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SUPPORTING AUSTRALIAN MINERALS AND ENERGY SUCCESS IN AFRICA



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Africa - General

Telecom: Huawei spared in Africa

Faced with American sanctions, the giant Chinese telecom company, Huawei, maintained the support of African states where it is established, as well as the cooperation of most telecom operators on the continent. For the immediate future at least, commercial consequences of the US sanctions are minimised.

The telecom giant has responded, and on 28 May filed an application in Texas for the sanctions to be overturned, amending a complaint originally filed in March.

Report based on source: 'Télécoms : Huawei épargné en Afrique'. In Jeune Afrique, 4 June 2019 by Julien Clémençot https://m.miningweekly.com/article/pensana-metals-questions-rare-earths-price-surge-in-china-2019-05-27/rep_id:3861

The Free Trade Agreement at last on track

The continental free trade area (ZLEC) backed by the African Union (AU), entered into force on 30 May. A very long-awaited first step, creating the largest common market in the world since the establishment of the World Trade Organisation in 1995, and the biggest step towards regional integration of Africa since the end of colonialism.

But the ZLEC faces many challenges. Among the most political and most visible, is Nigeria's reluctance to join this free trade agreement. Like Benin and Eritrea, the continent's economic giant has yet to sign, fearing that dumping by other African as well as foreign countries will damage certain sectors of its economy.

Report based on source: 'Libre-échange : la Zlec officiellement sur les rails'. Jeune Afrique 30 May 2019 by Marjorie Cessac https://www.jeuneafrique.com/781948/economie/la-zlec-officiellement-sur-les-rails/?utm_source=newsletter-ja-eco-&utm_medium=email&utm_campaign=newsletter-ja-eco-30-05-19

Algeria

The Constitutional Council judges presidential elections "impossible" to organise for 4 July Sunday, 2 June, the national television announced that the Constitutional Council of Algeria had judged the presidential elections "impossible" to organise, after the rejection of the only two nominations to this poll scheduled on 4 July.

The objective of the street – get rid of all leaders from the Bouteflika era - has not been met and social unrest will continue.

<u>Report based on source</u>: 'Le Conseil constitutionnel juge la présidentielle « impossible » à organiser le 4 juillet'. Jeune Afrique, 2 June 2019 by Jeune Afrique/AFP

https://www.jeuneafrique.com/783287/politique/algerie-le-conseil-constitutionnel-juge-la-presidentielle-impossible-a-organiser-le-4-juillet/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-03-06-19

Cameroon

Good News at last for Cameroon and a Godsend for miners

The 2018 start-up of the deep-water port at Kribi, in southwestern Cameroon has brought back hope to Cameroonian mining projects.

Minim-Martap Nord: This promising bauxite exploration project is owned by the Australian junior company Canyon Resources through its subsidiary Camalco. It has potential reserves of some 550 million tonnes, with an alumina content of 45%, comparable to those of Guinean mines. Canyon Resources plans to extract 10 million tonnes a year from 2024. The ore will be transported 700 km by rail to the Kribi port. In order to bring this project on, the operator has concluded a partnership with the French company Bolloré Transport & Logistics (BTL), which manages the railway company CAMRAIL, as well as the container terminal at Kribi. However, before that, the Portuguese company Mota Engil has to construct over the next four years, a stretch of some 130 km of missing railroad linking the town of Édéa to Kribi.

Ngovayang: The Ngovayang iron ore project is being restarted. Having acquired the three mining licences covering this deposit and previously owned by the Australian company Legend Mining, the Indian company Jindal Steel and Power has begun a drilling program to assess its viability.

Mbalam-Nabeba: This project located on the border with Congo-Brazzaville, is also awaiting a current re-evaluation of its reserves before mining can begin.

Even if it is premature to determine the amount of investment being made in Cameroon in these three projects, they are already re-establishing Cameroon as an African mining destination.

Report based on source: 'Au Cameroun, un vivier de projets miniers'. Jeune Afrique, 30 May 2019 by Omer Mbadi https://www.jeuneafrique.com/mag/779664/economie/au-cameroun-un-vivier-de-projets-miniers/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-30-05-19



Political appointments for Gécamines and SNCC

The Congolese President, Félix Tshisekedi, named Albert Yuma Mulimbi (a close friend of Joseph Kabila) as Chairman of the Board of Directors of the mining giant, Gécamines, a position he has held since 2011. A source close to the Presidency explains that this renewal is motivated by the need to reinforce the action initiated during his last mandate, which was to 'rebalance' the partnerships of the national giant with its international partners, such as Glencore, ERG and Ivanhoe Mining.

As for Gabriel Kyungu wa Kumwanza, a close friend of Moses Katumbi, he will preside over the national railways company of Congo (SNCC).

Report based on source: 'Des nominations très politiques à la tête de la Gécamines et de la SNCC'. Jeune Afrique, 4 June 2019 by Stanis Bujakera Tshiamala

https://www.jeuneafrique.com/784169/economie/rdc-des-nominations-tres-politiques-a-la-tete-de-la-gecamines-et-de-la-sncc/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-04-06-19

Equatorial Guinea

China, Equatorial Guinea pledge to strengthen cooperation

On Tuesday 16 January 2019, President of Equatorial Guinea Teodoro Obiang Nguema Mbasogo met with visiting Chinese President Xi Jinping's special representative, Yang Jiechi, also a member of the Political Bureau of the Communist Party of China (CPC) Central Committee, with both sides pledging to strengthen bilateral cooperation.

This was a follow-up meeting to that of the two countries' presidents during the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC) where an important consensus on bilateral relations was reached. "In its efforts to construct the Belt and Road and implement the eight major initiatives proposed at the Beijing summit, China will strengthen pragmatic cooperation with Equatorial Guinea, support its economic diversification and bring benefits to its people", said Yang. President Obiang for his part, said Equatorial Guinea was willing to welcome more Chinese companies to invest in the country, so as to strengthen mutually beneficial cooperation with China.

Report based on source: 'China, Equatorial Guinea pledge to strengthen cooperation'. China Daily 18 January 2019 by Xinhua State News Agency

http://www.chinadaily.com.cn/a/201901/18/WS5c4172aea3106c65c34e5451.html

First mining license round launched in April

Known principally for its oil and gas sector, Equatorial Guinea officially launched its first mining license bid round on 1 April 2019, as had been announced by Minister Gabriel Obiang Lima at Mining INDABA in Cape Town on 5 February 2019. An online portal went live providing potential investors with a database of exploration for minerals ranging from gold, bauxite and diamonds.

Equatorial Guinea is keen to diversify its economy to better deal with global crude price volatility. "It is the first time we have organised something like this for the mining industry," stated Minister

Obiang Lima, "We heavily invested in infrastructure, so we have the roads, the electricity, the port to facilitate a development of the mining industry,".

Equatorial Guinea said it expects to sign many mining exploration contracts by the end of July.

<u>Report based on source</u>: 'First mining license round launched in April'. Reuters in Kitco NewsShare. 5 February 2019 by Wendell Roelf https://www.kitco.com/news/2019-02-05/UPDATE-1-Equatorial-Guinea-to-launch-first-mining-license-round-in-April.html

Mauritania

Presidential duel between Ould Ghazouani and Ould Boubacar

Mohamed Ould Abdelaziz has accepted an honourable exit from the presidency in accordance with the Constitution, which prohibited him from running for a third term. However, he has named and is backing his long-time friend and military companion, Mohamed Ould Ghazouani, as his preferred successor, nevertheless also ensuring through various other means that the system he has set up is 'locked in place' (as it is said in French!).

In the meantime, the former Ambassador to the United Nations Sidi Mohamed Ould Boubacar – retrenched from any official postings by Abdelaziz in 2016, has been maturing his ambitions and recently declared himself a contestant for the 2019 presidentials. Ould Boubacar assures all and sundry that his decision is by no means remotely guided by the cousin and sworn enemy of the President, businessman Mohamed Ould Bouamatou, with whom he has close relations.

The population of Mauritania is about 30% Maures, and 30% Haratin ('ex-slaves' of African descent) and 30% Afro-Mauritanians. And so up against these two Maure elites, another presidential candidate is the Afro-Mauritanian and anti-slavery activist, Biram Ould Abeid, who enjoys very strong popularity with young Afro-Mauritanian people concentrated in the big cities... and there are many!

Maybe there will be a surprise on 22 June for this bipolar country?

Report based on source: 'Présidentielle duel entre Ould Ghazouani et Ould Boubacar'. Jeune Afrique, 3 June 2019 by Justine Spiegel <a href="https://www.jeuneafrique.com/mag/782396/politique/mauritanie-duel-a-nouakchott-entre-ould-ghazouani-et-ould-boubacar/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-03-06-19

Namibia

Namibia says China can buy Rio's uranium stake if it respects laws

Namibia's mines and energy minister said he has no objection to Rio Tinto's sale of its Rössing Uranium Mine stake to China provided it respects the African nation's laws.

Rio, which is seeking to divest less profitable assets, said last November that it was selling its 69% stake in the world's longest-running open pit uranium mine to China for up to \$106.5 million and expected the deal to be completed in the first half of 2019.

Asked whether the sale would be cleared, Mines and Energy Minister Tom Alweendo told Reuters: "We have no objection to the sale provided that the buyer abides by what's expected of him by our laws". The deal is dependent on approval from the Namibian competition commission, with the Namibian government holding a 3% stake in Rössing and 51% in voting rights.

The Iranian Foreign Investment Company also holds a legacy 15% stake that goes back to the original funding of the mine, which could deter some potential buyers?

Report based on source: 'Namibia says China can buy Rio's uranium stake if it respects laws'. Reuters in Mining.com, 30 May 2019 By Barbara Lewis http://www.mining.com/web/namibia-says-china-can-buy-rios-uranium-stake-respects-laws/

Niger

Closure of the only brewery in Niger

A subsidiary of the French group Castel and the owner of the only brewery in Niger, Braniger announced its closure as of 10 June 2019. The Government had studied "all possible proposals to save this company."

Established in 1967, the company dominated the beer industry in the country for the last thirty years, but was now confronted with fierce competition from small local brewers, as well as sometimes illegally imported products from neighbouring countries. The national ban on alcohol advertising as well as prohibitively high taxes played a part in the closure of Braniger.

Report based on source: 'L'éminente fermeture de l'unique brasserie du Niger'. Jeune Afrique 29 May 2019 by JA https://www.jeuneafrique.com/781476/economie/niger-vers-la-fermeture-de-braniger-lunique-brasserie-du-pays/?utm_source=newsletter-ja-actu-abonnes-30-05-19

Nigeria

Nigerians got poorer during Muhammadu Buhari's first term

Nigeria's economy has stalled with unemployment at some 23%, and much higher in certain poorer northern states of the country. Some 94 million people live on less than \$1.90 a day and the number is swelling. Nigeria's engine was already sputtering when President Muhammadu Buhari took office in 2015. The price of oil, which makes up 9% of GDP and more than 90% of export earnings, had crashed. But "Baba Go Slow", as Nigerians took to calling him, made a bad situation worse. Instead of letting Nigeria's currency slide, which would have stoked inflation, policymakers rationed US dollars in order to maintain the naira's long-standing and artificially high peg to the dollar.

Buhari's second term began on 29 May and his economic adviser, Adeyemi Dipeolu, explains that "We are trying to avoid shocks". The government may only be postponing a major crisis for the country, not averting one?

Report based on source: 'Nigerians got poorer in Muhammadu Buhari's first term'. The Economist Middle East and Africa, May 30 2019 <a href="https://www.economist.com/middle-east-and-africa/2019/05/30/nigerians-got-poorer-in-muhammadu-buharis-first-term?cid1=cust/dailypicks/n/bl/n/20190530n/owned/n/n/dailypicks/n/n/AP/247664/n

Somalia

Petroleum law passed, making way for exploration

Somalia finally passed a 'petroleum law' on 6 May 2019, paving the way for exploration in its waters that could potentially transform the troubled country's economy if hydrocarbon riches are found. The new legislation allows for the creation of institutions to oversee the industry sector and for revenue sharing between the central government and federal states, among other objectives.

Hydrocarbon discoveries in Uganda and Kenya and huge gas finds in Mozambique and Tanzania have fanned investor interest in East Africa's hydrocarbons potential. However, Somalia has been mired in insecurity and lawlessness since the toppling of dictator Mohamed Siad Barre in the early 1990s.

Early this year Somalia began preliminary preparations for a licensing round for 15 exploration blocks covering a total of 75,000 sq km. With the new regulations in place, it is anticipated that PSAs (production-sharing agreements) will soon be signed, enabling exploration activity to commence.

Report based on source: 'Petroleum law passed, making way for exploration'. Reuters May 20, 2019 https://www.reuters.com/article/somalia-oil/somalia-passes-petroleum-law-paving-way-for-exploration-idUSL5N22W3RR

Tunisia

High alert after notification that Abu Bakr al-Baghdadi was in nearby Libya

The Tunisian authorities have reacted quickly to information passed onto them by a foreign information service. According to this source, Abu Bakr al-Baghdadi, head of ISIS, had reportedly been seen in the south of Libya. In his last video of April 2019, al-Baghdadi is quoted as targeting Tunisia for punishment, among other states.

Additional security measures have been put in place on the border with Libya.

Report based on source: : 'La Tunisie en alerte après un signalement du « calife » Abou Bakr al-Baghdadi en Libye'. Jeune Afrique, 29 May 2019 by JA

https://www.jeuneafrique.com/mag/781009/politique/daesh-la-tunisie-en-alerte-apres-un-signalement-du-calife-abou-bakr-al-baghdadi-en-libye/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-30-05-19

From stagnation to competition

Tunisia's 2019 presidential and parliamentary elections will be major milestones in the country's path toward the future. But merely holding elections will not produce a government that can address the country's urgent challenges, such as; youth unemployment, regional socioeconomic disparities, and rampant corruption.

Since 2011, Tunisia has witnessed ten major government changes, and public trust in political parties and institutions has plummeted. Reversing the trend will demand a shift from the consensus model the country embraced during the early transition years to a system that creates real political opposition and acts as a check on those in office.

In the lead up to the 2019 elections, political parties, in particular, will need additional support from civil society and local government to develop clear policy platforms and communication strategies.

Beyond 2019, parties, parliament, and the executive branch will need to undergo transparent, well-communicated institutional reform. The international community and private sector can provide essential additional resources, but political resolve and government effectiveness will be the fundamental factors in Tunisia's success.

If, however, parties simply enter the 2019 campaign process with the same generic slogans of fighting terrorism and corruption and addressing unemployment, they will turn voters away from the ballot box and into the street.

<u>Report based on source</u>: : 'From stagnation to competition'. Carnegie Endowment for International Peace, 28 March 2019 By Sarah Yerkes and Zeineb ben Yahmed

https://carnegieendowment.org/2019/03/28/tunisia-s-political-system-from-stagnation-to-competition-pub-78717

Western Sahara/Morocco

Polisario completely disoriented

Polisario leaders are completely disoriented following their successive failures at the UN, the EU and the AU, where their demands for independence have been rejected or ignored. Moreover, the EU has recently renewed agricultural and fisheries agreements with Morocco that extend to the 'southern provinces of the Kingdom', in effect recognising the sovereignty of Morocco over Western Sahara.

<u>Report based on source</u>: : 'Polisario completely disoriented'. Sahara News, 31 May 2019 by Ali Haidar http://sahara-news.org/2044-western-sahara-polisario-completely-disoriented.html

End report