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Africa - General

Election Watch 2019

The website has a good summary of forthcoming elections in Africa.

Report based on sources: Africa Insiders 23 August 2019

<https://mailchi.mp/193935807125/results-from-madagascar-and-mauritania-election-watch-20190823?e=10069bf711>

Nigeria-Morocco Gas Pipeline Project

In Abuja on Wednesday 21 August, a delegation led by the DG of ONHYM, Mme Amina Benkhadra, met with ECOWAS delegates to present the progress of the Nigeria-Morocco Gas Pipeline project.

The purpose of this meeting, which was attended by NNPC representatives, as well as the ambassador of Morocco to Nigeria, was to officially present the Nigeria-Morocco gas pipeline project and examine methods of cooperation between ECOWAS and the two NOCs for the implementation of this project.

The Director of Energy and Mining of ECOWAS said that ‘energy’ was a priority for his organisation which has developed a strategy for the establishment of an integrated domestic market, affirming ECOWAS welcomed the initiative of Morocco and Nigeria regarding the gas pipeline linking the two countries, and which traversed and had the potential to service and reticulate gas and generate power for several countries of West Africa.

This is a project that in a different format, linking Nigeria to Algeria, has been on the drawing-boards of both countries and of NEPAD for some 30 years. It would be a blessing for West Africa for the energetic Mohammed VI to really take the realisation of this project to heart. It may make a difference for this project that has in the past suffered from poor organisation, little backing and no incentive from the various parties, and especially from a moribund NEPAD. The 'newly' activated 'New NEPAD' Agency (New Partnership for Africa's Development Planning and Coordinating Agency) was established in 2010 as an outcome of the integration of NEPAD into AU structures and processes.

Let us hope that 'New' NEPAD may function more diligently and effectively than in the past, so that a real outcome may be achieved for the benefit of Africa.

Report based on source: News from Morocco, 23 August 2019

According to Moody's, Rwanda, Cameroon and Côte d'Ivoire best equipped to withstand an economic crisis

With President Trump's open-ended trade disputes increasingly weighing on global growth, rating agency Moody's has tried to assess which countries in sub-Saharan Africa would best weather an economic downturn, and which would therefore be able to continue to repay their creditors. According to a report published on 15 August, it is Rwanda that seems to have the most fiscal resilience in the face of an economic crisis.

Moody's has tested the resilience of other sub-Saharan African economies and for the rating agency, the countries that are most capable of responding to an economic crisis are those that best control their compulsory public spending. Rwanda, Cameroon and Côte d'Ivoire would be the best. Namibia, Mauritius and South Africa are the most fragile countries, according to the same report.

Because of the structure of their spending, the most resilient countries are those most able to reduce public spending quickly. These countries are Rwanda, Cameroon and Côte d'Ivoire, with governments that "show an ability but also a will to implement such policies".

Because 'compulsory', non-flexible expenditure commitments exceed 80% of their total budget, countries such as Ghana, South Africa, Mauritius and Namibia are the most exposed in the event of a cyclical turnaround. The study estimates that for South Africa and Mauritius, "the favourable structure of their debt (long maturity and small proportion denominated in foreign currencies) compensates for the possibility of an immediate credit risk."

Report based on source: 'Rwanda, Cameroun et Côte d'Ivoire résisteraient le mieux à une crise économique, selon Moody's'. Jeune Afrique, 20 August 2019 by Alain Faujas

https://www.jeuneafrique.com/818010/economie/rwanda-cameroun-et-cote-divoire-resisteraient-le-mieux-a-une-crise-economique-selon-moodys/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-21-08-19

A new US investment agency – OPIC

In the course of a Pan-African, Washington press conference organised on 13 August, David Bohigian, Acting CEO of Overseas Private Investment Corporation (OPIC), unveiled the Development Finance Corporation's (DFC) strategy, which will take over the activities from the US institution, USAID, within the next few months.

The Development Finance Corporation (DFC) statutes remove several major barriers to U.S. participation in the private equity industry in Africa and will officially begin its activities in October 2019.

One important change introduced by the institution: whereas the old institution could only support projects with "a significant connection to the American private sector", this obligation has been

removed in the statutes of the DFC. "There are many worthwhile projects around the world that are taking place where U.S. investors and fund managers have limited interest," Bohigian said. Lifting this restriction "and the ability to invest equity will help [the DFC] to expand its ability to create viable companies in Africa and around the world."

Without at any time naming their great rival, China, the OPIC CEO cited five criteria to be used in selecting development projects for financing: a respect for sovereignty, the use of local workers, strong environmental protection laws, an overt fight against corruption, and the sustainability of long-term projects.

Jean-Sébastien Bergasse, partner of Amethis, suggests that it could be guessed that in addition to a financial argument, a geopolitical reasoning for the creation of DFC is also possible: "For some time now, the Americans have wanted to reactivate their influence in Africa and catch up, especially in terms of influence. I think that's the primary motivation".

Report based on source: 'USA-Afrique : une nouvelle agence américaine pour l'investissement'. Jeune Afrique, 19 August 2019 by Joël Té-Léssia Assoko
https://www.jeuneafrique.com/816465/economie/usa-afrique-une-nouvelle-agence-americaine-pour-linvestissement/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-19-08-19

Alexandre Brégradzé, diplomat and businessman and boss of Rusal-Guinea

Born in 1951 in Batumi, in the then Soviet Republic of Georgia, he studied architecture in Moscow while attending the Diplomatic Academy of the Russian Ministry of Foreign Affairs. After a stint in France and Mauritania, he was appointed ambassador to Djibouti (2003-2009) and then to Guinea in 2011.

In Conakry, "The Brains" Brégradzé, is also described as "bulldozer" by his peers. In January 2019, he stunned a crowd of diplomats, declaring: "Constitutions are neither dogmas, nor Bibles, nor Koran. They adapt to reality," speaking out in favour of a third term for Alpha Condé, president of Guinea. On March 4, he retired as an ambassador but has not remained idle and is now the boss of Rusal-Guinea.

Two files are on his table: First, the launch of the second production line of the Friguia aluminium plant (650,000 t/yr), bought for US\$ 21 million (AUD 31 million) in 2006 and relaunched in 2018 to the tune of US\$ 124 million (AUD 184 million) after years of shutdown. The second is the development of the Dian-Dian site in the Boké region, where the Russians have invested \$220 million and from which 3 million tonnes of bauxite are extracted per year. And this is without disregarding management of the Kindia Bauxite Company, from which some 3 million tonnes are also produced.

He has a lot on his plate, as in addition to these projects in Guinea, Rusal runs operations in 12 other countries. The company is one of the world's leading aluminium producers, employing 62,000 people, including 4,000 in Guinea (including indirect jobs).

Report based on source: 'Russie-Afrique : Alexandre Brégradzé, diplomate et businessman'. Jeune Afrique, 19 August 2019 by Fatoumata Diallo
<https://www.jeuneafrique.com/mag/814866/politique/russie-afrique-alexandre-bregadze-diplomate-et-businessman/>

Vladimir Putin's strategy to win back the continent

Vladimir Putin wishes to see his country play a leading role South of the Sahara and in the Maghreb, as it did during the Cold War.

From 22 to 24 October 2019, Sochi on the Black Sea coast, will host the first ever Russia-Africa summit, a first in the history of his country, where the memory of the privileged relations that existed during the 1970s are beginning to fade.

Completely redesigned for the 2014 Olympic Winter Games, Sochi is undergoing yet another facelift of its infrastructure and conference centres in preparation for the event, expecting no less than ten thousand people, including a plethora of businessmen who will attend a business conference preceding the summit. Thirty-five countries have already confirmed their participation, and there is no doubt that many leaders will make the trip.

Among those already announced for the summit are Angola's Joel Lourenço, South African Cyril Ramaphosa, Ivorian Alassane Ouattara, Malian Ibrahim Boubacar Keïta, Congo's Félix Tshisekedi, Madagascar's Andry Rajoelina and Egypt's Abdel Fattah al-Sissi, who in the position of President-in-office of the African Union, will play the master of ceremonies alongside Putin. Many more are expected to confirm their presence in the next few days.

It is a fact that the African leaders travelling to Russia is becoming more frequent: Robert Mugabe (2015), Mohammed VI (2016), Omar al-Bashir, Alpha Condé (2017), Ali Bongo Ondimba, F.-A. Touadéra, Macky Sall, Abdel Fattah al-Sissi (2018), Emmerson Mnangagwa, Joel Lourenço, Denis Sassou Nguesso (2019) have all met with Vladimir Putin since 2015.

The President of the Central African Republic (CAR), Faustin-Archange Touadéra has come to be so 'close' to President Putin that Paris, the ex-colonial power with significant remaining mining resources at stake, is alarmed. The installation of Russian military experts in the CAR and, within the presidency, the "security adviser" Valery Zakharov has led Jean-Yves Le Drian, the French Foreign Minister, to deplore the "active presence of Russia, as significant and [definitely] anti-French".

Business between the CAR and Russia is booming, whether it's diamonds, gold or uranium in exchange for military support (and the security force around the president). But the deals signed during a 2017 visit to Sochi between the Russians and President Touadéra is in reality only the most visible part of an iceberg that Westerners see anxiously drifting away from them.

In fact, beyond the CAR and after decades of absence, the Russians have turned their attention back onto the African continent. With Eritrea, they are planning to build a logistics platform at one of the country's ports, to which their warships will have access. In addition, over the last four years, some 20 military cooperation agreements have been signed, and these agreements are being signed increasingly fast: Guinea and Central African Republic in 2017; Egypt, Burkina Faso and DR Congo in 2018; Sudan, Mali and Congo in 2019.

An MoU was even signed with SADC (sixteen southern African countries) that included military training. As well, Russian negotiators are turning up in Guinea-Bissau and several other countries... Does the visit to Moscow of two Ivorian ministers - Hamed Bakayoko (Defence) in August 2018 and Marcel Amon-Tanoh (Foreign Affairs) in July 2019 - mean that their country could in turn conclude such a military agreement?

On the other hand, it is certain that the 54 African countries, which represent almost a third of the votes in the UN General Assembly, constitute a very useful pool of votes for Russia: in 2014, 58 countries abstained in the vote over a resolution condemning the annexation of Crimea. Among them: Egypt, Algeria, South Africa, Mali, Rwanda, Senegal and Gabon.

Nevertheless, just as the economic sanctions imposed by the West following the annexation of Crimea and the conflict with Ukraine are prompting Moscow to take an interest in Africa, Africa itself is not insensitive to the music that the Russian 'teddy-bear' is humming.

But the Russian teddy-bear is a bit sluggish [compared to Westerners and now China].

Its private companies have little presence on the continent, and it has no consumer goods to sell. The Russian bear has only the good old recipes at hand: clearing debt in exchange for the signing of bilateral military agreements and/or the right to exploit natural resources; focusing on large state-made investments; conquering of new markets by relying on the likes of giants Gazprom, Rosneft and Lukoil (hydrocarbons), Alrosa (diamonds), Rusal (aluminium), Rosatom (nuclear), Uralkali and Uralchem (fertiliser), Rosoboronexport (armaments).

In short, with limited means, Russia is still striving to regain its former splendour. This is also called politics.

Report based on source: 'Russie-Afrique : la stratégie de Vladimir Poutine pour reconquérir le continent'. Jeune Afrique, 12 August 2019 by Joséphine Dedet
https://www.jeuneafrique.com/mag/814891/politique/russie-afrique-la-strategie-de-vladimir-poutine-pour-reconquerir-le-continent/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-12-08-19

Angola

195 state-owned enterprises to be privatised in four years

The Angolan authorities are launching an unprecedented wave of privatisations, with the aim of improving the efficiency and productivity of the companies concerned, while balancing the trade balance of a heavily indebted country.

195 Angolan state-owned enterprises will exit the protection of state by 2022. Domestic economy leaders such as the oil company Sonangol, the diamond dealer Endiama or the airline Taag are all affected by this program.

The plan was presented on 13 August in the inter-ministerial committee for the implementation of the privatisation plan, after being approved by presidential decree on 5 August. This program is part of the authorities' desire to act on the indebtedness of the country, where debt represented 70% of GDP at the end of 2018.

"We need to make sure that by the end of the process, the country will have emerged from the lethargy that has prevented it from solving problems of employment, competitiveness and efficiency," said Secretary of State for Finance and Treasury, Vera Daves de Sousa. Since the election of Lourenço at the end of 2017, Angola, the continent's second-largest oil producer, has had to turn away from the disastrous course it had taken during the era of José Eduardo dos Santos, the country's president for 38 years.

The situation was indeed aggravated by the fall in the price of oil, and the present authorities have responded to this situation by trying to attract foreign investment, while at the same time diversifying the economy and fighting corruption, divestment of state companies being a prime agenda.

The assets to be privatised are essentially of four types; national reference companies, Sonangol subsidiaries and assets, industrial units of the Special Economic Zone, and various other companies or assets. Of the 195 entities covered, 175 are to be tendered, 11 by auction and nine by public offering. In 2020, the wave of privatisations is expected to involve ninety companies, twelve companies in 2021 and four in 2022.

In the announcement, Minister of State for Economic Coordination, Manuel Nunes Junior said the World Bank had been chosen as a strategic advisor to ensure discipline, transparency, and the choice of best practices will be observed throughout the privatisation process.

Report based on source: 'Angola: 195 entreprises publiques seront privatisées en quatre ans'. Jeune Afrique, 19 August 2019 by Théau Monnet
https://www.jeuneafrique.com/817587/economie/angola-195-entreprises-publiques-seront-privatisees-en-quatre-ans/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-19-08-19

Burundi

Is Burundi ignoring a malaria epidemic?

According to the World Health Organisation (WHO), the number of malaria cases in Burundi has reached epidemic proportions. Nearly half of the population is reported to be infected with the disease and about 1,800 people have died this year. The global health organisation blamed a number of factors, including a weak health system, a shortage of mosquito nets and the fact that some populations with limited immunity to the disease are moving to regions where it is more prevalent.

The fact is that the government doesn't appear to be taking the situation very seriously.

President Pierre Nkurunziza's administration has yet to declare a national emergency. Instead, they're contradicting the numbers coming out of the WHO. Instead of 5.7 million cases of the mosquito-borne disease, officials said the number is closer to 4.3 million, and deaths around 1,400. But those numbers are still high enough to justify mounting a strong response — something the government has done in the past, when faced with rising rates of malaria infection.

However, with an election looming, Nkurunziza's party may not be interested in drawing attention to the gaps in the country's health system. In the meantime, national and international NGOs have to tread lightly, given the government's regular crackdowns on their activities. All of which could result in more unnecessary deaths from a disease that can usually be treated if diagnosed early enough.

Report based on source: 'Is Burundi ignoring a malaria epidemic?'. Africa Insiders' Newsletter #73, 13 August 2019 <https://mailchi.mp/267d039ab1e8/malawis-president-under-siege?e=10069bf711>

Cameroon

Sisiku Ayuk Tabe and nine other English-speaking separatists sentenced to life in prison

After a turbulent hearing of nearly 15 hours, Judge Jacques Baudouin Misse Njone of Yaoundé military court finally decided on a life sentence for Sisiku Julius Ayuk Tabe and his nine Ambazonia English-speaking separatist co-defendants. The life sentence was accompanied by a fine of 250 billion CFA francs (AUD 630 million) to be paid for the damage caused during demonstrations and disturbances in support of secession.

The Yaoundé Military Court handed down its sentence at around 5:30am on Tuesday, 20 August. At the opening of the trial, shortly after 1 pm the previous day, Monday 19 August, the defense lawyers led by Mr. Eta Bissong had challenged the judge, accusing him of bias. "We felt that this judge had a hidden agenda, as he seemed to have come simply to condemn our clients. We had an appeal before the Supreme Court to remove him and the law says that, in such circumstances, the trial should be delayed until the verdict of our appeal is rendered. How can a trial be carried out in complete disregard of the law?" questioned Christopher Ndong, another defense lawyer.

The accused were found guilty of the ten charges against them: Acts of terrorism, secession, complicity in acts of terrorism, financing of acts of terrorism, revolution, insurrection, hostility against the homeland, the spreading of fake news, breach of the internal and external security of the state, and the falsification of the national identity cards.

The judicial drama, which began in January 2018 with the arrest of these same secessionist leaders in Nigeria, is expected to continue with defense lawyers soon to appeal against the decision.

Report based on source: 'Sisiku Ayuk Tabe et neuf autres séparatistes anglophones condamnés à la prison à vie'. Jeune Afrique, 20 August by Franck Foute

Chad

State of emergency declared in the east of the country

Visiting the provinces of Sila and Ouaddai on the eastern Chad-Sudan border, President Idriss Déby Itno declared a three-month state of emergency on Sunday 18 August, after a wave of community clashes that left dozens dead over the last few weeks. According to the presidency, clashes between farmers and herders have killed more than 50 people since 9 August.

For several decades now, the province of Ouaddai, an area of transhumance (the practice of moving livestock from one grazing ground to another in a seasonal cycle), has been plagued by conflicts between nomadic Arab herders and indigenous Uighur farmers.

President Déby said on Sunday that "from now on, we will deploy military forces that will ensure the security of the population in the area", adding that "we must disarm all civilians in the area who have weapons in their hands". In addition to this seizure of weapons and the presence of military forces, the Chadian president announced a ban on motorcycles in both provinces, as well as the arrest of traditional chiefs in the region who were behind the deadly clashes.

The origin of these violent clashes is often the same as in many other instances of violence in this whole Sahelian region of West Africa: a herd of camel, cattle or other domestic animal tramples the field of a farmer or a garden cultivated by a family, immediately triggering an armed confrontation between men of the two communities. The deadliness of these confrontations is blamed on the influx of military-type weapons from Chad's border countries in the grip of serious conflicts such as Libya, Central African Republic and Sudan, President Déby Itno insisting that "The main cause of this deadly inter-communal conflict [in the eastern provinces] is related to the worsening disorder in Sudan".

Report based on source: 'Tchad : état d'urgence déclaré dans l'est du pays'. Jeune Afrique, 18 August 2019 by Jeune Afrique avec AFP <https://www.jeuneafrique.com/817436/politique/tchad-etat-durgence-declare-dans-lest-du-pays/>

Gabon

A scam too far

With the president seemingly out of commission, corruption is flourishing! It is often said of countries that their real wealth lies in their people. Few say this about Gabon. With 2m people and twice the land mass of England, it is among Africa's richest countries and has a GDP per capita of around US\$ 8,300, almost all coming off the wealth from natural resources. Gabon exports oil, timber and palm oil. It is also the world's third biggest producer of manganese, a metal used in producing stainless steel.

The wealth masks the fact that Gabon is one of Africa's worst-run countries. It has had only two presidents since 1967. The first, Omar Bongo, was a flamboyant despot. He kept a pet tiger, hobnobbed with French presidents and turned the country into a one-party state. After he died in 2009 his son, Ali Bongo Ondimba, took over. In 2016, he won a re-election that many believe was rigged.

Last year Ali Bongo suffered a stroke and spent months in Morocco recovering. In January a few junior army officers tried, unsuccessfully, to mount a coup. Since then the state has shut down most news outlets and repeatedly blocked the internet.

A big new scam has targeted foreign businesses in Libreville, the capital. It relies on a law inherited from France, the former colonial power, that allows courts to order companies to pay their debts. That might make sense when the debts are genuine. But oil companies, banks and supermarkets have been targeted by firms that appear from nowhere, demanding payment of fictitious debts. Some businessmen think the courts are in on the scam: they make it difficult for companies to pay their debts, then hit them with large penalties when they do not.

Gabon was never free of corruption, but it has reached levels that threaten the viability of foreign businesses. The deterioration seems linked to Mr Bongo's stroke, and many Gabonese suspect that the president will never be well enough to resume full-time work. It appears as if many officials are trying to extort cash while they can, out of fear that they may eventually lose their jobs.

Since independence in 1960, Gabon has avoided civil war and coups and maintains a close relation with France. And yet, it is becoming inhospitable as a destination for foreign businesses. President Bongo Junior, for all his flaws, knew not to kill the golden goose. Some of his officials seem not to have learned the lesson.

Report based on source: 'A scam too far' The Economist 17 August 2019

Guinea

Beny Steinmetz to stand trial for corruption in a Geneva court

French Israeli businessman and diamond dealer Beny Steinmetz will stand trial in the Geneva Criminal Court on charges of corruption and forgery in a case involving the Simandou mining concession between 2005 and 2010. In this procedure, which has been open since 2013, Swiss prosecutor Claudio Mascotto has charged the businessman and two of his associates - Frenchman Frédéric Cilins and Belgian Sandra Merloni-Horemans - with offences of "corruption of public officials" and "forgery of documents". The trial date has not been specified.

The defendants are accused of "paying or having bribes paid to one of the wives of former Guinean President Lansana Conté in order to oust a competitor and then to have Beny Steinmetz Group Resources (BSGR) awarded mining rights over the Simandou deposit in southeastern Guinea, the largest undeveloped iron ore deposit in the world. The defendants are also accused of fabricating false contracts and invoices to conceal these illegal payments.

According to the prosecutor, the bribes paid amounted to about ten million dollars. These sums, part of which passed through an offshore company established in the BVIs and Swiss accounts, would have led to the ousting by presidential decree in mid-2008 of the British mining group Rio Tinto, holder of the development permit of the site since the 1990s. Some five months later, the French Israeli businessman, who lived and worked in Geneva at the time, obtained a license to operate the Simandou mine just before the death of President Conté, on 22 December 2008.

In 2013, Beny Steinmetz claimed to have invested \$170 million in the mine and then sold 51% of the mine in 2010 to the Brazilian commodities group Vale for \$2.5 billion, almost 30 times more than the value he paid for, before having the mining permit taken back by the government in 2014, on suspicion of corruption.

In February 2019, the billionaire and the Guinean presidency announced that, with the help of former French President Nicolas Sarkozy as mediator, they had reached an amicable agreement leading to the withdrawal of corruption proceedings against Beny Steinmetz in exchange for his renunciation of his rights to the Simandou deposit. The businessman - maybe in compensation - was granted the operating rights to Zogota, a smaller Guinean iron ore deposit.

But this arrangement did not put an end to the prosecution by the Geneva public prosecutor's office, which is expected to bring down sentences ranging from two to ten years' imprisonment. However, since the Guinean state withdrew from the proceedings, there are now no complainants in the case.

The Simandou mine, on the other hand, is still waiting for an investor. A tender for the takeover of Beny Steinmetz's former blocks 1 and 2, was launched on 13 July, and purportedly closed a few days ago on 19 August 2019. No news has been heard as to the entity taking over this troubled project.

Report based on source: 'Guinée : Beny Steinmetz sera jugé pour corruption au tribunal de Genève'. Jeune Afrique, 13 August by Jeune Afrique and AFP
https://www.jeuneafrique.com/815940/economie/guinee-beny-steinmetz-sera-juge-pour-corruption-au-tribunal-de-geneve/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-13-08-19

First bauxite exports for GAC

The Guinea Aluminium Corporation (GAC), holder of a mining concession in the north-west of Guinea, has just exported its first 70,000 tonnes of bauxite. A subsidiary of Emirates Global Aluminium (EGA), it intends to increase its annual production to 12 million tonnes by capitalising on the resurgence of the aluminium market. In the busy Boké region of north-western Guinea, GAC's ore train will add to activities, plying its way between the Sangarédi Mine and the bulk-handling mineral port of Kamsar, a distance of some 135 km.

Located in the district of Tanéné, sub-prefecture of Sangarédi (Boké), the mining concession owned by GAC covers 690 sq km. Founded in 2001, since May 2013 all company shares were acquired and it is now 100% owned by Emirates Global Alumina (EGA), the world's fifth largest aluminium producer. For EGA, the acquisition of this company and its mining asset, corresponds to a strategy of securing an upstream supply chain of bauxite. Production, which was originally scheduled to start in 2017, was delayed as existing infrastructure had to be repaired and strengthened.

The project is expected to generate US\$700 million (AUD 1 billion) assisting in a significant manner growth of the national GDP and generating some 1,000 jobs in the operating phase.

Although the price of aluminum is presently at its lowest, experts predict a favourable market by 2026. Phase two of this GAC project will seemingly involve the construction and operation of an alumina refinery in Kamsar.

Report based on source: 'Guinée : premières exportations de bauxite pour la GAC' Jeune Afrique, 14 August 2019 by Diawo Barry https://www.jeuneafrique.com/816409/economie/guinee-premieres-exportations-de-bauxite-pour-la-gac/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-14-08-19

Libya

Corruption and politics as usual: Justin Trudeau weakened by SNC Lavalin case

The Canadian Ethics Commissioner report found that Prime Minister Justin Trudeau breached ethics rules by trying to influence a legal case regarding SNC-Lavalin.

According to a Canadian parliamentary report, President Justin Trudeau pressured his country's justice system to avoid the trial of the multinational SNC Lavalin, accused of fraud and corruption in Libya. This is a new episode in the case of SNC Lavalin, the construction giant accused of paying bribes to relatives of Muammar Gaddafi. Trudeau allegedly tried to convince his minister to "preserve" the multinational by suspending the trial. According to the report, "Justin Trudeau's entourage improperly asked the Attorney General to consider partisan political interests in this case, which is contrary to constitutional principles".

On Wednesday, 14 August, a report by the Federal Ethics Commissioner, Mario Dion, accused Canadian Prime Minister Justin Trudeau of breaking the law by trying to pressure his former justice minister, Jody Wilson-Raybould, in the lawsuit against SNC-Lavalin, a Montreal-based, Quebec company.

Apparently, the first contacts "took place in early February 2016, when SNC-Lavalin began lobbying several senior officials, including ministerial staff in the Prime Minister's Office," the document explains, detailing the ministerial meetings on a possible scheme of reparation agreements. As Radio Canada announced in May, SNC-Lavalin management did "attempt to obtain a stayed prosecution agreement, which would have allowed it to pay a fine rather than be brought to trial." But Attorney General Jody Wilson-Raybould had objected at the time.

Wednesday 22 August, the Canadian House of Commons Ethics Committee voted not to hear more from Federal Ethics Commissioner and other officials about the report into the conduct of Prime Minister Justin Trudeau

Trudeau and the Liberals clearly hope they can make the whole situation disappear before the coming federal election. That may happen, but in the process, the Liberals have clearly shown that their methods are "politics as usual".

Report based on source: 'Politics as Usual'. The Telegram 24 August 2019

<https://www.thetelegram.com/opinion/editorials/editorial-politics-as-usual-344107/>

And, 'Corruption : Justin Trudeau affaibli par l'affaire SNC Lavalin'. Jeune Afrique, 16 August by Arianna Poletti https://www.jeuneafrique.com/816836/societe/corruption-en-libye-justin-trudeau-affaibli-par-laffaire-snc-lavalin/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-16-08-19

Malawi

Malawi's president under siege

Malawi's streets have been clogged with protesters and its courts filled with various attempts to dislodge recently elected President Peter Mutharika. Opponents claim that Mutharika's allies rigged the May elections, which ended in his slim victory. Now a hearing is moving forward in the country's top court to overturn the results.

Mutharika took the presidency with just 39 percent of the vote in a wide field. His opponents, led by runner-up Lazarus Chakwera, accused Mutharika's Democratic Progressive Party of tampering with results in some parts of the country.

Efforts to block Mutharika's inauguration failed and protesters have been on the streets ever since. In some instances, their activities have turned violent, but the court has upheld their right to demonstrate despite regime efforts to shut down the protests.

Report based on source: 'Malawi's president under siege'. Africa Insiders' Newsletter #73, 13 August 2019 <https://mailchi.mp/267d039ab1e8/malawis-president-under-siege?e=10069bf711>

Mali

Mali's new mining code ends tax exemptions and other protections

Mining companies operating in Mali will no longer be exempt from VAT during production and will have a shorter period of protection from fiscal and customs changes, according to a new mining code announced by the Mines Ministry on Wednesday, 21 August.

The new code seeks to redress the "shortcomings" of a 2012 law, including an abnormally long stabilisation clause protecting companies from changes in fiscal and customs obligations. The period of protection is to be shortened from a very generous 30 years. Some other changes are that mining titles may be awarded by tender process (as for petroleum permits in many countries), mineral groupings are changed for the purpose of permit entitlements and some significant obligations for the protection of the environment are extended to the exploration phase.

The redress of this 2012 clause and others, adopted at a time of turmoil and uncertainty in Mali, will bring about a greater contribution of the mining sector to the national economy.

Report based on source: 'Mali's new mining code ends tax exemptions and other protections'. Creamer's Media's Mining Weekly, 22 August 2019 by Reuters
https://www.miningweekly.com/article/malis-new-mining-code-ends-tax-exemptions-other-protections-2019-08-22/rep_id:3650

Morocco

Leader in Morocco, Managem wants to explore the continent

Managem, a subsidiary of the Moroccan royal holding company Al Mada, plans to raise more than US\$ 150 million (AUD 220 million) to strengthen its presence in the gold industry south of the Sahara, already begun with its Tri-K megaproject in Guinea, a significant project in Sudan as well as beginning to establish itself in Gabon.

Its efforts are part of a broader strategy to strengthen the share of gold in Managem's revenue streams, dominated by silver (29% of revenues in 2017), zinc and lead (22%), cobalt (21%) copper (18%). "The gold strategy is essential for us. Our activities cover several metals, and our portfolio must be diversified to mitigate the impact of high volatility and price fluctuations," says Imad Toumi, its CEO.

The Guinean and Sudanese projects well in hand, Managem remains optimistic about its activities in Gabon. "We are still in the feasibility study phase and discussing with the Gabonese state over the granting of a mining concession over the Etéké deposit," explains Imad Toumi.

Report based on source: 'leader au Maroc, Managem veut explorer le continent'. Jeune Afrique, 23 August 2019 by El Mehdi Berrada <https://www.jeuneafrique.com/mag/814568/economie/or-leader-au-maroc-managem-veut-explorer-le-continent/>

US President Advisor Ivanka Trump Lauds adoption of New Legislative Framework on Sulaliyate Lands

Ivanka Trump, daughter and Advisor to the US President, lauded the adoption by Morocco of a new legislative framework on the Sulaliyate lands which ensures more equality and openness to investments for the benefit of women notably.

"We applaud the Moroccan government for this important step towards the adoption of inheritance law amendments and look forward to supporting their full implementation," Ivanka Trump said on Twitter, "W-GDP will continue to support women's land rights," she added.

In February 2019, President Trump established the Women's Global Development and Prosperity (W-GDP) Initiative, the first whole-of-government effort to advance global women's economic empowerment.

W-GDP seeks to reach 50 million women in the developing world by 2025 through U.S. government activities, private-public partnerships, and a new, innovative fund.

The draft law on the organisation of the administrative supervision of the Sulaliyate communities has come up with fundamental novelties. It limits the use of traditions in the management and exploitation of the assets of these communities in compliance with legislative texts and tends to encourage the productive investment of wealth, employment and self-employment in these communities while promoting equality between women and men, members of these communities, in the rights and duties, in accordance with the Constitution.

Report based on source: 'US President Advisor Ivanka Trump Lauds adoption of New Legislative Framework on Sulaliyate Lands'. News from Morocco, 23 August 2019

Wall Street Journal: USA "No" to Independence in the Moroccan Sahara

According to a news item in "News from Morocco", regularly sent out by the Moroccan embassy in Canberra, the US administration is convinced that independence is not an option for resolving the dispute over the Moroccan Sahara, apparently as reported in the US daily "The Wall Street Journal" (WSJ).

The news item points out that the WSJ report stressed that US officials who follow discussions on the Sahara issue said that Washington "made it clear that the USA would not support a plan to create a new state in Africa,". It points out that the WSJ report also discussed the important efforts made by Morocco to promote the development of the Sahara region through considerable investment in various fields.

The news item added that the WSJ report continued with the statement that "the Polisario is a Marxist group linked to regional terrorism, so settling the Sahara conflict is an urgent matter to preserve the security in the region".

The link may be tenuous and difficult to prove, but there is certainly opportunities for malevolent links across the Atlantic to be formed for drugs, arms and all sorts of other trafficking by ill-intentioned people in this poorly controlled region of West Africa.

Report based on source: News from Morocco, 23 August 2019

Niger

Mahamadou Issoufou: "My decision to respect the Constitution and not to represent myself is irrevocable"

Terrorism, demographics, governance, reform of the CFA franc... The Nigerien leader, president-in-office of ECOWAS, spoke to Jeune Afrique about the challenges that lie ahead for his country - not to mention that of his own position, in less than two years. And if all goes according to the rules until he retires from power in April 2021, he would make a presentable winner of the Mo Ibrahim Prize, rewarding good governance and democratic leadership.

Not content to repeat since the day of his accession to the presidency of Niger, in 2011 that he will not remain in office an hour longer than allowed by the Constitution, namely two five-year terms, Mahamadou Issoufou 'drives the nail in the coffin' of his detractors by nominating a successor to the presidency two years before the deadline.

It is the Minister of the Interior and long-time companion, Mohamed Bazoum. Why did it appear necessary to reveal the name of your eventual successor long before the deadline?

The president does not go into the details of his election strategy, but rather explains why he chose this candidate over another, "It's very simple. Mohamed Bazoum was a founding member of the PNDS in 1990. He was my vice-president throughout the period when we were in opposition and

then the president of that party when I was elected head of state in 2011. The PNDS has values, and Bazoum carries those values. I am convinced that he will continue the actions we have defined and undertaken in favour of the people of Niger”.

Report based on source: ‘Mahamadou Issoufou: "My decision to respect the Constitution and not to represent myself is irrevocable"’. Jeune Afrique, 14 August 2019 by François Sudan

<https://www.jeuneafrique.com/mag/814617/politique/mahamadou-issoufou-ma-decision-de-respecter-la-constitution-et-de-ne-pas-me-representer-est-irrevocable/>

Nigeria

Really? Nigeria ordered to pay \$9 billion to small gas company

A London court has upheld an arbitration decision ordering Nigeria at the request of the BVI-based Irish company, Process and Industrial Developments Ltd (P&ID), for a gas project never carried out. Including interest, the US\$9 billion (AUD 13.3 billion) amounts to 20% of the country's foreign exchange reserves or 2.3% of its GDP. P&ID, a small gas company founded by two Irish businessmen and based in the Virgin Islands, was authorised by a London court on Friday 16 August to commence a seizure procedure from the Nigerian authorities.

The project in question dates back to 2010, when the company - founded specifically for the occasion - reached an agreement with Nigeria to build a gas-fired power plant in the town of Calabar, near the border with Cameroon. This agreement provided, among other things, for the Nigerian authorities to supply gas to the power plant. The Nigerian authorities did not fulfil their commitments and the company, whose project had to be abandoned, turned to British justice.

Lawyers representing the Nigerian government want to appeal the decision, arguing that the ruling should not be enforced, as a British court was incompetent to judge the case. They especially added that the amount in question was "manifestly excessive" because, in their view, the work was not initiated by the Irish, BVI company. For its part, the company intends to initiate "the process of seizing Nigerian assets (...) as soon as possible," its lawyer is quoted to have indicated to the Bloomberg news agency.

It should be noted that, during the course of the transaction, the hedge fund VR Advisory Services, which specialises in high-risk transactions, acquired a 25% stake in the company. The fund has since engaged lawyers, lobbyists and public relations firms in order to favour the decision of the court.

Report based on source: ‘Le Nigeria condamné à payer 9 milliards de dollars à une petite firme gazière’. Jeune Afrique, 20 August 2019 by Jeune Afrique

https://www.jeuneafrique.com/817698/economie/le-nigeria-condamne-a-payer-9-milliards-de-dollars-a-une-petite-firme-gaziere/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-20-08-19

Rwanda - Uganda

After months of tensions, Paul Kagame and Yoweri Museveni sign an agreement

Rwandan President Paul Kagame and Ugandan President Yoweri Museveni signed an agreement on Wednesday 21 August, that facilitates an exit from the crisis that has grown between their two countries, after months of tensions amid mutual accusations of destabilisation.

The signature of the MoU was in the presence of Angolan President Joao Lourenço, his counterparts President Félix Tshisekedi of the DRC, and President Denis Sassou Nguesso from the Republic of Congo. This is the third such meeting after the first, in Nsele DRC, brought together Paul Kagame,

Joao Lourenço and Félix Tshisekedi last May and focused on security in the East of the DRC. Another meeting held in Luanda on 12 July, included the Ugandan President, Yoweri Museveni.

The present agreement calls on the signatories to "refrain from any action likely to destabilise or subvert the territory of the other party, thereby eliminating all factors that could create such a perception, such as funding, training and infiltration of destabilising forces."

Kigali has for several months accused its neighbour of providing logistical support to movements hostile to Rwanda, such as the Rwanda National Congress (RNC) of former Rwandan general Kayumba Nyamwasa, now in exile in South Africa. The Rwandans suspect the RNC of collaborating with FDLR rebels active in eastern DRC.

Kampala, for its part, regularly accuses Rwanda of espionage attempts. The last example was on 23 July, when Ugandan services arrested and accused of espionage some 40 Rwandan nationals, all officially members of an evangelical church.

The most important thing in this agreement is not its signature but its implementation.

The next few days will give an indication of the presidents' intent.

Report based on source: 'T Après des mois de tensions, signature d'un accord entre Paul Kagamé et Yoweri Museveni'. Jeune Afrique, 21 August 2019 by Romain Gras
https://www.jeuneafrique.com/818653/politique/rwanda-ouganda-apres-des-mois-de-tensions-signature-dun-accord-entre-paul-kagame-et-yoweri-museveni/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-22-08-19

The devil in the details

According to Rwanda's economic statistics the economy has expanded by 8% a year over the last ten years. The share of people classified as poor has fallen to 38% in 2017.

Numbers such as these impress investors, donors and other African leaders. Many see Paul Kagame, the former general who ended the genocide and has called the shots in Rwanda ever since, as providing a model of development: that of an authoritarian who gets things done and helps the poor, even if he also tramples human rights. But what if the numbers are wrong?

A closer examination of the data by experts from the University of Antwerp found that the fall may have been due to a change in how it calculates the numbers. According to their report, by changing the basket of household goods that Rwandans buy, the income level that defines poverty had fallen by 19%. Had Rwanda used the same basket in both periods, the poverty rate would have increased by several percentage points according to these experts from the Netherlands. Rwanda's statistics agency denies this, saying that poverty declined, even if comparable poverty lines are used.

One reason for this discrepancy could be that benefits of economic growth went to a small elite, whose spending is poorly captured by household surveys. Another explanation could be that the robust economic growth in the national accounts, has been overstated.

Although the report questions Rwanda's statistics and may be no more than quibbling over numbers, it remains that Kigali has made real efforts in raising the living standards of the whole population, and that visible and significant changes for the better have been achieved under Kagamé's rule.

Report based on source: 'The devil in the details'. The Economist, 17 August 2019

South Africa

Four countries exempted of visa requirements in order to attract tourists

South Africa's Interior Minister Aaron Motsoaledi announced on Thursday 22 August, that South Africa was exempting citizens of four additional countries from visa requirements: Saudi Arabia, Qatar, the United Arab Emirates and New Zealand. Citizens of these four countries will no longer need visas to travel to South Africa for business or leisure travel.

Motsoaledi said the visa waiver decision "would make an important contribution to increasing tourism and thus creating jobs and developing the economy". He added that, "We are also in discussions with the authorities in these countries to see to what extent they may relax their own entry requirements for our citizens," the minister added.

The measure, which takes effect immediately, comes as the latest official tourism figures, released in May, show a major drop in visitors from Europe and the Middle East in the first quarter of 2019.

Discussions for visa exemptions are also underway with Cuba, Ghana and Sao Tome and Principe.

South Africa already exempts 82 of the 193 member countries of the United Nations from visa requirements.

Report based on source: 'L'Afrique du Sud exempte quatre nouveaux pays de visa pour attirer les touristes'. Jeune Afrique, 15 August 2019 Par AFP

https://www.jeuneafrique.com/816607/economie/lafrique-du-sud-exempte-quatre-nouveaux-pays-de-visa-pour-attirer-les-touristes/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-16-08-19

Concern mounts in the wool industry over China's ban

Unease is growing in the wool industry in South Africa. While in April last year, the country declared itself free of the foot and mouth epidemic, the reason for a ban on shipments to China, many exporters are concerned about the blurring of marketing to the Middle Kingdom.

Bloomberg reports, the authorities have not specified whether China was indeed about to reopen its market to hoofed-animal products, or whether countries formerly affected by the disease should make storage measures, in the event that lifting of the ban takes further time to apply.

Deon Saayman, chief executive of Cape Wools, the industry regulator, said the uncertainty led the organisation to cancel the opening sale of the new season, the first in 30 years.

"The truth is that buyers have already bought the wool they wanted, but have not yet been able to ship it out. They just can't afford to keep buying until some clarity is provided," says Clarence Friskin, president of the Rainbow Nation Wool and Mohair Buyers Association.

China is a major factor in the wool industry of South Africa, absorbing some two-thirds of its wool exports. For South Africa, the industry generates annual sales of approximately 5 billion rand (AUD 482 million).

Report based on source: 'L'inquiétude monte dans l'industrie de la laine face à l'interdiction chinoise'. Agence Ecofin, 21 August 2019 by Espoir Olodo

https://www.agenceecofin.com/commodities/2108-68544-afrique-du-sud-l-inquietude-monte-dans-l-industrie-de-la-laine-face-a-l-interdiction-chinoise?utm_source=newsletter_10747&utm_medium=email&utm_campaign=ecofin-oil-and-gas-22-08-2019

Sudan

Army and civilians seal power-sharing deal

Sudan's ruling military council and civilian opposition alliance have signed a landmark power-sharing deal. The agreement ushers in a new governing council, including both civilians and generals, to pave the way towards elections and civilian rule.

The deal was signed by Hemeti and Lt-Gen Abdel Fattah Abdelrahman Burhan for the military council, and Ahmed al-Rabie for the Alliance for Freedom and Change umbrella group of pro-democracy protesters. Under the deal, a sovereign council, consisting of six civilians and five generals, will run the country as a transitional government until elections are held.

On Wednesday 21 August, Abdullah Hamdok was sworn in as Prime Minister to lead this government with the aim of holding free and fair elections in a little more than 36 months' time.

For the Sudanese people, who have suffered through the economic collapse resulting from the poor governance of the long-lasting al Bashir regime, increasingly drastic shortages in everyday supplies and seen their currency lose any intrinsic value as runaway inflation took root, that three-year time frame may not seem that far off, and at least they may now take comfort that their lot should improve with a civilian at the helm.

During his swearing-in ceremony, Hamdok acknowledged that the road ahead will have its difficulties and challenges. But he has vowed to make long-lasting peace a priority, as well as his resolving of Sudan's deep-rooted economic problems. As a respected economist with experience at both the United Nations and the International Labour Organisation, Hamdok knows better than most the challenges facing Sudan.

In dealing with international organisations, Hamdok will need to navigate the negative reputation his nation has earned from decades of Al Bashir's rule. He will need first to convince the western world that his nation, now embarking on a new dawn, has no role to play in sponsoring extremists. His credentials and long experience beyond Sudan's borders will help.

In the meantime, former, long-ruling President al Bashir is scheduled to go on trial for corruption charges during the week of Monday 26 August.

Report based on source: 'Sudan conflict: Army and civilians seal power-sharing deal'. BBC Online news, 17 August 2019 <https://www.bbc.com/news/world-africa-49379489> and 'Sudan Prime Minister's priorities are peace and economics'. Gulf News, 24 August 2019 <https://gulfnews.com/opinion/editorials/sudan-prime-ministers-priorities-are-peace-and-economics-1.65984415>

Zimbabwe

Land of hope and worry

After decades of mismanagement and corruption, Zimbabwe's people are poor and hungry. According to The Economist, the UN has indicated that by early next year half of all Zimbabweans will need help to get enough food to survive.

In a country that was once among Africa's most industrialised, electricity flickers for only a few hours a day, often at night. Factories and bakeries stand idle while the sun shines. Workers arrive after dark, hoping that if they are patient they will be able to switch on their machines or ovens. In homes people wake up in the middle of the night to cook or iron their shirts. Freshwater taps work for a few hours once a week. Tendai Biti, an opposition MP and former Finance Minister, complains that life

has gone back to colonial times: “I’m washing in a bucket, my friend, as if it is Southern Rhodesia in 1923.”

The crisis is Zimbabwe’s worst since the bad days of 2008-09, tamed only when Zimbabwe ditched its own currency and started using American dollars. This time, the government blames drought for the nation’s woes. Rains have, indeed, been poor, but the real problem is bad and predatory government, and Zimbabweans have learned to expect only trouble from the people in charge. They have learnt to hustle creatively to get by, but they do not see why they should endure oppression and dysfunction indefinitely.

Now Mr Mnangagwa wants another bail-out from the IMF, but after 21 months in power, he has shown few signs of eradication of fraud and corruption as he had pledged.

Report based on source: ‘Land of hope and worry’. The Economist, 17 August 2019

End report