INSIDE AFRICA

Now is the time to invest in Africa

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In-depth:

Hunting for Eurobonds

Attracted by the prevailing low interest rates, cash-strapped African countries looking to borrow money on international private markets are increasingly turning to Eurobonds as the instrument of choice.

In 2006, Seychelles became the first country in sub-Saharan Africa, other than South Africa, to issue bonds. A year later Ghana followed, raising US$750m in Eurobonds. Since then they have been joined by Gabon, Senegal, Côte d'Ivoire, the Democratic Republic of Congo, Nigeria, Namibia and Zambia.

In September 2012, Zambia made a splash on the international private market, launching a 10-year bond at $750m. The issue was oversubscribed by $11m and became a model for other African nations. Rwanda followed suit in 2013 with a $400m Eurobond issued on the Irish Stock Exchange. Zambia is considering issuing a $1bn Eurobond this year to finance its budget deficit. It also plans to spend over $600m on developing power, road and rail infrastructure. Kenya is finalizing plans for its debut entry into the Eurobond market, seeking up to $1.5bn to finance infrastructure projects.

Nigeria first entered the markets in 2011 with a 10-year Eurobond. "We look to come [to the market] regularly, every two years," Finance Minister Ngozi Okonjo-Iweala told the ***Financial Times***. In 2012, African countries raised about $8.1bn from issuing bonds, says Moody's, a global credit rating agency. In total, more than 20% of the 48 countries in sub-Saharan Africa have sold Eurobonds, according to the International Monetary Fund (IMF).

For certain governments in sub-Saharan Africa, Eurobonds are a means of diversifying sources of investment finance and moving away from traditional foreign aid. Not only do these bonds allow such governments to raise money for development projects when domestic resources are wanting, they also help reduce budgetary deficits in an environment in which donors are not willing to increase their overseas development assistance.

Corporate entities in sub-Saharan Africa, like Guaranty Trust Bank in Nigeria and Vodafone Ghana, have also successfully issued Eurobonds. Global investors have been eager to purchase these bonds for higher yields amid low returns in mature markets. It is a sign of the investors' endorsement of the region's buoyant economic prospects, observes Mthuli Ncube, chief economist and vice-president of the African Development Bank (AfDB). The developed world has been rocked by a series of economic and financial crises while Africa has displayed steady growth over recent years, averaging about 5% per annum. Analysts believe the incentive for investors is solely the prospect of higher gains.

Eurobonds have also given African countries an opportunity to integrate into global financial markets. Up until recently, according to the AfDB, access was limited for African countries apart from Morocco, South Africa and Tunisia, which entered the markets in the 1990s. In addition, bond issuances come with fewer strings attached than money from multilateral institutions. Governments also have more control over where they channel the money.

Other reasons behind the recent surge in borrowing by African countries, according to the IMF, are changes in the institutional environment, such as more flexibility for low-income countries with access to non-concessional borrowing, reduced debt burdens, large borrowing needs and historically low borrowing costs. But there are serious challenges to Africa's future in international markets, analysts warn. Buyers of African bonds raise concerns about the countries' vulnerability to commodity prices, political instability, fiscal irresponsibility, lack of reliable statistics and transparency, and poor histories of debt management. Therefore, sovereign bonds issued by resource-rich African countries are deemed risky assets by some investors.

Recent speculation that the US Federal Reserve bond-buying programme would end in 2014, along with rising US treasury yields, sparked a sell-off in emerging markets, Angus Downie, the head of economic research at Ecobank, a pan-African bank, told ***Business Daily*** of Kenya. "Investors will want higher yields," he says. Since the beginning of 2014, the Federal Reserve has started cutting back on its bond-buying programme, leading to speculation that this might spark an increase in interest rates. Higher interest rates raise the cost of servicing the national debt. In a recent article, the ***Wall Street Journal*** showed Nigeria's Eurobond trading at a yield of 6.375%, up from 4% in late April, because of waning investor interest, adding that Rwanda is now trading north of 8%.

On the flip side, these bonds have not been the saving grace that African countries thought they would be. In an article entitled ***First Borrow***, Amadou Sy, deputy division chief of the IMF's Monetary and Capital Markets Department, points to some recent sovereign defaults in sub-Saharan Africa. The Seychelles defaulted on a $230m Eurobond in 2008, after a sharp plunge in tourism revenues and years of excessive government spending. Côte d'Ivoire missed a $29m interest payment after its 2011 election disputes forced it to default on a bond issued in 2010. Ghana and Gabon are struggling to find money for a $750m and $1bn bond, respectively, on 10-year Eurobonds that will reach maturity in 2017. But this has not deterred African countries from issuing bonds, although they are borrowing at high interest rates.

Joseph Stiglitz, a Nobel laureate in economics and Columbia University professor, questions in a blog for the ***Guardian*** this new trend for "private sector borrowing" by developing countries. The sovereign Eurobonds carry significantly higher borrowing costs than concessional debt, Stiglitz notes. He worries about "excessive borrowing" over the long term, which benefits only the banks because they "take their fees up front." African countries, Stiglitz believes, should have in place a "comprehensive debt-management structure"; they should also invest wisely and refrain from borrowing further in order to repay their debts.

Whether the "rash of borrowing by sub-Saharan African governments is sustainable over the medium-to-long term is open to question", echoes the IMF's Sy. If the low-interest-rate environment changes, it could reduce investors' appetite for the bonds and "economic growth may not continue, making it harder for countries to service their loans," he adds.
Political instability is something else that could put a wrench in the whole process, lowering economic growth and increasing interest rates. It is no coincidence that countries such as Ghana, Kenya and Nigeria that have had political stability in recent years have been able to –or intend to –sell bonds of at least $1bn. A change in the political situation in such a country, resulting in bad governance, could drive back potential bonds buyers, says Larry Seruma, chief investment officer of Nile Capital Management, which invests in Africa. And for Sy, developing well-functioning domestic bond markets to attract domestic and foreign savings over time is the way to go.
This article was first published by *Africa Renewal****.***

Four overlooked factors behind Africa's economic success

The African economic success story is by now a well-reported fact. More than half of the world's 10 fastest-growing economies are in Africa, and the continent's economy is projected to grow more than 5% this year. In sub-Saharan Africa overall, the annual economic growth rate for more than a decade has surpassed that of far wealthier countries that comprise the Organization for Economic Cooperation and Development.
Many individual countries have recorded even faster progress, and there have been dramatic improvements across much of the continent on key social and economic indicators – from primary education to maternal and child mortality.
Yet, wide variations within and among countries remain. Nearly one in two Africans is still living in extreme poverty. Overall health and education indicators remain among the lowest in the world. Addressing these substantial remaining inequalities is the key to reducing the insecurity and terrorism that threatens communities and makes progress more difficult.
As the global community gathers in Abuja for the World Economic Forum on Africa 2014, it is useful to reflect on the factors that have fuelled Africa's economic growth in recent years. Being mindful of these influences can help the global community push progress towards a more inclusive and sustainable development model.
At the top of the list is a new generation of African leaders committed to undertaking widespread reforms, which has led to dramatic improvement in economic growth. Countries that have prioritized public-sector investment in areas such as agricultural development and health are seeing the return in the form of more productive agricultural economies, poverty reduction, reduced child mortality and better health.
There are other factors that people don't talk about quite as often, and these include:

The Millennium Development Goals

The United Nation's Millennium Development Goals (the MDGs) have been an important catalyst for Africa's renaissance. The MDGs laid out eight specific priorities in areas such as health, education and basic income. Because the goals were clear and concrete, they brought focus to the highest priorities. And they created an enabling environment for well-coordinated and effective global partnerships – such as the Global Fund and the GAVI Alliance – that are anchored to the needs of developing countries and focused on achieving the most at the lowest cost.
The Global Fund recently completed a $12 billion funding replenishment, underscoring global unity on the most effective ways we can combat HIV, malaria and tuberculosis. The GAVI Alliance is just now approaching its own replenishment to ensure that life-saving vaccines continue to reach the children who need them. I'm excited to see several events here at the Forum on Africa that focus on the commitment of African leaders and the private sector to support and prioritize GAVI's programmes.

Basic health services

By focusing on improving health systems (and other related factors such as nutrition, sanitation, education and income) half a dozen African countries have met the MDG goal of reducing deaths in children under five, by two-thirds or more. Maternal mortality dropped 42% between 1990 and 2010.
The value of investment in health is bolstered by a report by well-regarded economic experts, who wrote recently in *The Lancet* that nearly one-quarter of the "full-income" economic growth in low- and middle-income countries between 2000 and 2011 resulted from health improvements.The Commission on Investing in Health went on to say that with the right investments and changes in policies, by 2035 every country can reduce child mortality rates to match the very best middle-income countries today. And in the poorest countries, benefits will exceed costs by a factor of nine. Economists and development professionals have long known that investments in global health are economically sound, but these findings are further evidence of how much punch they deliver.

Increasing agricultural productivity

Agricultural development is another powerful economic lever in Africa, where farmers comprise 65% of the workforce. Helping smallholder farmers in developing countries increase the productivity of their crops enables them to eat a more nutritionally diverse diet, send their children to school and live better lives. Furthermore, when farmers' income increases, it stimulates growth in other sectors of the economy.
African countries that have invested significantly in agriculture are realizing impressive returns. Seven countries – Burkina Faso, Ethiopia, Guinea, Malawi, Mali, Niger and Senegal – consistently expended 10% of their budget on

agriculture between 2003 and 2010. Ghana, Madagascar and Zambia followed close behind, averaging 9%. Partly because of these investments, all but one of these countries are on track to halve extreme poverty by 2015. Yet, many African countries are spending considerably less on agriculture, missing an important opportunity to break the cycle of poverty and stimulate growth.

Donor investment

Not surprisingly, public-sector investments in areas with a proven track record of contributing to economic growth attract other sources of investment – from donor governments, the private sector, and newer development actors, such as us at the Bill & Melinda Gates Foundation.

Ethiopia is a case in point. Prompted by the 2007-2008 global food crisis, the country established the Agricultural Transformation Agency, which works with the Ministry of Agriculture and other partners to help smallholder farmers increase their productivity, tap new markets and improve their livelihoods. This initiative has mobilized other donors – including USAID, the World Bank and our foundation – to support Ethiopia's ambitious agenda. Early results are promising. In 2012, more than 500,000 farmers received training in new agricultural practices; these are expected to significantly increase yields and reduce post-harvest losses. Efforts are also underway to link smallholder farmers with new markets and strengthen farmer cooperatives.

With donor support, Ethiopia has also significantly increased its spending on health. As recently as 1990, one in five Ethiopian children died before the age of five – many in the first month of life. The child mortality rate has since dropped by 67%. A key factor in this advance is Ethiopia's mobilization of more than 34,000 health workers, who now reach the vast majority of the country's 90 million-strong population.

The health services are basic, but they have significantly improved people's lives. Health workers deliver babies and administer vaccines. Health posts are stocked with malaria drugs and supplements that provide essential micronutrients such as folic acid and vitamin A. Use of modern contraceptives has risen fourfold, giving women the opportunity to plan their families. Children are healthier, doing better in school and missing fewer days of class.

This kind of investment – in health and agriculture – has helped underpin the growth of Ethiopia's economy. Between 2000 and 2012, the country's GDP quadrupled to $40 billion, and the gross national income per capita more than doubled, from $467 to $1,110.

The theme of this year's Forum on Africa is *Forging Inclusive Growth, Creating Jobs*. As we have our conversations this week, it is worth reflecting on what has worked well in recent years and how we can continue to work together to reach those who have not yet benefited from Africa's economic progress.

Author: Mark Suzman is president of Global Policy and Advocacy at the Bill & Melinda Gates Foundation. He is participating in the World Economic Forum on Africa 2014 in Abuja, Nigeria.

Three key themes for the future of investment in Africa

As recently as two years ago, a typical conversation with a multi-national company wanting to invest in Africa would be peppered with questions around corruption, political stability and sustainability – all reflecting a weight of negative stereotypes that we seemed unable to shake off. These questions were not particularly difficult to address, but they did demonstrate the hurdles left to clear before "business as usual" became the norm.

Fast-forward to the past six months, and a very different picture emerges. The old contradictory clichés about Africa as either a hopeless continent or a hopeful continent are finally giving way to a more nuanced, realistic perspective.

At a macro level, hazy intentions to invest in Africa have turned into real commitments and actions. A good example here is the number of ring-fenced Africa funds run by private equity houses. Recently the Carlyle Group, one of the largest global asset management firms, specializing in private equity, closed its maiden sub-Saharan Africa Fund having attracted investment of around $700 million – about 40% beyond its original target. This has followed the closure of a number of similar Africa funds at anywhere from $350 million to $1 billion. According to industry norms, these funds will have to be invested in African assets within the next couple of years.

There is now a clear and palpable urgency to discussions about how to invest in Africa, and I am confident that we have just reached what will, in the future, be considered a significant turning point in Africa's economic ascendancy. So, what does the future hold? How will the global desire to invest in Africa play out practically over the next couple of years?

From our perspective, based on dealing with any number of global, regional and emerging local investors in Africa, there are three key themes.

1. **Closing the investment gap**

Among the factors that will define Africa's economic future are the continent's size and scale, its natural resources and its population. Africa's landmass is significantly larger than that of India, China, North America and Western Europe combined. Moreover, Africa's population already nearly rivals that of India or China, and will accelerate past both in the next decade or so.

The flip side of this huge advantage of scale is, simply, that it is difficult and time-consuming to identify the best investment-grade opportunities. Most investors do not have the luxury of a full-time Africa team on the ground. On the one side, there are record amounts of global capital that have been raised and committed for African investment and

currently seeking a home, and on the other side there are so many solid, successful Africa businesses that offer fabulous investment opportunities, but more often than not these parties have not been able to find each other or fully understand the potential that the combination of external investment and an already thriving local business can generate.
Solving this mismatch between investment-seeking capital and identifiable investment opportunities will be vital to Africa's future growth. In the medium to long term, increased efficiencies in local capital markets, action by governments and trade organizations to improve the "ease of doing business", and big picture improvements in the economic climate, will all help address the mismatch. In the short term, there is a role for qualified corporate intermediaries to provide guidance, as well as for governments and their investment arms to champion opportunities.

2. Non-negotiable sustainability

Investment into sub-Saharan Africa used to be characterized by extremes. At the one extreme, we had aid-driven or "humanitarian" investment. At the other, we had opportunism – ventures launched with the "get rich and get out" mentality that still, unfortunately, haunts many of Africa's resource-rich regions. Today, a number of factors suggest strongly that when investing in Africa, sustainability in the future will be non-negotiable. Africa's billion-plus population, with its youthful demographic and deep awareness of historical injustices, places powerful pressure on the investment policies and regulations of African governments. Virtually any investment must take local social conditions into account.
In mainstream global investment circles, sustainability is increasingly a fundamental requirement to be considered alongside factors like risk-adjusted returns and political-risk ratings. A sustainable return implies more than a continuous flow of profit. It implies a degree of social responsibility in terms of the type, timeframe and structure of an investment, and also a social compact – an understanding that, if you invest in a region to the genuine benefit of its people, your investment will be repaid with fair and maintainable earnings, quite possibly for decades to come.
Impact investment – that is, investment dedicated to making a benevolent impact, while still earning attractive rates of return – is becoming fashionable. Even in the private equity arena (renowned for its absolute focus on generating average returns in the 30% per annum range, and for exiting investments over an average five-year period), we are seeing new funds with clear mandates around sustainable investment. These offer investors the opportunity to balance philanthropy alongside acceptable financial returns.

3. Maturing motives for investment

What fascinates me is the extent to which motives for investment into Africa have matured to become more commonplace, in the sense that they are the same motives that would apply if, say, a North American company wished to invest in a European one. Africa is filled with African companies that have tremendous talent, a great track record and a more-than-promising future. Naturally, investors from elsewhere would like to partner with them and share in their growth potential. At KPMG's Global Africa Practice, we spend at least a week every month "matchmaking" – introducing investors to suitable African partners; in 95% of cases, a "marriage" results. In the vast majority of partnership negotiations, the agenda is neither opportunistic nor philanthropic – it is simply optimistic. And concern for sustainability is assumed from the start.
Author: Anthony Thunstrom is the Chief Operating Officer at KPMG's Global Africa Practice. He is participating in the World Economic Forum on Africa 2014 in Abuja, Nigeria.

Oil and mining to be the backbone of East Africa's economic growth

The development of oil, gas and mineral discoveries in East Africa will drive economic growth and transformation in the region of more than 300m people over the next two decades.
This is according to Gabriel Negatu, regional director for Eastern Africa at the African Development Bank.
"The extractives in general, including oil and energy, will provide the backbone that will help the transformation in this region in the next 20 to 30 years," he said. "There has been all sorts of resources gushing out of the ground every [few] months. Every country in this region now has one or several types of resources."
Addressing delegates at last month's East Africa Property Investment Summit, Negatu said the region covering Kenya, Uganda, Tanzania, Rwanda, Burundi, Ethiopia and South Sudan, has made remarkable economic progress riding on sectors like agriculture, but in recent years the "energy boom" has become quite apparent.

Major energy player

The industry, he said, could become a game changer for local economies and make the region a primary energy source on the continent.
"Statistics [show] there have been about 500 oil wells drilled in East Africa over the past two to three years as compared to 15,000 wells that have been drilled in West Africa. This region is a latecomer but it is a latecomer that is set to move aggressively to dominate… the African market. I think all the way from Mozambique to the top of the Red Sea coast will be the next Gulf of Guinea kind of primary source of energy in Africa."
There are eight oil states in West Africa around the Gulf of Guinea, together producing millions of barrels of oil a day and the region has for a long time been regarded as one of the world's oil and gas hotspots.

The economist noted that extractives will have a direct impact on economic growth, citing the case of Kenya where oil is expected to increase the GDP by as much as 10%. As citizens get more disposable income, investments in other sectors like real estate and consumer goods could increase.

Not losing sleep over the resource curse

He urged countries to approach the development of the mining and oil sectors differently from the way agriculture has been handled over the past decades. Although agriculture is the foundation of many economies in the region, Negatu pointed out that farmers are disengaged from the value chain.

There have been a few initiatives in countries like Rwanda, enabling coffee producers to supply directly to Starbucks, and in Ethiopia where farmers provide cut flowers to supermarket chains in Europe. However, Africa's producers are predominantly cut-off from consumers and trade via middlemen and agents.

"Traditionally our way of economic growth has not linked us to the global value chain nor with the consumers. This is one of the transformations that need to take place. We need to now do less of the primary scooping and growing and so on and move up the value chain with direct access and contacts to consumers," said Negatu.

Notably, concerns over the "Dutch disease" and the "resource curse" have been raised in the past few years as more resources have been discovered in the region.

"This is a reality and this is something that all of us need to be concerned about. The only saving grace, if I could call it that, is that East African [nations are actively] beginning to think about these issues. It's not like 50 years ago when Nigeria discovered oil. [Back then] Nigeria was largely a peasant agrarian society and everyone left agriculture and went to some aspect of oil."

Negatu added that the resource curse is not "something to lose sleep over" in the case of East Africa because economies in the region are already adequately diversified.

"Today East Africa is a robust mature economy without oil. Therefore these resources if anything are icing on the cake and not the cake itself because the cake is already there. Look at these economies; they have got IT, they have got tourism, they have got services… half a dozen sectors, all of them robust. So oil coming on top of it will only help improve [these economies]."

Driving infrastructure development

Negatu said the extractives industry could also boost infrastructure development in the region.

"Where you have extractives, whether it is leading up to the mines and the rigs or leading away from them, there tends to be a major explosion of infrastructure development," said Negatu.

He cited the case of the Tanzania-Zambia railway that was built to transport Zambia's copper from the mines to the port of Dar es Salaam.

"Today we are in discussion with half a dozen private companies for [an] US$8bn railway from Dar es Salaam to… Musongati [in Burundi] which I think is [one of] the largest nickel deposits in the world. So that is triggering another railway line."

Negatu noted that the big challenge for the region is ensuring that the resource "tide lifts all the boats" and that all citizens share in the wealth generated. *(How we made it in Africa)*

SOVEREIGN RATINGS

North and South America - Asia

12-05-2014	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	MOODYS	S&P	FITCH	MOODYS	S&P	FITCH
ARGENTINA	Caa1	CCC+u	CC	NR	Cu	C
AUSTRALIA	Aaa	AAAu	AAA	NR	A-1+u	F1+
BRAZIL	Baa2	BBB-	BBB	NR	A-3	F2
CANADA	Aaa	AAA	AAA	NR	A-1+	F1+
CHINA	Aa3	AA-	A+	NR	A-1+	F1+
COLOMBIA	Baa3	BBB	BBB	NR	A-2	F2
INDIA	Baa3	BBB-u	BBB-	NR	A-3u	F3
JAPAN	Aa3	AA-u	A+	NR	A-1+u	F1+
MACAU	Aa2	NR	AA-	NR	NR	F1+
MEXICO	A3	BBB+	BBB+	WR	A-2	F2
SINGAPORE	Aaa	AAAu	AAA	NR	A-1+u	F1+
URUGUAY	Baa3	BBB-	BBB-	NR	A-3	F3
VENEZUELA	Caa1	B-	B	NR	B	B
USA	Aaa	AA+u	AAA	NR	A-1+u	F1+

Sources: Bloomberg, Eaglestone Advisory

12-05-2014	Region - Africa/Middle East					
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
	MOODYS	S&P	FITCH	MOODYS	S&P	FITCH
Angola	Ba3	BB-	BB-	NR	B	B
Bahrain	Baa2	BBB	BBB	NR	A-2	F3
Benin	NR	NR	WD	NR	NR	WD
Botswana	A2	A-	NR	NR	A-2	NR
Burkina Faso	NR	B	NR	NR	B	NR
Cameroon	NR	B	B	NR	B	NR
Cape Verde	NR	B	B	NR	B	B
Egypt	Caa1	B-	B-	NR	B	B
Emirate of Abu Dhabi	Aa2	AA	AA	NR	A-1+	F1+
Gabon	NR	BB-	BB-	NR	B	B
Ghana	B1	B	B	NR	B	B
Iran	NR	NR	NR	WR	NR	NR
Israel	A1	A+	A	NR	A-1	F1
Jordan	B1	BB-	NR	NR	B	NR
Kenya	B1	B+	B+	NR	B	B
Kuwait	Aa2	AA	AA	NR	A-1+	F1+
Lebanon	B1	B-	B	NR	B	B
Lesotho	NR	NR	BB-	NR	NR	B
Libya	NR	NR	WD	NR	NR	WD
Mali	NR	NR	WD	NR	NR	NR
Mauritius	Baa1	NR	NR	NR	NR	NR
Morocco	Ba1	BBB-	BBB-	NR	A-3	F3
Mozambique	B1	B	B+	NR	B	B
Namibia	Baa3	NR	BBB-	NR	NR	F3
Nigeria	Ba3	BB-	BB-	NR	B	B
Oman	A1	A	NR	NR	A-1	NR
Qatar	Aa2	AA	NR	NR	A-1+	NR
Republic of Congo	Ba3	B+	B+	NR	B	B
Republic of Zambia	B1	B+	B	NR	B	B
Rwanda	NR	B	B	NR	B	B
Saudi Arabia	Aa3	AA-	AA	NR	A-1+	F1+
Senegal	B1	B+	NR	NR	B	NR
Seychelles	NR	NR	B	NR	NR	B
South Africa	Baa1	BBB	BBB	P-2	A-2	F3
Tunisia	Ba3	NR	BB-	NR	NR	B
Uganda	B1	B	B	NR	B	B
United Arab Emirates	Aa2	NR	NR	NR	NR	NR

Sources: Bloomberg, Eaglestone Advisory

AAA' and 'AA' (high credit quality) and 'A' and 'BBB' (medium credit quality) are considered investment grade. Credit ratings below these designations ('BB', 'B', 'CCC', etc.) are considered low credit quality, and are commonly referred to as "junk bonds".

Angola May Postpone Local Vote to After 2017, Chatham House Says

The government of **Angola**, **Africa**'s second-largest oil producer, probably won't hold local council elections until after the next presidential vote in 2017, hindering economic development, said Elisabete Azevedo-Harman, an analyst at **Chatham House**.

Angola was due to hold the first vote to select representatives in 161 municipalities last year. The government hasn't set a new date yet because it needs to pass relevant legislation, train workers and build facilities, the state-run Jornal de Angola reported on March 15, citing Adao de Almeida, secretary of state for territorial administration.

"It could be that the government is concerned that local elections will transfer some power from the ruling party to opposition groups while its biggest fear is decentralizing power to the local level," Azevedo-Harman said by phone from Angola's capital, Luanda. "It's a political decision."

Delaying local elections hinders development outside of Luanda where about three-quarters of the national budget is spent, she said. More of the taxes collected in provinces needs to be spent there, she said.

Angola's ruling **Popular Movement** for the Independence of Angola, which has governed the southwest African nation since independence from **Portugal** in 1975, hasn't declared a successor to President Jose Eduardo dos Santos, who has

been in office since 1979. The government is rebuilding the country after a 27-year civil war that ended in 2002 and seeking to reduce poverty affecting more than half the population of 21 million.

Opposition Challenge

The office of Bornito de Sousa, minister of territorial administration that oversees the local ballot, didn't respond to numerous calls, e-mails and visits to seek comment.

"Local elections are vital instruments for democratic development and we can organize them with what we have now," Adalberto da Costa Jr, vice president of the opposition National Union for the Total Independence of Angola, told reporters in Luanda on April 30. "We can't accept excuses that infrastructure should be built first."

The MPLA won 175 seats in the 220-member legislature in the 2012 general elections, UNITA earned 32 and CASA-CE took eight. **Dos Santos** is the second-longest ruler in Africa after **Equatorial Guinea**'s President Teodoro Obiang Nguema Mbasogo. *(Bloomberg)*

Eurozone

	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
12-05-2014	MOODYS	S&P	FITCH	MOODYS	S&P	FITCH
Austria	Aaa	AA+	AAA	P-1	A-1+	F1+
Belgium	Aa3	AAu	AA	NR	A-1+u	F1+
Cyprus	Caa3	B	B-	NP	B	B
Estonia	A1	AA-	A+	NR	A-1+	F1
Finland	Aaa	AAA	AAA	NR	A-1+	F1+
France	Aa1	AAu	AA+	NR	A-1+u	F1+
Germany	Aaa	AAAu	AAA	NR	A-1+u	F1+
Greece	Caa3	B-	B-	NP	B	B
Ireland	Baa3	BBB+	BBB+	P-3	A-2	F2
Italy	Baa2	BBB u	BBB+	NP	A-2	F2
Latvia	Baa2	BBB+	BBB+	NR	A-2	F2
Luxembourg	Aaa	AAA	AAA	NR	A-1+	F1+
Malta	A3	BBB+	A	NR	A-2	F1
Neherlands	Aaa	AA+u	AAA	P-1	A-1+u	F1+
Portugal	Ba2+	BBu	BB+	NR	Bu	B
Slovakia	A2	A	A+	NR	A-1	F1
Slovenia	Ba1	A-	BBB+	NR	A-2	F2
Spain	Baa2	BBB-	BBB +	P-2	A-3	F2
United Kingdom	Aa1	AAAu	AA+	NR	A-1+u	F1+

Sources: Bloomberg, Eaglestone Advisory

IMF

AfDB provides US $35.5 million to Malawi to expand access to water supply and sanitation

The Board of Directors of the African Development Group approved on April 30, 2014 an **African Development Fund (ADF)** loan of US $23.0 million, a loan of US $7.7 million from the **Nigerian Trust Fund (NTF)**, and a grant of US $4.8 million from the **Rural Water Supply and Sanitation Facility** to support Malawi's implement the Sustainable Rural Water and Sanitation Infrastructure for Improved **Health** and Livelihoods Project. The project is aligned with the **Malawi** Growth and Development Strategy, the **AfDB's 2013-2017 Country Strategy Paper** and the **Bank's Ten-Year strategy** focusing on African transformation through inclusive and **green growth**.

The project focuses on **rural water supply and sanitation** in five districts and will be implemented through the Ministry of Water Development and Irrigation in collaboration with the respective district councils. This support is within the National Water Development Program which is being implemented by the Government of Malawi with support from several development partners including the World Bank, UNICEF, European Investment Bank, the European Union and the Australian Government.

The project addresses:

- Increased access to clean and sustainable water supply;
- Increased access to improved and inclusive sanitation;
- Improved resilience of water resources; and
- Sustainable community management of water supply and sanitation facilities.

Speaking after the Board approval of the project, Andrew Mwaba, AfDB Resident Representative said, "The project is expected to increase access to clean water for a total population of over half a million in the five centres of Rumphi in the northern region, Nkhotakota and Ntcheu in the central region, and Mangochi and Phalombe in the southern region."

With regards to sanitation, the project will, in accordance with the country's National Sanitation Policy focus on hygiene and sanitation promotion and marketing in the regions. "These initiatives will increase access to improved and inclusive sanitation to a total population of nearly 600,000 including primary school pupils," he added. In addition, the project will **create jobs**, including for **youth**, in construction, operation and maintenance, as well as promote afforestation and bee-keeping activities as part of sustainable catchment management. The project will also improve resilience of water resources with related improved community management to sustain water supply and sanitation facilities.

In addition to climate proofing and ensuring inclusive access to water supply and sanitation, the project will support the empowerment of district councils and rural communities with particular emphasis on women and youth, monitoring and evaluation, and on enhancing sector reforms for **governance** and accountability of service delivery. The project will help reduce the incidence of water-borne diseases and thereby consolidate Malawi's progress towards achieving the health **MDGs**.

This is the second major intervention by the AfDB in the water supply and sanitation sector in the last five years. In 2009, the AfDB provided US $48.3 million to finance the National Water Development Project, covering mainly underserved rural communities, which was successfully completed in 2013.

AFRICAN DEVELOPMENT BANK

AfDB approves a €40-million Risk Participation Agreement with BNP Paribas to Boost Trade Finance in Africa

The Board of Directors of the African Development Bank (AfDB) approved on April 30 in Tunis an unfunded €40-million Risk Participation Agreement (RPA) with BNP Paribas to support the trade finance activities of African issuing banks. The facility will help address critical market demand for trade finance in Africa by supporting trade in vital **economic sectors** such as **agribusiness** and manufacturing. Moreover, it will foster financial sector development and **regional integration**, and contribute to government revenue generation.

The majority of African banks have weak capital bases which constrain their ability to obtain adequate trade limits from international confirming banks and to undertake sizeable transactions that could have substantial development impact. AfDB's additionality lies in the use of its "AAA" rating to share trade risk with BNP Paribas and enhance the trade finance capacity of African banks and financial institutions, thereby expanding trade and strengthening regional integration. Further, BNPP has more than 100 years of experience in trade, over 200 correspondent banking relationships, 9 subsidiaries, 3 branches and deal footprint in more than 20 non-presence countries in Africa.

Through a 50-50 risk-sharing structure, the RPA will broaden the availability of trade finance across Africa over a three-year period by targeting SMEs and indigenous firms. BNP Paribas will match AfDB's undertaking in every transaction, thereby creating a portfolio of up to €80 million. Including rollovers, this facility is expected to facilitate approximately €500 million of trade in intermediate and finished goods, raw materials and equipment to support the continent's economic growth.

About BNP Paribas

BNP Paribas is the largest French banking group and one of the top four banks globally in terms of total assets. BNPs operations are split along three strategic lines namely retail, corporate and investment banking and investment solutions. BNP Paribas is a recognized global leader in trade finance with more than 250 experts located in over 100 trade centres across 60 countries. BNP Paribas has a strong network of partner banks in Africa and a large portfolio of commodity and non-commodity transactions across the continent.

AfDB approves €40m risk participation agreement to boost African trade finance

The board of directors of the African Development Bank (AfDB) has approved an unfunded €40-million risk participation agreement (RPA) with French bank and financial services company BNP Paribas to support trade finance activities in Africa.

The 50:50 risk sharing facility would broaden the availability of trade finance across Africa over a three-year period by targeting small and medium-sized enterprises and indigenous firms in vital economic sectors such as agriculture and manufacturing.

BNP Paribas would match the AfDB's undertaking in every transaction, thereby creating a portfolio of up to €80-million; however, including rollovers, the facility was expected to facilitate about €500-million trade in intermediate and finished goods, raw materials and equipment to support the continent's economic growth.

The AfDB explained that the majority of African banks had weak capital bases, which constrained their ability to obtain adequate trade limits from international confirming banks and to undertake sizeable transactions that could have substantial development impact.

"[However], AfDB's additionality lies in the use of its 'AAA' rating to share trade risk with BNP Paribas and enhance the trade finance capacity of African banks and financial institutions, thereby, expanding trade and strengthening regional integration," the AfDB said. *(Engineering News)*

INVESTMENTS

Acsa marks first big move into Africa with Ghana deal

THE Airports Company South Africa (Acsa) has made its first significant move into the rest of Africa by signing a memorandum of understanding to provide technical consultancy services to its counterpart in Ghana.
Along with other African airport operators, Ghana Airports Company is undergoing an upgrade and expansion programme to cater for a surge in air traffic.
This includes construction of a new terminal at Accra's Kotoka International Airport.
Acsa says domestic traffic in Ghana is growing by more than 30% a year and international traffic is growing by about 10% annually.
In the past eight years Acsa has also entered into contracts in Brazil and India.
The state-owned company was part of a consortium which won a concession to manage Mumbai International Airport in 2006.
It also won 51% of a 20-year concession for the Guarulhos International Airport in São Paulo, Brazil, in 2012.
At home Acsa operates South Africa's nine major airports.
The company's CEO Bongani Maseko said yesterday that the expertise Acsa provided to the Ghana Airports Company would include consulting on infrastructure upgrades, engineering, maintenance, safety and security, airport planning, commercial developments, and property developments.
Mr Maseko said that, like various other emerging markets, Ghana was achieving "significant" growth in its air traffic.
He said Acsa was looking to "play a bigger role in our backyard", in line with moves by other global airport operators.
It was "actively looking on the African continent" for further consultancy opportunities.
The company's 10-year business plan — approved last year — included domestic upgrade investments as well as pursuing African jobs.
Mr Maseko said that Acsa would provide only technical assistance in Africa and would not borrow on behalf of any operators or "expose our balance sheet in any way".
Some African airport operators, such as the Ghana Airports Company, were able to self-fund their upgrades, while others were unable to do so.
Mr Maseko said Acsa's contract in India had been "very successful" to date, while its Brazilian contract had already exceeded budgeted expectations. Acsa's consultant team in Brazil is due to return after the 2014 World Cup preparations, though Acsa will retain its investment in São Paulo's airport.
Dzifa Aku Attivor, Ghana's Minister of Transport, says the country's burgeoning economy has put pressure on its airports, especially Kotoka airport.
Facility upgrades, including the building of a new terminal, are therefore essential.
Charles Asare, CEO of the Ghana Airports Company, said that the agreement with Acsa "opens business opportunities for co-operation in infrastructure development, ground handling operations, retail and property management development among others for our entrepreneurs and businessmen and women to pursue".*(BDLive)*

East Africa and India boost trade

The International Trade Centre (ITC), the joint agency of the World Trade Organisation and the United Nations, is to spearhead a six-year effort to unleash the potential of untapped trade between East Africa and India, Supporting India's Trade Preferences for Africa (SITA), which will run from 2014- 2020. SITA will promote exports to India from five East African countries - Ethiopia, Kenya, Rwanda, Tanzania and Uganda - through investments and the transfer of skills. *(African Business)*

EU offers Africa cash injection

The European Union will offer Africa about $30bn over six years to fund a range of projects. More will be available through bilateral financing arrangements. Leaders of the 80 nations present at the fourth EU Africa Summit also committed to grow human capital through education and training and to find ways of creating
jobs for the youth. President of the European Council Herman Van Rompuy said the relationship between the two continents is changing: "Our partnership of equals has come of age." African Union (AU) chairperson Nkosazana Dlamini Zuma (above) said the continent was open for investment. "Africa has 60% arable land still available for agriculture. Europe on the other hand has experience in adding value to agricultural products, so we can take advantage of this."
The EU is Africa's main development partner, providing 45% of official aid to the continent. In 2012, the EU disbursed €681m in aid to Africa, half of the EU's total disbursement for humanitarian aid. Trade between the EU and Africa, both imports and exports, almost doubled between 2007 and 2012, and now accounts for nearly one third of Africa's total international trade. In 2012, the EU imported goods worth €186.2bn from Africa, about 10% of its total imports, up from €129.7bn in 2007. As Africa's biggest trading partner in 2012, the European bloc provided 26% of African imports and attracted 31% of African exports. *(African Business)*

BANKING

Banks

Angola's Central Bank Adopts SWIFT's Sanctions Screening System

The Banco Nacional de Angola (BNA), Angola's central bank, and five other banks in the country have adopted SWIFT's Sanctions Screening, a cloud-based payment that filters messages in real time and checks clients' selected sanctions list.
These banks have done so in a bid to make sure that Angola, which is Africa's second biggest oil producer, achieves the highest principles and complies with the best global rules in its financial community.
Dr Ricardo D`Abreu, Vice Governor at BNA, admitted that financial crime has been on the increase internationally, threatening the world's financial sector.
"Banco Nacional de Angola is the fourth central bank in the Africa South region to subscribe to SWIFT's Sanctions Screening service, which makes it clear that the service is suitable for commercial and central banks alike," Hugo Smit, the head of Africa South at SWIFT said in a statement.
SWIFT allows its users to exchange automated, standardised financial information securely, reliably and cheaply.
"Sanctions compliance is complex and costly, and the penalties for non-compliance can be severe," Smit added. *(Ventures Africa)*

Barclays, Afrinvest Appointed Advisers For Sale Of Nigeria's Mainstreet Bank

Barclays Africa Group and Afrinvest have been appointed as financial advisers for the sale of Nigeria's Mainstreet Bank, with AMCON – owner the bank's assets following its nationalization – keen to relinquish ownership before the year-end.
In a public notice, the asset management firm drummed the bands for interested buyer seeking to acquire shareholdings of the recapitalized bank. The notice read: "Interested buyers (eligible entities or consortia) should indicate their interest by submitting an Expression of Interest (EOI). Prospective buyers are required to submit their EOI in English and titled "Expression of Interest for the Acquisition of Mainstreet Bank Limited."
AMCON, Asset Management Company of Nigeria, is pushing to wrap up the sale process as quickly as possible, with the deadline for indicating interest pegged at 16th May, less than a fortnight from today.
AMCON took over Mainstreet, along with Keystone and Enterprise Banks – all three nationalized – in 2011 after they failed to meet a September deadline for recapitalization by the Central Bank.
This came despite a $4 billion bailout outlaid by the CBN to starve off a possible default. The three banks failed to attract needed investors as well as close a merger of acquisition deal in time for the recapilization deadline.
How Much?
Mainstreet, formerly known as Afribank before it was taken over, was a mainstay in Nigeria's banking landscape, labeled one of the top 4 banks in country upon inception in 1959. It currently operates more than 8 subsidiaries, with interests in retail banking, insurance, investment and financial services.
It operates more than 217 branches across the country, boasting an extensive experience in Nigeria banking industry with over 50 years in operations.
The latest total asset value is listed at N330 billion ($2.04 billion), with customer deposit hitting N155 billion ($711 million), according to its 2013 annual report.
Possible Buyer(s)
South Africa's First National Bank (FNB) is touted as a possible investor, with the bank very vocal about its interest to enter the Nigerian retail banking business in the nearest future.
It already operates an investment unit in the name of Rand Merchant Bank (RMB), following an outlay of $100 million, but is keen on expanding its reach in Africa's largest economy and most populated country.
An attempt local acquisition was made in 2012 for Sterling Bank, however it withdrew intentions following a $400 million price tag labeled on Sterling. It claimed at that time the price was too high.
However, it refused to withdraw its intention to acquire a local operator, and in 2013, when AMCON made public its willingness to dispose the banks, an opportunity for entry became available again.
While FNB noted it was not interested in Enterprise Bank, Keystone and Mainstreet presented more appealing options for it."We would not be interested in Enterprise, but would consider both Keystone and Mainstreet," Sam Moss, FirstRand's Director of Investor Relations, said last year. *(Ventures Africa)*

IFC to Invest $172.5 Million in South Africa's FirstRand Bank

Bank Is Looking to Do More Business in Faster-Growing African Markets
JOHANNESBURG—The International Finance Corporation said that it will invest $172.5 million in FirstRand Bank Ltd., boosting the South African lender's efforts to reach more small and midsize businesses in faster-growing African markets."This will really cement our capacity to extract value in the rest of Africa," said Andries du Toit, FirstRand's treasurer.

FirstRand, one of South Africa's four largest banks, is expanding outside its home market to African countries including Nigeria, Ghana and Zambia. Nigeria passed South Africa in April as the continent's biggest economy, and economic growth in South Africa has lagged behind many of Africa's most dynamic economies.
As a result, South African banks like FirstRand are looking to shift more of their growth and business to these dynamic neighbors. Mr. du Toit said FirstRand plans to use the IFC's funding to invest in companies that can give its businesses annual growth of about 5 percentage points above the 7.1% and 7.3% that Nigeria and Zambia's economies are forecast to grow this year, respectively.
The IFC, a division of the World Bank that works to develop private markets in poor countries, has about $5.3 billion invested in sub-Saharan Africa. The IFC's asset-management arm, overseeing the FirstRand investment, has $774 million invested in the region in addition to the partnership with FirstRand announced *(Wall Street Journal)*

Ecobank On Track To Improve Profits – RenCap

The pan-African banking conglomerate, Ecobank Transnational (Ecobank), is on the pathway to posting a correction in profit growth in the current financial year (2014), according to investment firm, Renaissance Capital (RenCap).
RenCap analysts said profit before tax (PBT) would surge from $222 million to $460 million in the 2014 financial year.
“Our FY14 PBT (profit before tax) forecast of $496mn may seem slightly optimistic at this point, with the primary risk being further unexpected write-offs,” Noluthando Ndebele and Adesoji Solanke wrote in a RenCap note released this week.
“Our investment case for ETI (Ecobank) remains unchanged; it is premised primarily on the successful turnaround of the Nigerian subsidiary, which comprised 42% of the asset base but only 4% of PBT at YE13, down from 27%,” the analysts continued in the report.
The Nigerian subsidiary, Ecobank Nigeria, shocked everyone when it disclosed a surge in write-offs in the fourth quarter of 2013, with the impairment charges rising from $42 million to $217 million.
“Our key concern is that ETI’s investment case hinges on the turnaround of the Nigerian business, in our view. While we are pleased with the operational progress achieved in FY13, we need more comfort around the group’s asset-quality position,” the analysts said *(Ventures Africa)*

Markets

Angola Central Bank Governor Sees Room to Cut Lending Rates

Angola’s central bank has room to lower interest rates to spur investment as inflation eases in **Africa**’s second largest oil producer, Governor Jose de Lima Massano said.
Policy makers have kept the benchmark interest rate unchanged at 9.25 % since lowering it by half a percentage point in November. Inflation slowed to 7.32 % in March from 7.48 % in the previous month.
“There is room for interest rates to come down but we want to make sure we’re not putting unnecessary pressure on prices,” Massano, 44, said in an interview yesterday in his office in the capital, Luanda. “Stable inflation creates conditions for more credit to the economy at lower costs.”
Angola is stabilizing its economy to help draw investment and reduce its reliance on oil, which accounts for about 45 % of gross domestic product and 80 % of government tax revenue.
Banco Nacional de **Angola** has achieved this year’s inflation target of 7 % to 9 %, Massano said.
“If inflation keeps falling it’s expected that the central bank can decide to lower interest rates,” he said. “If we feel there’s room we’ll do it.”

Economic Expansion

The government expects the $122 billion economy, sub-Saharan Africa’s largest after Nigeria and South Africa, to grow between 5 % and 7 % this year, boosted by a 9 % expansion of non-oil industries, the governor said.
A foreign exchange law enacted in 2012 requiring oil companies to pay domestic taxes and settle bills in kwanzas has supported the local currency and reduced central bank interventions in markets, the governor said. The kwanza has fallen 0.3 % against the dollar this year, and traded unchanged at 97.92 by 10:07 a.m. in the capital, Luanda.
“De-dollarization gives more space for proper monetary policy so we have the right instruments to fight inflation,” he said. “If the kwanza gets stronger, that’s a bonus.” *(Bloomberg)*

Stakeholders Approve Nairobi Securities Exchange Public Listing

Shareholders gave their consent to the planned public listing of the Nairobi Securities Exchange (NSE) as the sale of the bourse’s shares to the public nears.
The shareholders gave the green light at the annual general meeting in a planned self-listing that will see a large chunk of Kenyans own part of the exchange.
Eddy Njoroge, Chairman of the NSE said the IPO would make it possible for Kenyans to not only own a piece of the exchange, but also “share in the future financial success of this company which has a very rich national heritage”.
About 375,000 shares would be in the offer at the initial public offering set for June. Although no price has been set for the shares, the bourse has indicated that the shares would be sold at a premium, which according to Kenyan TV KTN implies that it would sell above Sh4 per share.

The latest release from the NSE will be a great relief for the demutualization process which has been on the exchange's plans for close to 10 years now. This will see separation of management from ownership, a development that would pave the way for the public listing of the bourse.
The move is expected to enhance effectiveness, accountability and transparency in the exchange which both local and foreign investors entrust with billions of Shillings in deals.
According to Njoroge, the demutualisation will also catalyse the exchange's support for the attainment of Kenya's Vision 2030, as it seeks to position Kenya's capital markets "as the hub for East and Central Africa."
NSE will be listed on the bourse's Main Investment Market Segment (MIMS) should its self-listing go on as planned. *(Ventures Africa)*

Deals

Etisalat Secures $4.4bn Capital For 53% Maroc Telecom Stake

UAE-based telecommunication giant Etisalat has secured a $4.4 billion syndicated capital to fund the acquisition of a stake in Morocco's Maroc Telecom as it seeks to deepen expansion in Africa.
Last November, Etisalat agreed to purchase a 53 % stake in Maroc Telecom – considered Morocco's biggest wireless operator – for a reported 4.2 billion euros, but has stalled completion to source the capital needed for the transaction.
The 53 % stake is owned by Paris headquartered multimedia firm, Vivendi.
With a $4.4 billion capital securely acquired from 17 banks, Etisalat is keen to speed up the process, with the deal expected to be completed by the end of May, a Reuters report confirmed.
Etisalat says acquiring Maroc allows it grow its presence in Africa's fledging telecom market and diversifies revenue streams beyond Nigeria and Egypt, where it currently operates in.
The Middle Eastern firm has a market cap exceeding $22 billion, making it the 12 largest mobile operator in the world. It is considered the most powerful company in the country.
It is aiming to increase control in the Moroccan telecom firm and is pushing to acquire the 17 % stake held by minority shareholders. Morocco's government owns the 30 % left and will be less willing to relinquish control in the country's largest operator.
Maroc Telecom also controls interests in other African markets including Gabon, Burkina Faso, Mauritania and Mali *(Ventures Africa)*

Atlas Mara makes first Africa purchase

Bob Diamond's (above) Atlas Mara Co-Nvest will buy ABC Holdings and ADC African Development Corp for $265m in its first acquisition. BancABC offers financial services in Botswana, Mozambique, Tanzania, Zambia and Zimbabwe. ADC, which trades in Frankfurt, owns 47.1% of BancABC and 9.1% of Union Bank of Nigeria. Atlas Mara will invest $10om in BancABC. The deal will give Atlas Mara a scalable growth platform across the Southern African Development Community with its GDP of over $640bn.*(African Banker)*

BNP Paribas buys South Africa's RCS

The South African unit ofBNP Paribas has acquired 100% of South Africa's provider of unsecured loans, RCS, for $250m in cash. The other 50% of RCS is owned by Standard Bank of South Africa. RCS is an unlisted independent consumer finance firm that is focused on providing retail credit card facilities, insurance and personal loans. *(African Banker)*

Nedbank buys stake in Moz bank

JSE-listed lender, Nedbank, acquired a 36.4% initial stake in Mozambique lender, Banco Unico. This acquisition will bolster Nedbank's franchise in the Southern African Development Community (SADC) and East Africa, increasing its presence to six countries in the region. *(African Banker)*

Amethis buys minority stake in Fidelity

Amethis Finance and Edmond de Rothschild Europportunities Management II (ERES) will acquire a minority stake in Fidelity Bank, Ghana's six largest commercial bank, for $35m. South African Kagiso Tiso Holdings (KTH) will invest a similar amount, which represents the most significant fund raising in the Ghanaian bankingsector and in West Africa outside of Nigeria. *(African Banker)*

Funds

Tanzania Launches First Ever Private Equity Fund

Locals have been urged to invest more in Tanzania as the country launches the Mkoba Private Equity Fund – the first ever private equity fund in the country.
The $300 million (about Sh480 billion) Private Equity Fund aims to fill the gap in the private equity market in Africa by providing growth capital to portfolio companies not on the radar of most funds.

In Tanzania and other parts of Africa where it focus on (Ethiopia, Tanzania, Rwanda, Mozambique, DRC, South Africa, Cote d'Ivoire, Liberia and Sierra Leone), the fund will support SMEs targeting equity investments ranging from $1.0 to $15 million (about Sh1.6 billion to Sh24 billion).
Speaking at the launching of the fund yesterday, President Jakaya Kikwete said the launching of the fund is of significant importance as it will "provide growth capital for high-growth small and medium sized companies."
He noted that investor's confidence continue to grow in the country as Foreign Direct Investments (FDI) rose by 38 % at a point when FDI flows had reduced globally.
However, while the president pointed out the opportunity for the private sector to work with the government in transforming the country's economy, CEO for Infotech, Ali Mfuruki said the government was yet to take the private sector seriously as its prime development partner.
"We need to start talking … Tanzania will be built by Tanzanians and not foreigners," he said.
Tanzania Private Sector Foundation (TPSF) Chairman Dr Reginald Mengi also challenged SME owners and upcoming businesspersons to take risk in investing in the country.
"In business we take risks but not of investing in other countries … I will only continue to invest in my country," he said. Economists and business leaders have said Tanzania has all it takes to become the continent's economic powerhouse if it maintains political and economic order. *(Ventures Africa)*

Ghana firm launches investment fund

Ghanaian investment firm Databank Financial Services launched the Africa Agricultural Fund (AAF), a private equity fund to finance Africa's agricultural sector. The fund is directed at small and medium-scale entrepreneurs in agribusiness who have businesses ideas and the required skill set. With an initial capital investment of $30m, it has added $6m to the fund with an average investment of $250,000 and $4m in each country per time. *(African Business)*

Tech

MTN, Ecobank partner

MTN Mobile Money users who are also Ecobank customers will soon be able to withdraw cash from Ecobank ATMs and transfer money between their Mobile Money and Ecoba nk accounts. Piloted in Ghana, it will soon be launched in Benin, Cameroon, Cote d'Ivoire, Ghana, Guinea Bissau, the Republic of Guinea, Liberia, Congo-Brazzaville, Rwanda, South Sudan, Uganda and Zambia. *(African Business)*

World Bank and the Rockefeller Foundation

The World Bank and the Rockefeller Foundation will grant $3.8m to the Ghanaian government to support the establishment of world-class facilities to attract IT and IT-enabled firms, including Business Process Outsourcing{BPO) firms. *(African Business)*

ENERGY

StanChart Brokers Financing Of Nigerian Power Project

Azura Power Holdings Ltd., today announced it has signed major industry contracts and confirmation worth $750 million on the debt financing of its 450MW Azura-Edo Independent Power Project ("Azura-Edo IPP") in Edo State, Nigeria, in a deal brokered by Standard Chartered Bank.
The transaction by Azura signals the beginning of a set of project-financed greenfield IPPs which are currently being developed in Nigeria as part of efforts to Improve power in the country.
"We are extremely proud to have completed the signing of the key industry contracts and debt financing of the Azura project and are now fully focused on starting the construction of the power plant by the summer," said Dr. David Ladipo, Managing Director of Azura and Mr. Sundeep Bahanda, co-founder of Amaya Capital, co-owner of Azura in a joint statement.
According to the statement, the Azura-Edo IPP has attracted world-class financiers and partners from Nigeria as well as 14 other countries across the world, an unprecedented achievement by a locally developed project.
Azura is being groomed to become a leading power development company in West Africa, which though indigenous would offer word class services as it provides electricity, which had so far been insufficient, to the people of Nigeria, statement added.
The 450MW Azura-Edo IPP, which is the first phase of a 1,500MW power plant facility, involves equity of $220 million and $530 million in debt raised from a consortium of local and international financiers. It is targeted to get on the national grid in 2017 and hoped to create more than 1,000 jobs during its construction and operation.
Seplat Petroleum Development Company PLC (Seplat) is also investing $300 million in new gas processing facilities at its Oben Gas Plant that will see it supply the Azura-Edo IPP with the volume of gas required for the project.

"The transaction, which is NBET's first greenfield project, is important to the Nigerian power sector reform process," said Mr. Rumundaka Wonodi, Managing Director and Chief Executive Officer of Nigerian Bulk Electricity Trading PLC (NBET).
He added that Azura has set a good precedence other IPPs should follow and expressed NBET's commitment to working with development partners both locally and internationally.
"The NBET-Azura PPA guarantees that NBET will off-take 100% of Azura Edo's power output for the next 20 years," Wonodi said.
According to World Bank Country Director for Nigeria, Marie-Francoise Marie-Nelly, the Azura-Edo IPP signifies a well-planned support from the World Bank, IFC and MIGA, "coming together as the World Bank Group, to catalyze the significant private investment needed to increase Nigeria's power supply for long term economic growth, job creation and shared prosperity".
Standard Chartered Bank led the fundraising as Global Mandated Lead Arranger, with the International Finance Corporation (IFC), Rand Merchant Bank (RMB), First City Monument Bank (FCMB) and Financierings-Maatschappij voor Ontwikkelingslanden (FMO) acting as Mandated Lead Arrangers and the Core Lender Group.
Mrs Bola Adesola, CEO of Standard Chartered Bank Nigeria, who spoke on behalf of the Global Mandated Lead Arranger expressed pride at being able to be a major player in the structuring of the project's financing.
"Our advisory, structuring and financial contribution to this transaction forms part of the Bank's USD2billion pledge to President Obama's 'Power Africa' campaign launched last year, which aims to bring electricity to more than 20 million Africans within 5 years," Adesola said.
With Nigeria's population expected to reach 230 million within the next two decades, according to the United Nations, there is a need for the country's total grid-based power generation capacity to rise. The Azura power projrct and similar IPPs are expected to drive this growth. *(Ventures Africa)*

KenGen, Qatari Firm To Build 500MW Power Plant In Kenya

Kenya Electricity Generating Company (KenGen) says it will collaborate with Qatari firm, Nebras Power Company to build a 500 megawatt gas power plant in Mombasa, the East African country's second largest city, after an agreement was signed in Qatar when Kenya's President Uhuru Kenyatta visited the country last week.
"Qatar produces a lot of natural gas. Development of a gas plant will open the way for them (Qatar) to supply gas to Kenya," KenGen's Managing Director, Mr Albert Mugo told local news platform Daily Nation in an interview.
The power plant, which is expected to be completed in three years, will cost $400 million (Sh34.4 billion).
In furtherance of its plans to improve power in Kenya, the ministry of Energy and Petroleum has invited bids for the development of another gas-fired 700 megawatts power plant, which will be located at Dongo Kundu in Mombasa.
Mugo said Nebras, a company partly owned by Qatar through its Electricity and Water Company, had delayed in signing an agreement with Kengen after a feasibility study was carried out two years ago.
Kenya's electricity generation has also gotten a needed boost, with Manda Bay Consortium and Aelous Kenya collaborating to set up a gas-fired plant. This will come as part of its investment package worth Sh215 billion, which includes establishing four other projects around the East African country's Lamu corridor project.
Kenya has explored several options in a bid to meet its deadline of producing 5,000 megawatts of electricity in 40 months, starting from September 2013. The country last month announced it would boost its generating capacity by 280 megawatts using geothermal wells. It has also explored generating power from wind energy in its Lake Turkana.
The country also intends to continue exploring options like solar even as it uses cheap sources of electricity like coal and liquefied natural gas. *(Ventures Africa)*

Nigerian bonds to fund power projects

Nigeria's drive to overcome a mismatch between demand for electricity and generating capacity is prompting the nation's lenders to sell dollar bonds to finance power projects.
The government of President Goodluck Jonathan, which sold 15 state-owned power generation and distribution companies last year, is spending $3.5bn to boost transmission capacity this year in Africa's most populous nation by 50% from 4,000MW, less than a 10th of SA's full capacity. Funds will come from the sales and borrowing as he seeks to alleviate daily blackouts in the country of 170-million people, the continent's biggest economy.
Nigeria's banks are tapping Eurobond markets to be in a position to provide financing for projects including power, with Sterling Bank seeking to raise dollars after Zenith Bank, the nation's second-biggest lender, sold $500m worth of five-year notes on April 10. The yield on the security was 6.29%, compared with 5.07% in JPMorgan Chase's Corporate EMBI diversified financial sector blended yield index.
"Nigerian banks will become regular players in the Eurobond market in coming years," said an emerging-market strategist at Standard Bank's London unit, Samir Gadio. "They will need to refinance existing issues before they mature, but also to raise more funding for the financing of power, oil and gas and infrastructure projects."
The state's disposal of its power assets last year attracted about $2.4bn, with most of the financing arranged by local banks, said the MD of investment banking at Lagos-based UBA Capital, Wale Shonibare .

Demand for Zenith's bonds was more than double the amount on sale, the Lagos-based lender said on April 17, without saying what the money will be used for. The issuance, arranged by Goldman Sachs and Citigroup, is part of a $1bn global medium-term note programme. Zenith declined to comment further.
Sterling Bank plans to sell a Eurobond next year and will also start talks with investors to raise $200m this year, chief financial officer Abubakar Suleiman said.
"The amount for the Eurobond has not been determined," he said. "It is intended to help the bank finance growth."
Guaranty Trust, Nigeria's biggest bank, which raised $400m in November for oil and gas investments out of a $1bn bond programme, has enough short-term dollar funding, said CEO Segun Agbaje. "If we see a long-term funding need we'll have to raise more funds," he said on April 9.
Yields on Guaranty's Eurobonds due November 2018 have dropped 16 basis points to 6.13% since they were sold. Fidelity Bank's $300m of four-year Eurobonds have climbed 122 basis points to 8.36% since being issued last May.
"Nigerian banks don't have significant excess or idle foreign currency funding partly due to regulations so when the lending opportunities come up, they tend to have to go to the market to raise funds," said an analyst at FBN Capital, Bunmi Asaolu, on April 15. "The risks are there because of foreign-exchange risk and question marks surrounding transmission and gas supply. This is why some banks have chosen not to participate in the ongoing lending spree," he said.
The Central Bank of Nigeria lifted cash-reserve requirements on deposits made by government ministries and agencies and state-owned firms to 75% from 50% last year, and told lenders to lower fees and commissions to reduce costs to customers. The regulator raised requirements on private deposits to 15% from 12% on March 25 to reduce liquidity and support the naira.
"Loan-book growth has become an important objective for domestic banks in their bid to grow earnings," said an analyst at Lagos-based Greenwich Trust, Adelayo Alabi, on April 15.
"Dollar debt provides a lower-cost of funding than what is obtainable" locally, he said.
Union Bank of Nigeria, which was bailed out by the Central Bank five years ago during a debt crisis, has been selective with the power deals it funds, chief financial officer Oyinkan Adewale said.
"We have to be very, very careful because we know everybody was rushing to finance power, that was the new kid on the block, but a lot of these assets people didn't really know the quality of," Ms Adewale said.
Yields on the Nigerian government's naira bonds due June 2019 have climbed 24 basis points, or 0.24 of a percentage point, to 13.25% this year. *(BDLive)*

MINING

De Beers Bets on Marine Gem-Mining Plan to Extend Namdeb's Life

De Beers is closer to coming up with new technology that will enable the **Anglo American Plc (AAL)** diamond unit to mine marine deposits in mid-water depths, Namibia Country Manager Daniel Kali said.
The Namibian government and London-based Anglo American are equal shareholders in Namdeb Diamond Corp., whose Debmarine unit mines off the southwest African nation's coast at depths of 90 meters (295 feet) to 140 meters. The new technology would enable the company to exploit marine gems deposited in gulleys and rocky areas underwater at 30 meters to 50 meters and extend operations to beyond 2050, Kali said.
"Mining in the mid-waters is premised on making a breakthrough in technology to exploit those deposits," Kali said by phone on April 24. "Some interesting work has been done but we haven't reached a level where the researchers can say they are satisfied."
Namibia's Atlantic coast area holds an estimated 80 million carats of gems, the world's richest marine-diamond deposits, which were carried to the sea by the Orange River, according to **De Beers' website**. Debmarine contributed 1.16 million carats to Namdeb's 1.76 million carats produced in 2013. Total output was 6 % more than in 2012.
"There is still tremendous work required to define the scope and appropriate technology for the mid-water deposits," Pauline Thomas, a spokeswoman for Namdeb, said in an e-mail yesterday. "The process of developing technology is ongoing, and various models and options are being considered." *(Bloomberg)*

Angola wants mining to broaden its economic base

Angola wants its mining sector to become one of the major contributors to the country's gross domestic product (GDP) and to be one of the most important sources of employment. So asserted Geology and Mines Minister **Francisco Queiroz** in his address in Luanda on Mineworkers Day, April 27. The theme for the day was 'Together for the National Geology Plan', and he noted that both these objectives formed part of government's Geology and Minerals Strategic Plan.
"In order that the growth in minerals exploration can contribute more to the national GDP and to the transformation of the lives of the inhabitants of the diamond exploration regions, [minerals exploration]is being increasingly involved in various actions we have developed over the years and will be one of the major sources of employment in the country,"

he affirmed. "In order to contribute more to the national GDP, we have to know the geological potential and develop thematic mapping, launch new projects and observe the rules contained in minerals code."
The Minister's remarks were reported by the Angolan news agency Angop. He further marked Mineworkers Day by travelling to the province of Lunda Sul, in the east of the country and bordering the Democratic Republic of the Congo (DRC). There, he visited a housing project at the Tchiuzo diamond mine.
The Angolan economy remains dominated by the oil and gas sector. A few weeks ago, the country's National Statistics Institute (INE is its abbreviation in Portuguese) released its analysis of the Angolan economy, undertaken using the methodology recommended by the United Nations (UN), for the period 2002 to 2010. This revealed that the country's efforts to diversify its economy away from hydrocarbons had failed. In 2002, all the nonhydrocarbons sectors together accounted for 55.5% of national GDP; by 2010, this had increased by just 1%, to 56.5%.
This has demolished calculations by the country's Ministry of Planning (which rejoices in the Orwellian acronym of MinPlan), using a methodology not endorsed by the UN, that the nonhydrocarbons sectors' collective contribution to GDP over this period had increased by about 10%. According to MinPlan, in 2002, all the non-oil and gas sectors were responsible for 43.9% of GDP, rising to 54.1% in 2010. Interestingly, the INE recalculations show that the hydrocarbons sector was actually smaller to begin with, at 44.5% of GDP in 2002, compared with MinPlan's 56.1%.
The INE statistics also show that, over this period, the Angolan economy grew less rapidly than MinPlan had said. According to the Ministry, from 2003 to 2010, the country's average annual growth rate had been 12.1%; the INE now says it was actually 8.9%. Instead of being the third-fastest growth rate in the world, it was the tenth. MinPlan's error was not uniform throughout this period. For the years 2003, 2004, 2008, 2009 and 2010, there are only small discrepancies between the INE and MinPlan figures. It is in the period 2005 to 2007 that the big difference is found – MinPlan estimated GDP growth during these three years at an annual average rate of 20.8%, whereas the INE now shows it to have been 13.5%. Interestingly, there were general elections in Angola in 2008.
Meanwhile, separately, a bilateral meeting was recently held between Angola and the DRC in the town of Dundo, in the Angolan province of Lunda Norte (directly north of Lunda Sul), to analyse the Kimberley Process in the two countries. (The Kimberley Process is an international initia-tive involving governments, miners and non-governmental organisations to prevent rebel groups using diamonds to fund their operations.) The meeting took place over two days, Angop reported, and involved the identification of areas of cooperation, discussions and exchanges of experiences regarding smuggling, illegal immigration into diamond exploration areas and fighting fraud and money laundering.*(Mining Weekly)*

Catoca mining company seeks new diamond deposits in Angola

Sociedade Mineira de Catoca (SMC) plans this year to find new diamond deposits in Angola in order to increase production and company revenues, the managing director of the company said in Saurimo, in the Angolan province of Lunda Sul. On the sidelines of celebrations of Miners' Day, on 27 April, Ganga Júnior told Angolan news agency Angop that there were more than seven diamond-prospecting concessions notably in the provinces of Lunda Norte and Lunda Sul, Malanje and Kwanza Sul By 2020, SMC plans to increase its revenues from US$600 million at the moment to around US$1.5 billion, once the mines at Txiuzo, Luaxi, Luangue and Ngango, in the provinces of Lunda Sul, Lunda Norte and Kwanza Sul start operating. Catoca is the fourth-largest open-air kimberlite in the world, offering production of 8.3 million carats, and SMC is a partnership between Angolan state diamond company Endiama, Russian group Alrosa and Brazilian group Odebrecht. *(Macauhub)*

Syrah Resources sells graphite from Mozambique to European buyer

Australian company Syrah Resources has agreed with UK company Asmet to supply it with 100,000 to 150,000 tons of graphite each year quarried at the Balama concession in Mozambique's northern province of Cabo Delgado, according to a recent statement.
Under the terms of the statement, the graphite sold to Asmet will cost US$1,000 per ton over five years and the final contract will be subject to the product being quality tested.
Syrah Resources said that negotiations were progressing well with Chinese company China Aluminum International Engineering Corporation Limited (Chalieco) to supply between 80,000 and 100,000 tons of graphite per year and a unspecified quantity of vanadium.
In the statement the company said it had been contacted by several Chinese graphite buyers following a decision by the authorities of the Chinese province of Helionjiang to close some graphite mines due to pollution levels.
Tests carried out on samples from the Balama concession, according to Syrah Resources showed that graphite from Mozambique was of higher quality than the graphite from China, both for traditional and high technology applications. *(Macauhub)*

Assmang To Acquire 19.9% stake In Gabon Iron Ore

Assmang, a metal company owned by Assore and African Rainbow Minerals (ARM), has signed a share subscription agreement to acquire 19.9 % equity interest in Australia-based IronRidge Resources for £11.74 million ($19.8 million).

While the deal is still subject to £25m ($42.1 million) capital sourcing and the approval of IronRidge to the Alternative Investment Market of the London Stock Exchange, it is expected to open more mineral exploiting opportunities for Gabon.
A statement signed by the Assore and ARM boards of directors said the deal "offers Assmang exposure to some of West Africa's promising iron ore opportunities and could facilitate Assmang's long-term access to high-grade iron ore with competitive capital and operating costs."
Assore and ARM's investment objectives are to evaluate, secure and develop long-term, value-enhancing and strategic investments. The investment in IronRidge is motivated by the current exploration of its iron ore prospecting licences in Gabon.
Assore's Group Manager of new business, Alistair McAdam, however said that while this is Assmang's first move into iron ore outside South Africa, the decision has nothing to do with concerns about possible future logistical constraints in its home country.
"It is about the long-term growth of the company," he said.
With focus on iron ore exploration, IronRidge holds three prospecting licences in Gabon, covering about 5352km².
The Tchibanga and Tchibanga North licence areas are about 60km from the port of Mayumba while the Belinga Sud licence area lies within 140km of Booue on the Trans-Gabon railway.
DGR Global, owner of IronRidge resources said Assmang would be a "strong cornerstone investor" for IronRidge's IPO, and extend DGR's international reach.
After the deal goes through, DGR Global's 45.8% stake in IronRidge will be reduced to 26.4 % *(Ventures Africa)*

OIL & GAS

Anadarko Petroleum raises estimates of natural gas reserves in Mozambique

US group Anadarko Petroleum has raised its estimates of the amount of recoverable natural gas at its concession in the Rovuma basin, northern Mozambique, to between 50 trillion and 70 trillion cubic feet.
The recent successful conclusion of prospecting at the Orca field led to the review, which was made public at the beginning of the week when the group published its results for the first quarter of the year.
Previous estimates pointed to between 45 trillion and 70 trillion cubic feet of recoverable natural gas at a time when the group had drilled over 30 wells in the deep waters of the Area-1 concession, in which it has a stake of 26.5%.
The consortium also includes Mozambican state company Empresa Nacional de Hidrocarbonetos (15%), Indian groups ONGC Videsh (20%) and BRPL Ventures (10%), Japan's Mitsui&Co (20%) and Thai group PTT Exploration and Production (8.5%).
Along with the Area-4 concession, which Italian group ENI projects has around 93 trillion cubic feet of recoverable natural gas, the two blocks are, so far, the most promising in the Rovuma sedimentary basin, which has six concession area.
Recent figures from the Mozambican government, which expects exploration of liquid natural gas (LNG) to begin in 2018, point to reserves of 180 trillion cubic feet of recoverable natural gas in the region.
Anadarko Petroleum announced it had paid the Mozambican state US$520 million in capital gains tax on the sale of a 10% stake in the block to ONGC Videsh for US$2.64 billion. *(Macauhub)*

Oil companies to be exempt from consumption tax in Angola

As per news report on Bloomberg, Angola will not impose consumption tax on oil companies. As per the news report, an earlier proposal included a 5% tax on services and supplies to oil companies and a 10% tax on drill rig leases and other equipment rentals. However, the news report cites that following opposition from the Petroleum Ministry and companies, companies will be exempt from paying this tax. *(JP Morgan)*

Angola's Sonangol sets plans to extract 3 billion barrels of oil by 2020

Angola's Sociedade Nacional de Combustíveis de Angola (Sonangol) plans to extract, by 2020, 3 billion barrels of oil and associated gas, the company's director for exploration and production, Paulino Jerónimo said in Luanda.
At a meeting on natural gas organised by Argentinean company Pluspetrol, Jerónimo said that in order to reach that target by 2020 Sonangol would need the help of all its associated companies, as gas was becoming a source of wealth for many countries.
Sonangol has scheduled an auction for 3o May of 10 new exploration blocks of the onshore basins of the Kwanza and Congo Rivers.
In January of this year Severino Cardoso, Angola's Exploration Director, said in Luanda that the 10 blocks accounted for over half the known oil reserves in Angola, or at least 7 billion barrels.
In October 2013 Angola's Oil Minister, Botelho de Vasconcelos said that the country's oil reserves totalled 12.6 billion barrels and that from 2015 onwards oil could be extracted from the 10 blocks that are due to be auctioned.

Angola is currently the second-largest oil producer in sub-Saharan Africa, after Nigeria, with around 1.7 million barrels per day. The target is to reach 2 million barrels per day by 2017. *(Macauhub)*

Anadarko halts South Africa oil spending pending clarity on oil law

U.S. oil and gas explorer Anadarko Petroleum said it halted spending on exploration in South Africa until it has more clarity on changes in the petroleum law, which gives the state a 20% stake in new ventures.

South Africa's parliament passed the changes to the law last month, a move industry experts said would discourage investment.

Other firms have also voiced concerns about the legislation, which gives the mines minister wide-ranging powers to place certain minerals in a "value-addition" category, which means a portion would have to be processed domestically instead of exported in raw form.

"We have suspended our expenditures in South Africa until the petroleum law and fiscal terms are more clear," Anadarko East Africa exploration manager **Tom Fletcher** told an energy conference in Nairobi .

Speaking to reporters on the conference sidelines, he said: "We are just looking for a little more clarity - what's going to happen with the fiscal regime down there - before we invest large dollars in South Africa."

Shell's exploration manager for new international upstream business in sub-Saharan Africa **Menno de Ruig** echoed those concerns at the conference.

"We are hopeful that the current uncertainty around the petroleum bill in South Africa gets resolved in a workable manner so that we can move forward to the drilling phase," he said.

The speed at which the bill passed before elections in May alarmed petroleum companies such as Shell, Anadarko, Total and Exxon Mobil, which want to explore South Africa after making big offshore gas finds in neighbouring Mozambique.

Shell has been exploring for shale gas in the onshore Karoo area, while Total said in November it expected to drill its first offshore well in the Outeniqua Basin, about 175 km (110 miles) off the southern coast of South Africa.

As well as the 20% "free carried interest", the government also introduced a clause entitling it to increase its share of a project by acquiring a greater stake at an agreed price or by production-sharing agreements.

Industry critics of the law say it amounts to nationalisation without appropriate compensation. *(Engineering News)*

Angola, Africa’s second-biggest oil producer,

probably won’t reach an output target of 2 million barrels a day next year because new projects will be too late to boost declining flows, Wood Mackenzie Ltd. said. Sonangol EP, the state oil company, said in a statement May 5 that the target remains in place after government-run newspaper Jornal de Angola reported that the goal was deferred to 2017. The Organization of Petroleum Exporting Countries member pumped 1.54 million barrels a day last month, according to data compiled by Bloomberg. “I don’t think 2 million barrels a day by next year is realistic,” David Thomson, a Wood Mackenzie analyst in Edinburgh, said in an e-mailed response to questions. “I am confident it will happen, but toward the end of the decade.” Total SA’s CLOV fields in Block 17 and Eni SpA’s Western Hub in Block 15/06 are expected to start in 2014 and together may add 241,000 barrels a day while older fields off Angola slow. Drilling this year by BP Plc and ConocoPhillips among others marks the country’s most active exploration yet as it attempts to rival Nigeria, Africa’s leading producer. “Angola’s oil production has barely managed to go above 1.8 million barrels a day in the last 15 months and has been declining month on month since November,” Abhisek Deshpande, lead oil markets analyst at Natixis SA in London, said by e-mail. “It looks highly uncertain if Angola will be able to meet its target.”

Chevron Corp., at one time Angola’s leading producer, is trying several projects to stem reduced flows. The San Ramon, California-based explorer plans to start pumping 110,000 barrels a day next year from the $5.6 billion Mafumeira Sul development in Block 0 Area A, while the $2 billion Nemba Enhanced Secondary Recovery project will add 13,000 barrels a day in Block 0 Area B, according to the company’s website. Total, based in Paris, is employing new pumps to increase output by 60% in 2015 at its Rosa field in Block 17. “The decline rates at existing fields are just too high and project delays are crippling growth,” Amrita Sen, chief oil market analyst at Energy Aspects in London, said by e-mail. “I don’t think they will get to 2 million barrels a day next year.” Angola’s falling output has also been blamed on maintenance issues, technical faults with water-injection systems, gas cooling and floating production, storage and offloading units, mechanical damage, state interventions and corruption, Deshpande said.

In 2016, Eni expects the Eastern Hub of the Cabaca Norte and Cabaca SE fields in Block 15/06 to start producing, while Chevron is targeting first oil from N’Dola in Block 0 Area B. A final investment decision is due this year on the 28,000 barrel-a-day N’Dola project. Production is expected to pick up in 2017 with the start of Houston-based Cobalt International Energy Inc.’s 100,000 barrel-a-day Cameia project in Block 21 and Total’s $16 billion Kaombo development. Total, the country’s largest producer, gave final approval April 14 for the 600-million-barrel Kaombo site in Block 32, which is expected to produce 200,000 barrels a day. New projects will be enough to meet the 2 million barrel a day target by 2015, Petroleum Minister Jose Maria Botelho de Vasconcelos said in a November interview. Ministry spokesman Jose Miguel didn’t return phone calls and e-mails this week. *(Bloomberg)*

INFRASTRUCTURE

Commercial Construction booms

By 2025, over 60% of all construction activity is forecast to be in emerging markets, with sub-Saharan Africa trailing only Asia, according to the PWC report *Real Estate zozo.* The commercial subsector provides great opportunity for returns in Africa. Of its nearly 23m m^2 in shopping malls, 21m m^2 is in South Africa and 0.5m m^2 in sub-Saharan Africa (excluding south Africa). Similarly, in the office space sub-sector, 2m m^2 is in subSaharan Africa (excluding South Africa) as compared to 4m m^2 in North Africa and 15m m^2 in south Africa. Commercial real estate can earn returns of over 25% p.a.

- Nigeria: Prime office space rents as high as $85 per sqm. Numerous malls have opened since 2011 but Nigeria's demand is rapidly growing.
- Kenya: Office space supply will exceed demand by 2016. Based on Kenyan spending, building malls is more profitable.
- Angola: Rents for prime office space go as high $100 per sqm. New malls, such as the Sky Gallery, estimated to cost $85m and opening in June, attract luxury occupants.
- Tanzania: Prime office space rents as high as $45 per sqm. Apartments for expats rent at up to $8,000 per month. Rapid urbanisation and improved infrastructure mean a boom in high-rise commercial headquarters and multistorey malls.
- Ghana: Prime office rents go as high as $50 per sqm. Malls are congested and a third mall will be needed.*(African Business)*

China’s AFECC to repair and widen National Road 6 in Mozambique

Work to repair and widen National Road 6 in Mozambique, which is 300 kilometres long, is due to begin in June of this year, said the delegate of the National Roads Administration (ANE) for Sofala province, Irene Simões.
The work, which was awarded to China’s Anhui Foreign Economic Construction Corp (AFECC), will cost US$400 million and is intended to improve traffic circulation on the road, which links the port of Beira, in Sofala, to the border town of Machipanda, in Manica province.
The contract, which is scheduled to take three years to carry out, will widen the road, particularly between the cities of Beira and Dondo, along a section of 30 kilometres.
Widening the road is intended to improve conditions for trucks heading for the port in Sofala’s capital, estimated at over 600 vehicles per day carrying goods from and to the port’s traditional users, such as Zimbabwe, Malawi, Zambia and the Democratic Republic of Congo.
Simões also told Mozambican daily newspaper Notícias that the tender document also included raising the level of the road along some sections, particularly near the Pungué River, as well as construction or replacement of several bridges, which are in a poor state of repair. *(Macauhub)*

Refer Engineering awarded tender to improve Maputo-South Africa rail link

Consulting company Refer Engineering has been awarded the tender to design a project to repair, modernise and extend the rail transport system linking the port of Maputo to South Africa along the Ressano Garcia line, said Portuguese group Refer.
The proposal from Refer Engineering, a subsidiary of the Portuguese state group, is expected to cost US$1.65 million and was presented by a consortium that also included Mozambique’s Engenheiros Consultores de Moçambique (ECM) and Portugal’s Proman. The project should take six months to carry out, according to the statement.
The tender was launched in 2013 by Mozambican state port and rail company Portos e Caminhos de Ferro de Moçambique (CFM) and includes a long term viability study for the phased development of a rail strategy, a detailed engineering project and consultancy services to increase the transport capacity of the railway line.
The project’s tender document also includes setting up programmes for regular maintenance of the railway system, as well as for repairs, the company said.
The Ressano Garcia line is around 90 kilometres long and links the port system in the Mozambican capital, including the ports of Maputo and Matola Gare, to the border town of Komatipoort, in South Africa, which is part of the Maputo Development Corridor.
The project to repair the railway, which is expected to cost US$20 million, is expected to increase annual transport capacity to 40 million tons. Work will be carried out over a period of four years.
According to the Maputo Development Corridor (MPDC), South Africa accounts for around 80% of the port facility’s market. *(Macauhub)*

Construction of port of Pemba, Mozambique due to begin in 2015

Construction work on the new port in the city of Pemba, the capital of Mozambique’s Cabo Delgado province, is due to begin in 2015, said Tavares Martinho, director of the ENHILS company during a visit to Nigeria, according to Mozambican daily newspaper Notícias.

ENHILS is a partnership between state company ENH Logistics, with 51 %, and Orlean Invest of Nigeria with the remaining 49 %, and has technical support from Angola's Sonangol Integrated Logistic Services (Sonils).
Speaking to the newspaper, Tavares Martinho, who is leading a Mozambican delegation on a visit to Nigeria, said that the facility, the first of its kind to be built in the country, would be funded by Orlean Invest, "a prestigious group with extensive experience in developing logistics bases to support the oil and gas industry on an international level."
As part of this project an environmental impact study is underway in Pemba, after which work will begin. Initially work will involve opening up access roads so that in January 2015 the logistics hub itself can be built.
The new port in the city of Pemba will have a 300 metre dock capable of receiving ships with a maximum draught of 12 metres and a variety of other facilities on a 36-hectare plot. *(Macauhub)*

Cameroon Signs Deal To Build First Tramway

Belgian company, Préfarail has signed an agreement with Cameroon for the construction of a tramway – a public transport vehicle running on rails – in the country's capital, Yaoundé.
The agreement, which was signed by the Managing Director of Préfarail, Joseph Rode and the Minister of Economy, Planning and Regional Development, Emmanuel Nganou Djoumessi, is aimed at solving transportation issues in Yaoundé and other major cities.
The construction of Cameroon's first tramway, which will commence in 2015, is estimated to cost FCFA 491 billion ($1 billion) for the first 50 kilometers and will be operated using the Build-Operate-Transfer (BOT) model.
This means Préfarail will fully finance the project and manage it for a period of time before transferring it to the State.
"The company will fund the entire project Préfarail the tram line in the city of Yaoundé, Cameroon and the State will manage the project after the return on investment," the agreement said.
The Belgian company also has plans to embark on a similar project in the economic capital, Douala after the completion of the Yaoundé tramway.
A committee will be set up in Yaoundé to set things in motion and ensure that the activities of different parastatals involved in urban transportation are synchronized and in harmony for effective output.
According to World Population Review, Yaoundé boasts of a population of about 2.5 million people, thus creating the need to provide adequate transport infrastructure, which has been lacking in the urban city since Socatur (Société camerounaise de transports urbains) declared bankruptcy in the 90's. *(Ventures Africa)*

Arab bank funds water supply projects in Sao Tome and Principe

The Arab Bank for African Development (BADEA) plans to provide around US$7 million to fund a drinking water project in the city of Neves in Sao Tome and Principe, the chairman of water and power company Empresa de Água e Electricidade said in Sao Tome. José Maria Barros said that the agreement had been signed in the city by the construction company, which would allow the work to begin next June.
The work, which is scheduled to take 15 months, includes piping the water starting at the Contador River, which is the main water source for some areas of the city of Neves, as well as for the villages of Ribana and Monte Forte, about three kilometres from the city in the north of Sao Tome island.
Neves, which has over 10 neighbourhoods and over 14,000 inhabitants, is the most important urban area in the district of Lemba, and is around 27 kilometres from the capital of Sao Tome and Principe.
This water supply project follows another one that was also funded a few months ago by BADEA in the city of Santana, Cantagalo district in the south of the island of Sao Tome, costing almost US$7 million.
Despite having almost 2.1 million cubic metres of water per square kilometre, water supply in Sao Tome and Principe is poor due to a lack of distribution networks. *(Macauhub)*

Fastjet Kickstarts Restructuring Of Fly540 Business

In a bid to unlock shareholder value, fastjet, Africa's no-frills airline, is re-arranging its Fly540 business to turn it into a lean and mean operation with improved returns.
The company said as part of this restructuring programme, Angolan operations of Fly540 had been put on ice for the time being, but leased aircraft has been allowed to operate in Ghana.
Two group-owned ATR aircraft which formerly conducted business in Angola and Ghana are currently out of service and would be disposed of soon.
The company added that further details on the restructuring of both Fly 540 operations (Ghana and Angola) will be made public soon. The Fly540 businesses are run on old-style airline model and not the fastjet low-cost pattern.
Ed Winter, Fastjet CEO, said in addition to the restructuring, the company was also paying more attention to expanding fastjet's operations in East and Southern Africa. It is poised to launch bases in South Africa, Zambia and Kenya and the company said it is making headway in this regard. "However, our overall vision is to create a pan-African low-cost network and, as such, launching the low-cost fastjet model in both Angola and Ghana remains firmly part of the Company's long-term plans," Winter said in a statement.
Meanwhile, earlier this month, fastjet said it had entered into an agreement to partner with the Expedia Group, the world's biggest online travel firm.

This partnership will see fastjet flights being made accessible to the millions of business travellers that search for and book travel via the Expedia group's brand portfolio. *(Ventures Africa)*

Africa set to gain $3bn infrastructure fund

Africa's largest development lender plans to launch a $3bn infrastructure fund this month, aiming to raise money from regional and non-African pension funds, insurance groups, sovereign wealth funds and institutional investors.
The fund, to be known as Africa50, will help the continent in "delivering vital infrastructure through a new global partnership platform", according to the proposal by the African Development Bank.
Africa needs about $95bn a year to close an infrastructure gap in electricity, roads, railway and port. Current investment is running at about $45bn – leaving a large shortfall.
The AfDB, which will invest $500m, aims to approve the fund this month during its annual meeting in Rwanda. It hopes to raise at least $3bn in funds, "to be scaled up to at least $10bn", according to the proposal seen by the Financial Times.
Regional sovereign wealth funds, insurance groups and commercial banks could put invest in Africa50. The AfDB will also tap non-African investors.
Sovereign wealth funds and global institutional investors are starting to pour money into the continent, attracted by a virtuous circle of strong economic growth and improved governance that many have called "Africa Rising".
Last month, the Carlyle Group said it had closed its maiden private equity fund targeting sub-Saharan Africa at almost $700m – 40 per cent above target – underscoring the growing appeal of investing on the continent.
Temasek, the state-backed investment agency of Singapore, closed its first deal in Nigeria, Africa's biggest economy, last month, investing $150m in an oil and gas group. It previously spent $1.3bn to buy stakes in gasfields in Tanzania.
South Africa's Public Investment Corp, the $150bn pension fund manager for public employees, is also looking for opportunities in Africa.
But some large investors complain that often they are unable to invest in the continent due to a lack of bankable projects. Traditionally, large institutional investors only look at investment proposals worth $100m or more. In an apparent response to this issue, the Africa50 fund proposal says it will "stimulate a flow of projects from an early stage of development through financial close to operations".
The AfDB hopes to entice regional and global investors with the promise of high yields and strong economic growth.
"Based on conservative assumptions, the return on equity is expected to be 8 per cent nominal over a 15-year period," the proposal states. "Africa is emerging as an economic success story."
The bank said it had already received expressions of interest for $155m, and it was in talks with four partners for additional commitments of $470m. "These expressions of interest are an encouraging sign at this stage, given that the formal Africa50 investor roadshow has not yet started," the proposal adds. *(Financial Times)*

Company linked to Israeli billionaire to partner with construction giant on DRC infrastructure

Gibraltar-based conglomerate Fleurette Group and construction giant Andrade Gutierrez announced the formation of a joint venture to develop infrastructure in the Democratic Republic of Congo (DRC) on 23 April.
The DRC possesses a wealth of natural resources, but years of conflict and underdevelopment have yielded a country two-thirds the size of the European Union with only 2,250km of paved roads.
However, Fleurette Group deals in the DRC and the close relationship its head, Israeli billionaire Dan Gertler, maintains with Laurent Kabila, the president, have also come under scrutiny from transparency and governance watchdogs, including Global Witness and the Africa Progress Panel, chaired by Kofi Annan.
Fleurette Group has a history of investing in DRC that stretches back two decades, largely in the mining sector. Infrastructure is a new area for Mr Gertler, but one that is closely linked to the needs of the mining industry.
"These types of investments require commitment, knowledge and expertise and I am confident that, in working with a proven developer of infrastructure assets in emerging markets such as Andrade Gutierrez, we have found the right partner," Mr Gertler said of the JV in a statement.
Although specific projects have yet to be announced, they will be focused on the mineral-rich southern province of Katanga, where Mr Gertler's companies already hold a number of mining interests. Improving power grids and rail transit will be among the priorities.
"We have identified a power gap; the country is crying out loud for improved power grids," Pedro Neves, Andrade Gutierrez's managing director for structured business for Africa, Europe and Asia, tells This Is Africa. "We are also looking at trains and rail travel. Power and trains are a big part of the solution to DRC's infrastructure gap, and while they are very good for mining they are also very good for agricultural industries."
Five days after the joint venture was announced, it emerged that Fleurette had extended a $196m loan to Congolese state miner Gécamines in January 2013, so it could take over a copper mining venture. The short-term loan, made through Fleurette affiliate African Dawn Finance Ltd., has interest fixed at 6 %. Fleurette Group spokespeople dispute any notion of secrecy with regards to the loan.

"A healthy, competitive Gécamines attracts additional investment and interest in the DRC resources sector. To that end, it requires investment and support and Fleurette is pleased to have been able to contribute to Gécamines being able to fulfil its financing needs," a Fleurette spokesperson stated in response to This Is Africa's questions about the loan.
Mr Gertler's last few deals with Gécamines through companies connected with Fleurette Group were among those singled out for their unusually favorable terms by the Africa Progress Panel in its 2013 Africa Progress Report.
In one 2011 transaction, a company jointly owned by Fleurette and Glencore International PLC, Bermuda-registered Kansuki Holdings, exercised its right of first refusal in order to purchase Gécamines' shares in the Kansuki copper mining project. The purchase was made through a third Fleurette-owned offshore company, British Virgin Island-registered Biko Invest Corp, at prices that were 682% below market value, according to the APP.
In a similar deal in the same year, Fleurette Group's wholly owned subsidiary Rowny Assets Limited, also registered in the BVIs, purchased Gécamines 20% stake in Mutanda copper and cobalt mine for $120m. This allowed Rowny Assets to profit 428% on the sale, according to the average of five independent valuations.
Mr Gertler claims his company paid fair value for the shares, according to Bloomberg.
"It is disappointing that the Africa Progress Panel Report 2013 has published basic errors, selective information and repeated the same old, disproved allegations against the Fleurette Group and Mr Dan Gertler," company representatives told the Financial Times last year, when the report was first published. "The Fleurette Group is the biggest taxpayer in the DRC and has generated substantial inward investment, created tens of thousands of jobs and is the country's largest long-term investor."
In July 2013, the Kansuki and Mutanda concessions were merged by Fleurette and Glencore. Both Mutanda and Kansuki mines are located in Katanga province, where the JV projects with Andrade Gutierrez will take place.
According to the APP report, between 2010 and 2012 the DRC lost at least $1.36bn due to underpricing mining assets in deals with offshore companies.
Mr Gertler's long-standing relationship with the DRC was part of the attraction of the partnership for Andrade Gutierrez "We partnered with Fleurette precisely for this complementarity. They have been in the DRC for the past 17 years, mostly in the mining sector. They know the country," Mr Neves explains.
However, it is precisely the closeness of Mr Gertler's ties with Congo's elite that have led some to question the transparency of his business dealings in the country.
"Gertler is very close with the Congolese president, and he is getting an awful lot of favourable deals in Congo. He doesn't have experience in building massive infrastructure projects, it's not clear why he should be the joint venture partner of Andrade Gutierrez," claims Daniel Balint-Kunti of transparency watchdog Global Witness. "It seems that people partner with Gertler because of his links to power structures in Congo, and one could query whether that's legitimate."
Most of Mr Gertler's companies are registered in offshore tax havens, and few details on the beneficial ownership structures of his business interests are available. He has not been forthcoming when his dealings in Congo have been queried in the past."We're a private company. Why should we announce?" Mr Gertler argued in a 2012 interview with Bloomberg. "I should get a Nobel Prize. They need people like us, who come and put billions in the ground. Without this, the resources are worth nothing."Mr Gertler is estimated to have amassed a personal fortune of $2.6bn, according to Forbes. According to UNICEF statistics, 54.1% of Congo's 65.71 million population live below the poverty line of $1.25 per day. *(This is Africa)*

AGRIBUSINESS

Brazil continues to support development of fishing in Angola

Angola and Brazil last week in Brasilia signed an technical cooperation agreement for development of fishing in Angola, the Angolan embassy in Brazil said in a statement.
The agreement was signed by the Artisanal Fishing Development Institute of the Angolan Fisheries Ministry and Companhia de Desenvolvimento dos Vales de São Francisco e do Parnaíba (Codevasp), of the Brazilian National Integration Ministry.
According to the agreement, Codevasp for two years will contribute to developing artisanal fishing and adding value to Angola's fishing resources by training Angolans at the seven integrated centres for fishing resources and aquaculture established and maintained by the company in Brazil.
The new technical cooperation agreement is valid until April 2016 and will extend the previous agreement that trained 10 Angolan in artificial fish propagation and breeding, limnology (the science of freshwater).
The 10 Angolan technicians trained in Brazil now work at the integrated fishing resources centres recently opened in the province of Malange and Benguela. *(Macauhub)*

Growing Africa's agriculture

Sustainable commercial agricultural production is vital to the health and well-being of Africa's economy and people. Smallholder farming accounts for the majority of African agricultural production, and subsistence agriculture – where

farmers focus on producing what is needed to feed their families – is still widespread. In Uganda, for example, 86% of the population live in rural areas and rely on subsistence agriculture. Low inputs and low productivity result in stagnation, and stagnation in the developing world is equivalent to poverty, hunger and malnutrition.

As leader of a company that has been involved in Africa for over 100 years, I see enormous potential to more rapidly develop this area together with regional partners. There is a need for more partnerships between farmers, government, NGOs, local business and multinational corporations to accelerate Africa's commercial agricultural growth. This will not only help thousands of farmers escape the subsistence trap but also offer benefits to all partners.

According to the Food and Agriculture Organization of the United Nations, the global demand for food is expected to increase by 60% by 2050. Smallholder farmers will need to play a key role in meeting the growing need. Africa's food and beverage markets are to reach a threefold increase by 2030, the World Bank estimated in 2013, bringing more jobs, greater prosperity, less hunger and significantly more opportunity for farmers to compete globally.

There are, however, numerous challenges that subsistence farmers are faced with and that inhibit potential growth. These include limited access to infrastructure, to productivity-enhancing technologies and to education – issues that require substantial investment and long-term partnership of local business, farmers, corporations, governments and NGOs.

Two critical challenges are the inability to compete with low-priced international products – it is virtually impossible to compete with imported rice from Vietnam, for example – and the lack of access to a strong commercial market. These cause farmers to maintain production at levels merely enough to provide for their family, providing little or no incentive to invest in improved crops and fertilizers, or access to these products. As with cash crops such as cotton, coffee and tobacco, markets are most likely to be built on demand for the product and accelerated by large multinational corporations. Multinational companies such as Heineken can play a significant role in creating this demand, partnering with farmers, government and NGOs to help African agriculture gain a larger share of the world's commercial market.

Local sourcing creates shared value.

Heineken currently produces from 56 plants in 23 African countries and has made a Clinton Global Initiative commitment in 2011 to source 60% of its agricultural raw materials used in Africa within the continent by 2020. This is also part of the commitments we made under our Brewing a Better Future programme, Heineken's approach to sustainability and one of our key business priorities. Together with the European Cooperative for Rural Development (EUCORD) and the Dutch Ministry of Foreign Affairs, we recently invested in three Public Private Partnership projects in Ethiopia, Rwanda and Sierra Leone and we appointed a local sourcing director to increase the focus on and coordination of these projects.

In the Democratic Republic of Congo, our commitment to train farmers to produce consistent volumes of high-quality rice has seen their average annual production increase by 62% between 2009 and 2012. We have committed to invest more than $4 million by 2017 to accelerate our sourcing initiatives in the region, which will reduce the number of crops imported from other countries, educate local farmers through support and training, and improve income for thousands of farmers and their families.

Through partnerships with government and international NGOs such as EUCORD, Heineken seeks to use its commitment to actively improve agricultural productivity in the countries in which we operate. Working together with NGOs, Heineken is using its agricultural experience and capacity to train and organize smallholder farmers to integrate as many rural families in their supply chain as possible. Our objective is to make the agricultural sector more competitive in order to lower the costs of local grains – both as a source for the agro-processing industry as well as for local food consumption.

For farmers, the benefits include improved agricultural knowledge, increased productivity and profitability, better food security and an improved overall livelihood. Governments will see improved employment, economic development and a growing international trading position. And for commercial corporations – whether local businesses or multinationals – the long-term benefits are significant as well. For Heineken, these include securing a long-term sustainable source of raw materials, reduced exposure to unavailability or potential volatile prices, reduced transport costs; and a smaller carbon footprint.

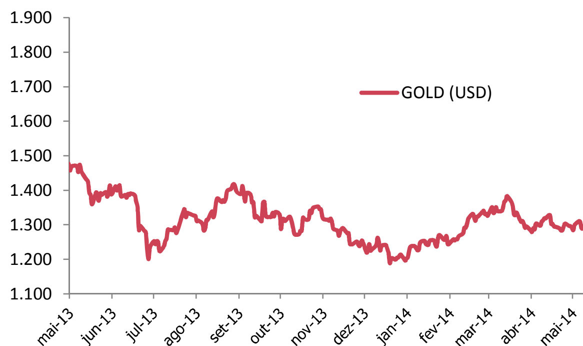
We believe in Africa and can see the immense opportunity it offers. We also realize it is our obligation to partner with the continent to stimulate sustained and sustainable growth. We are encouraged by the results of our partnerships and want to engage in dialogue with other multinationals, local business, farmers, NGOs and governments about successful partnering for shared supply chain value. Together, we will be able to stimulate the growth of a sustainable and commercial agricultural sector for Africa and take an important next step to increase the global food supply.

Author: Jean-François van Boxmeer is Chairman of the Executive Board & CEO, Heineken. He is a co-chair of the World Economic Forum on Africa 2014

MARKET INDICATORS
12-05-2014

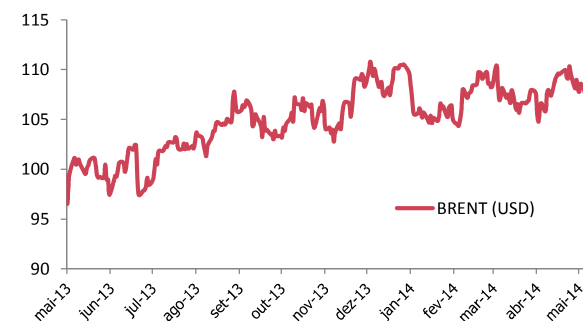
STOCK EXCHANGES		
Index Name (Country)	**12-05-2014**	**YTD % Change**
Botswana Gaborone Domestic Index (Botswana)	8.917,90	18,74%
Bourse Régionale des Valeurs Mobilières (Ivory Coast)	227,10	36,33%
Case 30 Index (Egypt)	8.224,49	50,56%
FTSE NSE Kenya 15 Index (Kenya)	195,09	55,14%
Morocco Casablanca Stock Exchange CFG 25 (Morocco)	19.629,64	2,54%
Nigerian Stock Exchange All Share Index (Nigeria)	38.554,19	37,31%
FTSE/JSE Africa All Shares Index (South Africa)	49.053,90	24,98%
Tunindex (Tunisia)	4.528,51	-1,12%

Source: Bloomberg and Eaglestone Securities



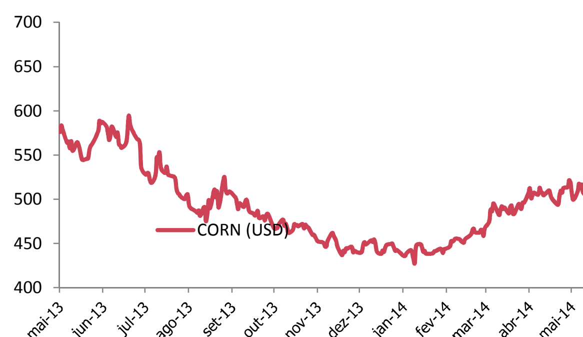
METALS	Spot	YTD % Change
Gold	1.291	-22,92%
Silver	19	-36,31%
Platinum	1.434	-6,90%
Copper $/mt	6.745	-14,95%

Source: Bloomberg and Eaglestone Securities



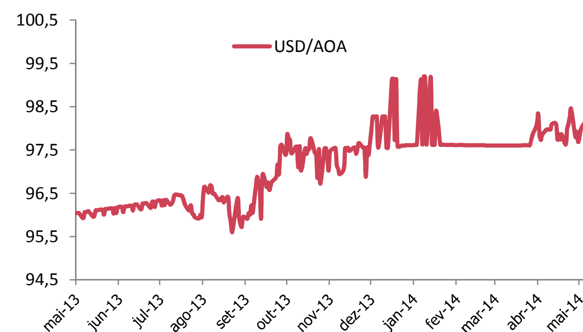
ENERGY	Spot	YTD % Change
NYMEX WTI Crude (USD/barril)	100,3	7,65%
ICE Brent (USD/barril)	108,4	-0,08%
ICE Gasoil (USD/cents per tonne)	903,5	-1,34%

Source: Bloomberg and Eaglestone Securities



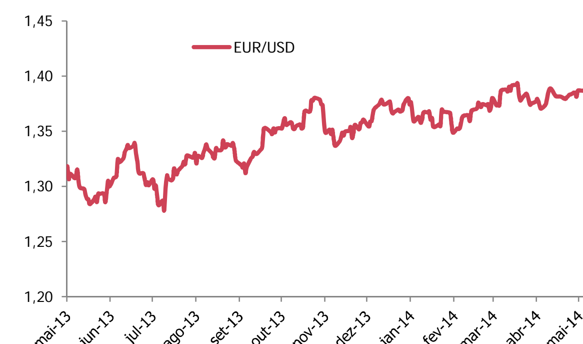
AGRICULTURE	Spot	YTD % Change
Corn cents/bu.	504,0	-28,03%
Wheat cents/bu.	708,5	-10,06%
Coffee (KC) c/lb	185,8	26,62%
Sugar#11 c/lb	17,2	-12,77%
Cocoa $/mt	2856,0	26,71%
Cotton cents/lb	92,4	21,76%
Soybeans c/bsh	1487,8	6,32%

Source: Bloomberg and Eaglestone Securities



CURRENCIES	Spot
KWANZAS	
USD	97,640
EUR	134,379
GBP	164,942
ZAR	9,426
BRL	44,123
NEW MOZAMBIQUE METICAL	
USD	31,426
EUR	43,421
GBP	53,297
ZAR	3,046
SOUTH AFRICAN RAND SPOT	
USD	10,357
EUR	14,255
GBP	17,497
BRL	4,681
EUROZONE	
USD	1,38
GBP	0,81
CHF	1,22
JPY	140,28
GBP / USD	1,69

Source: Bloomberg and Eaglestone Securities



UPCOMING EVENTS

The **2nd Annual Mozambique Real Estate Conference**, hosted by Pam Golding Mozambique, will take place on **May 21-22, 2014** at the **Indy Village Congress Hotel & Spa, Maputo**. http://www.pamgolding.co.mz/
For more information, or to make an early reservation, please contact **conference@pamgolding.com**.Dr. Andrew Golding, Group Chief Executive of Pam Golding, will be the Guest Keynote Speaker. Other speakers will include senior representatives from African Century, Couto, Graça & Associados, Dominio Capital, **Eaglestone**, ENH Logistics, Lonhro Group, PricewaterhouseCoopers, Prime Yield, Pylos Africa, RANI Investment, REC, SCP Africa, Standard Bank, the World Bank, and more.

The NewYork Forum Africa, 23-25 May Libreville Gabon. Tansformation of a Continent.
http://ny-forum-africa.com/en/home

Africa Rising: Building to the Future- The Government of Mozambique and the IMF will convene a high-level conference in May 2014 in Maputo to take stock of Africa's strong economic performance, its increased resilience to shocks, and the key ongoing economic policy challenges. http://www.africa-rising.org/
The Government of Mozambique and the IMF will convene a high-level conference in 2014 to take stock of Africa's strong economic performance, its increased resilience to shocks, and the key ongoing economic policy challenges. The Africa Rising conference will be held May 29-30, 2014, in Maputo. The conference will bring together policymakers from Africa and beyond, the private sector, civil society, academics, and private foundations with the goal of sustaining the current growth and sharing its benefits among African populations.

WAMPEX, West African mining and power 28 - 30 May 2014, Accra International Conference Centre, Accra Ghana. Introductions to new suppliers, new technologies and new techniques in respect of: Mining machinery, earth moving equipment, crushers, materials handling and all primary requirements including site management./ Minerals processing/ Engineering and project management/Electrical engineering, transmission, distribution and reticulation./Environmental safeguards/Health and Safety requirements/Related services, consumables and spares
AIRC-Africa Insurance and reinsurance Conference 10th-11th June 2014, Laico Regency Hotel **Nairobi Kenya**
Theme: Redefining the Insurer of the Future, sponsors: International Finance Corporation, African Business and African Banker, www.aidembs.com/insurance_conference/

Africa Energy Forum, 18th -20th June 2014, Hilton Istanbul Bomonti Hotel & Conference Center Istanbul
The Africa Energy Forum (AEF) is the international gathering place where governments and power utilities of Africa meet with the global energy industry to focus on delivering power infrastructure projects in Africa.
All the players in the industry will gather under one roof to discuss the relevance of Africa's power sector on the global economy. As we see major African businesses standing shoulder to shoulder with international organisations, AEF provides a platform for international investors and African stakeholders to build partnerships and transform how business is done on the continent. http://africa-energy-forum.com/

Africa Debt Capital Markets, 26th June, Mandarin Oriental Hyde Park, London UK
Learn the current trends in Africa's debt capital markets in one day. *www.adcm.eventbrite.co.uk*

AFRICA SINGAPORE Forum 27-28 August
Third edition, this forum is the premier business platform for exchanging business insights and promoting collaboration between Africa and Asia. *www.iesingapore.com/asbf*

2nd Brazil Africa Forum, Infrastructure, partnerships and development 28-29 August 2014 Fortaleza- Ceará
Business opportunities in the following opportunities: Power, agribusiness, construction, transport, water management, funding health ICT, capacity development, PPPartnerships. *www.forumbrasilafrica.com*

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Disclosures

Eaglestone was founded in December 2011 with the aim to be a committed partner for the development of businesses located primarily in Sub-Saharan Africa and to support the development of renewable energy projects on a global basis.

The company has three business activities – financial advisory services, asset manage- ment and brokerage – and currently has offices in Amsterdam, New York, Cape Town London, Lisbon, Luanda and Maputo

Eaglestone is committed to operating and behaving according to the highest standards of corporate governance. Its subsidiary in the United Kingdom is authorized and regulated by the Financial Services Authority. The first of its six Luxembourg based funds has received approval from la Commission de Surveillance du Secteur Financier.

Eaglestone operates with a clear vision and mission to act on behalf of and in the best interests of all its stakeholders, whether they are investors, employees or users of its services.

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