

Australia-Africa Mining & Energy

News Brief

SUPPORTING AUSTRALIAN MINERALS AND ENERGY SUCCESS IN AFRICA

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Africa - General

Coal in Africa - Dirty and dumb?

The article in The Economist magazine of 27 July, claims that many coal projects in Africa make neither environmental nor financial sense. However, it must be considered that sub-Saharan Africa gets little of its power from coal, since, not counting South Africa that generates 93% of its electricity from coal, sub-Sahara boasts only 12 functioning coal-fired power stations and most are small, in any case. However, things are changing and Sub-Saharan governments plan to build dozens of new, much larger coal-fired power stations, according to Global Energy Monitor. Many are underpinned by Chinese investment... and maybe that is the trigger for our (Western) disapproval?

Nevertheless, the article rightly claims that African states should instead be improving transmission and distribution. Some countries propose hooking poor rural customers up to the grid, but this is expensive. It goes on to state that given how little power rural customers consume, providing remote villages with much cheaper power with off-grid solutions rather than bringing power from faraway power plants, may be more sensible.

If coal allowed the West to industrialise, why not Africa? ... Then again, Africa may be better off embracing 21st-century technology!

Report based on source: 'Coal in Africa – Dirty and Dumb'. The Economist Magazine, 27 July 2019

A gigantic market: 210,000 power micro-grids needed in the world

According to the World Bank, approximately 19,000 mini-power grids are already installed in 134 countries and territories, representing an investment of about \$28 billion. At present, Africa is home to about 1,500 mini-electric grids, and a further 4,000 new systems are planned to be implemented in the near future. Senegal and Nigeria are the top countries with a forecast of 1217 and 879 mini-networks respectively.

In recent years, the cost of setting up these mini-networks has decreased drastically and their quality improved significantly. The cost of setting up a kilowatt has decreased from US\$8,000 in 2010 to US\$3,900 in 2018. And if the decline in cost continues, it is expected to fall to below US\$3,000/kW by 2030. Moreover for the customer, the cost per kilowatt hour of energy produced by a mini-grid is currently US\$0.55. With the third generation of mini-networks currently in development, however, this cost will reduce to US\$0.41/kWh in 2020 and maybe US\$0.20/kWh by 2030.

The 490 million people in the world living in remote or disadvantaged regions needing connection to mini-networks will require more than 210,000 mini-networks and an investment of US\$220 billion by 2030. For Africa, this market represents an opportunity of more than US\$25 billion (AUD 35 billion) in profit, an opportunity that local African companies should be able to seize by forging partnerships with international companies.

Report based on source: 'Un gigantesque marché à la portée des entreprises locales : 210 000 mini-réseaux électriques à mettre en place'. Ecofin Hebdo, 18 July 2019 By Gwladys Johnson
https://www.agenceecofin.com/hebdop2/1807-67959-un-gigantesque-marche-a-la-portee-des-entreprises-locales-210-000-mini-reseaux-electriques-a-mettre-en-place?utm_source=newsletter_10628&utm_medium=email&utm_campaign=ecofin-hebdo-n-087-semaine-du-19-au-26-juillet-2019

10% of Nigeria's oil exports to go to India

The 10% of Nigeria's oil exports will now go to India in order to help India solve the country's growing energy crisis. This is a guaranteed minimum, as India imports between 700 and 800,000 barrels per day from Nigeria. "We will continue to support India's energy security challenge in every way possible. We are ready to make a firm commitment with Indian specialty services to provide a win-win energy scenario for both our countries," Said Mr. Kyari, during a visit by The Indian High Commissioner to Nigeria, Abhay Thakur, to the NNPC.

Recently, the two countries signed a Memorandum of Understanding to strengthen energy cooperation, which is expected to result not only in increased Indian imports, but also with the arrival of new Indian capital in the value chain in the energy sector.

India has traditionally been an important customer of the Nigerian energy market. In addition to oil, it imports more than 2 million metric tons of LNG per year from Nigeria.

It must also be noted that Nigeria has very important, and to date little exploited, coal resources that may very well compete with Australia's. We must therefore consider our position vis-a-vis our important neighbours and the importers of our primary resources, be it China with its Australian iron ore acquisitions or India, with its potentially future strong links with Australia through coal needs.

Report based on source: 'Le Nigeria consacra à l'Inde 10 % de ses exportations de pétrole pour l'aider à répondre à sa demande croissante'. Agence Ecofin, 19 July 2019 By Olivier de Souza
https://www.agenceecofin.com/trade/1907-68016-le-nigeria-consacrera-a-l-inde-10-de-ses-exportations-de-petrole-pour-l-aider-a-repondre-a-sa-demande-croissante?utm_source=newsletter_10626&utm_medium=email&utm_campaign=ecofin-mines-19-07-2019

ECOWAS prepares a common policy for the development and supply of petroleum products

Oil ministers from the countries of the Economic Community of West African States (ECOWAS) met in Niamey on Thursday 18 July, in order to validate the Hydrocarbon Development Policy so as to facilitate regional supply of petroleum products within that region of West Africa.

Report based on source: 'La CEDEAO prépare une politique commune de développement et d'approvisionnement en produits pétroliers'. Agence Ecofin, 19 July 2019 By Jean-Marie Nkoussa
<https://agenceecofin.com/distribution/1907-67995-la-cedeao-prepare-une-politique-commune-de-developpement-et-d-approvisionnement-en-produits-petroliers>

The very first “Invest in West Africa 2019” Forum in October

The very first forum dedicated to investment in West Africa will be held on 3 and 4 October in the Togo capital. This meeting will concentrate on the critical question of the West African private sector's access to finance.

According to data from the BAD bank and reported by Idrissa Nassa, President of Coris Group and principal sponsor of the forum, "for the period 2006-2016, the private sector accounted for nearly 40% of West Africa's GDP and for 30% of state budgets. These statistics are the basis for the claim that "the private sector represents undoubtedly the engine of inclusive growth and development on the African continent in general and West Africa, particularly".

Report based on source: ‘Le 1er forum « Invest in West Africa » aura lieu début octobre à Lomé’. Agence Ecofin, 15 July 2019 By Séna Akoda

https://www.agenceecofin.com/investissement/1507-67871-le-1er-forum-invest-in-west-africa-aura-lieu-debut-octobre-a-lome?utm_source=newsletter_10604&utm_medium=email&utm_campaign=ecofin-mines-16-07-2019

Mo Ibrahim: “Too many state leaders believe that that are irreplaceable!”

Formally a pioneer in mobile phones, the billionaire Mo Ibrahim is now the champion of good governance in Africa. From his native Sudan to Algeria or DR Congo, he understands that he has a difficult task ahead!

More than half a century after Mohamed Ibrahim left his native Nubia, he still likes to quote its sayings: "In my house, there is a very old saying that ‘You're born naked, you'll die naked’. One thing is certain: I will not take my Mastercard to the grave!”.

This electronics engineer built his fortune by creating the first mobile phone networks in Europe and then in Africa. In 2006, he sold his company, Celtel, for \$3.4 billion and begun his second life, as champion of good governance in Africa. He created a foundation, an index that evaluates countries according to their governance and a prize that became famous at \$5 million, with which he distinguishes the most virtuous former leaders of the African continent.

But few candidates have been able to claim the prize and, over the last twelve years, the award has only been awarded five times: To Joaquim Chissano (Mozambique), Festus Mogae (Botswana), Pedro Pires (Cape Verde), Hifikepunye Pohamba (Namibia) and Ellen Johnson Sirleaf (Liberia). In recent months, he has closely followed the fall of Omar al-Bashir in his country - "Wonderful!" he enthuses.

Report based on source: ‘Mo Ibrahim : « Trop de chefs d’État africains se croient irremplaçables »’. Jeune Afrique, 21 July 2019 By Anna Sylvestre-Treiner

<https://www.jeuneafrique.com/mag/806089/politique/mo-ibrahim-trop-de-chefs-detat-africains-se-croient-irremplacables/>

‘There will soon be an oversupply of power in Africa’... so claims a US representative!

The American electrification program for Africa has crossed the 10,000 MW mark but recent statements as to Africa soon reaching overcapacity are not easy to swallow. Nevertheless, it's not easy for Andrew Herscovitz, a Minister Counsellor in the Senior Foreign Service and Coordinator of the U.S. Government's Power Africa program, to represent the United States on the continent. Donald Trump's declarations on ‘shithole countries’ are still being talked about. In addition, the indifference of the American president to Africa is notorious - as is evidenced by the absence of a high-level American representative at the US-Africa Business Summit in Maputo in June 2019...

especially in comparison to China's, Russia's, Turkey's and others' insistence on presidential tours of the continent.

Report based on source: 'Power Africa – Andrew Herscowitz : « Il y aura bientôt un excédent de puissance installée'. Jeune Afrique, 21 July 2019 By Julien Wagner
<https://www.jeuneafrique.com/mag/805671/economie/energie-power-africa-andrew-herscowitz-il-y-aura-bientot-un-excedent-de-puissance-installee/>

Comoros

Tullow Enters Comoros Offshore

Multinational oil and gas exploration company Tullow Oil plc will in the next two months launch a bid to acquire 3,000 square kilometres 3D seismic survey after the firm successfully completed its entry into the Africa's east coast volcanic archipelago of Comoros.

"Tullow's entry into the Comoros Islands has completed," the company announced in its 2019 half year results on July 24.

Earlier in November 2018, Tullow had struck a deal with London-based Discover Exploration Ltd to farm into Blocks 35, 36 and 37, offshore the Comoros in the warm Indian Ocean waters of the Mozambique Channel which has not been drilled for oil and gas despite massive discoveries within the region.

"Tullow is now the operator of blocks 35, 36 and 37 and a 3D seismic contract award has been approved by Tullow's joint venture partners and by the government," said Tullow on Wednesday.

"With the Environmental and Social Impact Assessment (ESIA) now approved, acquisition of a 3,000 square kilometres 3D seismic survey is expected to commence in September 2019," Tullow confirmed.

Report based on source: 'Tullow Enters Comoros Offshore'. Offshore Engineer, 25 July 2019 By Shem Oirere <https://www.oedigital.com/news/468814-tullow-enters-comoros-offshore>

DRC

Mark Bristow, MD of Barrick on DRC and the mining industry

According to Mark Bristow, the new DRC president, Felix Tshisekedi, is very pro-industry and has recently spoken in Washington to attract US investment. Mr Bristow maintains that the DRC still has a long way to go and that some portions of the recently changed mining code have been very damaging. According to him, the DRC mining industry has been constantly paralysed by changes in tax legislation, and although it is true that the country is well endowed with minerals, if it does not attract investment to discover and develop these fields and improve the necessary infrastructure, the true value of its natural resources will never be released for the benefit of the Congolese population.

Report based on source: 'Mark Bristow, PDG de Barrick : «L'industrie minière de la RDC a été constamment paralysée par les modifications de la législation fiscale»'. Agence Ecofin 12 July 2019 Extract of interview by Global Business Reports / By Louis-Nino Kansoun

https://www.agenceecofin.com/gestion-publique/1207-67816-mark-bristow-pdg-de-barrick-industrie-miniére-de-la-rdc-a-ete-constamment-paralysee-par-les-modifications-de-la-legislation-fiscale?utm_source=newsletter_10602&utm_medium=email&utm_campaign=ecofin-oil-and-gas-16-07-2019

Egypt

Taqa Arabia wishes to profit from Egypt's liberalisation of the gas market

The Egyptian company, Taqa Arabia, the country's largest private distributor of natural gas well known for its gas stations, could go public next year. In an energy world dominated in Egypt by the public sector or by multinational giants, Taqa Arabia is a minnow, but it is growing in spite of the economic difficulties Egypt is suffering.

Taqa Arabia employs about 3,500 people, is a distributor of natural gas and also the country's leading private operator in this area. In 2017, it sold more than 3.5 billion m³ of natural gas. It has more than 830,000 customers and is targeting to build up to 1.2 million customers in the short term.

Like the handful of private operators in the sector, Taqa Arabia intends to take advantage of the gradual liberalisation of the natural gas market, and has obtained a licence to import LNG. In parallel, it is developing its own infrastructure: compression stations, gas-powered charging facilities or local industrial zone networks. In Egypt, this sector is increasingly prospective, as the present development of giant gas fields in the Mediterranean, such as Zohr, will increase the country's supply of cheap natural gas.

The CEO of Qalaa Holdings (92% shareholder) confirmed in January this year that Taqa Arabia is expected to go public in early 2020, and Tom Thumb will grow up!

Report based on source: 'Comment Taqa Arabia veut profiter de la libéralisation du marché du gaz naturel'. Jeune Afrique, 18 July 2019 By Pierre-Olivier Rouaud.

https://www.jeuneafrique.com/mag/779426/economie/egypte-comment-taqa-arabia-veut-profiter-de-la-liberalisation-du-marche-du-gaz-naturel/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-18-07-19

Ethiopia

Ethnic separatists are challenging Ethiopia's unity

18 July was supposed to be a day of celebration for the Sidama ethnic group. Ethiopia's fifth-biggest ethnicity was to vote on statehood in a referendum. Some members anticipated the moment by hoisting Sidama flags over local-government buildings. "Our officials told us, you can celebrate," said a Sidama activist.

In the end, rather than holding the promised referendum, the central government said that the referendum would take place 'within five months'. Sidama officials agreeing to the delay, told their supporters to be patient. But protesters reacted quickly to the disappointing news and burned vehicles, looted businesses and attacked government buildings, while angry mobs set upon members of other ethnic groups. The army was deployed and the internet switched off. At least 25 people were killed in clashes and more than 150 people were arrested.

The roots of the crisis lie in Ethiopia's constitution, which created nine ethnically based, semi-autonomous states, but gave each of Ethiopia's more than 80 ethnic groups the right to form its own state or secede. For decades the ruling Ethiopian Peoples' Revolutionary Democratic Front prevented any group from actually exercising that right. But Abiy Ahmed, the prime minister in

coming to power last year, promising greater freedoms and ethnic elites revived their demands for more autonomy.

However, balkanisation along ethnic lines is dangerous. Last year inter-communal fighting forced almost 3 million people from their homes, and it is claimed that Abiy has done little to calm nerves and Ethiopia's southern problem may get worse before it gets better.

Report based on source: 'Ethnic separatists are challenging Ethiopia's unity'. The Economist magazine, 27 July 2019

Gabon

Gabon hopes to attract investors with new Petroleum Code

The new Gabonese Petroleum Code has come into force, intended to be more attractive to companies investing in Gabon, while less profitable for the state.

After being debated in the National Assembly and passed by the Senate at the end of June, the Petroleum Code was ratified by President Ali Bongo Ondimba on 16 July. The new code reduces a large portion of taxes and the government's participation. "All taxes have been reduced," explained a department official, for example bringing a total withdrawal of corporate tax, which amounted to 35%.

The new code also increases the ceiling of 'cost oil', thereby reducing 'profit oil'. In addition, the state will only be allowed to take a maximum 10% stake in the share capital of any operator, compared to 20% in the previous 2014 code.

Nevertheless, Gabon must take into account other parameters that make investors nervous, including the new measure of the Economic Bank of Central African States (BEAC), which in aiming to stop capital flight by preventing repatriation of profits, is forcing the opening of in-country corporate accounts in local currency, the FCFA.

The last code had displeased many oil operators and in almost five years, no new oil contracts had been signed. Although the country wishes to recover oil rents similar to those before the 2014-2015 crisis and has introduced an attractive, new code, operators remain reserved for the time being.

Report based on source: : 'Avec son nouveau code pétrolier, le Gabon espère séduire les investisseurs'. Jeune Afrique 25 July 2019 By Caroline Chauvet
https://www.jeuneafrique.com/808396/economie/hydrocarbures-avec-son-nouveau-code-petrolier-le-gabon-espere-seduire-les-investisseurs/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-25-07-19

Guinea

Bidding round for Simandou iron ore Blocks 1 and 2

In a presidential decree broadcast on Guinean television on 13 July, the State launched a tender to find a successor to the French-Israeli businessman Beny Steinmetz for the resumption of Blocks 1 and 2 of the Simandou iron ore deposit, in the prefecture of Kerrouane, southeastern Guinea. This is a strategic step for Guinea, as iron ore price is at its highest.

In 2014, the Guinean government terminated the licence granted to BSGR (controlled by French-Israeli businessman Beny Steinmetz), due to investigations against Steinmetz on the basis of

payments of millions of dollars in bribes to personalities and Guinean civil service executives who would have enabled the acquisition of Simandou's operating rights.

The tussle between BSGR and the Guinean state petered out following the intervention of former French President Nicolas Sarkozy last February, in which he acted as facilitator between the two parties. Following Sarkozy's mediation, BSGR formally renounced its claims against Simandou in exchange for dropping proceedings against it in Conakry, Switzerland and Israel. Moreover, the decree signed by the Head of State, Alpha Condé, on 13 July repeals "any previous provision to the contrary" and took effect as soon as it was signed.

Although no names have yet been circulated, Abdoulaye Magassouba, the Minister of Mines and Geology, said "Now that Blocks 1 and 2 have been returned to the state, we are open to any proposal, including reaching an agreement with a single consortium for the four blocks: those recovered from BSGR, as well as blocks 3 and 4, still owned by Chinalco and Rio Tinto [which wants to get out of the project]".

Although there are many mining players on the continent, finding a buyer will not be easy for the Guinean state. A takeover is expected to be unlikely by the Chinalco Group (with 13% shareholding in Rio Tinto), as it has yet to progress the purchase of Rio Tinto's share in the Simandou joint venture over Blocks 3 and 4, in which it already holds 49%. Meanwhile, Brazilian giant Vale is entangled in problems in Brazil, and Australian group BHP Billiton has been phasing out of Africa since 2012.

Report based on source: 'Mines : la Guinée lance un appel d'offres pour la reprise des blocs 1 et 2 du gisement de fer de Simandou'. Jeune Afrique, 15 July 2019 By Fatoumata Diallo
<https://www.jeuneafrique.com/803717/economie/mines-la-guinee-lance-un-appel-doffres-pour-la-reprise-des-blocs-1-et-2-du-gisement-de-fer-de-simandou/>

Minister Abdoulaye Magassouba established order in the Department of Mines

Guinea's Minister of Mines has gradually refocused the management of his country's mineral resources, previously scattered among multiple departments.

Once dispersed among a multitude of officials (ministries, presidential advisers, prime minister's office, Guinean Mining Heritage Society, etc), the management of Guinean mines now belongs to one boss: Minister Abdoulaye Magassouba, in his post since January 2016.

This technocrat, formally from KPMG, has gradually regained control of all mining resources and related operations. "He pushed for the publication of mining code decrees on local content, cleaned up traditional gold miners, improved transparency by liberalising access to mining-related documents and encouraged development, specifically in the regions from which national resources are exploited" says Frédéric Bouzigues, head of the Boké Mining Company.

Report based on source: 'Mines guinéennes : comment Abdoulaye Magassouba a repris la main'. Jeune Afrique 16 March 2019 By Christophe Le Bec
<https://www.jeuneafrique.com/mag/746621/economie/mines-guineennes-comment-abdoulaye-magassouba-a-repris-la-main/>

US court victory for Rio Tinto as class action dismissed

Global miner Rio Tinto has had a significant victory in the United States, with a New York court dismissing an investor class action against it over a costly, failed mining venture.

The lawsuit, filed in 2017 by Seattle-based firm Hagens Berman, was over Rio's failed investment in a Mozambique coal project which ran into a number of setbacks, and eventually cost the miner billions of dollars. But US District Court of New York Judge Analisa Torres dismissed the complaint

against the defendants, listed as Rio Tinto, former Rio chief executive Tom Albanese and former chief financial officer Guy Elliott.

The judge ruled that some of the complaints made in the lawsuit were too old under US law to proceed, while one claim was dismissed because of "a failure to allege falsity" and another because of a "failure to allege both falsity and materiality".

Report based on source: 'US court victory for Rio Tinto as class action dismissed'. The Sydney Morning Herald 4 June 2019 By Darren Gray

<https://www.smh.com.au/business/companies/us-court-victory-for-rio-tinto-as-class-action-dismissed-20190604-p51ui6.html>

Mauritania

Expro wins contract for plug and abandon of Chinguetti (II)

The British oil services company, Expro, has just won a contract from Petronas to provide an intervention riser system (IRS) for the closure and abandonment of Chinguetti II, the second phase of abandonment of the Chinguetti field, a petroleum production project originally started by Woodside in 2006.

The contract, valued at \$16 million, is expected to last 360 days and will include the provision of a range of other equipment and services, Petronas said. Expro's intervention riser system (IRS) will provide reliable well control during the closure and abandonment process. In executing the contract, Expro will be supported by Texas-based Worldwide Oilfield Machine, which will provide its well access system as well as its technical support team.

The Chinguetti II field experienced a sharp drop in production in recent years after 13 years of operation. It was the first producing complex in the country. The decline in production at the site has provoked the ire of the authorities, as the site was originally expected to mature later in the 2020s. Chinguetti II produced about 4,000 barrels of oil per day. Ultimate recovery from the Chinguetti reservoir has been around 41 million barrels of oil, or about one-third of that initially forecast.

Report based on source: 'Mauritanie : Expro remporte un contrat pour mettre hors service le champ pétrolier Chinguetti II'. Agence Ecofin 16 juillet 2019 By Olivier de Souza

https://www.agenceecofin.com/compagnies/1607-67899-mauritanie-expro-remporte-un-contrat-pour-mettre-hors-service-le-champ-petrolier-chinguetti-ii?utm_source=newsletter_10604&utm_medium=email&utm_campaign=ecofin-mines-16-07-2019

Morocco

The Cherifian empire is not dead

Twenty years after the enthronement of King Mohammed VI, the sociologist Mohamed Tozy explains how the sovereign, through the perpetuation of centuries-old art of governing, has made the kingdom such a singular model in Africa and the Arab world.

Hassan II, Mohammed VI - It is difficult to imagine how two men can be so dissimilar. The first liked to meet - and confront - journalists. The second has never given a press conference and prefers to take selfies with strangers. Nevertheless, both are viewed with caution abroad. Familiar with Moroccan political life, the 'baisemain', the 'beï'a' or even the title of 'Commander of the faithful' are perceived as curiosities in France, Algeria or Tunisia, but hold power in Morocco...

As Mohammed VI celebrates his 20-year reign this month, political scientist Mohamed Tozy points out that these attributes of power derive their 'raison d'être', if not their legitimacy, from a long history of practice. The Moroccan monarchy has its roots not in the self-interested remodelling of Marshal Lyautey (French army general and colonial administrator who became the first French Resident-General in Morocco from 1912 to 1925), but in the Cherifian Empire.

Although strange to western thought, there is much in common between the sultans of yesterday and the Moroccan constitutional monarch of today.

Report based on source: 'empire Chérifien n'ai pas mort'. Jeune Afrique, 22 July 2019 By Hamid Barrada https://www.jeuneafrique.com/mag/805677/politique/maroc-mohamed-tozy-lempire-cherifien-nest-pas-mort/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-23-07-19

Namibia

The Rössing Uranium Mine is now Chinese

On 16 July, Rio Tinto announced that it had completed the sale of its 68.62% stake in the Namibian uranium mine. The sale agreement announced last November was reached with China National Uranium Corporation (CNUC) which is to pay \$106.5 million for the transaction.

The mining giant said it received an initial cash payment of \$6.5 million. The remaining \$100 million is related to the spot price of uranium and net benefit over the next seven calendar years.

"This sale demonstrates Rio Tinto's commitment to further simplify and strengthen its portfolio, bringing total proceeds from disposals since 2017 to US\$ 11.2 billion, of which US\$ 9.7 have been distributed to our shareholders", said CEO Jean-Sébastien Jacques.

The world's oldest open-pit uranium mine; it has been in operation since 1976.

Report based on source: 'Namibie : la mine d'uranium Rössing est désormais une propriété chinoise'. Agence Econfin 16 July 2019, By Ecofin <https://agenceecofin.com/uranium/1607-67881-namibie-la-mine-d-uranium-rossing-est-desormais-une-propriete-chinoise>

South Africa

3.8 billion Euros to help South Africa save Eskom

On 23 July, South Africa's Finance Minister announced a bailout of 59 billion Rand (AUD 4.2 billion) to help state-owned electricity giant Eskom, five months after a first substantial bailout. Eskom, which supplies 90% of the electricity produced in the country, is mired in an abysmal volume of debt, the result of years of mismanagement and embezzlement under the presidency of Jacob Zuma (2009-2018). Its severe financial difficulties put the country's economy at risk.

The new bailout package includes aid of 1.68 billion euros for this year, followed by a second of 2.13 billion in 2020-21, the aim being to allow the company to remain solvent, the Minister said. In February, the government had already announced an aid plan totalling 4.3 billion euros over three years, or 1.43 billion euros per year, financial assistance that will have a significant cost to both government and taxpayers. The Finance Minister stated that "Without making significant changes to its business model, the company Eskom will not be financially viable and may not be able to secure the electricity supply", he said.

Since February, Eskom has been rationing electricity across the country, plunging offices, factories and homes into the dark for several hours. The measures provoked public anger against the ruling African National Congress (ANC).

Report based on source: '3,8 milliards d'euros d'aide à l'État pour sauver le géant de l'électricité Eskom'. Jeune Afrique, 24 July 2019 By Jeune Afrique and AFP
https://www.jeuneafrique.com/807716/economie/afrique-du-sud-38-milliards-deuros-daide-de-letat-pour-sauver-le-geant-de-lelectricite-eskom/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-24-07-19

Sudan

Sudanese military and protesters sign power-sharing deal

Sudan's ruling military and the pro-democracy movement signed a political document on Wednesday which is part of a power-sharing deal meant to end the country's deadlock after weeks of stalled talks. The signing comes after months of street protests and violence after the military ousted the dictator Omar al-Bashir. The situation remains unstable.

Report based on source: 'Sudanese military and protesters sign power-sharing deal'. The Guardian 17 July 2019 By The Guardian <https://www.theguardian.com/world/video/2019/jul/17/sudan-military-and-protesters-sign-power-sharing-deal-video>

Tunisia

Rumoured Death of 92-year old President Béji Caïd Essebsi

President of the Republic of Tunisia, Béji Caïd Essebsi was reported to have died on 24 July at the age of 92. The oldest head of state in the world after Queen Elizabeth II of England, his death comes only a few months before the end of his mandate scheduled for November 2019. Up to now, no detail has been provided as to an interim president, pending elections.

Report based on source: 'Tunisie : décès du président Béji Caïd Essebsi, à l'âge de 92 ans'. Agence Ecofin, 25 July 2019 By Moutiou Adjibi Nourou https://www.agenceecofin.com/politique/2507-68167-tunisie-deces-du-president-beji-caid-essebsi-a-l-age-de-92-ans?utm_source=newsletter_10654&utm_medium=email&utm_campaign=ecofin-mines-25-07-2019

Zimbabwe

Inflation has risen to 175.66%, the highest in ten years!

Annual inflation rate has risen to 175.66% by the end of June, the highest level in 10 years. This rate of inflation is reported by Bloomberg, citing ZimStat, Zimbabwe's Statistics Agency.

This rate is even higher than the 97.9% recorded in May and is raising concerns among observers as well as the public, in fear of a return to the period of hyperinflation that had plunged the country into a crisis still affecting the country today.

This latest rise in inflation comes less than three years after the end of a period of deflation that had led to a general drop in prices in the southern African country. According to the Statistics Agency, food, clothing, furniture and healthcare prices all increased by more than 200% in June compared to the previous year.

A few weeks ago, the authorities had announced that the RTGS, the intermediate currency, would now be the only legal currency in the country. This decision, which has led to the suspension of the US dollar adopted since 2008 to counter hyperinflation, is also expected to hail the return of the Zimbabwean dollar by the end of the year. Prosper Chitambara, senior economist at the Institute for Economic and Labour Research in Harare, told Bloomberg "This will put pressure on the economy, because there is no production. You do not introduce more currencies when there is no production because it drives inflation. We are technically in hyperinflation". Experts estimate that Zimbabwe 's annual inflation could eventually rise to 200% or even 300%.

Report based on source: 'Zimbabwe: le taux d'inflation annuel grimpe à 175,66% en juin, le plus haut niveau en 10 ans'. Agence Ecofin 15 July 2019 By Moutiou Adjibi Nourou
https://www.agenceecofin.com/economie/1507-67849-zimbabwe-le-taux-dinflation-annuel-grimpe-a-175-66-en-juin-le-plus-haut-niveau-en-10-ans?utm_source=newsletter_10602&utm_medium=email&utm_campaign=ecofin-oil-and-gas-16-07-2019

End report