAN MARKET, SAYS EU ENVOY

…as Kenya commends Nigeria's agric policies

The EU Ambassador to Nigeria and West-Africa, Mr. Michel Arrion, has advised Nigeria to view the West African market as an extension of its domestic economy, stating that as the largest economy in Africa and the largest industrial hub of West Africa, Nigeria will undoubtedly be the greatest beneficiary of an integrated West African market especially in agricultural products.

Arrion gave this advice at the 3rd EUNigeria Business Forum, EUNBF, recently held in Lagos Nigeria with a focus on the role of private sector in driving the common EU/Nigeria economic agenda.

With agriculture fast becoming a key aspect of EU – Africa relations, the forum which served as a platform for private sector participants to identify business opportunities and connect with key investors from the 28 member Union was a joint venture between the EU, its member states and Nigerian partners – the National Planning Commission, NPC, and the National Competitive Council of Nigeria, NCCN.

The event featured panel discussions on business climate, agribusiness, electricity, health and nutrition and access to finance, with an objective to find a meeting point for the private sector to leverage on the opportunities existing in these sectors.

Speaking on the EU-Nigeria relationship, Ambassador Arrion stated that the EU is Nigeria's most important trading partner and biggest market for both oil and non oil-exports especially agricultural products such as cocoa, leather, sesame and others with the EU-Nigeria trade of 2013 at 40.4 billion euros (N8.5tr).

He proposed a review of the EU- Nigeria relationship towards a more diversified composition and a strengthened ECOWAS regional market. This he stated could be achieved through consolidation of the regional markets, promotion of regional trade and removal of barriers to trade while protecting sectors that are considered sensitive to the economies of the ECOWAS member states.

With a drop in Nigeria's inflow of FDI into the continent according to recent UNCTAD statistics, Arrion recommended the development of broad-based and long term policies with proper provision for the protection of individuals, assets and contracts in the Courts as well as the rule of law as a sure way of making the business environment conducive for foreign investment.

Meanwhile, the focal person for the Comprehensive Africa Agricultural Development Programme, CAADP, in Kenya, Mrs. Dorcas Makwoi, has commended the Nigeria's Agriculture Minister, Dr. Akinwunmi Adesina, for influencing Kenya's agricultural policy.

Makwoi said the positive impact of the innovative agricultural policies being implemented in Nigeria is fast catching on across the African continent.

According to her, when Adesina was Vice-President (Policy and Partnerships) of the Alliance for a Green Revolution in Africa, AGRA, he contributed to making policies that are currently boosting agricultural production across Africa.

She also lauded Adesina for the launch of the Growth Enhancement Support, GES, "through which Nigerian farmers now receive subsidised seeds and fertilisers through vouchers on their mobile phones".

She said the policy has provided a medium for the private sector to key into the fertiliser business, which is a model for ASCU in Kenya and "…would enable Kenyan farmers to benefit from fertilisers, seeds, feeds and pesticides without any interference from middle men…." Kenya, according to Makwoi, is an agro-based economy and has keyed into Nigeria's agricultural policies to improve its agricultural sector.

She said, "Through our agricultural sector development strategy, the growth target has been pegged at a target of seven per cent, which is above the six per cent expectation from CAADP". (03-10-2014)

PORTUGUESE COMPANY SANITOP EXPANDS TO ANGOLA IN 2015

Portuguese company Sanitop plans in 2015 to invest around 1 million euros to establish a store in

Angola, the chairman of the construction materials company said.
“It will be identical to the investment we made in Mozambique in 2013 amounting to about one million euros,” said Johan Stevens, the company’s chairman, which has been the Portuguese market leader for seven years, told Portuguese news agency Lusa.
In addition to 20 outlets across Portugal, where it employs about 150 workers, Sanitop is also present in Cabo Verde (Cape Verde), Belgium and Spain.
According to the chairman of the group founded 20 years ago in Viana do Castelo, this year, “turnover is expected to reach 29 million euros, which represents an increase of about 25 percent compared to last year.”
Sanitop’s business is focused on three product areas, namely installations systems through Sanitop Sistemas, heating, solar power and air conditioning through Sanitop Climatização and plumbing/decorative equipment through Sanitop Collection. (13-10-2014)

SOUTH KOREAN FLEET ORDERED INTO PORT IN PUNTLAND AFTER ILLEGAL FISHING ALLEGATIONS.

A region in Somalia is cracking down on an upsurge in illegal fishing off its coast as fleets flock to waters where foreign naval forces have been taking on the pirates that make fishing a risky business.
Describing illegal fishing as "a national disaster", President Abdiweli Ali Gas of the autonomous state of Puntland, in the country's northeast, ordered four South Korean trawlers into port following claims they broke local laws.
Environmentalists used satellite technology to document the vessels trawling the seabed for catches that Al Jazeera discovered are mostly ending up in Italy - despite European Union regulations banning imports of illegally caught fish.
Scientists are warning unregulated trawling of the seabed may have devastated the marine environment and fish populations along Somalia's 3,300km coastline, the longest in Africa but one where certain species are particularly vulnerable to overfishing.
"Illegal fishing operators prey on coastal countries where the authorities cannot monitor and control their activities," Steve Trent, executive director of the Environmental Justice Foundation, told Al Jazeera. "Typically these are places where local communities rely heavily on fishing for food and jobs."

'Protection' from pirates

Following allegations that the South Korean vessels had been breaking fishing laws - despite having licences to operate in the region - Puntland's president ordered the trawlers into the port of Bosaso. The ships are believed to have flouted laws on where and how they can fish, with local fishing communities complaining the trawlers are operating just 3.2km from shore.
"The fact that product from the vessels we have tracked operating in Puntland continues to find its way into Europe is evidence of the need to strengthen the implementation of the EU's efforts to block IUU [illegal, unreported and unregulated] imports," said Trent.
An official from Puntland's Ministry of Fisheries, who agreed to speak on the condition of anonymity, said the 500-tonne ships regularly fish in protected areas, endangering local fishermen, and reportedly catching species relied upon by communities that face what the UN Food and Agriculture Organisation says are "critical" food shortages.
Puntland's crackdown forms part of a wider campaign by authorities to protect the region's marine resources amid warnings that foreign naval action to reduce piracy is fuelling illegal fishing. In June, Gas called illegal fishing "a national disaster" and said it "needed to be stopped".
"Our forces and the coastguard unit will operate effectively to fight heavily against the illegal fishing," the president told a press conference.
His move follows separate investigations by local officials and the Environmental Justice Foundation, a UK-based non-governmental organisation, which documented the vessels trawling the seabed off Puntland before transporting their catches to the port of Salalah in Oman.
Using intelligence provided by seafood traders, Al Jazeera discovered the catches are typically frozen and loaded into shipping containers in Salalah and are then exported to Italy, with some of the fish also

heading for Japan, China, South Korea, and Ivory Coast.

The four vessels - Ixthus 7, Ixthus 8, Ixthus 9 and Baek Yang 37 - are all listed on the European Commission's website as accredited to export seafood to the EU. Information obtained by Al Jazeera shows large volumes of fish caught by the fleet and valued at about $40m may have entered the EU since 2006.

Italy's largest food service distributor, MARR SpA, confirmed it bought fish from the South Korean vessels operating in Puntland as recently as this year, insisting the owner of the vessels "claimed to have legal licences".

However, piracy in Somalia's waters has made foreign fishing boats seeking to net the tuna and spiny lobster that are highly prized in international seafood markets, heavily reliant on the "protection" of Somali clans.

In 2011, the UN Monitoring Group raised concerns about the South Korean vessels' activities in Somalia and emphasised that none of them had ever reported an attack by Somali pirates - despite being active in waters plagued by piracy.

The Monitoring Group observed that "the sale of licences to foreign vessels in exchange for fishing rights has acquired the features of a large-scale 'protection racket', indistinguishable in most respects from common piracy".

European threat

In late 2013, the European Commission warned imports of fish from South Korean vessels could be banned unless the country takes steps to monitor and control its fishing fleet.

Based on findings detailing illegal activities in West Africa - where an investigation by Al Jazeera in 2012 uncovered illegal fishing in Sierra Leone - the Commission said South Korean-flagged vessels had been operating without licences and in protected areas, hiding their markings, changing their identities, and transferring their catches to other boats at sea illegally.

One of the South Korean trawlers currently fishing in Somalia, Baek Yang 37, previously operated illegally in the waters of Sierra Leone's neighbour Guinea. Other boats in the fleet previously fished in Yemen and Oman before both countries banned bottom trawling.

The use of armed guards to protect fishing activity in Somalia risks leading to an escalation in the presence and use of weapons in Somali waters.

Experts say the clampdown on illegal and unsustainable fishing in many countries is prompting South Korean boats to search out fishing grounds in countries such as Somalia, where monitoring and control are weak and the payment of bribes to obtain licences is reportedly common.

Under pressure from the EU, South Korea's government is reported to be taking steps to investigate its fishing fleet, establishing a monitoring centre and strengthening its ability to punish wrongdoers.

Although it has not so far asked its vessels to leave Puntland, there are reports that authorities in Seoul have stopped signing the certificates required to export fish to the EU until the situation is clarified.

The agent for the South Korean vessels, Captain Issa Farah of the North East Fishing Company, has declined to comment on the terms of the licences sold to them or the legality of their activities.

The European Commission was contacted by Al Jazeera but has not commented on the case. It is likely that member states will be asked to increase checks on imports of fish from the Indian Ocean to ensure illegal catches from Somalia do not end up on European plates.

A UN official - who requested anonymity because he wasn’t authorised to talk to the media - warned illegal fishing does not only pose a threat to Somalia's fish resources.

"The use of armed guards to protect fishing activity in Somalia risks leading to an escalation in the presence and use of weapons in Somali waters. Given the recent history of piracy, this is clearly a worrying situation." (Al Jazeera 07-10-2019)

EAC, AU COMMISSION TEAM TO ADDRESS AFRICA DISASTER RISKS

Natural hazards, such as floods, droughts, and earthquakes are becoming more regular and intense, increasing impact on people and communities.

Low-income households have more difficulty buffering losses, meaning that disaster losses translate into a series of impacts, including more poverty, declining health and worsening nutrition.

Poor planning, poverty and a range of other underlying factors create conditions of vulnerability that result in insufficient capacity to cope with natural hazards and disasters. Action to reduce risk has grown in importance on the international agenda and is seen as essential for sustainable development.

The East African Community, in partnership with the African Union Commission and the United Nations Office for Disaster Risk Reduction is hosting the sixth Africa Working Group on Disaster Risk Reduction starting today (Wednesday) at the EAC headquarters in Arusha, Tanzania, to address these challenges.

Every year on October 13th the world marks the International Day for Natural Disaster Reduction.

“The frequency and intensity of climatic disasters is said Moses Marwa, the acting director Productive Sectors, who represented the Deputy Secretary General, Productive and Social Sectors, Jesca Eriyo.

He added: “Other underlying factors include poverty, low awareness on disaster risks and weak and uncoordinated policy measures and limited capacities in disaster preparedness.”

Natural hazards such as droughts are becoming more regular and intense

Disaster Risk Reduction (DRR) includes all the policies, strategies and measures that can make people, cities and countries more resilient to hazards and reduce risk and vulnerability to disasters.

The Africa Working Group provides coordination and technical support to the African Union Commission, regional economic communities, and member states on the implementation of the Africa Regional Strategy for Disaster Risk Reduction (2006-2015), and its programme of action.
The process to develop a successor to the existing global agreement on disaster risk reduction under the Hyogo Framework for Action is underway and will take into account all the contributions from the ongoing continental and global consultations.

The process to craft a common African position on disaster risk reduction has evolved through a series of consultations at the national, sub-regional and regional levels.

Recent consultative meetings include the Fourth Africa Regional Platform in Arusha, Tanzania, in February 2013; the Fourth Global Platform held in Geneva, Switzerland, in May 2013 that considered a draft text on Africa’s contribution and position prepared by the African Union Commission; and a consultative meeting on the post-2015 framework held in Nairobi, Kenya, in November 2013 that resulted in a draft Africa contribution paper on the post-2015 framework.

The outcomes from regional platforms feed into the Global Platforms with the aim of supporting effective global action and expanding the political space devoted to DRR.

Whenever they occur, floods massively affect transport systems

Marwa said: “These meetings have significantly contributed to the process of consolidating the African Position on the Post 2015 Hyogo Framework of Action (HFA-2).

“Africa is therefore preparing to lead the global agenda as a continent that is prone to multiple disasters, high vulnerability compounded by low coping and adaptive capacities."

The 6th Africa Working Group will also discuss the implementation of the new regional programme: Building Disaster Resilience to Natural Hazards in Sub-Saharan Africa Regions, Countries and Communities that is expected to be operational soon.

The new programme is funded by European Commission-African, Caribbean and Pacific (EC-ACP).

The EAC has made considerable progress in the field of disaster risk reduction including the approval of the EAC Disaster Risk Reduction and Management Strategy by the 27th Meeting of the Council of Ministers held on 31st August 2013, the formulation of the draft Private Members Bill on EAC Disaster Risk Reduction, and the establishment of the EAC Disaster Risk Reduction Working Group, EAC Disaster Risk Reduction Platform as well as a Risk Reduction Unit.

The sixth Africa Working Group meeting will close on Thursday. (New Vision Uganda 01-10-2014)

SOUTH AFRICA: ITALY LOOKS TO SOUTH AFRICA FOR OPPORTUNITY

More than 100 political and business leaders from Italy and South Africa have been meeting in Cape Town for the first-ever South Africa-Italy Summit, which aims to bolster bilateral business and economic ties between the two countries.

Under discussion at the two-day meeting, currently under way Cape Town, are ways to boost the economy of both countries and expand in Sub-Saharan markets, especially investment opportunities in the energy, manufacturing and agro-industry fields.

Also on the agenda are sustainable economic and technological growth strategies, as well as the role of banks and financial markets in supporting bilateral relations.

With the theme "Building Communities of Leaders for Growing their Enterprises", the summit has been organised with the help of the Italian and South African embassies, EXPO 2015 and the Black Business Council. Plans are to hold the summit annually, to foster a strong, long-lasting partnership between entrepreneurs and enterprises of the two countries, and between South Africa and Italy.

Understanding

According to a report in the Cape Times today, Alec Erwin, South Africa's former minister of trade and industry and now chair of UBU Holdings, told the potential investors that if they wanted to succeed in Africa, they needed to gain understanding of its economies from the economies themselves - not from analysts in New York.

"If you're going to be serious about Africa, be serious about Africa, don't take it for granted. Get in and understand these economies, do your homework," Erwin reportedly said.

Erwin said there were no short cuts to doing business in Africa. Foreign investors who went in with the idea that African countries had to be investor-friendly and do everything the foreign investor wanted would be "sorely disappointed".

Erwin told the conference that while the institutional environment in Africa was not always easy, it was manageable.

Potential

Trade between the two countries is growing steadily. Bilateral trade between South Africa and Italy was worth around €3.5-billion (R51.5-billion) in 2013, and the investment flows of €250-million (R3.7-billion) in 2012 are below its potential, according to Paolo Borzatta, director of the European House-Ambrosetti, the international think tank that is responsible for initiating the meeting.

"The approach will be to focus on the strengths of both countries to exploit the opportunities to grow together and faster."

Borzatta said the summit would highlight investment opportunities as well as "create trust amongst the leaders of the two countries so that they can be able to do business together and build long-term relationships".

He described South Africa as the hub of the "booming" sub-Saharan region, which has experienced yearly GDP growth of 6% for the past 10 years.

Energy sector

The summit heard how energy demand in the region is expected to increase by 107% by 2040, with investments of more than $50-billion (R564-billion) a year. Energy tops the list of South Africa's economic agenda, with the country hoping to build 42.3GW of power by 2030 to take the pressure off the ageing infrastructure.

Borzatta said there were opportunities for Italy to partner with South Africa in programmes on new technologies, including smart grids and energy efficiency.

He said co-operation agreements in the energy and agro-industry fields would be pursued by South African and Italian universities to assist the training of technicians and farmers. The universities would also share knowledge in the fields of food security, seed and fertilisers, water management and irrigation, Borzatta said.

Manufacturing

Borzatta said Italian businesses are looking to pursue investment opportunities to establish manufacturing plants, helping to create employment in South Africa.

Italy's medium-sized manufacturing businesses are regarded as world leaders in industrial equipment and machinery.

Manufacturing is an important challenge for South Africa, with the sector's share of the economy falling from 21.9% in 1992 to 12.4% in 2012.

Italy's, on the other hand, is growing and it is the second-highest manufacturing country in the EU with a manufacturing gross added value of €216.5-billion.

"We already have plants [in South Africa] and would like to have more joint ventures so that we can invest in other Sub-Saharan Africa countries with the idea of creating clusters," he said. Companies could be grouped in "value chains", allowing them to work together and increase their capabilities.

Contribution

Nomatemba Tambo, South Africa's ambassador to Italy said the summit being held in South Africa was significant and would contribute to economic growth in the two countries.

She said the renewing of South Africa's co-operation agreement with Italy on trade and investment in 2012 was "a step in the right direction".

Vincenzo Schioppa, Italy's ambassador to South Africa, said the aim for the Italian government was not to boost exports, but to promote investment and establishing plants.

"Our aim is to produce together here to get Italians to invest in South Africa and to create job opportunities in South Africa and for goods to be consumed here," he said.

Members of the European House-Ambrosetti's advisory board include Tseke Nkadimeng, chief executive of Afric Oil; Ndaba Ntsele, executive chairman of Pamodzi Group; and Iqbal Survé, president of the Sekunjalo Group. (SAnews.gov.za)

SABMILLER'S ZIMBABWEAN BEER SALES HIT BY WEAKENING ECONOMY

SABMiller's Zimbabwean affiliate Delta Corporation reported a 25% drop in lager sales for the six months to September on Monday, as slower economic growth in the southern African country hit demand for beer.

Zimbabwe in July slashed its 2014 growth forecast to 3.1% from 6.1%, due to lower output in mining and manufacturing and as more companies shut down, the finance minister has said.

Delta, Zimbabwe's largest listed company, is 38% owned by global brewer SABMiller. Delta also said in a trading update that soft drink sales fell 6% during the period.

Demand for cheaper sorghum beer remained strong, jumping 14% in the first six months, while overall revenue was 4% lower, Delta said.

Delta's shares were unchanged at 125c during Monday's trade. (Reuters 13-10-2014)

BAN ON VEGETABLE EXPORTS TO EU LIFTED

Government has lifted the ban on the export of vegetables to the European Union.

This was after the European Union threatened to sanction Ghana over worm-infested vegetables to European markets.

Government subsequently banned vegetable exports, a situation which some of the farmers, exporters and carrier airlines complained was impacting negatively on their businesses.

Stakeholders involved in the export of vegetables met to be briefed about new measures to forestall future occurrence.

General Secretary of the Association of Vegetable Exporters, Daniel Aladi told Citi Business news following the lifting of the Plant Quarantine Division said "they were going to ensure that what we (Ghana) send this time around will not receive notifications from the EU."

Daniel Aladi indicated the lifting of the ban will however not result in the immediate resumption of exports at peak levels. This is because, "all farms that are currently under cultivation, will not be allowed for exports."

According to him, "they want the farmers that grow the vegetables to be trained and also to build the capacity of district agriculture extension officers to be able to assist these farmers."

Daniel Aladi added that, "There is going to be very strict monitoring of the activities of the vegetable farmers so that once harvest comes from these new fields that are now going to be cultivated, they will allow such produce to be exported."

He indicated the training will done by agricultural extension officers, and be supported by a Non-Governmental Organisation, PlantWise and GIZ. However, Plant Protection & Regulatory Services will play the lead role in the training of the officers. (BD 04-10-2014)

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