

SUPPORTING AUSTRALIAN MINERALS AND ENERGY SUCCESS IN AFRICA

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Congratulations to Bill Repard, Dominic Piper, Kale Nakazwe, Christine Oelschlaeger and the rest of the Paydirt team for a very successful 2019 conference.

Africa - General

Quebec conquers French-speaking Africa

Quebec authorities have been conducting regular missions around Africa in recent years. The Coalition Avenir Québec (CAQ, centre right) won the general election at the end of last year, and under the leadership of PM François Legault and his Minister of International Relations and Francophonie, Nadine Girault, the new government has announced its intention to increase trade with the African continent, however without, stating any clear strategy.

The first asset that the Canadian province is banking on to increase its influence on the continent is its membership in the International Organisation of the Francophonie (OIF). Regularly referring to the concept of "economic Francophonie", the Quebec authorities intend to rely on the OIF's vast networks to do business abroad.

"The Quebec government wants to get out of "all-mining" and diversify its action on the continent. He realised that there were many other economic opportunities," notes Patrice Malacort, Quebec's representative at the Canadian Council for Africa.

Maghreb countries, especially Algeria and Morocco, are by far the main partners, followed by those in sub-Saharan Africa, such as Côte d'Ivoire. "Quebec decision-makers, both at the governmental level and in business networks, need to improve their knowledge of the continent and its diversity. We need to achieve a more targeted economic policy, country by country, according to the needs of each one," argues Jean-Guy Côté. Jean-Guy Côté is Associate Director of the IdQ, a think tank created to guide the Quebecois government in its formulation of state policies.

In order to increase its exports and better understand the expectations of its interlocutors in French-speaking Africa, Quebec opened a general delegation in Dakar and offices in Rabat and Abidjan in 2016. More could follow in the coming months. Across the Atlantic, Export Québec's teams, under the tutelage of the Ministry of Economy and Innovation, ensure that companies wishing to establish themselves on the continent are supported. Since 2010, more than 300 companies have been supported by the government on the continent.

Finally, Quebec has been putting 'the pedal to the metal' on all that constitutes Quebec soft power in Africa: First, through the many university exchange programs that allow the French-speaking province to forge lasting links with the African elites of tomorrow; through the cultural projects

supported by the Quebec government; through involvement in international solidarity and humanitarian aid; as well as through support to various associations and NGOs.

Members of the various African diasporas based in Montreal are also a significant asset in building new bridges to the continent. "We have a real role to play, the government needs to rely even more on us!" concluded Montreal resident Oumar Diallo before packing his suitcase for a quick trip to Rwanda.

Report based on sources: 'Le Québec à la conquête de l'Afrique francophone'. Jeune Afrique, 26 août 2019 by Benjamin Roger https://www.jeuneafrique.com/mag/819368/politique/le-quebec-a-la-conquete-de-lafrique-francophone/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-26-08-19

FOCAC supplanted by the New Silk Roads

In their cooperating with China, the FOCAC (Forum on China-Africa Cooperation) targeted at aid to African states, is no longer popular, African countries preferring to be closely involved in China's 'New Silk Roads'.

It is difficult to say how much of the \$60 billion promised to Africa by President Xi Jinping at FOCAC 2018 has actually been disbursed. Are debt cancellations in Cameroon (\$78 million in January) and Zambia (\$22 million in June) or the rescheduling agreement on Congolese debt reached some two months ago, part of the promised kitty-bank? "As it is, we don't know how much of the \$60 billion promised in 2015 in Johannesburg was used, so as for the 2018 funds... it is a complete mystery!" stated Thierry Pairault, from the Centre for the Study of Modern and Contemporary China, in Paris.

Is this the end of an era - The FOCAC forum becoming a non-event, and African countries now understanding that what matters is being part of China's New Silk Roads?

At the second 'Belt and Road Forum for International Cooperation', which took place in Beijing, 25 to 27 April 2019, agreements worth some \$64 billion were signed with \$590 million in commitments towards Kenya's development. It certainly seems that 'the club that matters' (as the French say), is that of the New Silk Roads.

Report based on source: 'Chine-Afrique : le Focac supplanté par les Nouvelles routes de la soie'. Jeune Afrique 30 August 2019 by Julien Wagner https://www.jeuneafrique.com/mag/819574/economie/chine-afrique-le-focac-supplante-par-les-nouvelles-routes-de-la-soie/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-30-08-19

Eva Joly: They give 100, 120 million to corrupt leaders and for which they can continue to plunder the country

Last month, Eva Joly, politician, high-level judge and the French icon of anti-corruption, was presented with a prestigious award in London by the NGO 'Tax Justice Network', (<https://www.taxjustice.net/>) for her extraordinary contribution to tax justice.

During her career as an investigating judge in the financial prosecution department of the 'Palais de Justice' in Paris, she uncovered numerous cases, the most resounding of which was the African corruption network of the French oil company, ELF, the largest anti-corruption investigation in the West since WWII.

In an interview with Jeune Afrique last month, she elaborated on her work and spoke about the early days of her involvement in corruption in Africa. She elaborated that she was able to establish that "... there was a whole system of corruption and undue profits. With ELF, funds were distributed in a most corrupt manner: a little returned to Africa but much stayed in France and served for the personal needs of French elites; for their wives, their children, their mistresses, for their way of life".

She continued "... And the good thing is that we were able to carry it to the end. Thirty executives [and others] were convicted in this case... We showed how African leaders, corrupted by ELF's money, personally, allowed France to enrich itself at the expense of African countries. ... with Zambia [...for example] ... like all mining countries that make a living from the extraction of its natural resources, it does not receive a fair share of the rent generated. At the time of my inquiry, Zambia received \$50 million from its mining industry when export value was of the order of \$3 billion! Norway's development assistance project helped the Zambian government change its contracts with the unscrupulous multinationals and the result was spectacular. Unfortunately, it didn't last because the late president (Michael Sata), who was totally anti-corruption and wanted such a program, died and his present successor, Edgar Lungu, seems to have returned to the old traditions..."

In developed countries there is an increasingly greater concern that wealth must be "distributed wealth", as well as a willingness by the foreign investors and operators to allow more of the profits generated back to Africa, if this is indeed done.... and that is why the NGOs "Publish What you Pay" and the transnational initiative "EITI" are worthwhile steps forward in the fight against corruption.

Report based on source: 'Eva Joly : « Ils donnent 100, 120 millions aux dirigeants corrompus et moyennant quoi ils peuvent continuer à piller le pays'. Ecofin Hebdo, 22 August 2019 Interview by Idriss Lingue https://www.agenceecofin.com/hebdop2/2208-68556-entretien-avec-eva-joly-ils-donnent-100-120-millions-aux-dirigeants-corrompus-et-moyennant-quoi-ils-peuvent-continuer-a-piller-le-pays?utm_source=newsletter_10758&utm_medium=email&utm_campaign=ecofin-hebdo-n-089-semaine-du-09-au-16-aout-2019

France tightens the noose on 'Biens mal acquis' (Ill-begotten gains)

In 2003 the United Nations adopted an instrument entitled "UN Convention Against Corruption" to help states that were struggling to combat corruption and to strengthen areas of cooperation between them.

France is now strengthening its legislation on the transnational restitution of assets acquired through foreign bribery that have been diverted abroad, last May, easily passing a Bill through the French Senate on the restitution of assets from foreign bribery. The text sets out founding principles along the concepts of "transparency, solidarity, admissibility, integrity and efficiency", an ethical foundation that will allow France to fully engage in this noble objective.

After the UN declaration in 2003, a first French prosecution case for international corruption had been that of Teodoro Nguema Obiang Mangue, son of the President and the Vice-President of Equatorial Guinea, convicted in October 2007. The son of the Head of State was given a three-year suspended prison sentence and a 30 million Euros (AUD 49 million) fine for corruption and embezzlement of public property.

In 2010 and after a long hiatus of inactivity, the French justice system opened a second judicial investigation against the family assets of three Central African leaders: President Omar Bongo Ondimba of Gabon, who had died a year earlier, President Denis Sassou Nguesso of the Republic of Congo, and President Teodoro Obiang Nguema of Equatorial Guinea, yet to be concluded.

A second judicial inquiry was opened in 2011 during the Arab Spring, this time targeting President Ben Ali of Tunisia, President Hosni Mubarak of Egypt, President Bashar al-Assad of Syria, and President Muammar Gaddafi of Libya (murdered in late 2011).

Note that there is always a very real danger that such pursuits may have political objectives and as well, most difficult to ensure the proper repatriation of funds back to the rightful source.

Report based on source: 'Biens mal acquis : la France resserre l'étou'. Jeune Afrique, 25 August 2019 by Alexandre Brutelle and Neila Latrous <https://www.jeuneafrique.com/mag/819377/politique/biens-mal-acquis-la-france-resserre->

TICAD VII: Japan advocates a "quality" approach on the [African] continent

Meeting for three days in Yokohama at the 7th Japan International Conference on The Development of Africa (TICAD), African officials and businessmen encouraged Tokyo to be less reserved in their advances on the continent. China weighed heavily on the forum, where Shinzo Abe, the Japanese Prime Minister, concluded with yet another allusion to his powerful rival. "By providing assistance to Africa, we must take into account the debt burden of the country receiving this aid and ensure that this burden does not become excessive," said the Japanese Prime Minister. The day before, he had warned of the excess debt of African countries, in reference to the massive Chinese investments, "We believe that quality, affordable infrastructure throughout its life cycle is fundamental to sustainable economic transformation".

Whether an expression by a sore loser or real calculation, Japanese executives took the opportunity to promote a differentiated approach towards the African continent, extolling, for example, the sobriety of the investments made by Japanese financing and insurance institutions.

Shinzo Abe also cited the need for cooperation with the continent in the field of human resources, education and medicine as a priority. In Kenya, Tokyo has pledged to support the government in its plan to provide universal health coverage as well as in the development of a special economic zone. Over the next three years, the country will also contribute to the training of experts in financial risk and public debt management in 30 African countries.

The fact remains that this manner of setting itself apart from China, will have had the effect of revealing the widening gap with its main competitors, China in the lead. In fact, here is a real incongruity for Japan, the world's second largest power, to be only in seventh place in terms of trade relations with Africa.

Currently, 796 Japanese companies are reported in Africa, up from 250 in 2010. However, Tokyo wants to further strengthen its presence of the private sector and the forum resulted in several announcements. Chief among them was a preliminary agreement signed on 29 August between the Japanese car giant Toyota and the Ivorian government to eventually set up a vehicle assembly plant in Côte d'Ivoire.

For its part, the Mitsubishi Corporation conglomerate has entered the African off-grid energy business, taking part in a \$50 million capital raising for the British holding company BBOX, which provides pay-as-you-go solar power for cooking and other vital utility services, such as internet access and water for previously unreachable communities.

Finally, the Moroccan Central People's Bank (BCP) has also signed an MoU committing itself to support Japanese and Asian clients of Sumitomo Mitsui Banking Corp (SMBC) in their investment projects in Morocco, in Mauritius as well as other sub-Saharan African countries. Tokyo has stated that these initiatives could also be executed in cooperation with foreign groups and industrialists.

Report based on source: Ticad VII : le Japon prône une approche de « qualité » sur le continent'. Jeune Afrique, 30 August 2019 by Marjorie Cessac

https://www.jeuneafrique.com/822127/economie/distancie-par-la-force-de-frappe-chinoise-le-japon-prone-une-approche-de-qualite-sur-le-continent/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-30-08-19

The AfDB and Japan will mobilise US\$3.5 billion for Africa's private sector

In a statement on its website, the African Development Bank (AfDB) has stated that, with the assistance of Japan, it will raise some \$3.5 billion to assist Africa's private sector, each party bringing US\$1.75 billion (AUD 2.6 billion) to the initiative.

According to the press release, the fund will be used to support Phase 4 of the “Enhanced Private Assistance for Africa” (EPSA) program, which aims to stimulate sustainable and inclusive growth. As part of this phase of the project, special emphasis will be placed on electricity, transport and the health sectors.

"The African Development Bank and the Japan Agency for International Cooperation (JICA) are long-term partners in promoting Africa's development. EPSA is helping to provide the necessary assistance to support the private sector," said Akinwumi Adesina, AfDB President, speaking on the sidelines of the seventh Tokyo International Conference on African Development (TICAD 7).

Report based on source: ‘La BAD et le Japon vont mobiliser 3,5 milliards \$ pour le secteur privé africain’. Agence Ecofin, 30 August 2019 https://www.agenceecofin.com/aide-au-developpement/3008-68800-la-bad-et-le-japon-vont-mobiliser-3-5-milliards-pour-le-secteur-prive-africain?utm_source=newsletter_10804&utm_medium=email&utm_campaign=ecofin-mines-30-08-2019

Global taxation for GAFA companies by 2021

Both the USA and France are looking to tax the internet giants by 2021. On the sidelines of the G7 summit in Biarritz, French President Emmanuel Macron and his US counterpart, Donald Trump, announced that they had reached "a very good agreement" on the taxation of Internet giants. In fact, present negotiations among members of the OECD could lead to an international agreement on the taxation of large digital companies. A draft is in preparation and could be ready for tabling in a month's time, at the G20 finance ministers' meeting.

As African nations become more effective in developing their domestic solutions in taxing foreign companies, this may be a global move that will eventually also benefit Africa.

Report based on source: ‘En route pour une taxation mondiale des GAFA en 2021’. Agence Ecofin, 29 August 2019 by Servan Ahougnon https://www.agenceecofin.com/internet/2908-68780-en-route-pour-une-taxation-mondiale-des-gafa-en-2021?utm_source=newsletter_10804&utm_medium=email&utm_campaign=ecofin-mines-30-08-2019

Algeria

Face-off between the army and the people

A country that was able to get rid of its long-standing and seemingly immovable ruler, now seems unable to pick a new one.

After months of protests brought down President Abdelaziz Bouteflika in April, an election was set for July. That deadline came and went, though, with no replacement in sight. Demonstrators, angry about both stalled politics and a stalling economy, still take to the streets each week. The army, which holds de facto power, tolerates them. But nothing else has changed: the status quo has prevailed through a long, languid summer.

After giving Mr Bouteflika a final push, the army set out to dismantle the power base he built over the previous two decades. Wealthy businessmen like Ali Haddad, who made a fortune from state contracts, were carted off to jail. So were the president's brother, two former spy chiefs and other powerful behind-the-scenes figures known as power.

The army is still in charge!

Botswana

Battle of the Big Men: Rare turbulence in one of Africa's most successful states

"Elephants excite most children," says Timex Moalosi, the chief of Sankuyo, in northern Botswana. "But not ours." Since the country's former president, Ian Khama suspended game-hunting in 2014, pachyderms have besieged the village, stomping crops and scaring kids. The destruction upset residents, as did the loss of income from selling permits to gun-wielding tourists. So, when Botswana's current president, Mokgweetsi Masisi, reversed the ban in May, Sankuyo rejoiced.

For Mr Khama, the decision was apparently the straw that broke the 'elephant's back'. The ex-president said he should not have anointed the "immature" Mr Masisi in 2018. In May, Mr Khama left the Botswana Democratic Party (BDP) that has ruled since independence in 1966, and endorsed a new party, the Botswana Patriotic Front (BPF). The BPF is loosely allied to the main opposition coalition, the Umbrella for Democratic Change (UDC).

Parliamentary and local elections are to be held on 23 October.

At first glance, it seems a personal feud. Mr Masisi has ditched flagship policies of Mr Khama's, like the hunting ban and has cut his predecessor's privileges, such as flying on official aircraft. He has dismissed Mr Khama's allies, including Isaac Kgosi, the intelligence chief. It is rumoured that Mr Masisi has also broken a promise to appoint Mr Khama's younger brother as vice-president.

But for all the elements of soap opera, the drama is deeply serious. Botswana, arguably Africa's most successful state, is in an unprecedented situation.

The country's success to now, is put down to its political culture. Botswana drew on pluralistic precolonial institutions, such as the kgotla, or the council. It had an elite that subscribed to the rule of law. This was partly out of self-interest, as British imposed property rights suited the cattle-owning nobility. But there were also in Botswana, unusually enlightened leaders. Sir Seretse Khama, Botswana's first president and Ian's father, was the "paramount chief" in the area where diamonds were found. But he passed laws preserving mineral rights for the nation, not his chieftaincy. His son the former president, however, is using his tribal authority for electoral gain and although considered by some to be "eroding our norms", Mr Khama may consider that worth it.

Mr Masisi says he was once a "bootlicker," but is his own man. So far, that seems to mean making rash populist pledges in order to shore up the BDP's support. The repeal of the hunting ban has impressed rural voters, but hurt tourism bookings nationwide. A proposal to build electric cars in Botswana is unrealistic.

The election campaign does not bode well for Botswana's reputation for sound policy. That matters as the country tries to reduce its dependence on diamonds, which make up roughly the same share of exports today (73%) as they did in 1992 (71%).

Nevertheless, Botswana still has enviable stable and honest institutions, but there is a feeling among its citizens that what made their country special is at risk and Botswana's 'exceptionalism' may now be relegated to history.

Report based on source: 'The battle of Botswana's Big Men: Rare turbulence in one of Africa's most successful states'. The Economist: Middle East and Africa, 29 August 2019 by TE

Republic of Congo

Brazzaville must move from words to deeds

After five years of poor economic performance, Congo-Brazzaville is pulling out of a recession. Having renegotiated a restructuring of its bilateral debt with Beijing, it is once more 'in the good books' GOOD with the IMF.

On 11 July, the country was in the middle of a financial crisis with an estimated \$10.7 billion in public debt. The IMF would not consider supporting the country until it had reached agreement with the Chinese authorities on the rescheduling of its debt; a US\$ 3.15 billion ((AUD 4.6 billion) loan it had taken out with China Exim Bank, a sum which represented 35% of its total debt. An agreement was signed in Beijing on 29 April, and as remarked by a Congolese businessman, "This was the first time that the Chinese authorities have done this in writing. They were very afraid that this type of request would be repeated elsewhere and would become a case law".

The IMF has now said it was ready to resume its financial support program in Congo under the Expanded Credit Facility (ECF) with an immediate initial tranche of \$44.9 million. Like the IMF, other donors have reiterated their support for the country. In total, Brazzaville is expected to receive \$1.3 billion in aid from the Fund, as well as from the World Bank, the African Development Bank (AfDB) and the French Development Agency (AFD), etc.

The country managed to return to positive growth (1.6%) in 2018 and is expected to follow this trend, mainly due to the rebound in oil prices and the entry into development of reserves from the Moho-North field. But in order to improve the management of its finances, it will above all have to work to clear its debts with its other creditors, as it did with Beijing.

Report based on source: 'Congo: Brazza doit passer de la parole aux actes'. Jeune Afrique, 2 September 2019 by Marjorie Cessac https://www.jeuneafrique.com/mag/821904/economie/congo-brazza-doit-passer-de-la-parole-aux-actes/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-02-09-19

DRC

Felix Tshisekedi finally gets his government

On 26 August, , the first post-Kabila government was announced by Sylvestre Illunga Illunkamba, the new DRC Prime Minister.

This comes seven months after the election of Felix Tshisekedi as head of the country and months of negotiations between Tshisekedi and Kabila. The new 66-member government entrusts twenty-two ministerial posts to Tshisekedi's ruling coalition, 'Cap pour le Changement' (Cach), while Joseph Kabila's 'Front commun pour le Congo' (FCC), holding the majority in parliament, retains forty-two posts.

According to the Prime Minister, significant changes have been made to several key positions in the new government: The Ministry of Finance, should be headed by José Sele Yalaghuli, former chief of staff to former Prime Minister Matata Ponyo, while the Ministry of Justice will be headed by Celestin Tunda ya Kasende, former Deputy Secretary General of the 'Parti du peuple pour la reconstruction et la démocratie' (PPRD).

It must be noted that a total of 76.9% of the members of the new government have never taken part in a government, while 17% of them are women. The official parliamentary ceremony of investiture for the new team is scheduled to take place on 7 September.

Of note are the following members of the new government: Rubens Mikindo Muhima will be Minister of Petroleum with Moussa Mondo as Deputy Minister, while Willy Kitobo Samsoni has been appointed to the post of Minister of Mines, with Alpha Denise Lupetu Tshilumbayi as his deputy.

Report based on source: '7 mois après son élection Félix Tshisekedi a enfin son gouvernement de 66 membres'. Agence Ecofin, 26 August 2019 by Moutiou Adjibi Nourou
https://www.agenceecofin.com/politique/2608-68644-rdc-7-mois-apres-son-election-felix-tshisekedi-a-enfin-son-gouvernement?utm_source=newsletter_10774&utm_medium=email&utm_campaign=ecofin-mines-27-08-2019

Guinea

Alpha Condé promises to listen to advice on changes to the Constitution

On 4 September, Guinea's President, Alpha Condé, announced the beginning of "consultations" between the government represented by the Prime Minister, Ibrahima Kassory Fofana and his advisers, in discussions with political actors, trade unions and civil society organisations on changes to the country's Constitution.

Guinean President Alpha Condé has often questioned the relevance of limiting the number of mandates on the continent - a maximum of two in Guinea, but has so far not announced a constitutional amendment to run for re-election in 2020, at the end of his second term, which will end in October. Many of his statements in recent years have however been interpreted to this effect, the opposition attributing them to a desire to represent himself at the coming elections.

While supporters of the president regularly express their enthusiasm for constitutional change, several members of the National Front for the Defence of the Constitution (FNDC), created in April to oppose a third term of Alpha Condé, were arrested in April and May during incidental demonstrations, before being released by the courts.

Report based on source: 'Guinée : Alpha Condé promet des « consultations » sur la Constitution'. Jeune Afrique, 5 September by Jeune Afrique/AFP
https://www.jeuneafrique.com/824518/politique/guinee-alpha-conde-promet-des-consultations-sur-la-constitution/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-05-09-19

Kenya

Kenya exports its very first shipment of oil

26 August 2019 will be remembered as an historical moment for Kenya, as President Uhuru Kenyatta planted the Kenyan flag on the oil tanker in the port of Mombasa. On that day, Kenya officially exported its first barrels of oil, a delivery of 200,000 barrels to China, resulting from a year-long period of production tests ahead of full production scheduled for 2024.

In 2012, Tullow Oil and its partner Africa Oil, discovered commercial oil reserves in the Lokichar Basin in Turkana County, in Kenya's far north. Tullow estimates that the field contains some 560 million barrels of recoverable oil and Total has recently taken a 25% stake in the project.

Beginning in early 2018, the group implemented a pilot project to transport some 2,000 barrels per day by truck to the port city of Mombasa to test production flow from the reservoir, before full production and pipeline exports begin. The pipeline is scheduled to be completed by 2022.

Report based on source: 'Kenya : le pays exporte sa toute première cargaison de pétrole brut'. Ecofin Oil and Gas, 26 August 2019 <https://www.agenceecofin.com/trade/2608-68657-kenya-le-pays-exporte-sa-toute-premiere-cargaison-de-petrole-brut>

Mali

The IMF approves a new agreement of \$191.9million

Despite difficult security conditions, the Malian economy has achieved reasonable economic results according to the IMF, which approves a new agreement to support job creation, economic diversification and resilience,

The Executive Board of the IMF has approved a new three-year agreement under the Extended Credit Facility (ECF) worth \$191.9 million (AUD 281.5 million) for Mali, with an initial immediate disbursement of \$27.4 million (AUD 40.2 million).

The new agreement between the IMF and Mali is intended to support the authorities' development strategy to achieve "strong and inclusive growth through job creation, economic diversification and resilience building". The programme aims to meet ECOWAS criteria on overall budget deficit, which should not exceed 3% of GDP, from 2019. The ECF is a financial aid to countries experiencing "sustained balance-of-payments difficulties", supporting reform programs aimed at restoring macroeconomic sustainability and stability.

"Despite difficult conditions, Mali has made considerable progress under the previous programme. In the long run, the economic outlook remains generally positive, but is exposed to considerable risks, related to the security situation, shocks on the terms of trade (gold, cotton and fuel prices) and adverse weather conditions", said Tao Zhang, Deputy Managing Director and Acting Chairman of the Board of Directors.

The new programme between Mali and the IMF has as an objective of "capacity development" but also seeks to expand the fiscal space for productive investment and prioritise social spending, while at the same time improving governance and combating corruption.

A difficult juggling act!

Report based on source: 'Le FMI approuve un nouvel accord de 191,9 millions de dollars'. Jeune Afrique, 2 September 2019 by Baba Ahmed.
https://www.jeuneafrique.com/823084/economie/mali-le-fmi-approuve-un-nouvel-accord-de-1919-millions-de-dollars/?utm_source=newsletter-ja-eco&utm_medium=email&utm_campaign=newsletter-ja-eco-02-09-19

Morocco

MoU between Banque Populaire and Japanese Sumitomo Mitsu

The Popular Central Bank (BCP), a leading pan-African banking group, and Sumitomo Mitsui Banking Corporation (SMBC), Japan's second largest bank, have signed an MoU aimed at mutually developing business opportunities on the African continent.

This MoU, which reinforces the historical partnership between the two groups, was initialled by Kamal Mokdad, MD of BCP, and Masahiko OSHIMA, VP of Sumitomo Mitsui Financial Group (SMFG) and SMBC.

"The MoU reflects the common will of both institutions, BCP and SMBC, to strengthen their cooperation in the strategic sectors of the different geographical areas where they are present, thus contributing to further promote the sustainable development of trade and investment activities between Japan and Africa," Mokdad said.

Through this strategic partnership, concluded on the sidelines of the 7th Tokyo International Conference on African Development (TICAD-VII), BCP and its subsidiaries become privileged banks that support Japanese and Asian clients of the SMBC group within the framework of their investment and trade projects in Morocco, Mauritius as well as in sub-Saharan countries where BCP operates.

This multifaceted support covers areas such as project financing, cash management and trade finance products, and local partnership development.

Report based on source: 'MoU between Banque Populaire and Japanese Sumitomo Mitsu'. Eco-News from Morocco, 30 August 2019

Mozambique

Mozambique and Indonesia sign a trade agreement to lower their customs barriers

Indonesia's Ministry of Commerce has announced that Mozambique and Indonesia have signed a new preferential trade agreement (ACP).

The new agreement, which aims to boost bilateral trade between the two countries, will reduce tariffs on many products traded between the two economies. For example, Mozambique is expected to lower import tariffs for 217 Indonesian products including palm oil, margarine, rubber and fruit. In exchange, Indonesia will reduce tariffs on 242 products, including cotton, tobacco and nuts from Maputo.

"With this Indonesia-Mozambique ACP, both countries will be more open, trade will intensify because tariffs are better than before," Indonesian Trade Minister Enggartiasto Lukita was quoted as saying by Reuters, adding that the archipelago wanted to diversify and intensify its trade with Africa.

As a reminder, in 2018 total trade between the two countries amounted to US\$91.88 million (AUD 136.6 million), with a surplus of US\$30.9 million (AUD 46 million) for Indonesia.

Report based on source: 'Le Mozambique et l'Indonésie signent un accord commercial pour abaisser leurs barrières douanières'. Ecofin Oil and Gas, 28 August 2019 by Moutiou Adjibi Nourou
<https://www.agenceecofin.com/commerce/2808-68712-le-mozambique-et-lindonesie-signent-un->

Russia carefully advancing its chess-pieces

Mozambican Filipe Nyusi is expected to be one of the few heads of state absent from the Russia-Africa Summit to be held in Sochi on 24 October, because he is running for a second term in the presidential elections to be held on 15 October.

He nevertheless took the lead, by recently going to Moscow between 20 to 24 August and meeting the Russian President Vladimir Putin. Russia and Mozambique have now strengthened their cooperation by signing several new economic agreements, particularly in the field of exploration and future development for Mozambican offshore gasfields.

On 21 August, President Nyusi participated in a business forum with fifty leading Mozambican bosses and four hundred Russian businessmen, and met with Mark Partridge, vice president of Gazprom Bank. This Russian bank is prepared to participate in the financing of the LNG project off Cabo Delgado (North), an offshore development led by a consortium dominated by the American Anadarko in which ENH (Mozambique's national oil company) holds 15 % of the shares [NOTE: ownership is being incorrectly reported by JA, as Anadarko had passed the project onto Occidental Petroleum some time ago, and Occidental has since sold it to TOTAL]. Gasprom Bank is also willing to lend \$2 billion (AUD 2.9 billion) to ENH to help with this project.

On 22 August, in presence of the Mozambican and Russian presidents, Igor Setchine (Rosneft) concluded two agreements: one with Omar Mitha (ENH), which will allow the Russian giant to expand its exploration of Mozambican gas fields; the other with Carlos Zacarias (National Petroleum Institute, INP). Also in the Kremlin, Aly Impija (EDM) and Maxime Sergeyev (Inter RAO-Export) signed a Memorandum of Understanding paving the way for the construction or modernisation of power plants (hydroelectric, thermal, solar) and the expansion of Mozambique's electricity grid.

Report based on source: 'Mozambique: la Russie pousse ses pions'. Jeune Afrique, 3 September 2019 BY JA <https://www.jeuneafrique.com/mag/822243/politique/mozambique-la-russie-pousse-ses-pions/>

Rwanda

The University of Rwanda receives \$35 million from the Swedish government

This is the fourth phase of a cooperation programme between Rwanda and Sweden that began in 2002. The Swedish government, through its International Development Cooperation Agency (SIDA), announced on 23 August the granting of \$35 million over five years to the University of Rwanda.

Among other things, the cooperation should enable Rwanda to train eighty doctorate-level medical postgraduate students over the period. The Kigali-based higher education institution also provides training in social sciences, commerce and technology and will also expand its partnerships with Swedish institutions in these other disciplines.

Report based on source: 'L'université du Rwanda reçoit 35 millions de dollars du gouvernement suédois'. Jeune Afrique, 27 August 2019 by JA <https://www.jeuneafrique.com/emploi-formation/820768/luniversite-du-rwanda-recoit-35-millions-de-dollars-du-gouvernement-suedois/>

Sao Tomé and Príncipe

SaoTomé-et-Príncipe – Algeria cooperation in the energy sector

Sao Tomé-et-Príncipe is making steps to partner with Algeria in the energy sector. This was the main purpose of the visit to Algiers of the STP Minister of Foreign Affairs, Elsa Teixeira de Barros Pinto, to Mohamed Arkab, the Algerian Minister of Energy.

"We spoke at length about possible relations between the two countries, particularly in the hydrocarbon sector, as well as in electricity production, transmission and distribution," the Algerian minister said.

The two countries also discussed the aspect of training "as well as all the opportunities to be realised on the ground in order to enable an effective relationship to develop in the energy sector".

Sao Tomé-et-Príncipe has an electrification rate of 68%, with an installed capacity of 26 MW for a population of some 202,000.

Algeria, on the other hand, has an installed capacity of 20 GW, and places particular emphasis on the training of its local workforce. Algeria could thus readily put its vast experience and skills at the service of the small island nation.

Report based on source: 'Sao Tomé-et-Príncipe envisage une coopération avec l'Algérie dans le secteur énergétique'. Agence Ecofin mines, 27 August 2019 by Gwladys Johnson Akinocho https://www.agenceecofin.com/electricite/2708-68692-sao-tome-et-principe-envisage-une-cooperation-avec-l-algerie-dans-le-secteur-energetique?utm_source=newsletter_10780&utm_medium=email&utm_campaign=ecofin-mines-28-08-2019

Somaliland

Parliamentary election may be delayed more than a year in Somaliland

The Lower House of Parliament (House of Representatives) has only been elected once, in 2015. Lower House members have now been in office for 14 years, despite a constitutional term of only 5 years. Elections have had to be postponed several times due to political conflict, as well as over the date and modalities of the election.

Announced for 28 March 2019, it has again been pushed back to... sometime in 2020?

Report based on source: 'Parliamentary election may be delayed more than a year in Somaliland'. Somaliland Standard, 15 August 2019 by Admin <https://somalilandstandard.com/parliamentary-election-may-be-delayed-more-than-a-year-in-somaliland/>

Sudan

Ministerial postings finally announced for the first post-Bashir era government

Sudan first post-Bashir government has been named, Prime Minister Abdalla Hamdok announcing the names of eighteen people who will run the country over the next three years.

According to the Head of Government, the new ministers were chosen primarily on the basis of their competence, in order to ensure the best transition to the next general election. For the first time in the country, four women are part of the new executive body and include Ms. Asma Mohamed Abdallah, appointed as Foreign Minister.

"We support women's participation in the transitional government because of their role in the Sudanese revolution," said Prime Minister Hamdok.

The appointments come only weeks after the signing of an agreement between the military and civilians to establish an inclusive "sovereign council" to preside over the country's destiny over the coming years. To this end, Madani Abbas Madani, the leader of the civil coalition that negotiated the power-sharing agreement with the military, has been appointed Minister of Industry and Trade. Ibrahim el Badawi, a former World Bank economist, will have the difficult task of managing an economy plagued by debt and currency shortages.

On the military side, must be noted the appointment of General Idriss al-Trafi to the portfolio of the Interior, and of General Jamal Omar, as Head of the Ministry of Defence.

It should be noted that discussions are still ongoing with civilians to appoint the last two ministers of the new Hamdok government, which is expected to have a total of 20 members.

Report based on source: 'Abdalla Hamdok dévoile la liste du premier gouvernement de l'ère post-Béchir'. Agence Ecofin, 6 September 2019 by Moutiou Adjibi Nourou
https://www.agenceecofin.com/politique/0609-69007-soudan-abdalla-hamdok-devoile-la-liste-du-premier-gouvernement-de-lere-post-bechir?utm_source=newsletter_10856&utm_medium=email&utm_campaign=ecofin-oil-and-gas-06-09-2019

Tunisia

An economic revolution narrowly avoided

Overwhelming debt burden, widening deficits, private investment at half-mast, insufficient infrastructure... In the absence of an ambitious vision, the promises of the Tunisian Spring have remained unfulfilled, and foreign operators are beginning to be impatient.

The summer of 2019 was marked by the death of President Béji Caïd Essebsi on 25 July. Three weeks earlier, however, another event had stirred the Tunisian financial sector: Burkinabe Ladj Boureima Ouedraogo, through his company Société Générale du Faso (Co.G.Fa - distribution, hydrocarbons, real estate, etc.), acquired 5% (AUD 19.37 million) of the Tunisian National Agricultural Bank (BNA), thus becoming its largest private shareholder.

On one hand, this is a fine example of intra-African cooperation and cross-investment. On the other hand and with a note of disappointment, economic observers noted that no Tunisian entity had put themselves up to dispute the acquisition opportunity presented. Nine years after the revolution, the private Tunisian sector is still in turmoil and procrastinates, even when being overtaken by foreign competition on its own soil.

Report based on source: 'Tunisie : une révolution économique avortée'. Jeune Afrique, 5 septembre 2019 by Mathieu Galtier
https://www.jeuneafrique.com/mag/821873/economie/tunisie-une-revolution-economique-avortee/?utm_source=newsletter-ja-actu-abonnes&utm_medium=email&utm_campaign=newsletter-ja-actu-abonnes-06-09-19

Uganda

No change in joint venture between Tullow, Total and CNOOC

On 29 August, Tullow Oil plc ("Tullow") announced that its proposed farm-down to Total and CNOOC was cancelled, following the expiry of the Sale and Purchase Agreements (SPAs).

Tullow has been unable to secure a further extension of the SPAs with its Joint Venture Partners, despite previous extensions to the SPAs having been agreed by all parties. The termination of this transaction is a result of being unable to agree on all aspects of the tax treatment of the transaction with the Government of Uganda which was a condition to completing the SPAs.

While Tullow's capital gains tax position had been agreed as per the Group's disclosure in its 2018 full year results, the Ugandan Revenue Authority and the Joint Venture Partners could not agree on the availability of tax relief for the consideration to be paid by Total and CNOOC as buyers.

Tullow will now initiate a new sales process to reduce its 33.33% Operated stake in the Lake Albert project which has over 1.5 billion barrels of discovered recoverable resources and is expected to produce over 230,000 bopd at peak production.

The Joint Venture partners had targeted a Final Investment Decision (FID) for the development of the Ugandan project by the end 2019, but the cancellation of this transaction is likely to lead to further delay.

Report based on source: 'Termination of farm-down agreement with Total and CNOOC in Uganda'. Tullow Website, 29 August 2019 by Paul McDade, CEO <https://www.tulloil.com/media/press-releases/termination-of-farm-down-agreement-with-total-and-cnooc-in-uganda>

End report

Please note that the distribution of the newsletter will be suspended into mid-October 2019