INSIDE AFRICA

Now is the time to invest in Africa

17 March 2014

EAGLESTONE SECURITIES

Contents

BRIEFS

Africa

Top 7 Manufacturers

	Countries	GDP $	Manufacturing $
1	South Africa	384.3bn	46.1bn
2	Egypt	262.8bn	39.4bn
3	Algeria	205.8bn	14.4bn
4	Morocco	96bn	14.4bn
5	Tunisia	45.7bn	7.3bn
6	Angola	114.1bn	6.8bn
7	Nigeria	263bn	5.3bn

Angola

- Angola central bank leaves benchmark interest rate unchanged at 9.25%

Gabon

- A recent news headline suggesting increased public-finance difficulties has been refuted
- Reforms continue, with the government of Gabon seeking to reduce recurrent spending
- As part of these reforms, some public-sector bonuses will be suspended
- Gabon has strong credit fundamentals and in our view the outlook remains positive

Kenya

- Kenya to push ahead with Eurobond, unsure of yield

Nigeria

- Japaul Oil CEO Plans to Raise $500 Million for African Expansion
- Dangote Becomes First Manufacturer of 52.5 Cement Grade in Africa
- Dangote Becomes First Manufacturer of 52.5 Cement Grade in Africa

Tunisia

- Bahrain's GFH to start $3 bln Tunisia project

In-depth:
Frontier Markets Find Footing

Frontier markets remain in focus for the Templeton Emerging Markets Group in 2014, and my team and I have spent the early part of the year exploring potential investment opportunities in a number of them. I generally spend about a third of my time in these markets, with Dubai, Eastern Europe and South Africa serving as hubs for access. While the emerging markets we visit today were once considered niches or “exotic” investments when I first started investing in them in the late 1980s, many investors are now familiar with them. Many frontier markets are yet to be fully discovered by the investment community, and we believe they represent the next tier of investment opportunities within the overall emerging-markets universe. Frontier markets are located around the globe, in Asia, the Middle East, Eastern Europe, Central and South America, and Africa. We think there is good potential for frontier economies to forge ahead in their development this year and beyond.

Emerging vs. Frontier: The Distinction

There are a number of factors that go into qualifying a particular market as “developed,” “emerging,” or “frontier,” and different organizations or index providers may have slightly different criteria. Emerging-market countries include those considered to be developing or emerging by the World Bank, the International Finance Corporation, the United Nations, or the countries’ authorities, or defined as countries with a stock market capitalization of less than 3% of the Morgan Stanley Capital International (MSCI) World Index.1

Frontier markets can be considered a subset of emerging markets, and they are typically economies at the lower end of the development spectrum. They are the generally smaller, less developed and less liquid emerging-market countries that are considered to be in the nascent stages of development. In essence, they represent what some emerging-market countries such as Brazil, Russia, India and China were 20 to 25 years ago. By offering investors the ability to invest in a “younger generation of emerging markets,” frontier markets may provide an attractive investment opportunity, in our view. The MSCI Frontier Markets Index2 provides a handy benchmark for investors and MSCI has its own criteria to determine classifications, but they are not something we strictly adhere to when making investment decisions for our portfolios.

Frontier Markets Charting Their Own Course

Frontier markets have caught the attention of many investors, as frontier markets tend to be more exposed to their domestic economies—many of which are developing rapidly—as opposed to the global economy, which is growing at a much slower pace. Moreover, positive local developments such as the implementation of reforms have further benefited many individual markets.

Overall, we believe there have been a number of factors supporting frontier markets’ long-term potential. These include high levels of economic growth, positive local developments such as reforms and relatively low levels of consumer and sovereign indebtedness, as well as what we consider attractive valuations, in our view. In addition, we believe undeveloped natural resources, low-cost labor, favorable demographic trends and potential technological catch-up could continue to support these markets.

Focusing on some individual frontier markets, the United Arab Emirates has been benefiting from improving local economic data and the prospect of rising international trade flows through the port of Dubai. The recent award of the 2020 World Expo to Dubai is likely to provide extra impetus to an already solid real estate market, in our view. Improving economic news from the eurozone and some positive local developments supported a number of frontier markets in Europe, notably the Republic of Serbia and Bulgaria. In Asia, Pakistan has benefited from an improving growth outlook, a new International Monetary Fund loan program and hopes that planned economic reforms will be pushed through in 2014.

Current Valuations

At the end of January, valuations in frontier markets generally remained attractive to us. As you can see from the table below, the MSCI Frontier Markets Index was trading at a trailing price/earnings ratio (P/E) of 13.6 times, much lower than the 17.4 times P/E for the MSCI World Index.3 In terms of price-to-book value (P/BV), frontier markets look attractive to us at 1.8 times, versus 2.1 times for the MSCI World Index, and the dividend yield was much higher in frontier markets at 3.6%, compared to 2.5% for the MSCI World Index.4 Further, some individual markets are even more attractively valued, in our opinion. Thus, we have been able to find some cheaper stocks that we think are better valued. Of course, this is not the case for every single company operating in frontier markets, but it is certainly true for many of them, in our view. Hence, we feel it is important to undertake extensive research and study each individual company rather than generalize.

MSCI Index	Trailing P/E (x)	P/BV (x)	Dividend Yield (%)
World Index	17.4	2.1	2.5
Frontier Markets	13.6	1.8	3.6

Source: MSCI Index data as of 31 January 2014, FactSet. See footnotes 3-4.
For illustrative purposes only. Past performance does not guarantee future results.

Frontier Fundamentals Appear Favorable

Investors have become increasingly open to new investment ideas and ways to diversify their portfolios.5 This trend is especially the case now, in our view, as relatively slower growth rates in major economies globally and low bank deposit interest rates have led many investors to look elsewhere for investment opportunities.

In our opinion, frontier markets remain among the most exciting investment opportunities for global equity investors. While the characteristics of frontier markets differ from region to region and country to country, as a group they share a number of traits. Similarities have included high levels of economic growth and relatively low levels of consumer and sovereign indebtedness that open up the potential for growth to accelerate, as well as valuations that we believe often have stood below the levels of equivalent businesses in developed and maturing emerging markets. We believe internal sources of potential growth, including undeveloped natural resources, low-cost labor, favorable demographic trends and potential technological catch-up, could also continue to support the development of frontier markets going forward

World's Ten Fastest-growing Economies : GDP Growth

Annual Average GDP Growth 2003-2013 (%) & 2014F

2003-2013	%	2014F
Angola	10.3	6.3
China	10.2	7.3
Ethiopia	9.5	7.5
Myanmar	9.0	6.9
Chad	8.5	10.5
Cambodia	7.9	7.2
Uzbekistan	7.7	6.5
Rwanda	7.7	7.5
India	7.4	5.1
Mozambique	7.3	8.5

Source: © 2014. By International Monetary Fund (IMF). All Rights Reserved. Calculated as of 2/28/14. Five of the world's ten fastest-growing economies were in Africa, four from Asia and one from Commonwealth of Independent States (our ranking excludes countries with a population of less than 10m, as well as Iraq and Afghanistan). There is no assurance that any projection, estimate or forecast will be realized. Table is for illustrative and discussion purposes only and does not represent any Franklin Templeton product or strategy.

1. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of 23 developed markets. Indexes are unmanaged, and one cannot directly invest in an index.
2. The MSCI Frontier Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of 26 frontier markets. Indexes are unmanaged, and one cannot directly invest in an index.
3. Source: FactSet, MSCI World Index, MSCI Frontier Markets Index. Data as of January 31, 2014. © 2014 FactSet Research Systems Inc. All Rights Reserved. The information contained herein: (1) is proprietary to FactSet Research Systems Inc. and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither FactSet Research Systems Inc. nor its content providers are responsible for any damages or losses arising from any use of this information. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI. Methodology: The trailing P/E is calculated by taking the current stock price and dividing it by the trailing earnings per share for the past 12 months. Indexes are unmanaged, and one cannot invest directly in an index. Past performance is no guarantee of future results.
4. Source: Ibid. The dividend yield quoted here is for informational purposes only and should not be construed as the income that may be received from any investment.
5. Diversification does not guarantee profits or protect against loss.
Franklin Templeton Investments, Dr. Mobius' Blog

Angola economy: Investment law may be revised

Consultations have begun ahead of a possible revision to Angola's Private Investment Law. The 2011 legislation was designed to encourage big_ticket projects that would create large numbers of jobs and diversify the economy. However, the law was unpopular from the start, and the opportunity to debate ways to revise it has been broadly welcomed.

The Lei do Investimento Privado (LIP), passed in May 2011, sets out a list of incentives-such as tax breaks-and rules for domestic and foreign investors putting money into projects outside of the oil, diamond and financial sectors. The government thinking behind the LIP was to offer better incentives to larger projects, which it believed would create more jobs and help to diversify the economy away from its dependence on oil. As such, the LIP stipulates that private investments must exceed US$1m for companies to access incentives such as tax breaks. Smaller investments are still permitted but are treated as lower priority. In addition, repatriation of profits by foreign companies investing less than US$1bn is prohibited; this restriction was introduced in an attempt to control the growing number of Portuguese firms that had set up in Angola following the downturn in the euro zone.

Law provoked widespread criticism

Although large schemes-both foreign and domestic-did benefit from the raised incentives, which in some cases included up to ten years of tax_free profits, many people were deeply unhappy about the revised terms. Medium-sized Angolan businesses said that the LIP was "elitist" and would reduce incentives for growth in the local private sector. The backlash against the law even reached the ruling Movimento Popular de Libertação de Angola (MPLA). Before the LIP was put before parliament, it was presented to MPLA members of parliament, reportedly prompting heated exchanges-something extremely rare in a party where the leadership faces very little public criticism.

Given the MPLA's overwhelming parliamentary majority the government succeeded in passing the bill, but the debate has continued ever since, and now it appears that the law will finally be revised. This will be welcomed by the local business community. Small and medium-sized enterprises (SMEs) are the engine of any economy. They also create jobs and deliver economic benefit directly to communities-unlike the currently dominant oil industry, which despite accounting for more than 90% of Angola's exports and most of its foreign direct investment (FDI) creates few jobs and little visible trickle_down.

Fostering SMEs

After a decade of rehabilitation of infrastructure, what the country really needs now are medium-sized enterprises that can generate employment and transfer skills to Angolans. Despite this, the Agência Nacional para o Investimento Privado, the government agency that processes private investment, stands by the existing LIP. Other officials too have stressed that smaller businesses looking for incentives have other schemes they can use, like Angola Investe, a programme guaranteeing bank loans for private-sector investment projects. However, business groups such as the powerful Associação Industrial de Angola (AIA) see it very differently, and they will be lobbying hard in the coming months to change the terms of the legislation and widen eligibility for tax breaks and other financial incentives. Many of the AIA's members hold sway in the MPLA and as the party heads towards a congress later this year-and a possible change in leadership-their views will be taken seriously.

Ultimately, what is at stake is diversification away from oil.

Angola needs to do more to balance its economy and encourage the development of a more competitive private sector that will improve services and reduce prices. There are signs that the government recognises this. In March it launched its new Pauta Aduaneira, which has increased levies on many imported items specifically to protect domestic production and allow it to compete with lower_cost imports. This represents a commitment to boosting domestic output by the local private sector, although the means chosen is perhaps misguided, since it is far from certain that the new tariff regime will bring the desired effects-indeed, it could serve to fuel inflation.

However, as well as considering amendments to the LIP, and taking steps to shelter local industry, the government needs to work hard to reduce the red tape involved in registering businesses, increase electricity supply and tackle corruption. It also needs to do more than pay lip service to financing. Part of that process will entail the government starting to pay its own bills on time-the failure to do so in recent months has been a major contributor to the increase in non performing loans, which in turn has made commercial lenders even more nervous about financing investors. Action in such areas would probably do more to foster the development of SMEs than any changes to investment legislation, but it will require a substantial change in mindset on the part of officials. *(Economist Intelligence Unit)*

SOVEREIGN RATINGS

Eurozone						
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
17-03-2013	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	Ba3	BB	BB+	NR	B	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

North and South America - Asia						
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
17-03-2013	MOODYS	S&P	FITCH	MOODYS	S&P	FITCH
ARGENTINA	B3	CCC+u	CC	NR	Cu	C
AUSTRALIA	Aaa	AAAu	AAA	NR	A-1+u	F1+
BRAZIL	Baa2	BBB	BBB	NR	A-2	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
USA	Aaa	AA+u	AAA -	NR	A-1+u	F1+

Sources: Bloomberg, Eaglestone Advisory

	Region - Africa/Middle East					
	FOREIGN CURRENCY LONG TERM			FOREIGN CURRENCY SHORT TERM		
17-03-2013	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".

Sub-Saharan African Sovereign Debt Report 2014

Standard & Poor's Ratings Services projects that the 17 sub-Saharan African sovereigns that it rates (see table 5) will borrow an equivalent of $61bn from long-term domestic or global commercial sources in 2014. This would be a 49% increase in long-term commercial debt issuance compared with 2013. S&P expect that $48bn of the total commercial borrowing of $61bn will be raised in local currencies.

About 26%, or $16bn of the sovereigns' total gross borrowing will be to refinance maturing long-term debt, resulting in an estimated net borrowing requirement for new debt of $45bn (see table 1). Consequently, S&P project that rated sub-Saharan African sovereigns' commercial debt stock will reach an equivalent of $315bn by the end of 2014, and that the total commercial and concessional debt stock will reach $392bn, up from $342, a year-on-year increase of $50bn, or 14.6%.

Future predictions

S&P project that during 2014 the share of commercial speculative rated sovereign debt will stand at 47% of total sub-Saharan commercial debt, while the share of rated investment-grade debt-primarily issued by South Africa—will stand at 53% of total commercial issuance (see chart 2).

If borrowing from official lenders is included, S&P estimate overall long-term borrowing at $7bn in 2014. The share of non-commercial official borrowing (bilateral and multilateral) is set to reach $13bn.

According to our calculations, Nigeria and Ghana will face the highest debt rollover ratios (including short-term debt) as a %age of total debt among rated sub-Saharan African sovereigns, reaching 28% and 26%, respectively (see table 4). The rollover ratios of sovereigns with a higher proportion of official debt tend to be lower, because official debt typically has longer maturities than commercial debt.

17 sub-Saharan sovereigns

These estimates account for the 17 sub-Saharan African sovereigns rated by Standard & Poor's (see table 5). These estimates focus on debt issued by a central government in its own name and exclude local government and social security debt, as well as debt issued by other public bodies and government-guaranteed obligations. This means, for example, that in Nigeria's case, S&P do not include the issuance of Nigeria's Asset Management Company, AMCON, to Nigeria's borrowing figures.

In terms of commercial debt instruments, our estimates for long-term borrowing include bonds with maturities of more than one year issued either on publicly listed markets or sold as private placements, as well as commercial bank loans.

All reported forecast figures are our own estimates and do not necessarily reflect the issuers' projections. These estimates are informed by our expectations regarding central government deficits, our assessment of governments' potential extra budgetary funding needs, and our estimates of debt maturities in 2014. Estimates that S&P express in dollars are subject to exchange rate variations.

S&P expect that Nigeria and South Africa, sub-Saharan Africa's largest economies, will issue the lion's share of government debt in the region, at $36bn in total, or about three-fifths of the total (see chart 1). Nigeria will issue $14bn while South Africa will issue $22bn.

Nigeria's average debt maturity is shorter than South Africa's; hence its rollover ratio is higher. However, S&P expect South African issuance to contribute a significant share to total sub-Saharan African borrowing. Less than 20% of Nigeria's and South Africa's debt is issued in foreign currency. However, non-residents hold about 40% of South Africa's debt.

S&P expect that Angola will be the third-largest issuer of commercial debt in 2014. S&P believe it will use this debt to refinance maturing debt and to continue to finance strategic projects for the country. Apart from Nigeria and South Africa, three other sovereigns-Uganda, Kenya, and Cape Verde-have more than one half of their debt outstanding in local currency, while other rated sovereigns in sub-Saharan Africa have most of their debt in foreign currency, due to the dominance of official borrowing.

International affects

An increasing number of sub-Saharan African sovereigns have begun accessing international debt markets. South Africa has been issuing for many years. In 2007 Ghana and Gabon also issued debt, of $750bn and $1bn, respectively. Senegal followed in 2009 with $500m issuance, followed in 2011 by Nigeria, also with $500m.

In 2012, Zambia issued $750m, while Angola issued a $1bn structured transaction. The following year, issuance was led by Rwanda with a debut Eurobond of $400m, followed by Ghana ($1bn, including a $250m buyback), Nigeria ($1bn), and Gabon ($1.5bn). Of the sub-Saharan African sovereigns not rated by Standard & Poor's, Namibia issued $500m in 2011 and Tanzania issued $600m in early 2013. In 2014, S&P expect that Kenya will lead issuance, with a $1.0-$1.5bn bond, possibly followed by Ghana with an issue between $750m and $1bn.

S&P nevertheless expect that conditions for issuance in 2014 will become less favorable this year because US Federal Reserve tapering may make emerging market issuance less attractive. However, frontier markets have fared better than major emerging markets and this trend is likely to continue in 2014.

Sovereign Commercial Issuance and Debt of Rated Sub-Saharen African Sovereigns*

Table1

(Bil.$)	2013e	2014f
Gross long term commercial borrowing	41	61
of which amortization of maturing long term debt	12	16
of which net long term commercial borrowing	29	45
Total commcercial debt stock (year end)	273	315
of which short term debt	51	55
of which debt with original maturity greater than one year	223	260
(%GDP)		
Gross long-term commercial borrowing (% GDP)	3.8	5.2
of which amortization of maturing long-term debt (% GDP)	1.1	1.4
of which net long-term commercial borrowing (% GDP)	2.7	3.8
Total commecial debt stock (year end) (% GDP)	25.0	27.0
of which short-term debt (% GDP)	4.7	4.7
of which debt with original maturity greater than one year (% GDP)	20.4	22.3

**Refers to the 17 sub-Saharan African sovereigns rated by Standard & Poor's. e--Estimated. e--Forecast.*

Chart 1

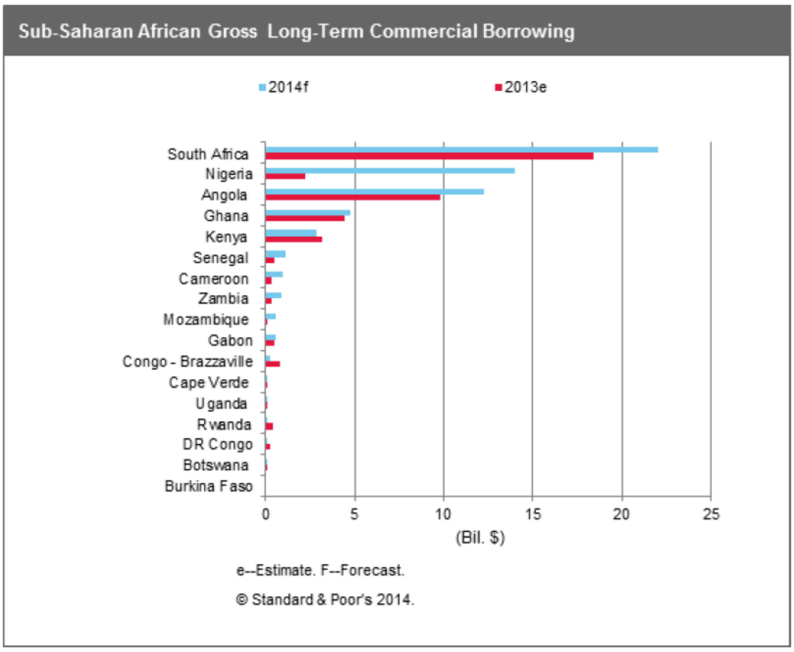


Chart 2

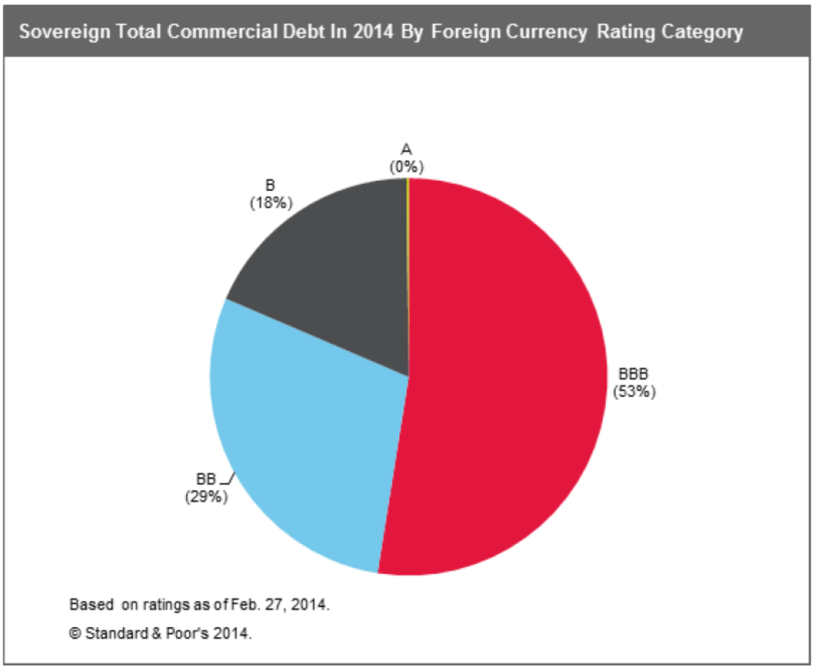
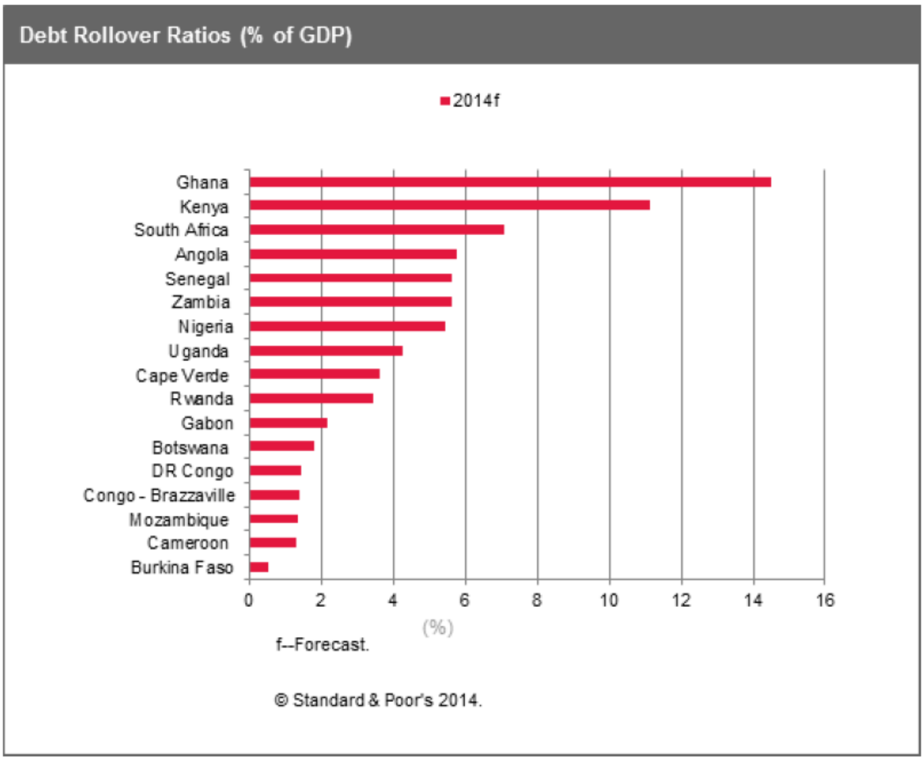


Chart 3



Sub-Saharan African Gross Commercial Long Term Borrowing *

Table 2

(Bil.$)	2013e	2014f	Share of 2014 total borrowing
Angola	9.82	12.28	20.26
Botswana	0.05	0.01	0.02
Burkina Faso	0.00	0.00	0.00
Cameroon	0.32	0.96	1.58
Cape Verde	0.03	0.10	0.16
Congo- Brazzaville	0.78	0.30	0.49
DR Congo	0.28	0.01	0.02
Gabon	0.52	0.54	0.88
Ghana	4.47	4.79	7.90
Kenya	3.14	2.88	4.75
Mozambique	0.13	0.55	0.92
Nigeria	2.25	14.01	23.11
Rwanda	0.40	0.02	0.03
Senegal	0.46	1.15	1.90
South Africa	18.40	22.02	36.33
Uganda	0.07	0.09	0.15
Zambia	0.34	0.92	1.51

Breakdown by foreign currency rating category

A	0.05	0.01	0.02
BBB	18.40	22.02	36.33
BBB	12.59	26.83	44.26
B	10.43	11.76	19.40
Total	41.47	60.62	100.00

** Refersto the 17 sub-Saharan African sovereigns rated by Standard & Poor's.*
e: estimated
f: forecast

Sub-Saharan African Total Commercial Debt as of year end (L&S Term)

Table 3

(Bil.$)	2013e	2014f	Share of 2014 total commercial debt (%)
Angola	27.1	32.1	10.2
Botswana	0.8	0.5	0.2
Burkina Faso	0.0	0.1	0.0
Cameroon	1.7	2.3	0.7
Cape Verde	0.9	1.0	0.3
Congo- Brazaville	2.4	3.7	1.2
DR Congo	2.7	3.4	1.1
Gabon	2.5	2.9	0.9
Ghana	13.7	16.5	5.2
Kenya	14.0	15.1	4.8
Mozambique	1.2	2.8	0.9
Nigeria	44.9	56.3	17.8
Rwanda	0.9	1.2	0.4
Senegal	2.7	3.1	1.0
South Africa	150.2	165.6	52..5
Uganda	3.1	3.3	1.1
Zambia	4.5	5.4	1.7

Breakdown by foreign currency rating category

A	0.8	0.5	0.2
BBB	150.2	165.6	52.5
BBB	74.5	91.2	28.9
B	47.8	58.0	18.4
Total	273.4	315.4	100.0

** Refersto the 17 sub-Saharan African sovereigns rated by Standard & Poor's.*
e: estimated
f: forecast

Table 4 Sub-Saharan African Central Government Debt Structure For 2013 And Rollover Ratios For 2014

	2013						2014		
	Commercial debt (% of total)	Short-term debt (% of total)	Foreign currency debt (% of total)	Long-term fixed-rate debt (% of total debt)	Inflation-indexed debt	Bi-/Multilateral debt (% of total)	Rollover ratio (% of total debt)	Rollover ratio (% of GDP)	Bi-/Multilateral debt (% of total)
Angola	76.5	9.8	59.7	57.1	33.1	23.5	20.9	5.7	26.8
Botswana	33.0	3.2	67.0	29.8	0	67.0	14.2	1.8	75.0
Burkina Faso	0.0	0.0	97.0	72.2	0	100.0	1.7	0.6	100.0
Cameroon	32.5	3.3	71.8	98.2	0	67.5	6.2	1.3	63.9
Cape Verde	47.6	0.6	47.1	91.8	0	52.4	3.6	3.6	48.9
Congo- Brazaville	49.0	2.9	85.1	72.6	0	51.0	3.8	1.4	39.8
DR Congo	45.0	0.2	78.1	94.9	0.9	55.0	6.5	1.4	46.8
Gabon	62.0	1.9	92.6	83.4	1.5	38.0	9.5	2.2	38.7
Ghana	61.4	20.0	54.4	41.4	0	38.6	26.0	14.5	32.2
Kenya	61.9	15.5	41.8	51.2	0	38.1	21.1	11.1	35.8
Mozambique	18.0	2.6	88.0	88.6	8.8	82.0	2.5	1.3	73.7
Nigeria	86.8	29.6	16.1	57.2	0	13.2	28.3	5.4	11.9
Rwanda	42.0	11.3	79.0	86.6	0	58.0	11.4	3.4	51.3
Senegal	38.1	2.8	68.9	87.5	0	61.9	11.6	5.6	60.1
South Africa	99.1	13.7	8.5	67.1	18.9	1.0	14.7	7.1	0.8
Uganda	50.2	15.1	49.8	84.9	0	49.8	13.3	4.3	55.1
Zambia	56.3	16.8	56.3	68.0	0	43.7	16.7	5.6	41.3

e--Estimate. f--Forecast.

Table 5	Sub-Saharan African Sovereign Ratings	
	Foreign currency ratings	Local currency ratings
Angola	BB-/Stable/B	BB-/Stable/B
Botswana	A-/Stable/A-2	A-/Stable/A-2
Burkina Faso	B/Stable/B	B/Stable/B
Cameroon	B/Stable/B	B/Stable/B
Cape Verde	B/Stable/B	B/Stable/B
Congo- Brazaville	B+/Stable/B	B+/Stable/B
DR Congo	B-/Stable/B	B-/Stable/B
Gabon	BB-/Stable/B	BB-/Stable/B
Ghana	B/Negative/B	B/Negative/B
Kenya	B+/Stable/B	B+/Stable/B
Mozambique	B/Stable/B	B/Stable/B
Nigeria	BB-/Stable/B	BB-/Stable/B
Rwanda	B/Stable/B	B/Stable/B
Senegal	B+/Stable/B	B+/Stable/B
South Africa	BBB/Negative/A-2	A-/Negative/A-2
Uganda	B/Stable/B	B/Stable/B
Zambia	B+/Negative/B	B+/Negative/B

Ratings as of Feb. 27, 2014

AFRICAN DEVELOPMENT BANK

African Renewable Energy Fund (AREF) launches with $100m committed capital

- Fund to be headquartered in Nairobi
- Eddie Njoroge member of Fund Investment Committee

The African Renewable Energy Fund (AREF), a dedicated renewable energy fund focused on Sub-Saharan Africa closed on Wednesday, March 12, 2014 with US $100 million of committed capital to support small- to medium-scale independent power producers (IPPs).

The fund, which will be headquartered in Nairobi, is targeting a final close of US $200 million within the next 12 months to be invested in grid-connected development stage renewable energy projects including small hydro, wind, geothermal, solar, biomass and waste gas.

Initially promoted in a joint initiative by the African Biofuel and Renewable Energy Company (ABREC) and the African Development Bank (AfDB), AREF will be managed by Berkeley Energy Africa Limited (Berkeley Energy), a fund manager focused on developing and investing in renewable energy projects in emerging markets. The fund will target IPPs with an ideal size of between 5 and 50 MW and a commitment per project of between US $10 million and US $30 million, with the capacity to source further funding from co-investors where necessary for a larger investment.

Africa Development Bank is the fund's lead sponsor, bringing US $65 million in an equity investment package from its statutory resources as well as climate finance instruments such as **Sustainable Energy for Africa (SEFA)** and the Global Environment Facility (GEF) to leverage commercial and institutional investment. SEFA will additionally fund a Project Support Facility (PSF), which will provide resources to be deployed at an early stage to structure bankable deals.

"Over the past decade, the AfDB has established itself as a prime catalyst for renewable energy investment on the continent and is currently hosting the Africa Hub for the Sustainable Energy for All (SE4All) initiative. As Africa's largest infrastructure finance partner, we understand the value of supporting both large-scale and small-scale projects as part of our strategy for Africa to promote inclusive and sustainable growth," said Gabriel Negatu, AfDB Regional Director for the East Africa Regional Resource Center.

The investor group also includes West African Development Bank (BOAD), Ecowas Bank for Investment and Development (EBID), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), Calvert Foundation, Berkeley Energy and ABREC, who are the vision-bearers of the fund.

Owned by 15 African Nations and five financial institutions, ABREC is a company specialized in developing, managing and advising public and private sector renewable energy and energy efficiency initiatives and projects.

ABREC's CEO and Chairman Thierno Bocar Tall said, "ABREC is proud to have its vision of an African renewable energy fund become reality. This initiative, on which AfDB, Berkeley Energy and ABREC have worked closely together, is a significant milestone for realizing the potential of renewable energy in Sub-Saharan markets. AREF, as a private sector investment initiative, is a key component of ABREC's strategy that includes investment, development and advisory activities in relation with renewable energy projects across Africa."

AfDB selected Berkeley Energy as the fund manager of AREF following a competitive procedure. Berkeley Energy, based in Mauritius, will have operational headquarters in Nairobi and a further office to be situated in West Africa. The Berkeley Energy team and investment committee comprises Managing Partner TC Kundi; Partner Alastair Vere Nicoll; Chairman Andrew Reicher; Investment Director and AREF lead Luka Buljan; and Investment Committee members Thierno Bocar Tall, Chief Executive Officer of ABREC; and Eddie Njoroge, former Chief Executive Officer of Kenya Electricity Generating Company (Kengen).

Berkeley Energy's Managing Partner TC Kundi said, "We are extremely pleased to have been entrusted this mandate by the AfDB and the other catalytic investors in the first close of AREF. The launch of a first pan-African dedicated renewable energy fund, with a centre of gravity in Africa, sourcing a majority of its capital from Africa at an exciting time in the evolution of macro-economic factors in Africa's favour, presents a propitious environment for the investment of AREF. We aim to use Berkeley Energy's technical and financial experience to ensure that a part of Africa's growing need for power is met through responsibly developed clean energy projects that improve the generation mix and maximize the use of local resources".

FMO's CEO Nanno Kleiterp said, "FMO is proud to be a first close investor in the Africa Renewable Energy Fund and delighted to see that the Fund has achieved First Close at $100 million. This milestone means that more risk capital is available for renewable energy projects in Sub-Saharan Africa, which is fully in line with FMO's investment strategy. FMO has an excellent relationship with Berkeley Energy, the AREF Fund Manager, through our investment in Berkeley's Renewable Energy Asia Fund. We believe Berkeley is well placed to play a leading role in further developing the nascent, but vibrant renewable energy sector in Africa. We are also impressed with the leading role the African Development Bank played in promoting the Fund, which brings together private and public investors from Africa, the United States and Europe in an exciting First Close."

For Bassary Touré, Vice-Chairman of BOAD, "Populations' access to clean and renewable energy sources is one of the key objectives set by BOAD. Hence, this equity investment in AREF's capital will help increase BOAD's action in the area."

EBID Director for Private Sector Operations Ousmane Bocoum said, "The investment and development bank of the CEDEAO (BIDC) is the financial arm of the CEDEAO. In fact, the Africa Renewable Energy Fund (AREF) initially was a joint initiative of the CNUCED and BIDC, who together decided to create an instrument exclusively dedicated to the financing of energy renewable projects. That initiative, through the African Biofuel Renewable Energy Company (ABREC) and the AfDB, led to the establishment of the African Renewable Energy Fund, which we are now proceeding to launch. It is therefore as the initiator of this great idea that BIDC is very happy to see the conclusion of this project and delighted to participate in the launch event today. Full of hope for the future of our fund, we wish the AREF team the very best. We are certain that Berkeley Energy, our manager, will know how to overcome all the challenges."

INVESTMENTS

Africa Investment Round off

Africa's investment space has remained largely active in recent days, as the continent continues to lure foreign and domestic investors seeking high yields and newer market reach. Investment activities were mostly seen in the Southern and Northern regions, driven by private sector-led deals. Manufacturing, power, and financials were industries that attracted the most investments.

Moroccan insurance company, RMA Wataniya, yesterday acquired four insurance companies operating in "three key countries" within the Inter-African Conference on Insurance Markets (CIMA zone). Media sources however speculate that these companies could be the four subsidiaries of the Ivorian Belifa Insurance Group, namely Beneficial Life Insurance SA Cameroon, Cameroon Beneficial General Insurance SA, Beneficial Life Insurance SA Insurance Belifa Togo and Côte d'Ivoire SA.

The private equity arm of British multinational banking and financial services firm Standard Chartered, on Wednesday, announced that it had paid $57 million to acquire a 25.8 % stake in Lusaka Stock Exchange-listed power transmission and Distribution Company, Copperbelt Energy Corporation's (CEC) parent company Zambian Energy Corporation, marking its first investment in Africa's growing power sector.

Kenya also received a five-year funding of Sh79.2 billion ($915 million) from pan-African development bank (AFDB) to boost economic empowerment, infrastructure upgrades and job creation. The funds, which would be made available from 2014 – 2018, will be spent on infrastructural development and tertiary education, said AfDB.

Last Friday, reports were made public that gaming and resort giant, Sun International (SI), is set to acquire a significant shareholding in a gaming unit of Grand Parade Investments (GPI), an investment holding firm that's active in South Africa's tourism sector.

Dubai's Al-Futtaim Group now holds majority shares in Kenyan automobile retailer, CMC Holdings Limited after 91 % shareholders accepted its $87.91 million offer for its 533 million shares last week.
East African country Uganda, on Monday, opened its doors to the public and private sector of India (India Inc.) to come to Kampala, and help expand its industrial base. Kampala said it would benefit from investments and expertise of the Asian giant. *(Ventures Africa)*

World Bank funds road reconstruction in Mozambique

The World Bank plans to fund reconstruction of roads in Mozambique's Gaza province, particularly in the Limpopo basin, which were destroyed by floods in January 2013, the Ministry for Planning and Development said in Maputo.
According to an official statement, the funding from the World Bank, in the amount of US$55.15 million, will include a donation and a loan, the deals for which are due to be signed Friday in Maputo.
The Ministry said that as well as reconstruction of the roads it will also look to build roads that better stand up to the elements in order to prevent the future cyclical destruction of the roads.
The World Bank is one of Mozambique's main development partners and has funded a number of programmes in the country including bridges, roads, railways, energy facilities, water and sanitation projects, and education projects. *(Macauhub)*

The Netherlands donates US$43,000 to Mozambique for economic development

The Netherlands plans to donate US$43,000 to Mozambique this year to some sectors in order to develop the economy and reduce social inequality, Minister Lilianne Ploumen said cited by Mozambican newspaper @Verdade.
The Netherlands' minister for Foreign Trade and Development Cooperation said that Mozambique should make use of Dutch know how and technology in the gas, energy and marine facilities sectors to drive its own development.
Ploumen noted that the annual funding must have an impact on the population by removing the unnecessary bureaucracy of public institutions and particularly by improving health, education services and creating opportunities to gain access to funding.
Meanwhile, the Business Climate Fund is set to provide US$3 million for construction, roads, hotels and tourism in the provinces of Cabo Delgado, Tete and Nampula this year.
Orlando da Conceição, the Fund's project manager, told @Verdade that the business climate in Mozambique would not improve whilst there was still excessive bureaucracy because of a lack of policies and regulations to simplify processes in each sector.
The Business Climate Fund is part of the Programme for Private Sector Development (PDSP 2011-2015), an initiative of the Danish embassy and the Mozambican government to improve the private sector's ability to act in order to improve the business climate in Mozambique. *(Macauhub)*

Chairman of Angolan Industrial Association says that "Angola Investe" programme is tailor-made for national businesspeople

The "Angola Investe" is "excellent and tailor-made for the characteristics of national businesspeople," said the chairman of the Angolan Industrial Association (AIA), José Severino, adding that the programme was created to solve the problem of loan guarantees.
Speaking to Angolan news agency Angop, Severino said that the "Angola Investe" was making a significant contribution to diversification of the country's economy and was creating a lot of jobs, particularly in the beverage, agro-industry and construction materials sectors.
He added that results would be much greater if businesspeople mainly opted for small or medium-scale projects as the risk, commitment with the bank and guarantee requirements would be smaller, as well as being easier to manage both the business and the funds provided by the bank.
The Angolan government created the "Angola Investe" programme in mid 2012 to support micro, small and medium-sized companies investing in production.
Figures from the Economy Ministry showed that by the end of August 2013 the "Angola Investe" programme had provided loans totalling 6 billion kwanzas to 44 projects that would create 1,415 jobs. The government has a target of 150 billion in loans and 300,000 jobs created. *(Macauhub)*

Ivorian-Moroccan Economic Forum - HM the King Chairs Signing Ceremony of Twenty-Six Public-Private and Investment Partnership Agreements

HM King Mohammed VI, accompanied by PM of Côte d'Ivoire Daniel Kablan Duncan chaired, in Abidjan, the signing ceremony of twenty-six public-private and investment partnership agreements during the closing ceremony of the Ivorian-Moroccan Economic Forum (Feb. 24-25).
These agreements are part of the royal instructions laid in the speech of HM the King at the opening of the Ivorian-Moroccan Economic Forum and related to reinforcing south-south cooperation and fostering the private sector.

They are:
- An additional protocol to the agreement related to the reciprocal encouragement and promotion of investment (signed in Abidjan March 19, 2013) by Nialé Kaba, Minister in charge of the Economy and Finance and Boussaid Mohamed, Minister of Economy and Finance.
- An agreement on the construction of an unloading point set in the town of Locodjoro/Abidjan, signed by Kobenan Kouassi Adjoumani, Ivorian Minister of Animal Resources and Fisheries Nialé Kaba, Abdurahman Cissé, Minister in charge of the Budget, Aziz Akhannouch, Minister of Agriculture and Sea Fishing, Mohamed Boussaid, Mustapha Terrab, from the Mohammed VI Foundation for Sustainable Development and Mohamed El Kettani, CEO of Attijariwafa Bank.
-A twinning agreement between the autonomous Port of Abidjan and the fishing port of Dakhla, signed by Kobenan Adjoumani Kouassi, Gaoussou Touré, Ivorian Minister of Transport, Aziz Akhannouch and Aziz Rebbah, Minister for Equipment, Transport and Logistics.
- A protocol to set up the Joint Committee on the implementation of the Cooperation Agreement on sea fisheries and aquaculture, signed by Kobenan Kouassi Adjoumani and Aziz Akhannouch.
- A protocol of cooperation between the Autonomous Port of Abidjan and the National Ports Agency (Morocco) - Port of Agadir, signed by Gaoussou Toure and Aziz Rebbah.
- A protocol of cooperation between the Autonomous Port of Abidjan and the National Ports Agency (Morocco) - Port of Casablanca, signed by Gaoussou Toure and Aziz Rebbah.
- An amendment to the cooperation agreement on tourism, signed by Roger Kacou, Ivorian tourism minister and Lahcen Haddad, tourism minister.
- A protocol of agreement on investment promotion between the Moroccan Agency of Investment Development (AMDI) and the Côte d'Ivoire's center for investment promotion (CEPICI), signed by Nialé Kaba and Moulay Hafid Elalamy, minister of industry, trade, investment and digital economy.
- A cooperation agreement between Morocco-Export and the Association for Côte d'Ivoire's Exports Promotion (APEX-CI), signed by Guy Mbengue, director general of APEX-CI and Moulay Hafid Elalamy.
- A partnership agreement between Morocco's Popular central bank group and the Ministry of Economy and Finance of Côte d'Ivoire (Micro Finance), signed by Niale Kaba and Mohamed Benchaaboun, CEO of Morocco's Popular central bank group.
- A partnership agreement between Morocco's Popular central bank group and the Ministry of Economy and Finance of Côte d'Ivoire (funding program for the National Education Sector and Technical Education of Côte d'Ivoire) signed by Niale Kaba and Mohamed Benchaaboun.
- A protocol of framework agreement between the state of Côte d'Ivoire and Attijariwafa Bank, signed by Nialé Kaba and Mohamed El Kettani.
- A Framework Agreement between the Government of Côte d'Ivoire and BMCE signed by Nialé Kaba and Othman Benjelloun, CEO of BMCE.
- An Agreement between Palmeraie Development and the Ivorian government for the construction of social housing units, signed by Mamadou Sanogo, Minister of Housing and Urban, and Hicham Berrada Sounni, Chairman of the Palmeraie Development Group.
- A Memorandum of Understanding on the construction of a pelagic fish processing plant of UNIMER group in Côte d'Ivoire, signed by Kobenan Kouassi Adjoumani and Sail Alj, CEO of UNIMER Group.
- An Agreement between Palmeraie Development Group and the Ivorian government (tourism projects), signed by Roger Kacou and Hicham Berrada Sounni.
- A Memorandum of Understanding between the Government of Côte d'Ivoire and COOPER PHARMA Maroc Company on the construction of medicines industrial unit, signed by Raymonde Goudou Coffie, Minister of Health and the Fight against AIDS, and Jawad Cheikh Lahlou, CEO of Cooper Pharma.
- A Partnership agreement between Banque Central Populaire Group of Morocco and the Côte d'Ivoire Women Support Fund (FAFCI), signed by Sylvie Patricia Yao, Chief of Staff to the First Lady, and Mohamed Benchaaboun.
- A Memorandum of Understanding between IB Morocco and the Ivorian information division (DITT), signed by Guelpetchin Ouattara, Director of DITT, and representative of the Ministry of State and Ministry of the Interior and Security, and Abdellatif Hadef, CEO of IB Morocco.
- A Framework agreement on cooperation and partnership between the Ministry of Higher Education and Scientific Research of the Republic of Côte d'Ivoire and the International University of Casablanca, signed by Seydou Diaby, Director of the Scholarship department at the Ivorian Ministry of higher education and scientific research, and Tarafa Merouane, President of the Academic Council of the International University of Casablanca.
- A Partnership agreement between the General Confederation of Moroccan Businesses (CGEM) and the General Confederation of Côte d'Ivoire (CGECI) on the creation of a Moroccan-Ivorian economic council, signed by Bernard N'Doumi, Vice-President of CGECI and Miriem Bensalah-Chaqroun, Chairwoman of CGEM.
- A Memorandum of Understanding on cooperation in the field of industry between CDG Development Group and the Ivorian Agency for the Management and Development of Industrial Infrastructure (AGEDI), signed by Youssouf Ouattara, Acting Director General of AGEDI, and Anas Houir Alami, CEO of CDG Development.

- A Framework Agreement on cooperation in the mining sector between the Ivorian government and MANAGEM Group, signed by Dembele Yahaya, Technical Advisor to the Director General of the Society for Mining Development of Côte d'Ivoire (SODEMI), and Abdelaziz Abarro, CEO of MANAGEM Group.
- A Framework Partnership Agreement between Attijariwafa Bank and the African Guarantee Fund for Small and Medium Enterprises (AGF), signed by Felix Bikpo, General Manager of the Fund, and Mohamed El Kettani.
- A Funding Agreement of 50 million dollars by the Banque Populaire and the International Finance Corporation (IFC-subsidiary of the World Bank), signed by Georgina Baker, Director at IFC, and Mohamed Benchaaboun.
- A Funding Agreement of 60 million dollars by the Banque Populaire and Japanese Bank SUMITOMI, signed by Jun Yokoe, Joint General Manager, and Mohamed Benchaaboun. *(Maghreb Arab Press)*

BANKING

Banks

Credit Suisse Lures Africa Entrepreneurs With Bankers

Credit Suisse Group AG is deploying investment bankers to woo African entrepreneurs as the second-biggest Swiss bank tries to build its wealth-management business on the continent.
Those bankers offer services from capital raising to trade finance and mergers and acquisitions advice, John Wright, a managing director and market leader for Africa at Credit Suisse, said in an interview in **Cape Town**.
“We have a dedicated group of investment bankers embedded within private banking,” said Zurich-based Wright. “They have the mission to ensure that private bank services that normally would only be offered to platinum-level clients with fee income of $5 million and above are brought to these entrepreneurs.”
Credit Suisse is vying with **UBS AG (UBSN)** and other Swiss banks for the emerging-market millionaires as a global crackdown on **tax evasion** forces European and American clients to withdraw funds. While Credit Suisse is withdrawing from **Angola**, the **Democratic Republic** of Congo and smaller African markets to cut costs, **South Africa** and a number of other nations match the bank’s criteria for scale and risk, said Wright.
“It’s the usual suspects, the countries where we have critical mass,” said Wright, who declined to name them. “There are a handful of countries that tick both boxes, and South Africa is at the top of the list.”

Onshore Ambitions

Should Credit Suisse’s 40-strong Africa team, based in London, Zurich and Geneva, grow its 5 % market share and build a profitable and compliant business in South Africa, that may eventually justify an onshore presence, said Wright, who spends one-and-a-half to two weeks a month in Johannesburg and Cape Town.
The number of Africans with at least $1 million of investable assets climbed 9.9 % to 140,000 in 2012, according to a **report** published in June by **Cap Gemini SA (CAP)** and Royal Bank of **Canada**. Nigerian millionaires will increase by almost 47 % to 23,000 over the next four years as higher house and stock prices complement a booming economy, Johannesburg-based New World Wealth said in March 4 report.
UBS tops London-based Scorpio Partnership’s 2012 ranking of wealth managers with double the $855 billion of assets of fifth-placed Credit Suisse. Wright declined to disclose the assets that the Zurich-based bank manages for African clients.
Credit Suisse, which is scaling back its securities division at a slower pace than UBS, is ending relationships with offshore private banking clients from 83 countries with total assets under management of about 3 billion Swiss francs ($3.4 billion), Chief Financial Officer **David Mathers** said in October. The bank didn’t disclose specific countries, which have an average of 40 million francs to 45 million francs of assets.
“From a good business perspective, it’s important to be here on the ground,” but the compliance and control costs are prohibitive, said Wright, after meeting Credit Suisse clients at the five-star One&Only hotel on Cape Town’s waterfront. “It would be my aspiration to do that in South Africa, but you’ve got some way to go to demonstrate that the business does meet the minimum critical mass to support that.” *(Bloomberg)*

Markets

Ghana Commodity Exchange Attracts 6 Investment Consortiums

Labelled the future West African hub, Ghana’s new commodity exchange has received encouraging investment backing after eleni, Africa’s commodity exchange premier promoter, formed a public-private consortium to finance the establishment of the bourse.
The consortium comprises a group of top tier financial institutions in Ghana including Data Bank Agrifund Managers, Ecobank Ghana, UT Bank Ghana, IFC, 8 Miles Fund and eleni. The Ghanaian government controls minority stakes in the exchange.
Commodity exchanges – a platform for the trading of raw material, mostly agricultural produce – are usually an alternative investment channel to the stock market. It is considered a less risky market as physical goods are less susceptible to speculations, which is a major factor in driving value of stocks.

The West African nation has been keen on developing its agriculture industry, by providing a sustainable secondary sector. The newly established bourse serves as an opportunity to establish a cost effective and profit yielding marketplace.
"as part of efforts to create an orderly, transparent and efficient marketing system for Ghana's key agricultural commodities to promote agricultural investment and enhance productivity, the Government has committed itself to the establishment of a Ghana Commodity Exchange (GCX) and associated Warehouse Receipt System(WRS)," said Ghana's President, John Dramani Mahama.
"This move is to encourage market access and fair returns for smallholder farmers and to facilitate the formalization of informal agricultural trading activities. It is expected that the establishment of the Ghana Commodity Exchange will position it as a West Africa Regional Hub for commodity trading activities."
Commodity bourse is a common feature of agricultural driven economies such as Ghana and Nigeria with agric products such as cocoa, oil palm, cassava available in large quantities. The Ethiopian Commodities Exchange (ECX) can be cited as an example of successful commodities exchange in Africa. It helps boost the agricultural sector by providing a cushion for investors who battle with price fluctuation in the equity market.
According to Nigeria's Securities and Exchange Commodities (SEC) Director General, Aruma Oteh, plans are underway to privatize the Abuja Securities and Commodities Exchange. With a mid-year sale on the cards, Heirs Holdings, a Nigerian-based investment firm chaired by Africapitalism proponent, Tony Elumelu, has already shown interest in acquiring the exchange. *(Ventures Africa)*

Funds

Hyprop eyes African expansion with R3bn investment

Specialised shopping centre fund Hyprop Investments has accelerated its African expansion strategy with a R3-billion boost over the next five years in an effort to become a dominant African shopping centre Real Estate Investment Trust, CEO **Pieter Prinsloo** said on Friday.
Speaking at the JSE-listed group's financial results presentation in Rosebank, he outlined ambitions of injecting the significant funds into developments and acquisitions in various sub-Saharan African countries, excluding South Africa.
Hyprop had steadily gained exposure to malls in the rest of Africa through Atterbury Africa, a joint venture with real estate-focused capital growth fund Attacq, and the majority acquisition of African Land Investments in December.
Atterbury Africa has a 47% stake in the Ghana-based, 19 000 m^2 Accra Mall – the only income-producing property in the portfolio.
The group now planned to pour R1-billion – a rise from an initially committed R750-million – into Atterbury Africa to develop shopping centres in select African countries.
During the six months to December, Hyprop's investment in Atterbury Africa increased to R579-million, up from the R337-million as at June 2013, owing to capital contributions for the West Hills development, also in Accra, and the acquisition of additional land in Ghana.
Construction on the 27 500 m^2 West Hills Mall was well-advanced and expected to be completed by October.
Following the acquisition of land rights, the design for a proposed 14 500 m^2 centre on the Achimota land, in Accra, was finalised and preletting had started, while the acquisition of land rights for the Kumasi land, on which Atterbury Africa planned a 27 800 m^2 retail centre, had also been concluded.
The portfolio also had development rights for retail and a hotel spanning 27 500 m^2 under the Waterfalls project, in Kusaka, Zambia.
Prinsloo said further opportunities in other African countries were being sought. Hyprop, which currently boasted R25-billion in assets under management, including 12 prime shopping centres in South Africa, aimed to inject the remaining R2-billion into African Land to buy existing, high-quality, income-producing shopping centres. In December, Hyprop bought an 87% stake in African Land, which currently owned the 43 400 m^2 Manda Hill Shopping Centre, in Lusaka, Zambia, for R768-million. The centre was expected to deliver a yield of 8.1%.
Attacq acquired 12.4% in Manda Hill for R110-million, while its current CEO **Kevin Teeroovengadum** held the remaining 500 000 shares.
However, in due course, the investment structure would be restructured, resulting in Hyprop owning 50% of African Land and Atterbury Africa the remaining 50%. Sub-Saharan Africa would likely account for about 10% to 15% of Hyprop's property portfolio over the next few years. "The investment strategy into sub-Saharan Africa has been enhanced with the acquisition of African Land," Prinsloo said. "Taking into account the anticipated benefit from African Land for the rest of the financial year and strong net-income growth from the existing portfolio, Hyprop expects distribution growth of between 8.5% and 10.5% for the full year to June 2014," the company said.This was an upward revision from the guidance provided in June last year of between 6.5% and 8.5%.

FINANCIAL RESULTS

Hyprop on Friday declared a distribution of 231c a share for the six months to December – an increase of 9.5% when compared with the corresponding period in 2012 – on the back of strong performance from the group's shopping malls.
"Excluding the recently acquired Somerset Mall, distributable earnings from the regional and super-regional malls increased by 9.6%, benefitting, in part, from extensions at Canal Walk and The Glen," said Prinsloo.

The Canal Walk, Woodlands and Hyde Park shopping centres, as well as Clearwater Mall, in South Africa, delivered the highest net income growth of 11% during the period under review.

The value centres showed muted growth of 3.5%, while distributable earnings from Hyprop's office portfolio were maintained, the company said.

"Demand from retailers at Hyprop's regional shopping malls remains strong with vacancies of less than 1%. Retail vacancies across the portfolio improved from 2.1% [in the six months to June 2013] to 1.2% [during the six months under review]," Prinsloo noted.

Office vacancies, however, increased from 8.1% during the second half of last year, to 8.2% in the first half of this year. Overall, the portfolio was 98.2% let as at December 2013, compared with 97.3% as at June.*(Engineering News)*

Tech

Sub-Saharan Africa: A major potential revenue opportunity for digital payments

Mobile financial services – often called mobile money – are a high priority for many mobile operators, financial institutions, technology firms, and governments. In regions where financial inclusion is limited, such as sub-Saharan Africa, mobile money promises a lower cost, more scalable alternative to traditional banking.

Yet despite high interest levels in the markets of sub-Saharan Africa, there have been few success stories to date. This is partly the result of uncertainty about whether Kenya – where M-Pesa has become one of the few mobile-money success stories – is unique or the potential for mobile payments in other markets is similarly robust. To cast light on the opportunity, this article attempts to quantify some of the many high-potential payment flows in this rapidly evolving region and to estimate the associated revenue pools.

Primed for mobile payments

In most of sub-Saharan Africa, only a small %age of upper-income households enjoy the convenience of card-based, online, mobile banking and payments, while most consumers still pay with cash. One study shows that more than 90% of retail transactions in parts of Kenya remain cash based, and Gallup's survey of 11 countries in sub-Saharan Africa found that more than 80% of adults there have made bill payments or remittances with cash. Given the lack of digital payment penetration, consumers, banks and governments in sub-Saharan Africa are still bearing the high cost of cash payments – costs associated with manual acceptance, record keeping, counting, storage, security and transportation.

A lack of mobile technology is not the major obstacle to increasing mobile-money penetration in the region: two-thirds of adults in sub-Saharan Africa currently use mobile phones. And in Kenya, mobile-payment penetration is at 86% of households. However, the payment-digitisation gaps between Kenya and other nations in sub-Saharan Africa still vary widely. Nonetheless, regulators in many markets are paving the way for e-money and the entry of nonbank operators. And business models and systems for electronic remittances – both domestic and international – have already been well tested in other markets around the globe. Together, these factors should make it easier for digital payments to leapfrog the costly development of formal banking by introducing advanced mobile systems. Why then have many payment players hesitated to venture into these seemingly high potential markets?

As with most new business ventures, limited information is available about the nature and size of markets, the investment required, the risks involved, and, most important, the nature of customer needs and preferences. New research and market analyses can help in reducing that knowledge gap. The findings presented here are the result of a new study that looks at 44 nations in sub-Saharan Africa and incorporates data recently collected by Gallup (with support from the Bill & Melinda Gates Foundation). The analysis examines remote domestic consumer payments in individual markets in sub-Saharan Africa to identify significant cash payment volumes made through informal channels. These transaction flows represent a large untapped market for mobile providers. And they are especially relevant because it is easier and less costly to make those payments electronically than with cash.

Market potential

To better understand the region's market status and opportunities in digital payments, the research team closely examined new data for several major payment categories, including person-to-person (P2P) payments, government-to-public payments, bill and formal-obligation payments, wages, and payments for goods and services. These represent early-use cases in which the benefits of digital payments considerably outweigh those of cash, thus making it likely that digital payments will rapidly win consumer acceptance. Unsurprisingly, P2P payments are the largest category, given the many migrant workers and informal networks of families and friends, who are often the primary source of family financing.

A key feature of the Gallup survey was that it did not just focus on formal payment options (such as banks, money transfers, or mobile devices) but also asked about payments made in cash through informal channels. This allows us to estimate latent market demand for digital services.

To estimate the market potential on a national basis, the researchers first examined the trends underlying Kenya's rapid transition to mobile payments. These were then applied to each country's raw data to create baseline reference points that were subsequently used to develop individual market projections. Those projections were made assuming the following scenarios:

1. P2P payments are digitised across other sub-Saharan African countries, matching Kenya's current penetration rate for long-distance digital payments (70%).

2. Other types of long-distance payments (e.g. wages, government-to-public) are digitised to Kenya's current level (70%).
3. P2P payments maintain the 70% rate of digitisation (as in 1, above) and the total transaction volume grows at the same rate as seen in Kenya between 2006 and 2009, during the early expansion of M-Pesa.

We consider these scenarios conservative relative to overall market potential. Scenarios 1 and 2 assume no growth in P2P payments (despite better options probably becoming available). Moreover, all of the scenarios ignore incremental revenue from other types of payment flows, such as retail and revenue generated through new business models that a more ubiquitous and robust digital payment system would enable.

The Gallup data show that, currently, an average of 54% of adults in sub-Saharan Africa makes one or more long-distance payments in a given month, totalling approximately 5bn transactions annually. The total volume of these flows is approximately US$760bn, and 50%-60% of the transactions are in cash. With a conservative estimate of revenues at 2% of volume, this results in annual revenues of about $6.6bn from electronic payments.

Scenario 1 assumes that overall payment demand remains static, but consumers shift their P2P transactions from cash to digital payments to the same degree as in Kenya, where 70% of all transactions are currently electronic. Similar growth in all countries in sub-Saharan Africa would increase region wide P2P payment revenue by 60%-70%, from $1.6bn to $2.7bn. Corresponding digital payment revenues would rise from $6.6bn to $7.7bn. Importantly, this represents only an initial step toward the digitisation of payments and focuses only on a single use case.

Looking beyond P2P payments, Scenario 2 extends the Kenyan profile to other types of payments – primarily wages and payments for goods and services made by business and government entities. In this case, total revenue for electronic payments in the region would grow by 50%-60%, to between $10bn and $11bn annually. This implies, for example, that combined payment revenue in Nigeria would grow from $0.6bn to $1.3bn and in South Africa from $1.5bn to $1.9bn.

Scenario 3 goes a step further by assuming that the number of P2P payments will also grow as a result of economic growth, lower transaction costs, and the added convenience of digital payments. In Kenya, survey data show that the number of P2P remittance senders grew by 215% between 2006 and 2009, probably the result of M-Pesa's rapid deployment. If the region's P2P electronic payments were to grow similarly, its electronic payment revenue would exceed its baseline by about 50%, reaching $15bn to $16bn. In Nigeria, for example, the analysis estimates that revenues would climb to approximately $1.8bn a year.

Digitisation can spur growth in related sectors

Broad acceptance of digital payment platforms also benefits stakeholders beyond the payment industry. In Kenya, for example, many startups are attempting to incorporate M-Pesa as part of their entrepreneurial business models. One small business uses it to help parents make timely school fee payments, while another uses it to establish informal savings groups. Even nonpayment organisations are finding ways to use the new payment infrastructure. For instance, Bridge International Academies, a low-cost, for-profit educational franchiser, found that M-Pesa could help it obtain real-time financial data, which enabled it to become more trusting of franchisees and reduce record keeping.

Governments also gain when adopting digital payments, which not only reduce their payment costs but increase transparency. And the public ultimately benefits, too, when tax revenues grow concurrently with the increased documentation, transparency, and overall economic growth that accompany digital payments.

When digital payments take hold, as they did in Kenya, consumers eventually profit from the related savings. The cost of making remittances via M-Pesa is about half that of other formal domestic remittance services. Moreover, customers can instantly send payments from their mobile phones instead of travelling an hour or more to distant bank branches. Many customers in sub-Saharan Africa need bank services but simply live and work too far from a branch office.

Equally important is that electronic payments bring financial services to vast numbers of unbanked and under banked families. They dramatically reduce transaction costs, greatly increase customer convenience, and minimise the need for expensive physical infrastructure, including branch networks.

Implications for payment providers

Sub-Saharan Africa presents a number of opportunities for bank and nonbank financial service providers, mobile operators, and others seeking new markets. An important first step in considering these markets is understanding the common financial flows in a typical household in sub-Saharan Africa – flows that differ significantly from those seen in more developed markets. Here, fund sources tend to be as diverse as wages, crop income, remittance payments from family members, government payments, and even public donations. Typical expenses include food, utilities, school fees, health needs, basic retail purchases, and purchases associated with various life-stage ceremonies, such as weddings, funerals and holidays.

Understanding where these flows are concentrated will enable the development of more effective market-entry strategies. For instance, a bank's relationships with employers, government agencies, and agricultural entities might best position it to digitise private and government wages, or farm payments. And mobile operators with far-reaching airtime networks might do best in the P2P payment arena.

The region's small and medium-sized enterprises (SMEs) also send and receive a wide variety of payments. They receive payments from customers, middlemen, and government agencies, while making payments to wholesalers, employees, landlords, and service providers. Notably, most of these are still paid with cash. SMEs are recognised as an important market segment given their higher payment volumes. And being at the centre of customer and supplier networks, such enterprises can stimulate adoption both up and down the value chain.

There are also indirect benefits of mobile payments to consider. Mobile operators, for example, have noted that churn rates for mobile-money users are significantly lower. And by incorporating data from payment flows and other nontraditional sources into credit models, institutions can significantly reduce loan losses. Mobile operators could do likewise for post-paid customers. Similarly, the flows discussed in our estimates exclude retail and several other types of transactions that could also be captured by early movers as markets continue to develop and could generate multiples of the revenue represented by the use cases discussed here.

Launching mobile payments in new markets is seldom easy. In developing economies, one of the greatest challenges is providing convenient options for cash deposits and withdrawals. ATMs, point-of-service devices, and agent networks must be conveniently located throughout a community. The up-front investments this requires can be substantial, but they are necessary to provide a solid foundation for future growth.

Clearly, there is significant latent demand for digital payments in many markets of sub-Saharan Africa, and widespread consumer acceptance of mobile-communications technology is highly encouraging. For players that are able and willing to move in the near future, there are also opportunities to win important first-mover advantages.

Jake Kendall leads the Research and Innovation initiative within the financial Services for the Poor team at the Bill & Melinda Gates Foundation. Robert Schiff is a principal in McKinsey's San Francisco office, and Emmanuel Smadja is a consultant in the Washington DC office.

Verve Becomes EMVCo's Technical Associate

Leading African payment card scheme, Verve International has joined EMVCo's long list of Technical Associates that will see it play a critical role of providing input and receiving feedback on detailed technical and operational issues connected to the EMV Specifications and related processes.

The latest in payment technology, EMV includes both contact and contactless chip cards. It also increases security by reducing to a negligible level, the risk of counterfeiting.

"The adoption of new EMV technology will make electronic payments more convenient and more secure," said Charles Ifedi, Chief Executive Officer, Verve International.

Ifedi added: "Verve International is proud to be doing its bit to develop new EMV technologies as part of our commitment to ever improving levels of security and convenience for our customers.

The Verve CEO also said the company was looking forward to a future where an African voice would be added to technical discussions on the development of new EMV technologies, a future where the world will adopt the technologies the continent has to offer.

EMVCo facilitates worldwide interoperability and acceptance of secure payment transactions by managing and evolving the EMV Specifications and related testing processes.

EMVCo today boasts of EMV Specifications based on tokenisation, card personalisation, contact chip, contactless chip and common payment application (CPA).

Verve's new association with EMVCo is expected to improve card payment solutions and services in Africa as the continent continues to embrace cashless payment programs.

Other technical associates who Verve just joined include on EMVCo's list include Toshiba, Verifone, UK Cards Association, U.S. Bank, among others. *(Ventures Africa)*

ENERGY

Sinosteel unit considers $780M Zimbabwe plant Sinosteel Corp.'s Zimbabwean unit is considering the construction of a $780M power plant that would generate 400MW using coal-bed methane. The first phase of the project, costing $50M, would test its commercial viability by drilling 38 wells and building a 12MW plant. *(Bloomberg Finance LP)*

World Bank set to approve financing for Congo's Inga 3 dam

The World Bank is likely to approve $73 million next week to fund an expansion of the Inga hydroelectric dam in Democratic Republic of Congo, a bank official said. The decision will be a relief to investors, particularly mining companies which have been threatened with electricity rationing due to a lack of power generation, but environmentalists say the impact of the project has not been properly evaluated. The World Bank's administrative council had been due to meet on the matter in Washington on February 10, but that was postponed to March 20, raising the prospect that the third phase of expansion of the Inga dam on the Congo, 250 km (156 miles) southwest of Kinshasa, would not be approved.

But World Bank country director in Congo, Eustache Ouayoro, told a news conference in Kinshasa: "We have had discussions with the (Bank) administrators which indicated to us that the project will be supported."

Only 9 % of Congo's 65 million people have access to electricity and the mining sector on which its economy relies has been hamstrung by a lack of power.
In January, Prime Minister Augustin Matata Ponyo wrote a letter to President Joseph Kabila setting out plans to ration power to major international mining companies in the copper-rich Katanga province and demanding that miners halt any plans for expansion.
The suspension of new mining projects comes as Congo is achieving record high copper production: 942,000 tonnes in 2013, according to the International Monetary Fund.
Two existing hydropower stations on the Congo river - Inga I and II - are decades old and in disrepair, struggling to provide enough electricity to meet demand.
Inga III, once built, would provide 4,800 MW of energy - this would comfortably cover the 450 MW deficit mining companies in Katanga complain of.
Campaign group International Rivers has called on the World Bank to fund smaller, more local energy projects that it says would be less environmentally damaging and more effective.
"The proposed Inga 3 Dam fails to reduce energy poverty and protect the environment in the DRC," the group's policy director, Peter Bosshard, said.
The U.S. representative at the World Bank is likely to vote against the Inga project following recent legislation in Congress directing U.S. officials at international organizations to vote against big dams, but Ouayoro believes the financing will be approved anyway.
President Joseph Kabila's government has said it hopes to begin construction of Inga III by the end of 2015 but Ouayoro said this was ambitious and he expected work to begin by the end of 2016.
"This is a gigantic project with enormous risks," he said. "The earlier it starts the better, but 2015 will be difficult. We think the first turbine will be operational five years after the start of construction, but again it is a huge job." *(The Africa Report)*

Japanese group reaffirms SA commitment as Hitachi Power Africa disappears

Corporate activity at an international level has resulted in the disappearance of Hitachi Power Africa (HPA), which was controversially associated with the African National Congress's Chancellor House, and the emergence of Mitsubishi Hitachi Power Systems Africa (MHPSA), which was formally launched at the beginning of March.
The 400-employee business assumes responsibility for the boiler contracts at Eskom's Medupi and Kusile coal-fired power projects, which are also the largest and most complex currently being undertaken globally by the larger Mitsubishi Hitachi Power Systems joint venture, which is domiciled in Yokohama, Japan.
The international merger of the thermal power units of Mitsubishi Heavy Industries (MHI) and Hitachi was announced in late 2012, but was formally launched in February, with MHI holding a 65% interest and Hitachi the 35% balance. The joint venture's revenues were R124-billion last year.
Newly appointed CEO **Stephen Moore** (42) describes the creation of MHPSA as the start of a "new era" for the African unit, which has been mired in controversy ever since it emerged that Chancellor House was a 25% shareholder in HPA.
Prior to the official launch of MHPSA, Hitachi acquired Chancellor House's stake, as well as the 5% interest held by Makotulo Investments & Services, and was given a six-month grace period by Eskom to recover its black-economic empowerment (BEE) status.
Having a BEE shareholding remains a condition for the R38.5-billion Medupi and Kusile boiler contracts, which were awarded to HPA and Hitachi Power Europe in 2007.
Moore told ***Engineering News Online*** that it was weighing various empowerment options and had been inundated with expressions of interest ever since the acquisition of the previous BEE interests was confirmed in late February.
No decision had yet been made, but Moore was confident of consummating a deal within the six-month timeframe stipulated.
The Zambian–born, British national also insisted that the company remained committed to South Africa and to growing its footprint both inside the country and in the rest of Africa, noting that the joint venture's global CEO and president, **Takato Nishizawa**, had personally presided over the launch of MHPSA in early March. The Competition Commission approved the merger on November 20, 2013.
Nishizawa had also met with Eskom during his visit, during which he reaffirmed the importance of the Medupi and Kusile contracts to the newly created group.
Moore said the African unit was particularly keen to participate in the possible modernisation of Eskom's existing coal-fired fleet, was also targeting gas and coal opportunities in Mozambique and Botswana, while also delivering on geothermal projects in Kenya.
But the immediate priority remained the Medupi and Kusile contracts, where Moore said good progress had been made in dealing with weld defects on Medupi Unit 6. He said it was in a position to meet Eskom's commissioning schedule of the second half of the year for the first Medupi unit.
A new implementation model had also been implemented at Kusile in response to the problems experienced at Medupi and would be rolled out to units one, two, three and four at Medupi in due course.
The Japanese parent company, which has appropriately adopted the motto 'never give up', had also decided to commit additional senior resources to the two projects, with teams due to arrive in South Africa in April to be introduced at the Medupi and Kusile sites. *(Engineering News)*

MINING

South Africa: Govt pushes through contentious mineral law changes

South Africa's ruling African National Congress used its parliamentary majority to push through changes to mineral laws
that oil and mining companies say will deter investment and violate international treaties. The amendments to the 2002 Mineral and Petroleum Resources Development Act will secure the state free 20% stake in all new energy ventures and enable it to buy an unspecified additional share at an agreed price. It will also enable the mines minister to declare some minerals strategic and force companies processing them to sell part of their output to local manufacturers. *(Mail & Guardian)*

Minerals Law Opposed by BHP to Exxon Adopted in South Africa

South Africa's ruling **African National Congress** used its parliamentary majority to push through changes to laws that companies such as Exxon Mobil Corp. say will curb investment.
The amended 2002 Mineral and Petroleum Resources Development Act will secure the state a free 20 % stake in all new energy ventures and enable it to buy an unspecified additional share at an "agreed price." It will also enable the mines minister to declare some minerals strategic and force companies processing them to sell some output to local manufacturers.
With elections scheduled for May 7, the ANC is pushing for the state to play a bigger role in the economy to try ensure the nation benefits more from its mineral endowment. South Africa is the continent's largest coal and gold producer and the world's biggest supplier of platinum.
"We are on the path of changing the mining and petroleum industry in South Africa, whether you like it or not," **Mineral Resources** Minister Susan Shabangu told lawmakers yesterday. "Change is painful, change is bitter, especially when you are stuck in the past. This act is about the people of South Africa."
The National Assembly adopted the amended law, with 226 votes in favor and 66 against, with eight abstentions. It will now be referred to the National Council of Provinces, Parliament's second chamber, for processing before being signed into law by President **Jacob Zuma**.

Unintended Consequences

Lawmakers held public hearings on the legislation in September, and **BHP Billiton Ltd. (BIL)**, **Anglo American Plc (AGL)** and a succession of other metals, oil and gas producers complained it was too vague and will have unintended consequences.
The mining companies won some concessions, with the Chamber of Mines saying legislators had "vastly improved" the law. Provisions aimed at encouraging local processing remained problematic, it said.
Rules for energy companies were made more onerous after lawmakers scrapped a 50 % cap on the size of the stake the state may demand in new projects.
The change would have "a chilling effect on investment," Sean Lunn, chairman of the Offshore Petroleum Association of South Africa, whose 13 members include Anadarko Petroleum Corp., **BHP Billiton**, Exxon and Total SA, said in an e-mailed statement on March 10.

Encourage Investment

Shabangu said the new law would remove ambiguities in the law and align and speed up the process of securing water, environmental and mining licenses, which would help encourage investment.
"South Africa's broader developmental objectives require a paradigm shift to allow development of the country's natural resources," she said. "The needs to balance the interests and benefits of investors and the people of this country can neither be over-emphasized nor treated as mutually exclusive."
The **Democratic Alliance**, the main opposition party, accused the ANC of steamrolling the law through Parliament and flouting procedure.
"This bill, even in the most benign interpretation, is going to damage our mining and energy industry," James Lorimer, the DA's shadow minister of mineral resources, told the assembly. "It will cost us investment and will cost us jobs. This bill gives the government the power to nationalize at fire-sale prices any operation that finds oil and gas. Will anyone drill under these conditions? I wouldn't bet on it."

Challenge Possibility

The law could be challenged on procedural or constitutional grounds, said **Mike Davies**, a Cape Town-based political risk consultant with Kigoda Consulting, which advises mining and energy companies.
"One of the main objectives of the bill is to streamline licensing processes to provide regulatory certainty," Davies said in an e-mailed response to questions. "However, the clauses on beneficiation of minerals and state participation in the petroleum sector, combined with ministerial discretion, will have the opposite effect."
South Africa's mining industry shrank by an average of 1 % a year, adjusted for inflation, during the 2001 to 2008 global boom in commodities, compared with the average 5 % growth of the top 20 mining economies, according to data compiled by the Chamber of Mines. It blames a lack of clear policy, labor unrest and inadequate transportation and power infrastructure.

The bill's passing "may well be the greatest threat" the exploitation of South Africa's oil and gas resources and the economic benefits that such exploration could generate, Luke Havemann, a senior associate at Johannesburg-based **law firm** ENSAfrica, said in an e-mailed statement.
"As it stands, the bill is such that it would be unsurprising if international oil and gas companies were to choose to turn their backs on South African acreage and look for opportunities elsewhere," he said. *(Bloomberg)*

Contested mining legislation approved by Parliament to give State free 20% stake

Controversial changes to South Africa's mineral laws have been passed in the National Assembly, despite warnings that they could deter investors and damage the country's mining and energy industries.The Mineral and Petroleum Resources Development Act Amendment Bill included a raft of regulations that empowered the Minister of Mineral Resources to take key decisions. One of the most contentious aspects of the legislation was a new section, which would allow the State to have a free 20% stake in all exploration and production rights.The government would also be able to buy an unspecified additional share at "an agreed price". This replaced the 30% ceiling on an additional share acquisition and 'fair market value' clauses that were subsequently removed.Mineral Resources Minister **Susan Shabangu** told the National Assembly the changes were vital to bring about transformation in the industry and change historical ownership patterns."We are resolute in our commitment to keep the transformation agenda at the centre of development in South Africa, as contained in the bill. There can be no sustainable mining and growth of the industry without going to the very heart of transformation."
Shabangu hit back at her detractors in Parliament.
"We are on the path of changing the mining and petroleum industry, whether you like it or not. Change is painful, change is bitter, especially when you are stuck in the past. This Act is about the people of South Africa."
Opposition Members of Parliament (MPs) and oil and mining companies had warned that the new legislation created uncertainty and could push prospective investors to set their sights elsewhere, at great cost to South Africa.
The Amendment Bill, which was passed in the National Assembly with 226 votes in favour and 66 against, also allowed for the Minister to have regulatory powers to declare certain minerals strategic and block exports of them.
Further, it could see producers processing certain minerals being forced to sell part of their production to local beneficiators in prescribed quantities, qualities and timelines at the mine gate price or at an agreed price.
Democratic Alliance (DA) Mineral Resources Shadow Minister **James Lorimer** accused the African National Congress (ANC) of risking jobs and tipping the balance in favour of "cronyism".
"The [Amendment] Bill contains more than 30 instances where key rules will be decided by regulation. Regulation is decided on by the Minister of Mineral Resources. It is opaque and can be changed rapidly. It provides none of the certainty that investors need and, thus, will put us in a worse position than we already are," Lorimer told the National Assembly.
The DA intended to fight a motion by the ANC to suspend Rule 253 of Parliament, which allowed the legislation to be rushed through Parliament during this current session. The National Assembly wrapped up its work this week so that MPs could start preparing for the May 7 elections. The Amendment Bill would be referred to the National Council of Provinces for concurrence before being signed into law by President **Jacob Zuma**. *(Engineering News)*

Agreement opens way for 300 MW Moz coal-fired power project

A 25-year concession contract was signed on Friday opening the way for the development of a 300 MW, $1-billion coal-fired independent power producer (IPP) project in the Tete province of Mozambique, about 1 500 km north of Maputo.
The contract was conclude between the government of Mozambique and a consortium led by ACWA Power, a Saudi Arabian company that has a 15 979 MW global electricity portfolio. Brazilian mining group Vale and Mitsui, of Japan, are co-sponsors of the project, while State-owned utility Electricity de Mozambique (EDM) and local investor Whatana Investment Group have taken up minority stakes in the project.
The greenfield pulverized-fuel project, known as the Moatize IPP project, would be developed on a build-operate-own-and-transfer basis, and would be powered by coal from Vale's adjoining Moatize mine.
About 250 MW would be consumed by the mine, with the 50 MW balance to be fed into the EDM grid.
GS Engineering & Construction, of Korea, has been appointed as the engineering, procurement and construction contractors, while ACWA Power subsidiary, NOMAC, would be responsible for operations and maintenance.
The project is considered the first phase of a larger coal-fired power station and would be financed through a project finance framework.
"Signature on this concession agreement is a significant milestone for the Moatize IPP project, enabling us to complete the financing process and commence full scale construction," ACWA Power CEO **Paddy Padmanathan** said in a statement.
He added that the investment would enhance the group's position as power developer in Southern Africa, where it was also developing the 50 MW, R5-billion Bokpoort concentrated solar power project, in South Africa's Northern Cape province.
ACWA Power has set a goal of building a Southern African portfolio of 4 000 MW by 2020 and was closely monitoring further renewables and conventional opportunities in South Africa, the region's largest economy and biggest electricity consumer.*(Engineering News)*

Vale Moçambique produces 4 million tons of coal in 2013

Vale Moçambique produced around 4 million tons of coal in Mozambique in 2013, but managed to export just 3 million tons, said the company's managing director Ricardo Saad, summing up the activities of the Mozambican subsidiary of Brazilian group Vale.
The problems with transporting cargo along the Sena Railroad, linking Beira, in Mozambique's Sofala province, to the coal town of Moatize, in Tete province, was the main constraint on exporting all of the company's coal, Saad said.
Vale Moçambique's revenues from selling coal, mainly to the Asian market, totalled US$381.9 million, of which US$58.5 million, 15.3 % of the total, was used to pay taxes.
Noting that the coal mining project was still in an investment phase, and that this would continue for at least five years, the managing director of Vale Moçambique said that the company posted an operating loss of US$484.4 million in 2013. Along with other investments the company has invested US$932.1 million to build an alternative rail route covering the 900 kilometres from Moatize to the port of Nacala, in Nampula province. In 2014 the company expects to spend around US$2 billion on increasing the processing capacity of the mine and on the Nacala railway. Projections for coal production this year are 5 million tons, of which 4 million tons are expected to be exported. *(Macauhub)*

Gold mining in Huíla province, Angola due to begin in 2015

Gold mining in the Limpopo area of the Jamba municipality in Angola's Huíla province, is due to begin in 2015, the provincial director for Industry, Geology and Mining, Paula Joaquim said Thursday in the city of Lubango.
Joaquim said that Sonepa was coming to the end of its prospecting and that by the end of the year it would likely launch an experimental stage of exploration, according to Angolan news agency Angop.
Joaquim also said that gold mining was part of an iron exploration project in Cassinga, which is why Sonepa is responsible for prospecting. Initial results point to quality gold in the area.
The provincial director said that there was another plan for gold exploration and other minerals in the same province, in the Chipindo municipality, where prospecting is going well.
Jamba municipality is located 315 kilometres east of Lubango and has an estimated population of 126,800. *(Macauhub)*

Australian company authorised to sell diamonds discovered in Angola

Australia's Lucapa Diamond Company has been authorised to sell 371.35 carats of diamonds valued by independent consultancy Jaguar Consultants at 308.4 million kwanzas (US$3.16 million), Angolan newspaper Expansão reported.
The company, which is prospecting for diamonds at the Lulo project in Angola's Lunda Norte province, has been authorised by the Angolan authorities, for the second time, to sell the diamonds it has discovered.
The lot of diamonds includes the two largest found by the company in January of this year. One of these is a 95.45 carat stone and the other is 32.2 carats.
The Lucapa Diamond Company (http://www.lucapa.com.au/) is based in Perth, Western Australia and in 2007 it signed a diamond prospecting contract for the Lulo project with Angola's national diamond company Empresa Nacional de Diamantes de Angola (Endiama).
Meanwhile, mining group De Beers announced it is negotiating with the Angolan government and Endiama to be granted new diamond prospecting concessions.
According to Lynette Gould, De Beer's communications director, the group concluded an extended prospecting programme in the Lunda Nordeste concession at the end of 2012 after which it gave up the concession as it was not economically viable. *(Macauhub)*

OIL & GAS

Mozambique resource estimate raised, potential for more

Anadarko has recently raised Area 1 block (Mozambique) resource estimates to 45-70 tcf from 35-65 tcf earlier. It plans to drill another 9-10 wells in the block in 2014. Factoring in the higher resources, we have increased our value of BPCL's 10% stake in this block to USD1.8bn or INR172/sh, an 11% increase in our target price for BPCL to INR470. Recent deals, however, indicate a higher value of USD2.5bn for a 10% stake in the block, or INR237/sh for BPCL.
Appraisal drilling and final investment decision for the block will be key triggers for BPCL stock in the next year. We also make minor adjustments to our earnings model, resulting in a 6-7% increase in our FY15-16 EPS estimates. *(JPMorgan)*

Energy group launches natural gas filling station for industrial sector

In support of its overarching ambition to roll out natural gas facilities across South Africa, CNG Holdings subsidiary NGV Gas has launched a compressed natural gas (CNG) public filling station at Langlaagte, in Johannesburg, with the objective of providing "clean energy" and reducing transport costs in the country's industrial and public transport sectors.
The new public filling station was considered a "significant" step in CNG's nationwide roll-out plans and was established adjacent to a working CNG "mother station", located at Sasol's main supply point to the Egoli Gas network.

CNG Holdings CEO **Stephen Rothman** said on Thursday that the company was also in the process of converting 1 000 taxis to run on CNG, enabling these vehicles to refuel at the newly launched facility.
"This will have an incredibly positive effect on the fuel and operating costs of South Africa's most accessible form of public transport. We are also converting existing filling stations to offer CNG as an alternative fuel source," he commented.

IDC BACKING

Rothman said the initiative was made possible by an earlier investment in the company by the Industrial Development Corporation (IDC), which saw the finance institution acquiring a 26% stake in the company in April 2013 and a further 12.64% in March this year, giving it an overall 38.64% stake in the group. **The funding** provided by the IDC, which would total R120-million by the second quarter of the year, would be used to complete Phase 1 of the CNG group's roll-out strategy and R100-million expansion programme aimed at promoting CNG as an affordable energy alternative for industrial users and fleet owners. **The investment** followed the completion of a three-year feasibility study, which included the implementation of a pilot phase, which found that industrial customers experienced a saving of between 10% and 25% on operating fuel and energy costs and a saving of between 25% and 35% in running fuel costs when using the alternative fuel source.

VIRTUAL PIPELINE

Rothman explained that the "mother station" concept formed a core part of the strategy of CNG subsidiary Virtual Gas Network (VGN), which supplied CNG through road transport, or, what he termed, a "virtual pipeline".
"This virtual network stemmed from a need for specialised vehicles to facilitate the distribution of natural gas in South Africa. NGV Gas and VGN were, therefore, established to retrofit and upgrade existing vehicle platforms within the transport and industrial market," he said.
The "virtual pipeline" system was specifically designed to provide solutions to large industrial and commercial customers who were too geographically isolated to access an existing pipeline.
This was underpinned by VGN, which was able to transport CNG by road in dedicated "tube trailers" to customers who were not on the existing gas pipeline.
"This innovative, modular road transport system safely and economically delivers CNG to customers in the industrial and commercial sectors as well as those wishing to set up internal gas-distribution networks and power-generation systems," he noted.

GROWING POPULARITY

Rothman highlighted that the development of the filling station was further underpinned by the growing popularity of CNG, which was expected to increase its stake in global energy supply from 20% to 25% between 2005 and 2030.
Global demand for the gas was also expected to rise by 60% between 2005 and 2030.
"Despite these buoyant figures, global gas reserves remain largely underexploited, with yearly production sitting at 110-trillion cubic feet (tcf) despite estimated worldwide reserves of 6 600 tcf.
"The problem stems from issues such as difficulty with transportation resulting in so-called 'stranded reserves' – an issue our operations aim to alleviate," Rothman noted. *(Engineering News)*

SA's DTI heads to Moz to promote oil and gas sector

The Department of Trade and Industry (DTI) is heading to Pemba, in Mozambique, to promote South Africa's oil and gas industry and attract trade and investment.
The DTI explained in a statement that the outward investment mission, from February 24 to 28, aimed to endorse South Africa's servicing capabilities for the oil and gas industry, while promoting the Saldanha Bay industrial development zone (IDZ) as an oil and gas servicing hub.
DTI director-general **Lionel October** said it was an "essential and opportune time" to develop business relations with Mozambican oil and gas industry counterparts and authorities, as the neighbouring country was "reaching out" to the international community to partner in the development of its upstream and midstream oil and gas sector.
While the mission would unveil an "enormous opportunity" for exploration in the coastal and offshore areas on either side of the Mozambique channel, it would also make an "ideal platform" to showcase Saldanha Bay IDZ's ability to service, maintain, repair and supply the increasing number of oil rigs requiring maintenance on the West and East Coast of Africa.
The DTI's launch of the Saldanha Bay IDZ in October last year signalled a new era for the development of an oil and gas servicing and repair hub in the Western Cape.
The newly established IDZ was strategically located to serve oil and gas vessels operating along the African coastline, as well as provide an opportunity for components manufacturing in support of the oil and gas industry.
The programme for the mission included business-to-business meetings, discussions with industry experts and business site visits to various Mozambican oil and gas companies. *(Engineering News)*

INFRASTRUCTURE

€100m EU fund aims to take SA projects from concept to bankability

The European Union (EU) has appointed the Development Bank of Southern Africa (DBSA) as its fund manager for a €100-million programme designed to accelerate the preparation of social and economic infrastructure projects in South Africa and the broader region.

Known as the Infrastructure Investment Programme for South Africa (IIPSA), the fund specifically aims to move priority energy, transport, water, information and communications technology, education and health projects from “concept to bankability”.

EU Head of Delegation to South Africa Ambassador **Roeland van de Geer** said on Thursday that it had taken two-and-a-half years to establish the fund, while the DBSA had been selected as its implementation agent because its mandate and skills set were closely aligned with the objectives of the fund.

Van de Geer added that the aim was to leverage the work done under the aegis of the IIPSA to crowd in public, development and private finance to begin dealing with the growth-constraining infrastructure backlogs in South Africa and Southern Africa.

No conditions had been placed stipulating involvement by EU firms in either the project-preparation work, or in the eventual projects. But the EU would insist on open and transparent processes – conditions that tended to suite European companies.

The projects pursued would be those prioritised by the South African government through the National Development Plan and the National Infrastructure Plan, which envisages the deployment of R3-trillion of social and economic infrastructure over the coming 20 years.

DBSA CEO **Patrick Dlamini** indicated that a request for proposals would be issued in early April and that the steering committee overseeing the fund was hopeful that the first disbursements would be made in the not too distant future.

He described the absence of bankable projects as a major constraint to the roll-out of infrastructure in South Africa and the rest of the region and argued that IIPSA could play an important role in alleviating that problem.

Besides project preparation, the fund could also be used to stimulate further cofunding for those projects that required additional support to be moved into the implementation phase.

Besides the direct financial input from the European governments, IIPSA is also being backed by the European Investment Bank, Germany’s KfW, the Agence Française de Développement and the UK’s Department for International Development.

The blended finance model could, Van de Geer said, become an important model for the EU’s engagement with other middle-income countries in future and it would, thus, be paying close attention to its effectiveness in South Africa. *(Engineering News)*

Vale Moçambique plans to start exporting coal via port of Nacala-a-Velha in 2015

Vale Moçambique plans to export its first shipment of coal via the port of Nacala-a-Velha in 2015, and the test phase for exports is expected to begin in the final quarter of this year, said the company’s managing director, Ricardo Saad.

The development project for the Port of Nacala-a-Velha and the Moatize-Nacala railway line, which is managed by Sociedade de Desenvolvimento do Corredor do Norte and owned by Vale Moçambique (80 %) and by port and rail manager Portos e Caminhos de Ferro de Moçambique (20 %), is due to be operational as of next year following investment of around US$4.5 billion.

According to Saad work to conclude the railway, which will stretch over 900 kilometres between the coal region of Moatize, in Tete province, pass through southern Malawi and Mozambique’s Niassa province, to the port of Nacala-a-Velha in Nampula province, may be concluded at the end of the third quarter of this year.

The railroad is designed to have capacity to carry 18 million tons of coal per year and will solve the problems Vale Moçambique has faced with distributing its coal.

Similarly to Anglo-Australian group Rio Tinto, the Mozambican subsidiary of Brazilian group Vale has been using the Sena railroad to transport its coal to the port of Beira in Sofala province, but the railroad’s limited capacity has repeatedly impacted the companies’ results.

In 2017 Vale Moçambique projects exports of 22 million tons of coal, of which 4 million will be exported via the port of Beira and 18 million via the port of Nacala-a-Velha. *(Macauhub)*

AGRIBUSINESS

Zimbabwean tobacco prices decline 16% from 2013

Tobacco prices in Zimbabwe, which relies on the crop as its biggest agricultural export earner, fell 16 % from a year earlier. Leaf prices dropped to $2.87 a kg from $3.42 in the prior year. The nation’s tobacco sales season opened February 19. Prices started low, but have risen since sales began. Sales generated $29m from 10.1 million kgs of leaf, compared with $33.5m from 9.8 million kgs in the first 13 days of selling last year. Zimbabwe grows mainly flue-cured tobacco, also known as virginia, used to flavour high-quality cigarettes. *(Bloomberg)*

Mozambican farmers given access to US credit line

Mozambique's farmers will be given access to a US$5.3 million credit line as part of Finagro, a three-year programme funded by the United States government for investments in the sector, the Mozambican press reported.
The programme's managers hope that the programme and its credit line will increase the competitiveness of Mozambique's private sector for some cash crops and food value chains.
The focus will be tropical fruits (mango, bananas and pineapples), legumes (bean varieties), oilseeds (peanuts, soy and sesame), cashew nuts and other crops such as maize, rice, potatoes and cassava.
Finagro will fund projects that promote partnerships between commercial farmers, small-scale farmers and new farmers and increase access to equipment as well as encouraging women farmers to get involved in the project, create new jobs and increase exports.
The funding is provided by the United States Agency for International Development (USAID) and TechnoServe, a US non-governmental organisation working in Mozambique since 1998, will execute the programme with the support of the Zambezi Valley Development Agency (Agência de Desenvolvimento do Vale do Zambeze). *(Macauhub)*

TRADE

Experts reveal strategies for success in Africa's consumer markets

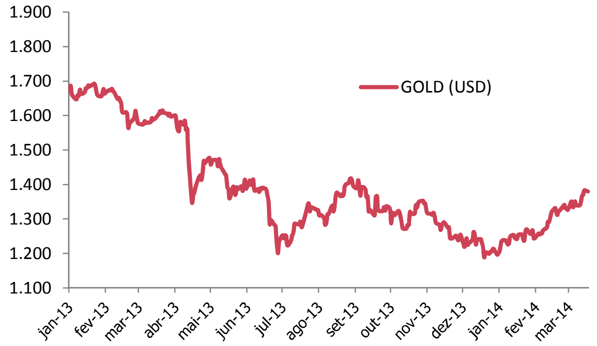
Thorough research and on-the-ground experience is key to understanding and unlocking Africa's complex consumer market. These and other points were discussed during a panel discussion at last month's Africa Outlook 2014 summit, presented by Frontier Advisory. Below are the key outtakes from the session.
Growth of the middle class in Africa is real given that about one-third of the continent's population is now classified to be middle class, according to Dennis Dykes, chief economist at Nedbank.
With consumer expenditure expected to accelerate from US$600bn in 2010 to $1tr in 2020 as per Accenture, there are a number of factors that have underpinned this rising middle class. Some of these include better fiscal and monetary policies, lower interest rates and favourable terms of trade. Notable health and other social welfare improvements have left populations less burdened. Increased competition and the 'China price' have contributed to lower inflation and improvements in consumers' propensity to save and to spend on, among other things, consumer goods. This has also allowed the African consumer to invest. Fixed investment spending in Africa has risen from about 15%-16% of GDP to an excess of 25%. There are, however, major improvements still required in the social welfare space.
Despite greater purchasing power among African consumers, consumer-facing businesses will need to do their homework or will be subject to paying high school fees if a key component of their market entry strategy does not include a thorough understanding of the market in question. On-the-ground experience is second to none and establishing networks in those markets is vital.
Knowledge of the level of competition in a market and a thorough assessment of risks versus potential is vital to the survival of a firm that is targeting the emerging African consumer market. Different markets have different needs and service providers need to understand these dynamics in order to effectively capture, retain and expand the complicated African consumer base. This is particularly the case as data on Gini coefficients, purchasing power and price sensitivity is dated at best, where these exist.
Reliability and availability of technology, data and information, as well as local legislation, language barriers, taxes, governance and corruption are some of the challenges facing businesses in Africa.
However, in light of this, cosmetics and beauty company L'Oréal still regards moving manufacturing of various product lines sold in the continent to Africa, said Dave Hughes, general manager of L'Oréal SA's consumer products division. This is regarded as the next logical step in order to meet the dynamic needs of its African consumers which includes the wealthy and the emerging middle class. The establishment of L'Oréal's manufacturing site in Midrand (South Africa) for its Dark and Lovely products, as well as production facilities in Kenya and Egypt are some of the investments made by the French company.
David Miller, CEO of South African-based fashion retailer Busby, emphasised that while taking a long-term view to position a company in Africa's frontier markets, where the emergence of viable consumers is no longer an oxymoron, it remains key for companies like Busby to be profitable in the short to medium term. Busby's Aldo store in Luanda, Angola is a case in point, recording the same turnover as Busby's Aldo story in Sandton City, Johannesburg.*(How we made it in Africa)*

MARKET INDICATORS

17-03-2014

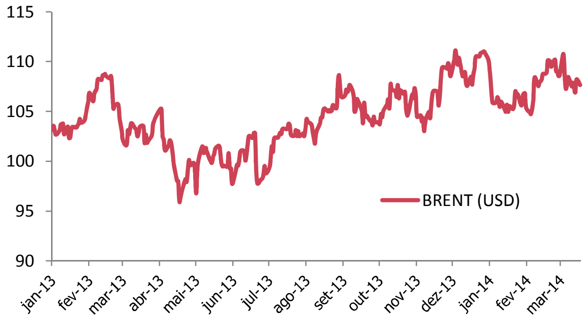
STOCK EXCHANGES		
Index Name (Country)	**17-03-2014**	**YTD % Change**
Botswana Gaborone Domestic Index (Botswana)	9.003,87	19,89%
Bourse Régionale des Valeurs Mobilières (Ivory Coast)	242,03	45,29%
Case 30 Index (Egypt)	8.148,98	49,18%
FTSE NSE Kenya 15 Index (Kenya)	174,36	38,66%
Morocco Casablanca Stock Exchange CFG 25 (Morocco)	19.768,56	3,27%
Nigerian Stock Exchange All Share Index (Nigeria)	38.002,96	35,34%
FTSE/JSE Africa All Shares Index (South Africa)	46.419,52	18,27%
Tunindex (Tunisia)	4.626,55	1,02%

Source: Bloomberg and Eaglestone Securities



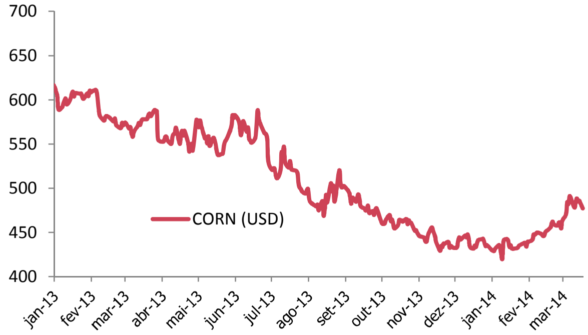
METALS		
	Spot	**YTD % Change**
Gold	1.380	-17,66%
Silver	21	-29,52%
Platinum	1.477	-4,12%
Copper $/mt	6.469	-18,43%

Source: Bloomberg and Eaglestone Securities



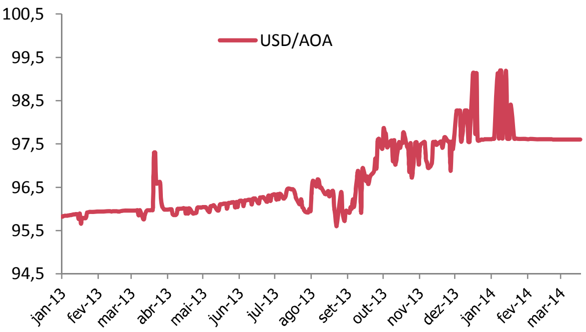
ENERGY		
	Spot	**YTD % Change**
NYMEX WTI Crude (USD/barril)	98,6	5,87%
ICE Brent (USD/barril)	107,7	-0,76%
ICE Gasoil (USD/cents per tonne)	897,0	-2,05%

Source: Bloomberg and Eaglestone Securities



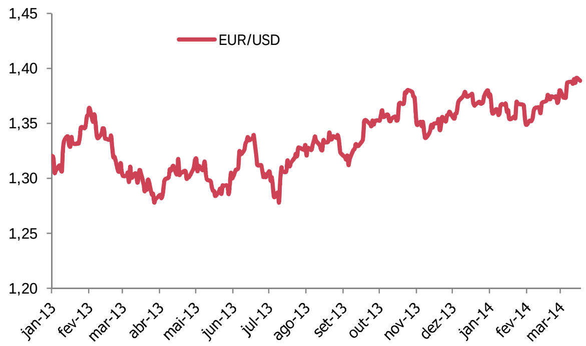
AGRICULTURE		
	Spot	**YTD % Change**
Corn cents/bu.	477,3	-31,85%
Wheat cents/bu.	681,5	-13,49%
Coffee (KC) c/lb	196,2	33,74%
Sugar#11 c/lb	17,1	-13,27%
Cocoa $/mt	3006,0	33,36%
Cotton cents/lb	92,2	21,59%
Soybeans c/bsh	1377,8	-1,54%

Source: Bloomberg and Eaglestone Securities



CURRENCIES	
	Spot
KWANZAS	
USD	97,602
EUR	135,557
GBP	162,300
ZAR	9,110
BRL	41,537
NEW MOZAMBIQUE METICAL	
USD	31,675
EUR	44,305
GBP	53,046
ZAR	2,977
SOUTH AFRICAN RAND SPOT	
USD	10,714
EUR	14,879
GBP	17,817
BRL	4,566
EUROZONE	
USD	1,39
GBP	0,84
CHF	1,22
JPY	141,39
GBP / USD	1,66

Source: Bloomberg and Eaglestone Securities



UPCOMING EVENTS

Africa Renewable Energy Investment Forum 5th - 7th March 2014 Centro de Congressos de Lisboa-Lisbon, Portugal
This Forum will bring together all the major actors involved in the renewable energy sector in Africa, including African Ministers of Energy, energy companies, and representatives of the European Union, African regional economic communities, development financial institutions, investors and financiers. The aim of the Forum is to discuss current projects, learn about case-studies, and explore new opportunities. The forum will offer a platform to significantly develop the African Renewable Energy sector by creating win-win solutions for governments, investors and businesses in Africa as well as internationally.*(http://www.ic-events.net/2013/renewableenergy/)*

POWER-GEN Africa 17 Mar 2014 - 19 Mar 2014 Cape Town, South Africa
POWER-GEN Africa will consist of a conference and exhibition dedicated to the needs, resources and issues facing the power generation sector across sub-Saharan Africa. It will, for the 2nd year, bring together a range of experts involved in every aspect of the business of power generation from policy makers, project developers, financiers,...

AFRICA CEO FORUM, organised by ***Groupe Jeune Afrique*** in partnership with the African Development Bank (AfDB), will take place in Geneva from 17 to 19 March, 2014. Offering a solid framework for exchange between major players in Africa's private sector, this key event will gather more than 700 African and international CEOs, financiers and business leaders. http://www.theafricaceoforum.com/

ARA WEEK 2014 Indaba 24th - 28th March 2014 Marrakech
Meet with all of the key players of the North and Sub-Saharan African and International downstream oil industry to discuss the theme of the conference “Investing in Infrastructure”. Join representatives from refineries, government ministries, banks, regulators, importers, distributors, traders, storage companies, marketing companies and refinery equipment and technology suppliers.

Mozambique Mining, Oil & Gas and Energy Conference 27-28 March 201, *www.mozmec.com*

4th AFRICA-EUROPEAN UNION SUMMIT 2-3 April, Brussels, Belgium
Diplomats expect a bumpy road to the Africa-European Union (EU) summit. The European Commission hopes to shake off its dry off and technocratic image to create a style based more on diplomacy and political engagement. It is perhaps an attempt to compete with emerging partners such as China, India and Brazil. Bostwana, Namibia, Camroon, Ghana, Cote d’Ivoire, Kenya, and Swaziland were yet to sign up. *www.consilium.europa.eu*

- **East Africa Property Investment Summit 2-3 April, Nairobi, Kenya** www.eapisummit.com
- **Wind Energy Summit South Africa, 9-10 April 2014 | Cape Town, South Africa** http://www.fc-bi.com/

Africa Agribusiness Forum 2014, 28-29 April, Vienna International Centre, Austria in partnership with UNIDO
(www.africaagribusinessforum.eventbrite.co.uk)

5th Eastern Africa Oil, Gas-LNG & Energy Conference 28 - 30 April 2014 Nairobi, Kenya
“Exploration, Development, And Production: Oil/Gas-LNG, New Ventures, Bid Rounds, Investment, Service/Supply”

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.

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.

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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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