

BOTSWANA



BOTSWANA BUILDING SOCIETY TO BECOME FIRST INDIGENOUS COMMERCIAL BANK

The Botswana Building Society (BBS) is set to become the first home grown commercial bank in the country following a resolution to demutualise the 41 year old Society, allowing it to convert into a commercial bank. Towards the end of 2017, the International Finance Corporation (IFC), listed its first local currency denominated bond on the Botswana Stock Exchange of which USD 25 million (P250 million) will be handed over to the BBS. This move is expected to increase access to housing finance in the country through long-term mortgages. The funding from IFC will support the transformation of the BBS into a full-service commercial bank financing the population, largely focused on small and medium enterprises. Reduction in interest expense due to the replacement of more expensive borrowings with lower priced loans has increased BBS' profit by 8% compared to the same period in 2016.

SIGNIFICANCE

This move will lead to a significant development in the banking sector with regard to financial inclusion which the bank has defined as “individuals and businesses having access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.”

ALGERIA

Sonatrach and CEPSA Collaborate to Boost Energy Production

Algeria's state energy company Sonatrach has signed a deal with Spanish firm CEPSA to boost production of oil and gas at the Rhourde el Khrouf field in southeastern Algeria. The deal should raise production from 11,000 barrels of oil per day to 24,000 after five years, as well as secure up to 10,000 barrels per day of liquefied petroleum gas after six years. The deal includes a USD 1.2 billion investment and the length of the contract is 25 years.

SIGNIFICANCE

The increase in production of crude oil, along with soaring prices of Algeria's fuel import bill have motivated Sontarch to invest in a refinery overseas to increase level. Accordingly, Sontarch has signed a deal with Vitol, the world's largest oil trader, to exchange crude for refined products after its fuel import bill soared to a record USD 2.5 billion because of refining problems.

ETHIOPIA

Gigawatt Global and Energiya Team up to Construct 10 Solar Power Plants

The Dutch-U.S. solar developer, Gigawatt Global and the Israeli-based research and development group, Energiya are teaming up to construct 10 solar power plants with a capacity of 10 MW each at several university campuses in Ethiopia.

The solar projects are part of a broader plan to train hundreds of thousands of students in what will be "living laboratories" for solar and other green energy. The goal is technology and knowledge transfer from Israel and the United States and will be done in phases, subject to final approval of the Prime Minister and Energy Minister of Ethiopia.

The project is part of a new energy plan announced in June by the government which is focused on diversifying

the country's energy sources and increasing its electrification rate.

SIGNIFICANCE

Ethiopia has had limited success with solar energy to date. Almost all of the country's power comes from hydropower. The country began a program in 2010 to expand its electricity supply by at least 5 times the current output by tapping into renewable energy sources. Ethiopia plans to export electricity to neighbouring countries in the future but transmission lines will need to be upgraded and expanded to make that possible.

GUINEA

IMF Executive Board Approves USD 170.1 Million under the ECF Arrangement

The Executive Board of the IMF approved a three-year arrangement under the Extended Credit Facility (ECF) for Guinea for an amount equivalent to SDR 120.488 million (approx. USD 170 million).

The ECF arrangement will support Guinea's 2016–2020 National Social and Economic Development Plan which aims at fostering higher and broad-based growth, diversifying the economy, and reducing poverty. The Executive Board's decision enables an immediate disbursement of SDR 17.2 million (about USD 24.3 million). The remaining amounts will be phased over the duration of the arrangement, subject to semi-annual reviews.

SIGNIFICANCE

An ECF-supported programme aims at strengthening the resilience of the Guinean economy, scaling-up public investments in infrastructure to foster high and more broad-based growth. It will also preserve debt sustainability and, in the long run, improve political and social governance, economic and environmental governance, agricultural and nutritional security, extractive and manufacturing industries, innovation and research, trade, tourism, health, education and social protection. Improving the areas identified above will raise the living standards for all Guineans.

KENYA

Kenya Revives Natural Gas Plant Plan

Kenya has made a U-turn and revived plans to build its first natural gas-fired power plant in Mombasa having withdrawn the project in 2016 due to unsatisfactory tender responses.

Energy Secretary, Charles Keter, has now initiated fresh talks with the Treasury regarding the 700 MW power plant that the government seeks to re-implement together with a private investor under the public-private partnership model.

This project is being revived because gas fired power is said to be a relatively less expensive source of power and consumers want lower prices. Gas-fired electricity will cost less than Sh10 per kilowatt hour, or half of what diesel-generated power costs, which is currently

Kenya's alternative whenever drought cuts hydropower production or a geothermal plant is out for repair.

SIGNIFICANCE

Natural gas power plants have a lower total cost and are the most efficient of the baseload power providers. The burning of natural gas is also incredibly "clean" compared to coal and oil. Along with reduced emissions, natural gas plants are also able to power more quickly than coal-fired power plants, meaning they can be flicked on or off faster in order to meet the country's electricity needs. The introduction of this plant will also create jobs while supplementing Kenya's sources of power.

MADAGASCAR

Aggreko to Supply Stable Power

Aggreko has begun to supply stable power for Madagascar using 28 MW of its Heavy Fuel Oil (HFO) generated energy. Aggreko has been providing power to Madagascar for a number of years already and this is a step to expand their footprint. This new installation will run alongside established turbines as part of an extension to a 50 MW agreement with Madagascar's national utility company, Jirama. Aggreko has developed this best-in-class energy generation solution, comprising containerised mobile, modular energy generators that can be configured and deployed in a matter of weeks.

SIGNIFICANCE

By lowering the total cost of energy, this project brings cost effective, reliable and uninterrupted electricity to the 1.4 million residents of the island's capital, Antananarivo. HFO fuel is also a better energy source than diesel generators and reduces the use of wood fuel.

MALAWI

Special Economic Zones to be set up in Lilongwe or Blantyre

The Malawi Investment Trade Centre (MITC) plans to establish a Special Economic Zone (SEZ) in Lilongwe or Blantyre where it is more likely for industries to increase job creation, trade investments and effective administration. This way, Malawi can export more manufactured goods rather than raw materials.

The MITC director confirmed in an interview that he is currently putting in place the legal and operational framework in which the SEZs will operate.

SIGNIFICANCE

The primary objective is to enhance foreign investment, increase trade, create employment and provide an internationally competitive and hassle free environment for exports from Malawi. The Small and Medium Enterprise Association President believes that introduction of an SEZ in Malawi is the best way for the country's businesses to grow and for exports to increase.

MAURITIUS

USD 25 Million Loan for Solar Power Development

The Abu Dhabi Fund for Development and the International Renewable Energy Agency will provide USD 25 million in financing to develop solar photovoltaic capacity in Mauritius and Rwanda. This was announced at the Eighth Session of the IRENA Assembly. Both projects are being financed through the IRENA/ADFD Project Facility. Established in 2013, this seven-year cycle Facility offers USD350 million in concessional loans from the ADFD to help developing countries access low-cost capital for renewable energy projects.

SIGNIFICANCE

The projects have the potential to significantly transform the lives of over 2.5 million people and alleviate poverty by bringing affordable energy to low-income communities. Renewable energy can positively impact the whole sustainable development spectrum in terms of improved health and education outcomes, better livelihoods and working conditions, and lower air pollution. This project will also contribute to the country's target of achieving 35% renewable electricity in its electricity mix by 2025.

MOROCCO

Casablanca to Launch Aerial Subway

Casablanca city authorities have commissioned the Chinese manufacturer, Chinese BYD, to do a feasibility study of an aerial subway in the Kingdom's economic capital. This is aimed at easing traffic congestion for the city's over 5 million inhabitants as Casablanca's tramway lines have failed to limit traffic jams.

If the study proves that this is a viable option, the Chinese manufacturer will deliver a hundred cars, which will be placed on a 15 kilometer route suspended on beams overlooking the metropolis' main arteries and crossings.

SIGNIFICANCE

The monorail combined with the already existing tramway lines will help ease transportation inside Casablanca and its surrounding suburbs. Furthermore, the monorail is quiet, electric and will not disrupt current land use making it an environmentally friendly alternative to road use. The overall result aims to develop more opportunities for commercial activities in the extended urban areas.

MOZAMBIQUE

Access to Beira Container Terminal Improved

The central Mozambican port of Beira has more than tripled its capacity to handle containers by improving road access to the port and increasing the size of the container yard.

The Dutch company, Cornelder, which manages Beira port, has invested 6.2 million US dollars in five new access lanes, which are intended to increase the competitiveness of the port by attracting traffic from other countries from the SADC region, such as landlocked Zimbabwe, Zambia, Malawi and the Democratic Republic of Congo.

Deputy Transport Minister, Manuela Rebelo, said it has always been the government's goal to make Beira a competitive port, and to ensure a continual increase in

traffic through the port especially during peak times.

SIGNIFICANCE

The increased flow of traffic to and from the terminal as well as the three hectare increase in the size of the terminal will allow it to handle 700,000 containers a year, rather than the current figure of 200,000. Cornelder de Mozambique is a successful example of a public-private partnership between state-owned port and rail manager CFM and Cornelder Holdings, SGPS based in Rotterdam, which has been operating container and general cargo terminals in the port of Beira since 1998.

NIGERIA

Nigeria Issues the First African Sovereign Green Bond

Nigeria, Africa's biggest oil producer, has become the first country on the continent to issue a security that raises funds for environmental projects when it issued its first certified sovereign green bond and the first African sovereign green bond.

The bond has been certified under the Climate Bonds Standard for Solar and Land Use Change Criteria and will be used to finance projects in its 2017 budget including renewable-energy micro-utilities and forestation programs.

The debut USD 29 million green bond has been described as a "pilot sovereign" of a proposed USD 417 million green bond program by the Ministry of the Environment and has come to the market after an extensive development process involving domestic and international stakeholders.

SIGNIFICANCE

This pilot green bond has developed the platform to address the nation's target of reducing its emissions by 20% unconditionally and 45% conditionally by 2030. Nigeria will be in position to increase capital flows across its vast economy that contributes towards domestic climate and environmental goals.

Furthermore, Nigeria which derives more than 90 percent of its export income from crude oil, will now become the world's fourth sovereign issuer of green bonds. This aims to alleviate some of the pressure off the economy which has been reeling from its worst economic slump in about 25 years due to lower crude output and a slow recovery of oil prices last year, pushing it to tap debt markets to fund its budget.

RWANDA

Volkswagen to Begin Car Assembly and Launch Ride- Hailing Service in Rwanda

Germany's Volkswagen AG should begin assembling three vehicle models at a new plant in Kigali by May. The vehicles will primarily be manufactured for local sale and use in its own new ride-sharing service, which will be a first in Rwanda. Volkswagen has chosen Rwanda as the launchpad for its ride-hailing services because it's not as competitive as other major markets in Africa where Uber and a host of other competitors operate. The company said it planned to spend USD 20 million to start developing the assembly plant and ride-hailing service. The carmaker has registered a local company to run its ride-sharing service and signed up a local software developer to develop a smartphone application to hail rides.

Volkswagen will try to ensure that the new factory operates as a local manufacturer ensuring that the cars are environmentally-friendly, have low fuel consumption

and quick access to the local market.

SIGNIFICANCE

It is projected that about 500-1,000 jobs will be created in the first phase of the investment as drivers for the ride-hailing service will be employed. Under the initial agreement, the Volkswagen cars will be up for lease or purchase in Rwanda and will entirely be from local production. The ride-hailing service will feed demand for the assembly plant, since vehicles in the scheme will be driven all the time, forcing the need for constant replacement.

In line with Volkswagen's commitment to Rwanda and the training of local people, they are also in negotiations with other German companies to establish local technical academies to transfer technology and skills.

SUDAN

Ministry of Mining Partners up with Saudi Company for Gold Exploration

The Ministry of Mining has signed a privilege agreement with the joint Saudi - Sudanese Ashab Al-Yamin Company for exploring gold and accompanying minerals in the South Kordofan State.

About 200 local firms have taken advantage of new legislation that has opened up the country to prospectors, establishing operations across eight states, according to Sudan's Ministry of Minerals.

Looking to woo international investors and mining giants, the government has recently issued press releases touting Sudan's ambition to become the third largest gold producer on the continent, behind South Africa and Ghana.

SIGNIFICANCE

Foreign exchange and revenue generation from gold mining will go a long way to enhancing growth and development of the country. Previously, gold has been smuggled out of Sudan leading to loss of revenue collection for the Sudanese government. This is one of the ways through which the Ministry aims to record every ounce of gold produced, to ensure that it is being exported through official channels. Revenues obtained by the sale of gold will reach the State's treasury and will go into improving the country's agricultural, infrastructure, energy and trade sectors.

TANZANIA

Business Registration and Licensing Agency Cuts Red Tape

Investors will now find it much easy to register their businesses in Tanzania, given the implementation of a new online platform set up by the Business Registration and Licensing Agency (BRELA).

The platform went live on 1 February 2018. BRELA Chief Executive, Frank Kanyusi, said the Online Registration System (ORS) would significantly reduce the time and costs associated with registering a business.

Starting a business, which entails registering a business, is among key factors considered when potential investors adjudicate entering a country – they look for efficiency, transparency and fair costs.

At present, according to the World Bank's, "ease of doing business" ranking system, Tanzania is placed 137th out of the 190 economies ranked across the globe and 162nd when it comes specifically to registering a business. The

government is confident that this development should go a long way to improve these rankings.

SIGNIFICANCE

It is expected that the platform will be a big boost to Tanzania as far as ease of doing business is concerned. These improvements will significantly reduce the time and costs associated with registering a business and make the country more attractive to prospective investors and in doing so, contribute positively to the government's drive to industrialise the country. This system also connects with other government departments.

The platform also means that people in other regions will not be necessarily required to travel all the way to Dar es Salaam to register a business.

UGANDA

Reviving Uganda's Cotton Sector

The Uganda Trade Ministry has signed a memorandum of understanding with SSA Investments, a Turkish company at the ministry's headquarters in Kampala, to revive the cotton growing industry in Uganda. SSA Investments is a business platform that makes investments into the textile manufacturing, agro-business and healthcare sectors exclusively in selected East African countries where opportunities have strong development potential.

Uganda's cotton industry was liberalised in 1994 leading to the disbandment of the Lint Marketing Board and its subsequent replacement with the Cotton Development Organisation, a move that has been widely regarded as the turning point at which the industry was weakened. Just a decade earlier, cotton was paid by the ginneries which were mostly co-operatives, but as an added security the government also provided a subsidy. Today, the varying price of the commodity has had a direct effect on whether farmers choose to participate, meaning

that both production and trade can be difficult to estimate.

SIGNIFICANCE

It has been proven that cotton and cotton textile industries are the engine rooms of economic growth both in developed and developing countries. With large-scale availability of high quality lint cotton, both international and, in time, local industrialists will be able to exploit Uganda's potential in the textile supply chain, starting from spinning right up to ready-to-wear production as the ultimate goal. The benefits of this revival will be improved access to the regional market as well as economic improvement and food security for the farmers, traceability, risk and quality management as well as credibility for the traders and retailers of the cotton.

ZAMBIA

USD 600 Million to Finance Infrastructure Projects in Zambia.

Mercury Asset Partners, a multinational financing and logistics company has mobilised USD 600 million for the implementation of various infrastructure and investment projects in Zambia.

The projects include setting up of a solar geyser manufacturing plant, upgrading of slums, urban renewal and establishing an investment bank focused on providing construction finance. The Government of Zambia has already signed a Memorandum of Understanding with Mercury Asset Partners to construct 5000 houses in various locations in the country. The construction of the houses will come with provision of associated services and auxiliary infrastructure such as paved roads, sewer reticulation, water reticulation, electricity supply, schools, clinics, shopping malls, among others.

SIGNIFICANCE

The development of decent, affordable rural housing will improve the lives of those with inadequate shelter. The development will also lead to creation of employment, an increase in transportation and trade services.

JANUARY 2018

AFRICA BULLETIN



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