

Australia-Africa Mining & Energy News Brief

SUPPORTING AUSTRALIAN MINERALS AND ENERGY SUCCESS IN AFRICA



<http://africangeopolitics.com/en/>

Africa - General

Africa and the commodities markets

Commodities are a big deal for Africa, accounting for over 80% of exports in 35 of 48 African countries. However, for most global commodity markets, Africa's role is modest and accounts for 13% of global oil exports, between 2% and 8% of key base metals.

To the extent that Africa is a big player in any commodity market, this is driven by just a small handful of African nations. For oil, Algeria, Libya, Angola, and Nigeria are global players. For metals, the Democratic Republic of Congo (DRC) and South Africa are big producers.

There are some specific commodities where Africa plays an outsized role such as the platinum group metals, where South Africa accounts for around 66% of global production (and has 90% of global reserves) and the DRC, which accounts for around two-thirds of global production of cobalt, which is a key ingredient in batteries.

Report based on source: 'Commodities digest'. HSBC Global Research , 12 July 2019, Report issues by HSBC Australia Limited <https://www.research.hsbc.com>

The Franc CFA, a breeding ground for lies, 'fake news' and rumours

The debate on abandoning the CFA franc brings many fantasies and untruths, principally about the role of France in the operation and finances of the two CFA currency areas, West and Central, French-speaking Africa.

In January, Facebook users went wild following the publication of a widely shared article in which an anonymous source claimed that France was ready "for a military and nuclear reaction" against African countries that would give up the CFA franc. The disturbing rumour and its effect was as sudden as it was ephemeral; it quickly became apparent that the "information" came from an 'alternative' website, Africa24.info. However, it was taken seriously by many Internet users, proof that the subject is sensitive and conducive to spreading false rumours.

Among other rumours that frequently re-occur:

1. France sits on the central banks' governing bodies of the two CFA zones and has a veto right: France is represented on the Board as well as the Monetary Policy Committee of the BEAC and BCEAO banks, as a country guaranteeing the convertibility of the common currencies. There are one French and eight Africans on the BCEAO board of directors; two French and twelve Africans to that of the BEAC. Everyone has the right to vote, but the statutes do not provide for any possibility of a veto. Decisions are taken by a simple majority, except on a few matters where unanimity is required (for example, the amendment of the statutes).
2. France appropriates 15% of the CFA notes it prints: the notes are printed in Chamalières, Auvergne. However, before being put into circulation, the currency must receive a serial number and be signed by the president of the central bank of the African area concerned. France would therefore have no interest in keeping portions without legal value. |
3. The CFA allows France to finance its debt: This idea comes from the fact that the countries using the CFA must deposit 50% of their reserves at the Banque de France (the rate was 85% before 2005). However, these funds can be withdrawn at any time, and the investment is remunerated at a rate higher than that currently offered by the financial markets: 0.75%. The idea that France would reinvest the money deposited by African countries does not make sense, especially at a time when the interest rates set by the big central banks are nil or even negative.

Report based on source: 'Franc CFA, un terreau propice aux mensonges, infox et rumeurs'. Jeune Afrique, 17 June 2019 by Olivier Marbot

https://www.jeuneafrique.com/mag/788934/economie/franc-cfa-un-terreau-propice-aux-mensonges-infox-et-rumeurs/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-17-06-19

New ECOWAS currency: Only some countries ready for the proposed launch of the "Eco" by 2020

West African countries that meet the convergence criteria will have to decide together whether to adopt Eco as a common currency by 2020, declared Ivorian President Alassane Ouattara on 9 July after an interview in Paris with Emmanuel Macron. "ECOWAS Heads of State (Economic Community of West African States) have decided that together, at 15, we will put in place a new currency called Eco. In the long term, the CFA franc will be called the Eco," said Alassane Ouattara from Paris, commenting on the decision announced on 29 June at an ECOWAS summit in Abuja to adopt the common currency. "We hope that it can be done as soon as possible, it is the wish of the populations".

But all will not be able to adopt this new currency in 2020, underlined the Ivorian president. "It depends on the will of each state. Côte d'Ivoire meets the convergence criteria for 2020, others respect them, but many countries do not respect them," he said. "The convergence criteria, principally in terms of good management, good governance, control of deficits and mastery of the debt, should be achieved by all countries before they participate," he warned.

Report based on source: 'Monnaie unique de la CEDEAO : pour Alassane Ouattara, une partie des pays seront prêts à adopter « Eco » en 2020'. Jeune Afrique, 9 July 2019, by JA and AFP

<https://www.jeuneafrique.com/801269/politique/monnaie-unique-de-la-cedeao-une-partie-des->

NEPAD becomes the African Union Development Agency (AUDA-NEPAD)

The Executive Council of the African Union has ratified the statutes, rules of procedure and the structure of the African Union Development Agency (AUDA-NEPAD), which officially takes over from the NEPAD Agency. These decisions were endorsed at the 35th Ordinary Session of the Executive Council in Niamey on 4 and 5 July 2019. AUDA-NEPAD, which now has a clearly defined mandate and legal identity, becomes the first development agency of the African Union.

At the centre of the continent's transformation efforts since its establishment in the early 2000s, NEPAD (New Partnership for Africa's Development) was born out of a vision of its founding fathers; that of a prosperous, culturally diverse but interconnected Africa. The birth of NEPAD was the first tangible manifestation of the willingness of African states to take up leadership on the theme of the continent's development. This revitalisation of the Pan-African creed has been coupled with a pragmatic approach to regional integration, emphasising the regional economic communities, and making them the focal point for policy definition and coordination.

Ibrahim Assane Mayaki, CEO of AUDA-NEPAD, said: "This transformation recognises the role of AUDA-NEPAD at the heart of the African Union's Pan-African development strategies. The Agency will play an important role in promoting coordination at the heart of AU forums by providing advisory services and technical assistance to African Union Member States and Regional Economic Communities. AUDA-NEPAD intends to play a catalytic role for the integration of Africa, notably through the implementation of the continental free-trade area of the AU. Learn more at

www.nepad.org

Report based on source: 'Le NEPAD devient officiellement l'Agence de développement de l'Union africaine (AUDA-NEPAD)'. Agence Ecofin, 9 July 2019 by Nepad

https://www.agenceecofin.com/investissements-publics/0907-67690-le-nepad-devient-officiellement-l-agence-de-developpement-de-l-union-africaine-auda-nepad?utm_source=newsletter_10565&utm_medium=email&utm_campaign=ecofin-mines-09-07-2019

Elumelu announces partnership with UNDP to form 100,000 entrepreneurs over 10 years

Nigerian billionaire Tony Elumelu, in partnership with the United Nations Development Program (UNDP), is launching a new initiative to help form and support 100,000 African entrepreneurs. This was announced last week by the Tony Elumelu Foundation (TEF) at the AU summit held last week end in Niamey, capital of the Republic of Niger.

According to the TEF news release, the new program will target young African entrepreneurs from disadvantaged communities in the Sahel. It will reduce unemployment and underdevelopment whose level in the region contributes to fuelling terrorism and violence.

Extending over 10 years, the "TEF-UNDP Program for Entrepreneurship of Young Entrepreneurs of the Sahel", is part of an initiative to eventually create 10 million jobs in Africa for an annual revenue of some \$ 10 billion. It will allow selected applicants to benefit from a non-repayable start-up capital of up to \$ 5,000, access to mentors, 12-week business training and networking opportunities.

According to figures provided by the institution (<https://www.tonyelumelufoundation.org/>), five years ago, the TEF launched a US\$100 million program to support 10,000 African entrepreneurs. Expected to also extend over 10 years, according to TEF, the program has already reached nearly 7,500 entrepreneurs across the 54 African countries,.

Report based on source: 'Sahel: Tony Elumelu annonce un nouveau partenariat avec le PNUD pour appuyer 100 000 entrepreneurs en 10 ans'. Agence Ecofin, 8 July 2019 by Moutiou Adjibi Nourou <https://www.agenceecofin.com/economie/0807-67675-sahel-tony-elumelu-annonce-un-nouveau-partenariat-avec-le-pnud-pour-appuyer-100-000-entrepreneurs-en-10-ans>

Islam's place in West Africa?

Islam has such a structuring role in the daily life of our West African societies that it is necessary to take important and concrete steps to avoid leaving this religion in the hands of extremists.

Religion, in general, has a role and a certain influence within human groups. This influence is likely to affect the organisation, operation and even management of society, which thus necessarily gives it an equally political dimension. In many democracies, political organisations have clearly established and accepted religious references. In Germany, the dominant party is still a party called "Christian Democrat". In the United States, the president swears an oath on the Bible. In Turkey, Morocco or Tunisia, parties with Islamic reference exercise or participate in power. Religion is thus associated with the exercise of power in many places.

The social role of Islam is deduced from the fact that millions of citizens agree to submit to its rules, to organise their existence according to the dogmas of religion, to have social relations placed under the religious prism, creating personal relationships with others strictly in the context of what is prescribed by religion. Islam is therefore of major importance in our societies. In Mali for example, and in West Africa in general, Islam undeniably has a social and political role.

However, how can this role be a factor of stability, prosperity and harmony? How can this political role be reconciled with the functioning of communities and secular states? How can shocks and conflicts be avoided, or at least minimised such that communities can stabilise and thrive?

These issues are crucial, and only appropriate responses will lead to security and stability in the medium and long term.

Report based on source: 'Quelle place pour l'islam en Afrique de l'Ouest?'. Jeune Afrique, 8 July 2019 by Moussa Mara https://www.jeuneafrique.com/800711/societe/tribune-quelle-place-pour-lislam-en-afrique-de-louest/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-09-07-19

Trump administration unveils its new Africa strategy — with wins and snags

Karen Dunn Kelley, the deputy U.S. secretary of commerce, speaking at the opening ceremony of the U.S.-Africa Business Summit on 19 June in Maputo, Mozambique presented a blunt Trump administration's message to Africa: Choose the United States over China and Russia.

Officials announcing the details of that policy challenge on Wednesday in the southern African nation of Mozambique, urged hundreds of African business leaders at an economic conference to ramp up partnerships and trade with American companies.

“U.S. firms deliver unrivalled value,” Deputy Secretary of Commerce Karen Dunn Kelley told the crowd. “Yet we have lost ground to the increasingly sophisticated — but too often opaque — business practices of foreign competitors”. The White House’s solution is Prosper Africa, a new effort that shifts American focus on the continent from aid to industry. The \$50 million program will offer technical help to companies looking to enter or grow in Africa, a market in which Americans are missing out. Kelley added that “U.S. exports to Africa have dropped by nearly a third since their 2014 high... [but] the US administration is now seeking to reverse that trend by searching for business opportunities, trying to reduce trade barriers, connect firms to financing and guiding them through bureaucracy, among other commerce-boosting tactics”.

The U.S. International Development Finance Corp. , a government agency that will begin operating in October 2019, following a bipartisan congressional push, will double the amount of money available for American investment in low-income countries, including some in Africa.

The specifics of President Trump’s Africa Policy emerged some six months after national security adviser John Bolton announced that the administration was switching gears on the continent — with an emphasis on countering the rising influence of China and Russia. “The ‘predatory practices’ of those rivals threaten the financial independence of African nations by strapping them with debt”, he said in December, thus squashing opportunities for the US to expand its economic footprint. “They are deliberately and aggressively targeting their investments in the region to gain a competitive advantage over the US” Bolton said mentioning China 14 times. The condemnation received mixed reviews in Africa, where China is generally popular as the continent’s biggest trading partner and Russia is making aggressive inroads.

“Say what you want about what the Chinese are doing in Africa, but their leaders do make the effort to go there and build personal relationships,” said Eric Olander, managing editor of the China Africa Project, a news site in Shanghai. Trump, on the other hand, has not once visited the continent. Gyude Moore, a Liberian former minister of public works, said that the United States’ new strategy in Africa is considered a positive step but that the absence of political star power at its announcement was insulting.

Senegal’s capital, Dakar, Abdoulaye Niang, 42, sells pots and pans. Chinese characters and French words dominate signs. People communicate with body language and in Wolof, Senegal’s mother tongue. “A lot of the Chinese people here speak [Wolof],” he said. “I don’t know any Americans who do. [on Trump...] I don’t think Africa truly interests him,” Niang said. “All he cares about is money”.

Report based on source: ‘Trump administration unveils its new Africa strategy — with wins and snags’. The Washington Post, 19 June By Danielle Paquette
https://www.washingtonpost.com/world/trump-administration-unveils-its-new-africa-strategy--with-wins-and-snags/2019/06/19/c751be4c-91f5-11e9-956a88c291ab5c38_story.html?utm_term=.00d34f65be48

At last... Nigeria ratifies the CFTA (or Zlec) (Africa’s Continental Free Trade Agreement)

Niamey, capital of Niger, will remain in the annals of African political history as the cradle of Africa’s inaugural Continental Free Trade Agreement (CFTA or Zlec = Zone de libre-échange continentale), aimed at strengthening trade between African countries.

On 7 July, at the opening of the AU conference in Niamey, Nigerian Head of State Muhammadu Buhari ratified the agreement; the President of Benin doing the same. The number of countries that have ratified the agreement is now 27 out of 54 potential signatories, well above the threshold for

approval, which is 22. The trading zone incorporates a population of some 1.2 billion people, with a monetary exchange volume estimated at more than US\$ 3 trillion.

Report based on source: 'Le Nigeria signe enfin l'accord sur la Zlec'. Agence Ecofin, 7 July 2019 By Ali Moka Iboussi <https://www.agenceecofin.com/politique/0707-67644-le-nigeria-signé-enfin-l'accord-sur-la-zlecaf>

The CFTA is launched but the most difficult is yet to come

Meeting Sunday 7 July in Niamey, the Heads of State of the African Union officially launched the first operational phase of the agreement on the Continental Free Trade Area (CFTA or Zlec). But many aspects remain to be negotiated.

No one knows if it was planned, but just before the host, Niger's President Mahamadou Issoufou, delivered his closing speech, Eritrean ambassador to Ethiopia, Semere Russom, made a point of speaking. "We are ready to sign the free trade agreement. The AU will soon send a group of experts to discuss the issue with our relevant ministries". After the signing of the agreement by Benin and Nigeria on Sunday morning, Eritrea had been the only country on the continent that had not signed the agreement to create the CFTA. In addition to signing, twenty-seven countries have ratified it to date. Several countries announced that they would also deposit documents of ratification in the coming days.

Further, the continent's heads of state formalised the launch of the first operational phase of the agreement. The creation of five operational instruments has been endorsed. These are the

1. "Rules of Origin",
2. "Tariff Concessions in Goods Trading",
3. "On-Line Mechanism for Monitoring and Removing Continental Non-Tariff Barriers",
4. "The Pan-African Platform for Payments and Digital Settlements (Papss) ", and
5. "The African Trade Observatory ".

The CFTA will also have its "council of ministers", made up of African trade ministers, charged with ensuring the implementation of the agreement. It will meet at least twice a year.

Report based on source: 'Union africaine : la Zlec est lancée mais le plus dur commence'. Jeune Afrique, 8 July 2019 by Vincent Duhem https://www.jeuneafrique.com/800333/economie/union-africaine-la-zlec-est-lancee-mais-le-plus-dur-commence/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-08-07-19

Glencore paid \$5.7bn in taxes, royalties to governments in 2018

"Our activities within our operating countries enable governments to monetise their natural resources. Governments can use tax and royalty payments to provide its citizens with services and infrastructure that improve their quality of life," CFO Steve Kalmin said on Monday.

Australia received the highest payment of \$1.1 billion. Glencore paid the Democratic Republic of the Congo \$593 million, Peru \$580 million, Kazakhstan \$357 million, South Africa \$185 million, Chile \$277 million and Colombia \$273 million.

Report based on source: 'Glencore paid \$5.7bn in taxes, royalties to governments in 2018'. Mining Weekly, 1 July 2019 by Marleny Arnoldi https://www.miningweekly.com/article/glencore-paid-57bn-in-taxes-royalties-to-governments-in-2018-2019-07-01/rep_id:3650

Cameroon, DRC and Mauritania among the most 'fragile' countries according to Coface

"The global situation is getting worse", is essentially the conclusion of Ruben Nizard, the credit insurance expert from Coface (a worldwide leader in credit insurance, offering companies solutions to protect them against the risk of financial default of clients). At a Coface convention in Paris on 4 July, Ruben Nizard, an economist specialising on Africa, unveiled the latest edition of his company's 'Index of Political and Social Fragility in Africa'.

In presenting the Coface report, Nizard proposed that in view of the recent Algerian and Sudanese "Arab Spring", other mobilisation movements of this type cannot be ruled out in Sub-Saharan Africa.

"As the events of 2011 in North Africa and the Middle East have shown, in a context of progress in the instruments of mobilisation (Internet access, demographic pressure ...), the exasperation of deprived populations fuelled by socio-economic pressures, and unemployment and endemic poverty in particular, exposes some countries of the continent to a risk of future instability," detailed Ruben Nizard.

Updated annually, Coface's Political and Social Fragility Index focuses on ten countries to watch in the near future: Angola, Cameroon, Djibouti, Egypt, Ethiopia, Mauritania, Uganda, the DRC, Chad, and Mozambique, where a general election is set for next October.

Report based on source: Investissements : le Cameroun, la RDC et la Mauritanie parmi les pays « fragiles », selon Coface'. Jeune Afrique, 4 July 2019 by Marjorie Cessac

https://www.jeuneafrique.com/798746/economie/investissements-le-cameroun-la-rdc-et-la-mauritanie-parmi-les-pays-fragiles-selon-coface/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-04-07-19

Five infrastructure projects that showcase Africa's development progress

Transport, energy, real estate ... in the last few years and at the cost of billions of dollars, African countries have worked diligently at overcoming one brake to their development; their lack of infrastructure. Today, the sector is increasingly becoming a lever for growth and the proliferation of infrastructure projects recorded across the continent in recent years, confirms the trend. In several parts of the continent, we are witnessing the launch or resurrection of significant projects, of which five are iconic:

1. DRC-Congo: The bridge between Kinshasa and Brazzaville, with an US\$550 million agreement signed late 2018 between The Republic of Congo and the Democratic Republic of Congo. The bridge will link the national capitals that are the closest in the world and will have a railway line, two lane road, a walkway and passport control buildings at each end.
2. Egypt: The "Sisi city" is beginning to take shape. It is to be the future capital of the country of pharaohs as proposed by President Abdel Fattah el-Sisi back in 2015.
3. Burkina Faso: Possibly the largest solar farm in Sub-Sahara Africa (130,000 panels) and its associated hybrid 57 MW power station came into operation in late 2018, furnishing adequate electricity to run the Essakane Goldmine and surrounding villages. [Note: Morocco's Noor Complex Solar Power Plant located in the Sahara Desert has a capacity of 580 MW and is expected to provide electricity to over 1 million people once completed in 2020].

4. Kenya-Ethiopia: The 1,068 km, 2,000 MW powerline between Kenya and Ethiopia, being built at a cost of some US\$1.3 billion is nearing completion and should be reticulating affordable electricity to large sectors of the population of each country by the end of 2019.
5. Mozambique: In 2017, Mozambique inaugurated the logistics corridor of Nacala. At a cost of more than \$ 4 billion, the infrastructure transports coal from the western province of Tete through a part of Malawi and on to the Nacala Port Terminal over some 900 km of railroad. The port, which intends to compete with that of Durban in South Africa and that of Mombasa in Kenya, was achieved with the support of groups Vale and Mitsui, each holding a 35% stake in the port infrastructure.

These projects contribute to the unification of the continent and serve as an example of successful cross-border infrastructure projects in Africa. In addition, while African countries continue to rely on development aid, the trend appears to be increasingly reversed in the infrastructure finance sector. According to Deloitte and contrary to popular opinion, African countries are the first donors of their infrastructure projects. The company reports that in 2018, 24.5% of the projects listed (118) are funded by African governments, ahead of China with 18.9% of projects (91).

However, some disparities persist across the regions. In East Africa, for example, 25.9% of major infrastructure projects are financed by China, this situation is mainly due to the strategic importance of the region for the Chinese project of the new Silk Road. In addition, 54.7% of East African infrastructure project work is carried out by Chinese companies themselves, to the detriment of local private companies which are contracted to carry out only some 11.5%.

Report based on source: 'Investissements / Infrastructures: 5 grands chantiers qui illustrent le décollage de l'Afrique'. Ecofin Hebdo, 14 June 2019 by Moutiou Adjibi Nourou
https://www.agenceecofin.com/hebdop3/1406-66960-infrastructures-5-grands-chantiers-qui-illustrent-le-decollage-de-l-afrique?utm_source=newsletter_10441&utm_medium=email&utm_campaign=ecofin-hebdo-n-082-semaine-du-14-au-21-juin-2019

Botswana

A political family feud in Botswana

The essentials: A feud between Botswana's former president and his hand-picked successor has the potential to upend the country's political scene just months before new elections.

The background: Last year, in a unique Botswanan political custom, President Ian Khama handed over power a year ahead of the country's elections. His predecessor, Festus Mogae, had done the same — offering Khama the opportunity to consolidate his hold on the office and the political establishment a year ahead of national elections.

Khama did the same for his chosen successor, Mokgweetsi Masisi, who took over the office last April. But rifts appeared almost immediately between the two as Masisi began to reverse some of Khama's signature policies and fire some of his political allies, including the former spy boss Isaac Kgosi. Now Khama has very publicly split with his successor, leaving the ruling Botswana Democratic Party, which his father founded. And he has been on a very public campaign to undermine Masisi ahead of scheduled elections in October that will determine whether Masisi can secure his hold on power.

The good: Khama's defection might actually open up democratisation in a country that has been dominated by the BDP. His new party, the Botswana Patriotic Front, might reflect a deeper split in the BDP and begin to siphon off the party's leaders and its voters.

The bad: But it's not clear whether the BPF really represents a break from the past. While Botswana has been one of the region's most stable democracies, Khama showed a worrying authoritarian streak. So, there's some reason to wonder whether this is a power grab of his party to reassume control. The wrangling might also compel Masisi to consolidate his hold on political power, though he's been content to largely keep silent at the moment and leave his fate to voters.

Report based on source: 'A political family feud in Botswana'. Africa Insiders' Newsletter #65, 18 June 2019

Cameroon

300 new mining sites over the last five years

As a prelude to the Cameroon International Mining Expo (CIME) to take place on 2 to 4 September 2019, Dodo Ndocké, Minister of Mines, highlighted that three hundred new sites of mineralisation had been identified and catalogued over the last five years. These sites are located in the eastern and western Adamawa, North and Central regions and include gold, zinc, RRE, uranium, nickel, rutile and manganese.

These findings were made in the context of the Capacity Building in the Sector Project (Precasem), a program financed by the World Bank. In 2017, the Cameroonian government had launched a program of geological and geochemical mapping in six regions of the country (Adamawa, Center, East, Littoral, North West and South West).

The mapping and on-the-ground research had been entrusted to the BRGM, the Cameroonian company BEIG3 and the Finnish company GTK. This fieldwork followed up a 2014 airborne geophysical survey covering an area of 160 000 km² distributed over six regions of the country (North, Adamawa, West, East, Littoral and Center). All activities had been aimed at assessing the mining potential of Cameroon, where only 40% of territory had been surveyed at the time of Precasem's launch.

Report based on source: '300 nouveaux sites miniers découverts au Cameroun, ces 5 dernières années'. Agence Ecofin, 17 June 2019 By Brice R. Mbodiam <https://www.agenceecofin.com/gestion-publique/1706-66995-300-nouveaux-sites-miniers-decouverts-au-cameroun-ces-5-dernieres-annees>

DRC

DRC-China: Felix Tshisekedi bypasses Moses Ekanga, close to Joseph Kabila

In Beijing in late June 2019, Felix Tshisekedi expressed his willingness to continue and to strengthen Sino-Congolese cooperation through a more formal arrangement, rather than through the currently nebulous parastatal structure presently led by a businessman close to Joseph Kabila.

In rivalry with the United States on the African continent, China does not neglect its relations with the Congolese presidency. Chen Xiaodong, Deputy Foreign Minister, discreetly met with Felix Tshisekedi on 11 June in Addis Ababa and handed him a letter from President Xi Jinping inviting him to Beijing. The meeting, which lasted more than an hour, was attended by Franck Mwe di Malila, the Acting Congolese Minister of Foreign Affairs, and Christian Atoki Ileka, its Permanent Secretary.

The Congolese head of state stated he wanted to review the details of the bilateral cooperation. At present this bilateral cooperation between China and the DRC is managed by the 'Bureau de coordination et de suivi du programme sino-congolais' (The Office of coordination and follow-up of the Sino-Congolese program or BCPSC), an 'opaque' parastatal structure run by the businessman Moïse Ekanga, close to Joseph Kabila. President Tshisekedi stated that he favoured a more formal arrangement, and the Chinese were apparently in agreement with the president's resolve.

Report based on source: 'RDC-Chine : Félix Tshisekedi court-circuite Moïse Ekanga, proche de Joseph Kabila'. Jeune Afrique, 17 June 2019 by JA
https://www.jeuneafrique.com/mag/788995/politique/rdc-chine-felix-tshisekedi-court-circuite-moise-ekanga-proche-de-joseph-kabila/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-17-06-19

Egypt

French anti-tank missiles (made in USA) found in a pro-Haftar base by Tripoli fighters

The French Ministry of the Armed Forces confirmed the origin of anti-tank weapons seized from anti-government forces. Three American-made Javelin antitank missiles and seven Chinese-made Norinco GP6 laser-guided artillery projectiles were presented to journalists in Libya. The weapons were identified by a specialist in defence issues, Arnaud Delalande, contacted by AFP. The French ministry denied having violated an embargo in force in the country since 2011.

At a cost of US\$ 170,000 dollars (about AUD 250,000) per unit, the missiles were seized at the end of June by forces loyal to the Tripoli government in an abandoned base of the Libyan National Army fighters in the city of Gharian.

How could French-made American and Chinese missiles be found in a base of the anti-Tripoli Government fighters led by Field Marshal Khalifa Haftar? In an investigation published in its edition of Tuesday, 9 July, the New York Times revealed that the four anti-tank Javelin missiles had been bought by France in the United States, which the French Ministry of the Armed Forces recognised.

The missiles "actually belong to the French armies, which bought them in the USA. We confirmed it to our American partners", stated the French Ministry of the Armed Forces. Paris, however, denies having violated the arms embargo on Libya. According to the ministry, these weapons were intended for "the self-protection of a French detachment deployed for counterterrorism intelligence purposes". According to Paris, they were "damaged and useless" and would have been there because they were being temporarily stored in a depot before being destined for destruction".

Report based on source: 'Libye : des missiles de l'armée française retrouvés sur une base de combattants pro-Haftar'. Le Monde, 10 July 2019 By Le Monde with AFP
https://www.lemonde.fr/afrique/article/2019/07/10/libye-des-missiles-appartenant-a-la-france-aux-mains-des-forces-antigouvernementales_5487736_3212.html

and

'Libye: découverte de missiles américains sur une base pro-Haftar selon le GNA'. Jeune Afrique, 30 June 2019 by JA and AFP https://www.jeuneafrique.com/796051/politique/libye-decouverte-de-missiles-americains-sur-une-base-pro-haftar-selon-le-gna/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-01-07-19

Kenya

Kenya signs milestone crude processing deal with oil firms

The Kenyan government has signed agreements with oil majors Total, Tullow Oil and Africa Oil Corp to develop a 60,000-80,000 barrels per day crude processing facility for oil discovered in the country's northwest.

In addition to the processing facility, a crude oil export pipeline from Lokichar to Lamu on Kenya's coast was also part of the deal and the Petroleum and Mining Ministry stated on Tuesday that the heads of term agreements were for discoveries in Blocks 10 BB and 13T in South Lokichar Basin and that the partners were now focusing on securing financing for the export pipeline. Tullow and Africa Oil first discovered crude oil in the Lokichar basin in 2012, a basin that Tullow Oil estimates contains some 560 million barrels in proven and probable reserves. Tullow has said this would translate to some 60,000 to 100,000 barrels per day of gross production.

"The infrastructure installed at the Foundation Stage will be utilised for the development of the remaining oil fields and future oil discoveries in the region, allowing for the incremental development of these fields to be completed at a lower unit cost," Tullow Kenya said in a statement.

Tuesday's deal is a major milestone on the way to a final investment decision on Kenya's first oil project, which Tullow aims to reach by the end of the year. It expects first full-scale oil production in 2022.

Report based on source: 'Kenya signs milestone crude processing deal with oil firms'. Reuters, 25 June 2019 By George Obulutsa, Duncan Miriri and Shadia Nasralla

<https://in.reuters.com/article/kenya-oil/update-1-kenya-signs-milestone-crude-processing-deal-with-oil-firms-idINL8N23W3QL>

Mozambique

Anadarko announces Mozambique LNG Final Investment Decision

Anadarko Petroleum Corporation (NYSE: APC) and the co-venturers in Mozambique's Offshore Area 1, announced on 18 June that a Final Investment Decision (FID) on the Anadarko-led Area 1 Mozambique LNG project had been taken. This official declaration of FID confirms the Area 1 Plan of Development is now effective with notice provided to the Government of Mozambique that all conditions precedent have been fulfilled, and the project can now advance to the construction phase.

Present at the sanctioning event at which the announcement was made, His Excellency the President of the Republic of Mozambique Filipe Nyusi stated, "This is a historic day for the people of Mozambique... Today's sanctioning of the Anadarko-led Area 1 Mozambique LNG project solidifies a path toward the creation of thousands of jobs for our people, significant economic growth for our nation, and the potential to be one of the world's largest providers of cleaner energy for decades to come. It is truly one of the most important and transformational projects in our country's history."

Previously announced, the Anadarko-led Area 1 Mozambique LNG project has been designated as "First Mover" by the Government of Mozambique, meaning Area 1 will also be responsible for constructing the support facilities to be shared between Area 1 and Area 4 projects, which will include the Materials Offloading Facility and the LNG Marine Terminal. In addition, Area 1 has

approximately 5,000 workers on-site, progressing works associated with the construction of a resettlement village, camp expansion, airstrip, and Palma-Afungi Highway.

Following the ceremony on 18 June, the project expects to soon issue Notices to Proceed under the terms of the previously executed engineering, construction, procurement and installation contracts and finalise financing.

Report based on source: 'Anadarko announces Mozambique LNG Final Investment Decision'.
Anadarko announcement, 18 June 2019, <http://investors.anadarko.com/2019-06-18-Anadarko-Announces-Mozambique-LNG-Final-Investment-Decision>

Nigeria

Power company wants to seize US\$9 billion from Nigerian government assets, 20% of its foreign reserves!

Process and Industrial Developments Ltd (P & ID), a company based in the British Virgin Islands, asked the UK Commercial Court in London the right to seize US\$ 9 billion (AUD 12.8 billion and equivalent to 20%) of Nigeria's total foreign reserves.

In 2010, the Nigerian government had signed a gas delivery agreement with P&ID to build and operate a processing plant in the city of Calabar, on the south coast of the country. The plant was never built because the government unilaterally broke the agreement, while P&ID ineffectively tried to mobilise resources to try and begin construction.

The company's officials took the case to an arbitration tribunal in 2013 which awarded US\$ 6.6 billion to the company for breach of contract by the Nigerian Government, an amount equivalent to the estimated benefits that P&ID would have made over the 20 years of the agreement. The US\$ 9 billion requested today correspond to the initial amount of 6.6 billion together with interest generated since 2013.

Nigeria has tried to have the 2013 award annulled, arguing that it was not subject to international arbitration, but the UK courts have rejected this argument. P&ID has requested the Commercial Court to convert arbitration into judgment, which would give the company access to a seizure of international assets, a situation that may affect the attractiveness of Nigeria for investors, most especially in the present energy context, with new policies increasingly oriented towards the gas market.

According to the Nigerian press, a source close to the Nigerian President reportedly said the government was fully aware of the danger, but remains optimistic for an amicable resolution of the problem before the courts.

Report based on source: 'Une compagnie énergétique veut saisir jusqu'à 9 milliards de dollars d'actifs du gouvernement nigérian'. Agence Ecofin, 14 June 2019 By Olivier de Souza
<https://www.agenceecofin.com/compagnies/1406-66954-une-compagnie-energetique-veut-saisir-jusqu-a-9-milliards-de-dollars-d-actifs-du-gouvernement-nigerian>

Senegal / Mauritania

Greater Tortue Ahmeyim-1 Well Expands Natural Gas Resource Potential Offshore Mauritania and Senegal

Kosmos Energy (NYSE: KOS, LSE: KOS) announced 1 July 2019, that the Greater Tortue Ahmeyim-1

well (GTA-1), drilled on the eastern anticline within the unit development area of Greater Tortue, has encountered approximately 30 meters of net gas pay in high-quality Albian reservoir. The Greater Tortue Ahmeyim LNG project is on track to deliver first gas in the first half of 2022, and the well (which has been designed as a future producer) will be used to further optimise the development drilling plans for the BP-operated project.

Commenting on the results of the GTA-1 well, Chairman and Chief Executive Officer Andrew G. Inglis said: "The GTA-1 well confirms our expectation that the gas resource at Greater Tortue Ahmeyim will continue to grow over time and could lead to further expansion of this world-scale 10 MTPA LNG project. In addition, Kosmos' process to sell down its interest to 10 percent has received considerable interest from the industry, with initial bids expected over the summer, and transaction conclusion anticipated by year end."

Located offshore Senegal the GTA-1 well was drilled in approximately 2,500 meters of water, approximately 10 kilometres inboard of the Guembeul-1A and Tortue-1 wells, to a total depth of 4,884 meters.

The Ensco DS-12 rig, working on behalf of the operator BP, will now drill the Yakaar-2 appraisal well in Senegal, which is expected to spud in the coming weeks, before drilling the Orca-1 exploration well in Mauritania, which is expected to spud late in the third quarter.

Partners in the cross-border Greater Tortue Ahmeyim project, located offshore Mauritania and Senegal, include SMPHM, Petrosen, BP, and Kosmos.

Report based on source: 'Greater Tortue Ahmeyim-1 Well Expands Natural Gas Resource Potential Offshore Mauritania and Senegal'. Kosmos News Release details, 1 July 2019

<http://investors.kosmosenergy.com/news-releases/news-release-details/greater-tortue-ahmeyim-1-well-expands-natural-gas-resource>

Somalia

In September, the International Court of Justice will look into the maritime dispute between Somalia and Kenya

Between 9 and 13 September 2019, the International Court of Justice (ICJ) in The Hague will examine a dispute between Somalia and Kenya over a maritime area potentially rich in oil and gas. The hearing will be broadcast live in English and French on the ICJ website and feature on the UN online television channel.

Somalia took the case to the ICJ in August 2014 and requested to have its maritime boundary with Kenya redrawn along an oblique line to the southeast as an extension of the land border. Kenya on the other hand, tried to convince its neighbour to come to a friendly settlement, arguing that the border should extend offshore to the east along a parallel of latitude.

If Somalia wins the case, it would legally claim ownership of an additional triangle of continental shelf covering some 100,000 km² of highly hydrocarbon-prospective offshore, the zone being located on the same trend as the largest gas discoveries made off Mozambique.

In the last few weeks, Somalia has allocated blocks in that area (see below), reigniting the quarrel between the two sides and angering the Kenyan leader, who recalled his ambassador to Somalia and suspended bilateral cooperation.

Report based on source: 'En septembre, la Cour internationale de Justice va se pencher sur le différend maritime entre la Somalie et le Kenya'. Agence Ecofin, 4 July 2019 By Olivier de Souza <https://www.agenceecofin.com/exploration/0407-67582-en-septembre-la-cour-internationale-de-justice-va-se-pencher-sur-le-differend-maritime-entre-la-somalie-et-le-kenya>

Somalia announces Shell, ExxonMobil deal

The Ministry of Petroleum and Mineral Resources of the Federal Republic of Somalia has announced that it has reached a historic agreement with a Shell/ExxonMobil joint venture. This agreement paves the way for the next stage in the development of the country's natural resources following the passing of the petroleum law by the Federal Parliament on 20 May 2019.

The agreement was signed in Amsterdam on 21 June 2019 and settles issues related to surface rentals and other incurred obligations on offshore blocks that were previously under 'force-majeure' during the civil war. In addition, both parties have agreed to launch a common roadmap enabling prior agreed concessions to be converted into production sharing agreements (PSA) under the provisions of petroleum law.

Abdirashid Mohamed Ahmed, the Minister of Petroleum and Mineral Resources, said, "We urge all prior concession holders to follow the commendable example set by Shell and ExxonMobil. The ministry is committed to continue the excellent relationships it has with all partners and prior concession holders." "Our objective is to continue to develop a commercial framework which makes Somalia a highly attractive destination for investment in the natural resources industry, particularly given the potential scale of the reserves to be opened up," he added.

Report based on source: 'Somalia announces Shell, ExxonMobil deal'. Oil Review Africa, 8 July 2019 By Oil Review <http://www.oilreviewafrica.com/downstream/downstream/somalia-announces-shell-exxonmobil-deal>

Sudan

Army claims to have foiled coup attempt

"A coup attempt" has been thwarted in Sudan, a representative of the ruling Military Council said since the fall of Omar al-Bashir in April, when an agreement with the protesters on the transition was to be signed in the next few days. "Army officers and soldiers, as well as members of the National Intelligence Service, some of whom were retired, have tried to carry out a coup," General Jamal Omar said in a speech broadcast live on national television, on the evening of 11 July 2019.

"The army has managed to thwart the attempt," said the general, adding that 12 officers and 4 soldiers had been arrested, without specifying when this attempt had taken place. An investigation is underway to determine who was behind it, he said.

In the meantime, and with several sources of 'fake news' interfering with any real information, an agreement is slowly coming together on a transfer of power to civil-military rule after a transitory period of military control over the next eighteen months.

Report based on source: 'L'armée affirme avoir déjoué une tentative de coup d'État'. Jeune Afrique, 11 July 2019 By JA with AFP <https://www.jeuneafrique.com/802257/politique/soudan-larmee-affirme-avoir-dejoue-une-tentative-de-coup-detat/>

Tunisia

René Trabelsi: "The vigilante plan against terrorism has been strengthened"

Tunisians are worried about the economic consequences of the two attacks that hit Tunis on Thursday 27 June 2019. Since the bloody attacks that killed 60 people in the Bardo Museum and on a beach in Sousse in 2015, strong security measures have been taken in tourist areas.

In November 2018, Rene Trabelsi, the co-organiser of an annual pilgrimage to the oldest synagogue in Africa, was named Minister of Tourism this week, Tunisia's first Jewish minister in decades. His appraisal of the situation and approach is simple, "... all our markets are improving, especially with English and Chinese tourists, and our goal is to attract 9 million by the end of 2019. The French market, which had 1.4 million visitors in 2010, had only 800,000 in 2018.

This year, we are aiming for the million. By June this year (before the summer holiday season), we had already counted some 340,000 French visitors. We are expecting many [to come to Tunisia] in July-August. Russian tourists are expected to number 750,000 this year, up from 625,000 last year.

The commitments to our tour operators are reassuring. The reopening of clubs like Club Med has also resulted in a rise in the number of tourists to our resorts. With 14% of GDP, 500,000 direct jobs and 2 million in indirect, this sector is vital for our Tunisian economy!

Report based on source: 'René Trabelsi: Le plan de vigilance contre le terrorisme a été renforcé'.

Jeune Afrique, 8 July 2019 By Camille Lafrance

<https://www.jeuneafrique.com/mag/799285/politique/tunisie-rene-trabelsi-le-plan-de-vigilance-contre-le-terrorisme-a-ete-renforce/>

Zambia

Is China really to blame for Zambia's debt problems?

Zambia's public debt has increased significantly in recent years, and concerns over a possible crisis have lately attracted the attention of Western media. On 3 September, a report by British business intelligence outlet, Africa Confidential, warned of escalating debt caused by allegedly unsustainable Chinese loans and claimed that Zesco, the state-owned national electricity company, has been in talks about a takeover by a Chinese company. The Zambian government refuted the allegations and denied the existence of plans for Zesco's privatisation.

In early August 2018, 16 US senators, led by Trump loyalist David Perdue, had sent a letter to the US Secretaries of Treasury and State, to warn against China's use of "debt-trap diplomacy" in order to advance the Belt and Road Initiative (BRI) and create a world economic order centred around the Asian superpower.

The senators wrote that China was pumping large loans for infrastructure projects into countries in Africa, Asia and Europe with the explicit purpose of leveraging the debt to influence national policies and gain control over strategic assets and resources. Their letter expressed concern over the role of the International Monetary Fund (IMF) in bailing out countries indebted to China and called for decisive action to stop the Chinese "hegemonic" project.

However, the reality of Zambia's debt tells a different story: China was and is not the only major player. As the Economist magazine wrote in September 2018, China probably holds a quarter to a third of Zambia's external debt. In recent years, Zambia joined several other African countries in borrowing US dollars through large Eurobond sales totalling some US\$3 billion on international markets controlled by Western institutions. Add to that, interest repayments and you have a tidy obligation to the Western powers! In fact, the Zambia government declared a staggering \$9.4bn of external debt in June this year, or 34.7 percent of GDP, up from \$1.9bn at the end of 2011, or 8.4 percent of GDP... with less than 30% being debt to the Chinese!

But while these figures are worrying, it is irresponsible to pour fuel on the fire. A debt default could open up opportunities for vulture funds and international creditors to take over the country's rich mineral and land resources and the few remaining parastatals that survived two decades of aggressive privatisation and public spending cuts imposed by the IMF and the World Bank from the 1980s to the mid-2000s.

It is a tragic irony that China is now being blamed by the West for allegedly doing exactly what the IMF has been doing for decades: providing unsustainable loans to countries in need which further plunge them into debt, weaken state capacity and open up national economies to international investors (primarily from Western countries). While China might be pursuing its own debt traps, they are certainly less experienced than the IMF when it comes to leveraging debt over heavily indebted countries.

The real story here is not that Zambia is - once again – being trapped by international creditors. Rather it is that the IMF and its Western allies are scared of losing their grip on Zambia and other African countries, threatened by the parallel economic system that China has built in recent years.

Lungu's blatant mismanagement of public finances and his increasingly authoritarian tendencies show that his stance is far from principled and is driven by desperation. However, Western criticism of the Zambian president is not well-intentioned either. The Western media has downplayed the fact that an eventual IMF bailout would come with hefty conditions, imposing further spending cuts and privatisations in an already downsized state.

And in the end, there is no evidence that suggests that an IMF program would be better than a Chinese deal.

Report based on source: 'Is China really to blame for Zambia's debt problems?'. Al Jazeera, 11 October 2018 By Patience Misusa (Note: The report includes a note to the effect that views expressed in this article are Ms Misusa's own and do not necessarily reflect Al Jazeera's editorial stance) <https://www.aljazeera.com/indepth/opinion/china-blame-zambia-debt-problems-181009140625090.html>

End report