For week ending 6 April 2012

Weekly African Footprint

We have included summaries for the countries listed below, please click on the country name should you wish to navigate to it directly:

- Botswana
- Egypt
- Ghana
- Kenya
- Malawi
- Mauritius
- Morocco
- Namibia
- Nigeria
- Tanzania
- Zambia
- Zimbabwe

Currencies:

	6-Apr-12	WTD %	YTD %
Currency	Close	Change	Change
AOA	95.08	0.00	-0.16
DZD	74.00	-0.51	1.64
BWP	7.25	-1.48	1.60
CFA	489.98	-1.49	0.96
EGP	6.02	0.03	-0.12
GHS	1.78	-0.70	-10.10
KES	81.81	-0.30	2.09
MWK	167.03	-1.08	-2.85
MUR	27.92	-0.42	0.78
MAD	8.47	-1.22	1.21
MZM	27,900.00	0.18	-4.49
NAD	7.79	-1.81	4.29
NGN	157.48	0.08	1.44
ZAR	7.82	-1.55	4.33
SDD	266.12	0.08	-0.01
SDP	2,261.00	0.00	0.00
SZL	7.79	-1.78	4.32
TND	1.51	-1.00	-1.48
TZS	1,562.56	0.57	-0.14
UGX	2,449.67	0.92	-0.10
ZMK	5,189.10	0.80	-3.42

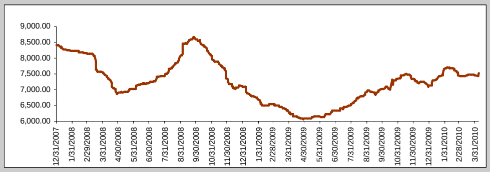
Source:oanda.com

African Stock Exchange Performance:

Country	Index	06 April 2012	WTD % Change	WTD % Change USD	YTD % Change	YTD % Change USD
Botswana	DCI	7,058.80	0.30%	-1.17%	1.26%	2.90%
Egypt	CASE 30	4,827.02	-3.82%	-3.79%	33.26%	33.09%
Ghana	GSE All Share	1,060.45	1.30%	0.60%	9.43%	-0.61%
Ivory Coast	BRVM Composite	156.18	2.37%	0.87%	12.46%	13.55%
Kenya	NSE 20	3,400.48	1.00%	0.70%	6.10%	8.36%
Malawi	Malawi All Share	5,669.69	0.05%	-1.02%	5.59%	2.66%
Mauritius	SEMDEX	1,800.70	-0.30%	-0.71%	-4.64%	-3.90%
	SEM 7	337.52	-0.55%	-0.96%	-3.66%	-2.90%
Morocco	MASI	10,512.04	-3.99%	-5.15%	-4.52%	-3.35%
Namibia	Overall Index	887.00	-0.11%	-1.89%	5.85%	10.59%
Nigeria	Nigeria All Share	20,941.93	0.89%	0.98%	1.02%	2.50%
South Africa	All Share	33,404.32	-0.45%	-1.97%	4.40%	9.13%
Swaziland	All Share	276.45	0.00%	-1.75%	2.98%	7.63%
Tanzania	DSEI	1,327.48	0.14%	0.71%	1.86%	1.72%
Tunisia	TunIndex	4,988.00	3.49%	2.47%	5.63%	6.04%
Zambia	LUSE All Share	3,934.55	0.23%	0.62%	-5.64%	-8.50%
Zimbabwe	Industrial Index	135.99	-0.56%	-0.56%	-6.77%	-6.77%
	Mining Index	89.21	4.94%	4.94%	-11.41%	-11.41%

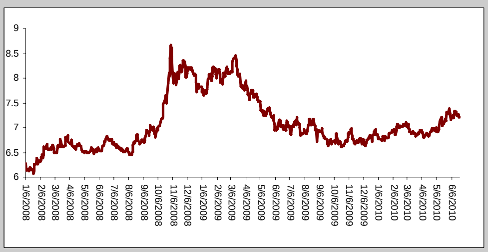
Botswana

Botswana Stock Exchange



Source: Reuters

BWP/USD



Source: Reuters

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-7.631	-16.259	-10.748
Current account balance (USD bn)	-0.825	-1.873	-1.304
GDP based on PPP per capita GDP	13,416.66	14,020.58	15,258.17
GDP based on PPP share of world total (%)	0.039	0.04	0.04
GDP based on PPP valuation of country GDP(USD bn)	24.186	25.568	28.149
GDP (current prices)	79.44	86.58	97.92
GDP (Annual % Change)	-10.347	4.124	8.542
GDP (US Dollars bn)	10.808	11.519	12.129
Inflation- Ave onsumer Prices(Annual % Change)	8.35	6.39	5.95
Inflation-End of Period Consumer Prices (Annual %)	6.65	6.21	5.73
Population(m)	1.80	1.82	1.85

Source: World Development Indicators

CPI Inflation

Stock Exchange News

The DCI gained a marginal +0.30% to close at 7,058.80 points. RPC Data and Betta Betta led the gainers after adding +11.11% and +2.08% to close at BWP 0.30 and BWP 35.37 respectively. Other counters to gain included ABCH (+1.10%), G4S (+0.81%) and Turnstar (+0.72%).

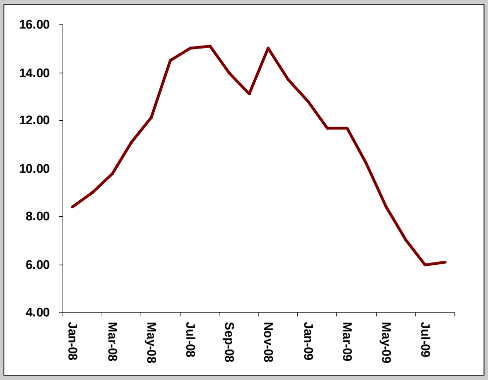
Corporate News

No Corporate News this week

Economic News

Botswana's economy contracted 5.8% quarter-on-quarter in the fourth quarter of last year from 5.5% in the previous three months due to a sharp reduction in mining output in the world's biggest diamond producer. On a year-on-year basis, gross domestic product expanded by 1.4% in the fourth quarter, an abrupt slowdown from a year-on-year 7.1% in the previous quarter, the Central Statistics Office said on Tuesday.

Annual growth in Botswana, one of Africa's most prosperous nations and the bearer of the continent's highest credit rating, slowed to 5.1% last year from 7.0% in 2010, the statistics agency added. The construction, water and electricity sectors posted healthy growth in the final three months of last year, along with a big increase in government spending. However, output from mining, which accounts for around a third of the economy, slumped 24.8%. The statistics agency gave no reasons for decline. *(Reuters)*



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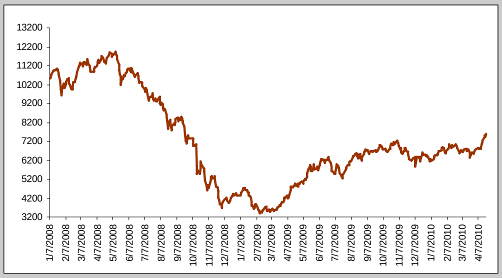
Source: SAR

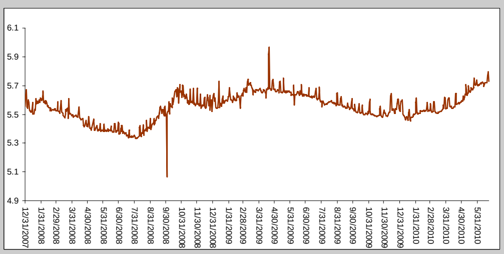
EGYPT

Cairo Alexandra Stock Exchange



Source: Reuters

EGP/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-2.354	-2.836	-2.72
Current account balance (USD bn)	-4.424	-5.912	-6.227
GDP based on PPP per capita GDP	6,147.12	6,393.94	6,676.47
GDP based on PPP share of world total (%)	0.658	0.666	0.681
GDP based on PPP valuation of country GDP(USD bn)	471.509	500.25	532.801
GDP (current prices)	2,450.41	2,664.41	2,868.74
GDP (Annual % Change)	4.7	4.498	5.008
GDP (US Dollars bn)	187.956	208.458	228.934
Inflation- Ave onsumer Prices(Annual % Change)	16.24	8.45	8.00
Inflation-End of Period Consumer Prices (Annual %)	9.96	8.00	8.00
Population(m)	76.70	78.24	79.80

Source: World Development Indicators

Stock Exchange News

The EGX CASE 30 Index lost -3.79% to 4,827.02 points. Rowad Tourism led the movers after gaining +8.99% to EGP 12.37 followed by general Silos and Storage (+5.62%) and Pyramisa Hotels (+5.61%). Goldern Textiles was the biggest loser after shedding -6.40% to close the week at EGP 9.06. Other notable losses were recorded in: The Arab Dairy Co (-4.08%) and El Kahera (-4.04%).

Corporate News

Egypt's Ezz El-Dekheila shrugged off political unrest and a troubled economy to chart record-breaking profits in 2011, an official from the steelmaking giant said on Sunday. The company, a unit of Ezz Steel, saw its net profits climb an annual 4% to EGP 697m in 2011. Revenues soared 11% to EGP 14bn over the same period. Cairo-based investment bank Beltone Financial said the steelmaker had seen "a remarkable year," despite a plunge in profits during the fourth quarter.

Ezz El-Dekheila's profits fell by a mighty 53% quarter-on-quarter to EGP 146m as revenues slipped 3% to EGP 3.3bn over the same period – drops partly attributed to a downturn in construction during the festival of Eid Al-Adha in November. "The company saw its highest profits in history despite all the troubles in 2011," Samir Nomani, sales director at Ezz Steel told Ahram Online.

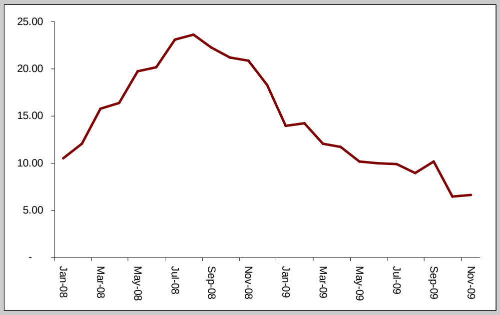
On Sunday, Ezz El-Dekheila's parent company Ezz Steel announced will maintain its April selling price for steel rebar at EGP 4,600 per tonne, citing stable global costs for raw materials. Global prices for billet in March stood at USD 640 per tonne while scrap prices slightly rose from USD 400 to USD 415 per tonne during the same period, according to a monthly report from Egypt's Metallurgical Industries Chamber.

In May 2011, Ahmed Ezz, former secretary for organisational affairs of the now dismantled National Democratic Party (NDP) was removed from his position as chairman of Ezz El-Dekheila. In September, Ezz was sentenced to 10 years in prison on graft charges related to the illegal sale of steel licences. *(Ahram)*

El-Sewedy Electric, the Arab world's biggest listed cable maker, posted a 34% drop in consolidated net profits for 2011, according to the Egyptian Stock Exchange Monday. Net profit fell to EGP 536.5m (USD 88.82m) from EGP 816.6m in 2010, the bourse said. On an unconsolidated basis, net income slumped by 70% to LE252.6m. *(Ahram)*

SECURITIES AFRICA

CPI Inflation



Source: SAR

Economic News

Egyptian Planning Minister Faiza Abu El-Naga said on Monday that Egypt expected to sign a USD 3.2bn financing package with the International Monetary Fund in June, three months later than it had previously hoped. The political and economic turmoil since President Hosni Mubarak was ousted in February 2011 has dragged the country towards a balance of payments crisis, and in January the government said it wanted to seal an IMF agreement by March.

The IMF says that before it agrees to a loan, the government must first sell the plan to the country's political forces, especially the Muslim Brotherhood's Freedom and Justice Party, which won nearly half the seats in the new parliament. It also wants Egypt to line upbns of dollars in additional loans from other international donors. The FJP says the government has been reluctant to share the details of a reform plan it has drawn up with the IMF, making it hard for parliament to support any accord.

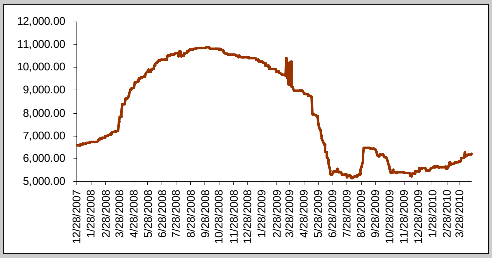
Abu El-Naga told reporters on Monday that she expected a memorandum of understanding would be signed within a few weeks and that the agreement would be struck by June. Half of the USD 3.2bn loan would be paid out as soon as the agreement is signed. An IMF technical team returned to Cairo last week to continue working out details of an agreement. Egypt has spent more than USD 20bn in foreign reserves since last year's uprising to prop up its currency, limiting its slide to only 3.65% against the dollar since January 2011 despite the loss of some of the country's main sources of foreign exchange.

The central bank on Monday said reserves fell another USD 600m in March to USD 15.12bn. This is equivalent to less than three months worth of imports and includes USD 4bn in gold bullion the government would be reluctant to draw down, economists say. *(Reuters)*

Egypt's net foreign reserves fell to USD 15.119bn at the end of March, Egypt's central bank announced on its website on Monday. Reserves have fallen around USD 660.6m over the last month, down from USD 15.72bn at the end of February. *(Ahram)*

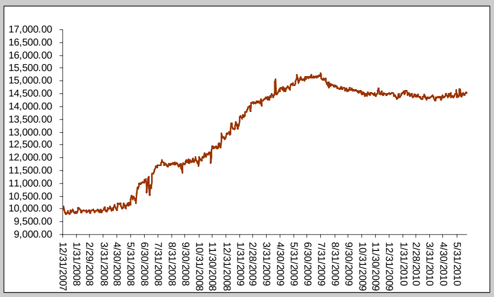
Ghana

Ghana Stock Exchange



Source: Reuters

GHC/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-12.662	-15.439	-9.157
Current account balance (USD bn)	-1.869	-2.362	-1.732
GDP based on PPP per capita GDP	1,571.83	1,633.76	1,979.53
GDP based on PPP share of world total (%)	0.051	0.052	0.052
GDP based on PPP valuation of country GDP(USD bn)	36.322	38.718	48.111
GDP (current prices)	638.80	645.71	778.16
GDP (Annual % Change)	14.761	15.302	18.913
GDP (US Dollars bn)	10.808	11.519	12.129
Inflation- Ave Consumer Prices(Annual % Change)	18.46	10.15	8.43
Inflation-End of Period Consumer Prices (Annual %)	14.56	9.21	8.00
Population(m)	23.11	23.70	24.30

Source: World Development Indicators

Stock Exchange News

The GSE All Share Index was up +1.30% to close at 1,060.45 points. Gains were recorded in ETI (+16.67%), GOIL (+5.88%) and Tullow (+2.06%) while MCL (-9.09%), Ayrtn (-5.56%) and UTB (-3.23%) were on the losing front.

Corporate News

MTN Ghana, a global telecommunication giant, is set to see the number of its subscribers in the country jump to 11,000,000 by the close of this year. Its total subscribers as of the end of year 2011 stood at 10,156,000. Mrs Cynthia Lumor, Corporate Services Executive, said, MTN was determined to provide world class services to their customers through investments in technology and live up to their social responsibility.

She was interacting with some editors and senior editors in the Ashanti Region, in Kumasi, to update them on developments in the telecommunication industry. Among these were the MTN's data drive, industry concerns, new products and quality challenges and others. Mrs Lumor appealed to particularly road contractors to be more careful and avoid destroying underground fibre cables.

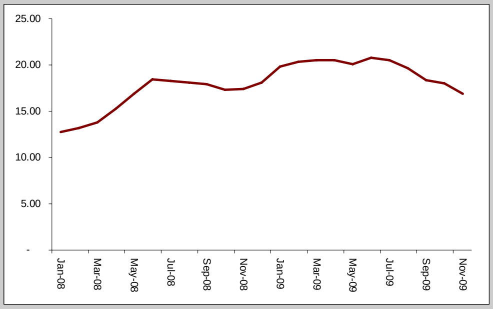
Cuts of the fibre cables, makes it difficult for those in the affected areas to access telecommunication services and also leave the network operators with huge repair cost. Mrs Georgina Asare Fiagbenu, Senior Manager for Corporate Communications said, MTN would sustain its engagement with the media to help the public to keep track of happenings in the industry. Nana Yaw Osei, Ashanti Regional Chairman of Ghana Journalists Association, said the association would partner the company to deliberate on issues relating to quality service delivery. *(GBN)*

Barclays Bank Ghana has reported a 40% jump in 2011 after-tax earnings on the back of lower impairment costs and a fall in operational expenses. The bank's after-tax profit went up to GHS 83m from GHS 59.2m the year before, Managing Director Benjamin Dabrah said last week. He said loan-impairment charges were down to GHS 6m from GHS 20.8m in 2010, and operational costs dropped marginally to GHS 105.8m from GHS 114.6m.

"We believe we are back for good to the top-end of the banking industry where Barclays belongs," Mr. Dabrah said. A top-five lender by assets, Barclays saw an overdrive in impairment losses to GHS 60.9m in 2009, which contributed to a loss after tax of GHS 18m. But a swift recovery began in 2010, with loan losses dropping to GHS 20.8m and earnings after tax rising to GHS 59.2m.

The upturn was also helped by measures such as a slowdown in branch expansion, which curbed the rapid rise in operational costs, with more focus on

CPI Inflation



Source: SAR

delivering high-quality and more efficient services. Last year, Barclays removed charges on ATM transactions and requests for statements, and broadened the reach of its Internet banking and SMS alert services.

"We had to go back to the basics and focus on the customer and doing things properly, ensuring that we price right and keep our key stakeholders such as staff and customers happy," Mr. Dabrah said. The bank's balance sheet added GHS 300m to GHS 1.9bn in 2011, he said, with much of the growth attributable to an expansion in credit to the real sector of the economy.

"Our loans and advances to customers in the private sector grew by 35%, and goes contrary to claims that banks are not lending." He said the outlook for 2012 is positive, with first quarter results showing the momentum from the previous year has been sustained. *(Ghana Web)*

Newmont Ghana Gold Limited (NGGL), paid a total of 241m cedis as tax to Ghana Revenue Authority (GRA) in 2011, Mr. Agbeko Azumah, Communications Manager of Newmont Ahafo Mine, has stated. Addressing a press soiree organised by the company for some media practitioners in Sunyani, Mr. Azumah said the payment represented corporate income tax, national fiscal stabilization levy, mineral royalty and withholding taxes.

To this end, the GRA adjudged Newmont as the Best Corporate Tax Payer for 2011, he said, adding "one of the company's beneficiaries of the Agricultural Improvement and Land Access programme, was also adjudged the national best farmer". The communications manager, explained that, the Newmont Ahafo mine continued to provide opportunities for development and that the Akyem project was in the construction phase while the Ahafo mine was also growing remarkably.

Mr. Azumah said, works on the Subika underground at the company's plant site at Kenyasi was progressing and expressed the hope that production would begin by the first quarter of 2013. He emphasised that, the Newmont Ahafo Development Foundation (NADeF) continued to impact positively in the company's host communities, disclosing that 21 projects had been approved at an estimated cost of GHS 31,925.75 for this year.

Mr. Azumah said, more than 30 projects had already been executed since 2009 and that 2,335 students from the local communities had been awarded scholarships in tertiary and second cycle institutions under the NADeF fund. He gave the assurance that the company would continue to create shared value for its host communities and not relent on efforts to work in a safe and responsible manner.

"We need the collaboration of all our stakeholders especially the media, traditional authorities, government and regulators to carry out this mandate in a mutual beneficial manner", Mr. Azumah said. *(Ghana Web)*

UT Bank Ltd. (UTB), a lender in Ghana, expects profit to rise by 70% this year after it uses an investment by the International Finance Corp. to boost lending to oil and construction companies. "We are quite expectant of 2012," Chief Executive Officer Prince Kofi Amoabeng said in an interview in

Accra, the capital, yesterday. "With additional funds coming in we will do more loans, which should translate into better profits."

Lenders in Ghana have been seeking ways to raise cash to meet a central bank capitalization requirement of GHS 60m (USD 34m) by the end of the year. On March 30, UT Bank said the World Bank's lending branch, the IFC, would invest USD 15m. Amoabeng said they will get shares worth about 20% of the company in return. "With more funding coming in, we will also support more cocoa buyers, expand on commerce, fishing and housing," he said.

Ghana is the world's second-biggest cocoa producer and started production of crude oil for export in December 2010, propelling economic growth to 13.6% last year. Expansion of 9.4% is projected for this year, according to the Finance Ministry. UT Bank's net income rose to GHS 13.1m in 2011 from GHS 9.3m the previous year, the company said yesterday. Loans and advances rose 51% to GHS 475m, it said. The stock was unchanged at 31 pesewas by 12:30 p.m. in Accra. *(Bloomberg)*

The United Bank of Africa Ghana recorded a profit before tax of USD 17.7m in 2011 as against USD 7.86m in 2010, a statement from the bank said. The bank's profit for the year after tax also increased from USD 5.20m in 2010 to USD 12.72m in 2011, according to a statement issued by head of media, Nasir Ramon Olanrewaju. The statement said that as a representation of the bank's increased customer base, deposit volume for the period increased to USD 228.8m from USD 176m in 2010. *(Daily Trust)*

After achieving profit after tax of GHS 27.655m for the year ending September 2011, the Produce Buying Company (PBC) Limited has proposed to pay a total of GHS 8.304m to its shareholders as dividend for the year. This translates into a dividend of GHS 0.0173 per share, and contributes 30% of after tax profit which is in line with corporate dividend policy.

At the Annual General Meeting (AGM) of the company, Dr. John Frank Adu, PBC Board Chairman, said, "National cocoa purchases increased by 70.8% from 632,026 tonnes in 2009/10 to1,011,880 tonnes during the year under review due mainly to good weather, central government interventions in the provision of fertilizer and other inputs to farmers as well as the mass spraying programme."

Similarly, he said, the company increased tonnage purchased by 56% from 238,967 tonnes in 2009/10 to 374,858 tonnes during the year and achieved a market share of 37%. Dr. Adu said, "The company's total revenue increased from GHS 632.902m to GHS 1.302bn, a significant increase of 105.7% mainly due to increase in the quantity of cocoa purchased, producer price paid to farmers, buyers margin to Licensed Buying Companies (LBCs) as well as the freight earnings from our secondary evacuation activities."

He noted that correspondingly, the cost of sales grew by 109.6% from GHS 555.674m of the previous year to GHS 1.167bn due mainly to the increase in producer price and the jump in the quality of cocoa purchased. According to the Board Chairman, the company's balance sheet also showed a strong growth and resilient financial position as shareholder's equity rose by 100.5% from

GHS 23.625m to GHS 47.374m.

"Total Company Assets grew by 62% from GHS 169.031m to GHS 274.338m. "This growth was mainly led by inventories, trade and other receivables as well as Property, Plant & Equipment which respectively grew by 21%, 87%, and 26%." He indicated that Basic Earning Per Share (EPS) increased by 95.9% from GHS 0.0294 in the previous year to GHS 0.0576 indicating an improvement of shareholders' earnings arising out of the company's activities during the year.

Dr. Adu announced that "in the coming year, the company intends to improve its operational activities, increase supervision of field staff and increase our storage facilities to help bolster our market share, become more competitive and continue to be the market leader in the industry."

He added that the company would continue to motivate staff through training, competitive remuneration and other incentive schemes as motivation to sustain the current performance. Shareholders voted unanimously to change the name of the company from "Produce Buying Company Ltd" to "PBC Ltd." *(Ghana Web)*

Economic News

Ghana's Finance and Economic Planning and the Food and Agriculture Ministries have presented two separate project proposals with a total cost of USD 55m to the World Bank Board for funding. According to the World Bank's official website for Ghana, the two projects are the Ghana Fourth Agriculture Development Policy Operation (GFADPO) estimated to cost USD 50m and the Natural Resources and Environmental Governance Technical Assistance (NREGTA) also costing USD 5m.

The Ministry of Finance will be implementing the NREGTA project while the Agric Ministry will implement the GFADPO, the website indicated. Mr Chaves Flavo and Nijhoff Jan Joost will be the World Bank Team Leads for the NREGTA and GFADPO projects respectively. The Board of Directors of the Bank is yet to meet on the projects and possibly approve financing for them through its International Development Association (IDA). The commitment amount for the projects may be modified during the project preparation, the Bank said. *(GBN)*

The Ghana Grid Company (GRIDCo) and Societe Generale on Wednesday signed two loan agreements, totalling EUR 82.2m for financing developments in the energy sector. A total of EUR 48.1m will be used to finance the Tumu-Han-Wa transmission project to enhance reliability of power supply in the Northern sector of the country and the remaining EUR 34.1m will be used for the financing of the Substations Reliability Enhancement Project under which 21 substations would see an uplift. Speaking at the signing ceremony, Energy Minister Dr Joe Oteng Adjei, said the agreement was an indication of government's commitment to ease the constraints within the power sector and help attain the generation capacity of 5,000 mega watts by 2015.

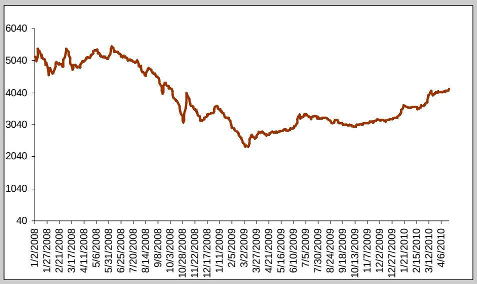
He said the financing arrangement was part of government's initiative to ensure reliable operation of the transmission network and replace old equipment, which were unable to cope with the demand as the economy expanded. Mr Seth Terkper, Deputy Minister of Finance and Economic Planning, said the agreements were part of three major initiatives announced by government in the 2012 Budget to enhance infrastructural development and ensure sustainable power to meet the developmental needs of the country.

Mr Gilbert Hie, Country Manager for Societe General and Managing Director of SG-SSB, said the bank was delighted in supporting Ghana's energy sector and assisting government to generate the targeted 5,000 megawatts. Mr Charles Darku, CEO of GRIDCo, said the company had already begun work to improve the transmission system and funding from the bank would speed up the implementation and attainment of goals of replacing old equipment. *(GBN)*

SECURITIES AFRICA

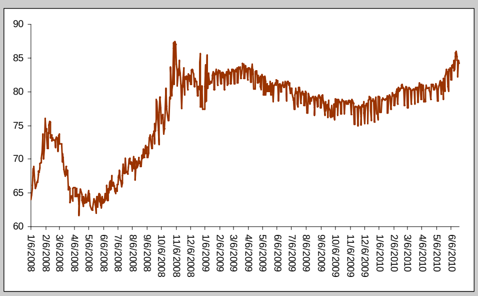
Kenya

Nairobi Stock Exchange



Source: Reuters

KES/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-8.098	-6.348	-5.734
Current account balance (USD bn)	-2.447	-2.188	-2.33
GDP based on PPP per capita GDP	1,750.82	1,817.49	1,902.47
GDP based on PPP share of world total (%)	0.091	0.093	0.094
GDP based on PPP valuation of country GDP(USD bn)	62.826	66.353	70.647
GDP (current prices)	841.95	944.07	1,094.40
GDP (Annual % Change)	2.486	4.024	4.972
GDP (US Dollars bn)	30.212	34.466	40.64
Inflation- Ave Consumer Prices(Annual % Change)	12.00	7.77	5.00
Inflation-End of Period Consumer Prices (Annual %)	11.50	7.19	5.00
Population(m)	35.88	36.51	37.13

Source: World Development Indicator

CPI Inflation

Stock Exchange News

The NSE 20-Share Index gained +1.00% to close the week at 3,400.48 points. Standard Group led the movers after gaining +8.33% to KES 22.75 followed by Unga which rose +5.88% to KES 9.90. Other notable gains were recorded in Sasini up +5.88% to KES 11.70 and Kakuzi (+5.81%). City Trust was the main loser, shedding -9.64% to KES 225 followed by Car and General (-9.62%) and Eaagards which lost -8.82% to KES 31.00. Market turnover was down -9.66% to KES 1.31bn.

Corporate News

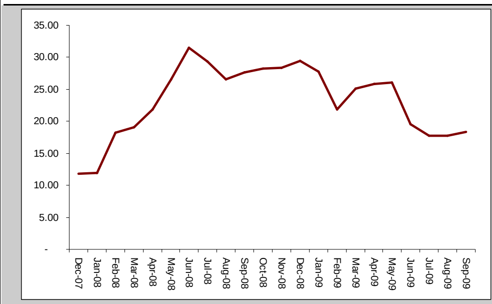
African Queen Mines said Friday it closed the second tranche of its previously announced non-brokered private financing, which raised USD 702,900. The company sold 3.19m units priced at 22 cents each. Together with its first tranche the company has raised proceeds of USD 2.41m.

Each unit consists of one share and one-half of one purchase warrant. Each warrant gives the holder the right to buy one extra common share at an exercise price of 37 cents until March 30, 2014. In addition, the company paid a cash finder's fee of USD 37,576. Together with the first tranche, the gold explorer paid cash finders' fees worth USD 92,837, reflecting 3.84% of the offering's proceeds.

The issued units are subject to a four-month hold period in Canada and expire on July 31, 2012. Proceeds from the offering will be used to fund the current drill program at its Noyem-Nyanfoman project on Ghana's Ashanti Belt. Funds will also be used for a drill program at its Odundu property in southwest Kenya's Rongo Gold Fields, and for potential property acquisitions and working capital.

"We are extremely grateful to the many investors who have participated in our financing during this challenging period in the junior mining industry," African Queen chief executive Irwin Olian said in a statement on Friday. "The offering was oversubscribed and the company utilized its overallotment option to accommodate additional investor demand. This financing provides the company with all the funds anticipated for its budgeted programs in Ghana and Kenya this year, as well as discretionary working capital."

In early March, the mineral explorer said it plans to raise USD 1.98m through a non-brokered private financing. The Vancouver-based miner said it would offer 9m units priced at 22 cents a unit. The company also noted it may boost the offering by 20% to 10.8m units. African Queen said it will use funds from the offering to finance development at its Odundu property in Kenya's Rongo Gold Fields, and for its Noyem-Nyanfoman property in Ghana. The company, under a joint venture deal with Akan Exploration, can earn a 75% stake in the Noyem-Nyanfoman gold project by funding prescribed stages from exploration through



Source: SAR

feasibility. African Queen is the operator of the project.

Last September, the company arrived at a settlement for an additional 12 mining claims at its Noyem-Nyanfoman gold project. The 12 claims cover about 300 acres on the Noyem A reef in Ghana's Ashanti Belt. This followed settlements in July 2011 for an additional seven of the 26 mining claims that conflicted with its prospecting license for the gold property. *(Proactive Investors)*

Kenyan agricultural firm Kakuzi Ltd's 2011 pretax profit rose 65% on a year earlier due to a favourable exchange rate and strong tea and avocado prices, lifting its share price. Kakuzi, which is also a major pineapple producer, said its pretax profit rose to KES 920.1m (USD 11.08m)from KES 558.6m in 2010, while sales rose to KES 2.38bn from KES 2.11bn.

The company declared a first and final dividend for the year of KES 3.75 per share compared with KES 2.50 in 2010. Earnings per share rose 75% to KES 28.06. At 1133 GMT, Kakuzi shares were up 2.5%, trading at KES 79.50, on a low volume of 600 shares, with analysts saying the price was expected to rise further, based on its price to earnings ratio. *(Reuters)*

General Electric Aviation, a subsidiary of General Electric (GE), will supply 19 engines to Kenya Airways (KQ) for its nine Boeing 787 Dreamliners to be delivered next year. KQ has ordered 19 dreamliners to replace its ageing Boeing 767 fleet as well as increase its fleet number from 34 aircrafts to 68 by 2016, and 119 by 2022. It also pans to increase destinations from 56 to 115 over the next ten years.

Titus Naikuni KQ chief executive said 18 GEnx-1B engines would be used on the nine new aircrafts, with each taking two, while the remainder would be a spare. The engine order is valued at KES 26bn (USD 318m). once the deliveries are completed, GE Aviation will have supplied over half of the engines KQ aircrafts use. "The 787 is expected to achieve between 15 and 17% fuel efficiency over the 767 with this particular engine type.

This will enable us carry more passengers and cargo than when using the 767. The dreamliner comes with lower maintenance costs," said Naikuni at a signing ceremony with GE in Nairobi on Monday. "GE has a 42% share of the total aircraft engines running our aircrafts but this will increase to 56% over the next five years." Other engine suppliers include Rolls Royce and CFM International.

Isam Moursy GE Aviation vice president, sales in Middle East and Africa said the first model of the 18 GEnx-1B engine was used last month and has received good ratings with 1,300 orders received from across the world. United States Ambassador Scott Gration said Kenya was yet to meet the standards set by the American Federal Aviation Administration to have direct flights between Kenya and the United States. *(The Standard)*
East African Breweries has launched a new brand of beer into the Kenyan market, as it tries to diversify its product portfolio in the Kenyan segment as well as protect its market share from growing competition. The firm said the fruit flavoured drink going by the brand name Snapp is targeted at women, which it said, remains a major untapped market both in Kenya and the region.

It noted there are a few such products in the market limiting the choice this segment has. The launch on Friday was just 24 hours away from SABMiller's relaunch of its Castle Milk Stout in Kenya that took place last Saturday. While the two brands are targeted at different market segments, with the latter aiming to capture the youth market, there is the underlying intensity as the two brewers take on each other , with EABL trying to protect and grow its market share while SABMiller is trying to take a chunk of the market.

SABMiller has a similar drink that is targeted at women, Redds, previously available only in cans but recently introduced the beverage in a returnable glass bottle. EABL's Snapp was first launched in Kenya with the possibility of being launched in other markets. "This amazing brand comes at the right time as it will significantly boost our innovations portfolio as a direct response to the current need to offer our female consumers a greater choice in the market," said Seni Adetu chief executive EABL during the launch at the National Museum last Friday.

"Women are lacking a stylish and sophisticated alcoholic beverage and its time they got a drink that suited with their sophisticated lifestyle with a refreshing flavoured alcoholic drink. "Snapp is made with natural fruit flavours and comes in the naturally refreshing taste of apple," added Caroline Ndung'u, EABL Kenya marketing director. "It was developed informed by the research that was done amongst female consumers."

EABL has in the past said it will focus on rolling out new products and packs into its markets. "We will dial up our market development initiatives and ramp up our capacity to continue stamping our leadership in the market," Adetu. *(The Standard)*

Kenya's main power producer, KenGen, signed on Wednesday a USD 140m deal with China's Sinopec International Petroleum Company (SIPC) to install steam pipelines and control systems at two Kenyan geothermal power plants. The company said the deal was the final major contract for the development of 280 megawatts of steam-generated power in the east African country's Rift Valley.

The piping system will cover more than 40 kilometres and carry steam from geothermal wells to Olkaria I's units 4&6 and the Olkaria IV power plants, both of which will have a capacity of 140 megawatts. KenGen Managing director Eddy Njoroge said the deal would see the plants operational by mid 2014 as scheduled. The completed projects will inject an extra 25% steam-generated power into the grid, KenGen said, which is seen easing the over reliance on hydro-power in a country that suffers chronic power outages.

"With such a huge boost from this clean, reliable and competitively priced form of electricity, consumer prices will ease as the country will require less generation from the more expensive sources," Njoroge said. Kenya has potential to produce 7,000 MW and is targeting production of at least 5,000 MW of geothermal power by 2030, the government says. *(Reuters)*

Economic News

The Central Bank of Kenya will now start monitoring mobile money transfer to ensure the platforms are secured from cyber criminals. While speaking at a two-day conference on Mobile Money in Nairobi, Communications

Permanent Secretary Dr Bitange Ndemo acknowledged growing cases of cyber-crime in the country, which he said needed attention to protect consumers from losing their money.

"There are growing cases of hacking into systems," he said. "We fear that mobile money could be a major target but we don't want to act too late," he said, adding that his ministry was working with CBK to put in place measures to prevent cyber crime. According to the PS, the new measures would enable CBK to conduct annual reviews of all the transactions to ensure the systems are not abused. He said the Government was also looking into other regulatory framework to prevent cases of hacking.

Mobile phone penetration in Kenya has risen to an impressive 70%. With the introduction of money transfer system by Safaricom, Orange, Yu, and Airtel on their network, many left out in the mainstream banking system have resorted to the new technology to pay bills, send and receive money. A report for 2010 on mobile money by the Central Bank of Kenya says four mobile phone operators have enrolled over 15m customers.

According to the report, Safaricom transacted KES 727.8bn on its mobile money service M-Pesa in 2010. The report said the service, which enables users to send and receive money through their mobile phones, saw over 305m transactions carried out in the year. Orange Kenya Head of Communications Angela Mumo said Orange Money transacted over KES 50m in the first month of launch late 2010 but the figure could now be much higher.

Speaking during the conference, Tavneet Suri from Massachusetts Institute of Technology, US, called on the Government to ensure it had a reliable backroom system to protect online services. "Kenyans are now able to pay for their utilities through mobile platforms as a result of players in the private sector investing in reliable systems," said Suri.

She called upon the government to create institutions that protect knowledge to encourage Kenyans to develop innovative mobile money applications. The two-day meeting organised by the University of Nairobi has brought together researchers and industry players from Africa, US, Europe, Australia and India to seek ways of rolling out more relevant mobile applications that will boost financial transactions at lower income level groups. *(The Standard)*

Kenya's central bank said on Thursday it was in the market to mop up 10bn shillings (USD 120 mln) in repurchase agreements, a day after it pledged to intervene in the markets to reduce the volatility in the interbank rate. The bank has stayed out of the repo market since Feb 10. The average interbank rate plunged to 12.7% on Wednesday from 18.8% on Tuesday. Traders said the rate fell after liquidity increased on the back of government spending. *(Reuters)*

The risk of re-igniting volatility in the economy by providing cheaper credit still remains and needs to be managed, the Central Bank of Kenya said, as it retained its indicative lending rate at 18%. The bank's advisory committee held its monthly meeting where it reviews the status of the economy and makes decisions meant to guide the market on how to price credit on Wednesday. "… the committee maintained its monetary policy stance by retaining the Central Bank Rate (CBR) at 18%," a statement signed by Prof Njuguna Ndung'u, chairman Monetary Policy Committee read in part.

CBK cited the fact that underlying inflation which stood at 11.2% was still above the government's short-term target as one of the key concerns. "Non-food-non-fuel inflation, an inflation measure that reflects the impact of the monetary policy stance being pursued, is still above the government short-term inflation target of 9% for the fiscal year 2011/12," Prof Ndung'u noted.

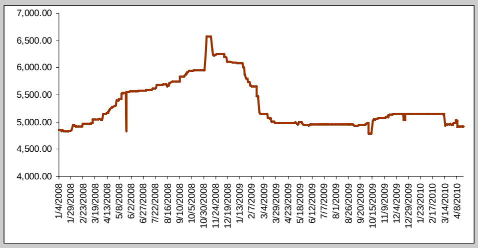
CBK raised the CBR to 18% in November last year to help contain inflation and stabilise the local currency. The forecast of a delay in the onset of the long rains, which the meteorological department says could also be depressed in the main water catchment areas, was also cited as risk "as this could affect electricity generation and agricultural production, thereby exerting pressure on domestic food and energy prices."

This risk was notable in the fact that the March month-on-month inflation went up by 1.34% despite the overall annual inflation declining for the fourth consecutive month to 15.61% from a high of 19.7 recorded in November, largely on account of food prices, which went up by 20.3% in March 2012. The decision by some commercial banks to lower interest on personal unsecured loans could also delay the downward review of the CBR, as cheaper priced loans are creating demand for increased borrowing to funds consumption a risk to stable inflation.

Mid last month, Barclays Bank reduced its interest rate on loans to 18.9%, which is 0.9% higher than the central bank's benchmark rate of 18%. In February this year, Standard Chartered Bank said it would charge a 19.9% interest rate on personal loans. "Although growth in private sector credit has been declining, it is still above target. In particular, demand for credit to finance consumer durables increased in February 2012," the statement read. *(Nation)*

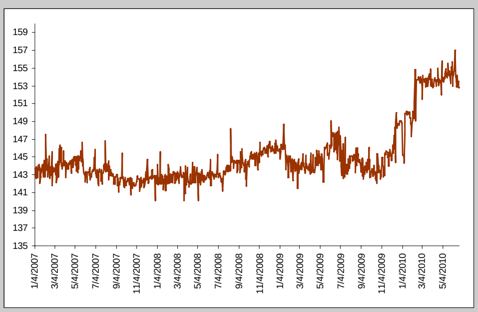
Malawi

Malawi Stock Exchange



Source: Reuters

MWK/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-4.073	-5.502	-4.791
Current account balance (USD bn)	-0.2	-0.306	-0.3
GDP based on PPP per capita GDP	880.88	916.63	940.29
GDP based on PPP share of world total (%)	0.018	0.018	0.018
GDP based on PPP valuation of country GDP(USD bn)	12.271	13.027	13.632
GDP (current prices)	352.37	390.91	432.14
GDP (Annual % Change)	5.878	4.557	3.175
GDP (US Dollars bn)	4.909	5.555	6.265
Inflation- Ave Consumer Prices(Annual % Change)	8.60	8.24	9.31
Inflation-End of Period Consumer Prices (Annual %)	7.76	8.35	9.73
Population(m)	13.93	14.21	14.50

Source: World Development Indicator

Stock Exchange News

The market index gained a marginal +0.05% to 5,669.69 points, with thin trades across both local and foreign boards. Gains were recorded in TNM (+0.55%) to MWK 7.72 and NITL (+0.38%). Market turnover for the week amounted to USD 223,288.96.

Corporate News

No Corporate News this week

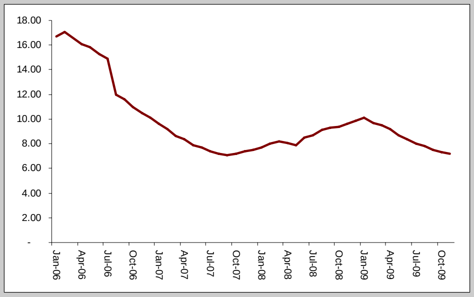
Economic News

The International Monetary Fund (IMF) said on Saturday that Malawi, which has seen donor aid dry up and revenue shrink, should cut spending and reiterated its call for the devaluation of the kwacha currency. A mission from the fund has been taking stock of the southern African country's public finances, which are in dire straights as Britain and the United States have frozen aid packages worth hundreds of millions of dollars over concerns about the human rights record of President Bingu wa Mutharika.

"With the uncertain outlook for government revenues and mounting pressures for wage increases, the mission urges the authorities ... to begin to identify Lower priority expenditures that could be cut," IMF Mission Chief for Malawi Tsidi Tsikata told reporters. "Government will have to devalue the local currency because the official exchange rate is failing to anchor inflation expectations as a growing share of imports is being priced at the significantly depreciated parallel exchange rate," he added.

The collapse in donor funding, which accounts for 40% of the budget, has put pressure on the kwacha, forcing a 10% devaluation last year to 166 to the dollar although it remains well shy of a black market rate of close to 300. Malawi's inflation rate has climbed into double digits with the February inflation pegged at 10.8% up from 10.3% in January. Land-locked Malawi is one of the world's poorest countries and its economy is heavily dependent on agriculture, much of it subsistence. *(Reuters)*

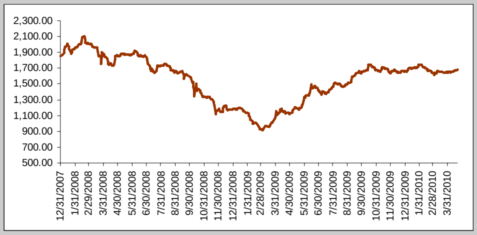
CPI Inflation



Source: SAR

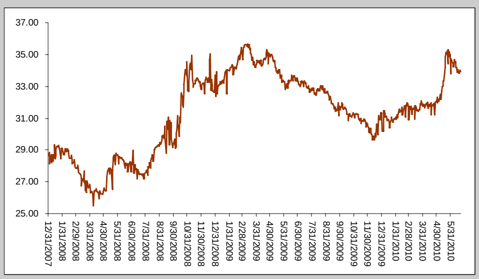
Mauritius

Mauritius Stock Exchange



Source: Reuters

MUR/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-9.308	-10.579	-9.758
Current account balance (USD bn)	-0.852	-0.947	-0.931
GDP based on PPP per capita GDP	12,356.23	12,699.51	13,389.07
GDP based on PPP share of world total (%)	0.023	0.023	0.023
GDP based on PPP valuation of country GDP(USD bn)	15.831	16.391	17.406
GDP (current prices)	7,146.27	6,935.94	7,339.15
GDP (Annual % Change)	2.065	1.98	4.695
GDP (US Dollars bn)	9.156	8.952	9.541
Inflation- Ave Consumer Prices(Annual % Change)	6.40	4.05	5.00
Inflation-End of Period Consumer Prices (Annual %)	3.10	5.00	5.00
Population(m)	1.28	1.29	1.30

Source: World Development Indicators

CPI Inflation

Stock Exchange News

The SEMDEX was down -0.71% while the SEM 7 lost -0.96% to close at 1,800.70 and 337.52 points respectively. Go Life led the movers, gaining +14.29% to close the week at MUR 0.08, followed by Caudan, up +8.00% to MUR 1.35 and MUA (+3.33%). NIT led the losers after shedding -9.31% to MUR 26.30 while MCFI lost -9.29% to MUR 33.20 and Lux Island shed -3.96%.

Corporate News

No Corporate News this week

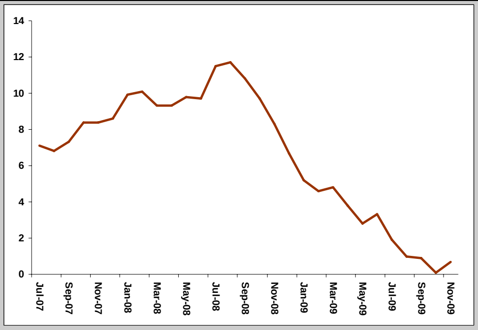
Economic News

Business confidence in Mauritius fell in the first quarter of 2012 as a strong rupee and festering euro zone woes fuelled uncertainty in the island's key services sector, a survey showed on Monday. The quarterly study by the Mauritius Chamber of Commerce and Industry (MCCI) found more than half the private sector operators surveyed felt the economic environment was worrying, against just 2% who said it was favourable.

Mauritius last week cut its economic growth forecast for this year to 3.6% from 4%, citing a bleaker outlook for the main sectors of the roughly USD 10bn economy, whose trade is heavily skewed towards the euro zone. The bloc is Mauritius' main market, accounting for 67% of exports. It is also the major source of tourists.

Although the government wants key sectors to look to new markets in Asia, service industries such as the tourism, ICT and business outsourcing sectors are for now focused on Europe. The island's central bank unexpectedly cut its key repo rate by 50 basis points to 4.9% last month, after most economic analysts had forecast a more modest trim.

The central Bank on Monday released minutes of the March 19 Monetary Policy Committee meeting which showed that while all members supported a rate cut there was division over its size. "Some in the Committee considered it important to continue to anchor inflation expectations and minimise the risk of second-round effects," the minutes statement said. "Other members were, however, less concerned with inflation risks, placing more emphasis on the downside risks to growth." *(Reuters)*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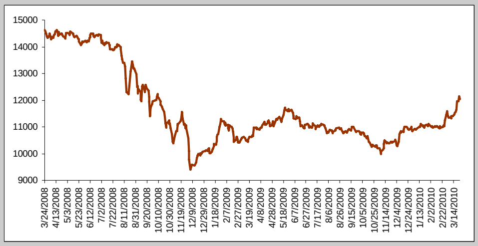
Source: SAR

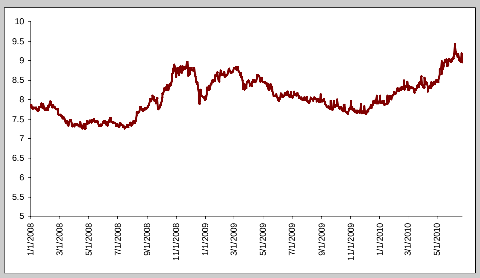
Morocco

Casablanca Stock Exchange



Source: Reuters

MAD/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-5.468	-4.736	-4.065
Current account balance (USD bn)	-4.963	-4.656	-4.269
GDP based on PPP per capita GDP	4,587.11	4,740.77	4,955.07
GDP based on PPP share of world total (%)	0.204	0.207	0.209
GDP based on PPP valuation of country GDP(USD bn)	146.231	153.257	162.44
GDP (current prices)	2,847.50	3,041.02	3,203.28
GDP (Annual % Change)	5.003	3.226	4.5
GDP (US Dollars bn)	90.775	98.308	105.012
Inflation- Ave Consumer Prices(Annual % Change)	2.80	2.80	2.60
Inflation-End of Period Consumer Prices (Annual %)	2.80	2.80	2.60
Population(m)	31.88	32.33	32.78

Source: World Development Indicators

CPI Inflation

Stock Exchange News

The MASI lost -3.99% to close the week at 10,512.04 points. Gains were recorded in Diac Salaf (+13.54%) to MAD 69, SRM (+8.45%) and Acred (+5.98%). On the losing front we had Jet Aluminium, down -17.21% to MAD 192, S2M which shed -11.63% to MAD 228 and CMT (-11.02%).

Corporate News

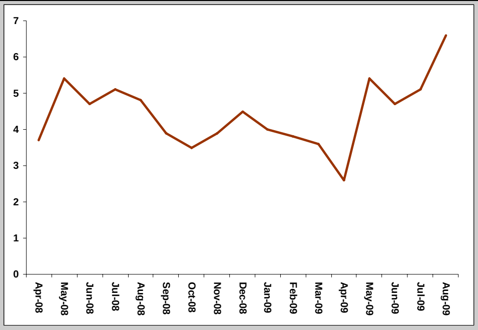
An investment holding firm controlled by Morocco's royal family on Saturday posted a 50% rise in its net profit helped mostly by higher earnings from banking, mining, steel and sugar affiliates active mostly in the domestic market. National Investment Co., or SNI, made a net consolidated profit of MAD 4.3bn (USD 513m) in 2011 versus MAD 2.9bn in 2010 in comparable terms, showed financial statements published in pro-establishment newspaper Le Matin.

Through SNI, the Alaouite dynasty - that has been ruling Morocco for close to four centuries - is the biggest private stakeholder in the local economy. This position has recently sparked growing criticism, especially at the height of mass pro-democracy protests last year inspired by Arab Spring revolts. In 2011, Forbes ranked King Mohammed as the world's seventh richest royal, estimating his personal net worth at USD 2.5bn, which placed him ahead of rulers of Qatar and Kuwait and Britain's Queen Elizabeth II.

Opponents, as well as many business leaders, say firms controlled by the king and his close inner circle dominate key economic sectors. At times, demonstrators have carried placards reading 'SNI clear off'. The protests have lost near-total momentum after King Mohammed offered to trim his powers and allowed moderate Islamists to lead for the first time the government, enabling him to stay firmly in charge.

In addition to the net consolidated profit, SNI made MAD 1.07bn in net profit from minority interests in 2011, the statements showed. Consolidated turnover rose 16% to MAD 50.4bn and assets rose 10% to MAD 115.2bn. SNI did not say how it raised its profit and turnover in 2011. Through affiliates and subsidiaries, SNI generates the bulk of its revenue from Morocco and African countries. This helped it weather the repercussions of the financial crisis hitting the European Union, Rabat's main trade and political partner.

Morocco's Gross Domestic Product (GDP) grew by around 5% in 2011 to MAD 818bn. Market sources say Siger, the firm that groups the main business interests of the Moroccan royal family, holds a stake of around 60% in SNI, a figure it declines to comment. Siger is an inversion of Latin word Regis that means "kingly". SNI is under legal obligation to publish its financial statements because it has bonds traded in the stock market.



Source: SAR

Morocco's antitrust authority has also pledged total even-handedness in dealing with businesses owned by the monarchy, although it noted that exception may be made in sectors that help preserve social stability and firms that are leaders in other sectors. SNI is the main shareholder in some of the country's biggest firms. These include AttijariWafa Bank, miner Managem , sole steel mill Sonasid, sugar refining monopoly Cosumar, cement firm Lafarge Maroc and Marjane, Morocco's main supermarket chain.

The holding is putting some of those stakes up for sale, including AttijariWafa and Cosumar. SNI's holdings make up about 12% of the Casablanca bourse by market capitalisation. It is involved in partnerships with French firms including Lafarge, Danone and Renault. It plans to focus its future growth strategy on other sectors such as tourism, telecoms and renewable energies. Rabat has recently launched a major solar energy development plan, designed to turn the North African country into a main supplier of clean electricity to Europe. *(Reuters)*

Economic News

Morocco's cereals harvest in 2012 may fall to as low as 3m tonnes due to the effects of drought, the pro-establishment Le Matin newspaper reported on Tuesday citing estimates from the agriculture ministry. The ministry's spokespersons could not be reached to comment the report. "According to forecasts from the agriculture ministry, the cereals harvest (this year) should stand at between 3 and 4m tonnes," Le Matin said.

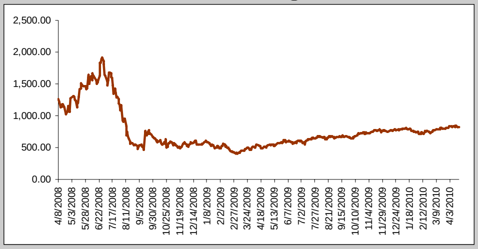
Last month, the head of the country's agricultural research institute told Reuters that the cereals harvest would not reach half of last year's 8.4m tonnes, while cereals demand stands at some 7m tonnes. The U.S. Department of Agriculture later projected Morocco's wheat import needs to exceed 5m tonnes this year from 3.2m tonnes for the previous campaign.

Barley imports are projected to almost double to 1m tonnes. Last year's harvest included 4.17m tonnes of soft wheat, 1.85m tonnes of durum wheat and 2.34m tonnes of barley. The shortage comes at a sensitive time for the North African country's USD 100bn economy, which relies on agriculture for 14% of its output.

Agriculture employs 40% of the 11m workforce in Morocco, one of the world's ten biggest cereal importers, which relies heavily on rain due mostly to the predominance of subsistence and rudimentary farming. *(Reuters)*

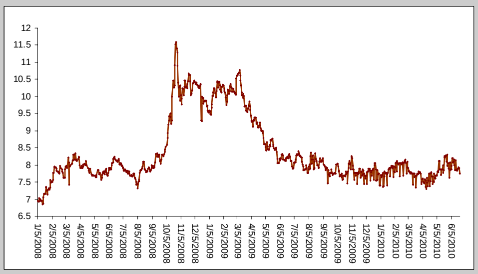
Namibia

Namibia Stock Exchange



Source: Reuters

NAD/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-1.049	-2.055	-1.225
Current account balance (USD bn)	-0.095	-0.19	-0.118
GDP based on PPP per capita GDP	6,610.35	6,771.73	6,964.03
GDP based on PPP share of world total (%)	0.016	0.016	0.016
GDP based on PPP valuation of country GDP(USD bn)	13.764	14.217	14.742
GDP (current prices)	4,341.36	4,406.65	4,530.72
GDP (Annual % Change)	-0.739	1.736	2.234
GDP (US Dollars bn)	9.039	9.251	9.591
Inflation- Ave Consumer Prices(Annual % Change)	9.12	6.77	5.45
Inflation-End of Period Consumer Prices (Annual %)	7.34	6.19	4.71
Population(m)	2.08	2.10	2.12

Source: World Development Indicators

Stock Exchange News

The NSX overall Index lost -0.11% to close at 887 points. On the NSX local and DevX, EXT was the only gainer after adding +1.54% to NAD 8.59, while FSY was the main shaker after losing -6.86% to close at NAD 0.95 followed by BMN which shed (-4.55%) and MMS (-3.70%).

Corporate News

No Economic News this week

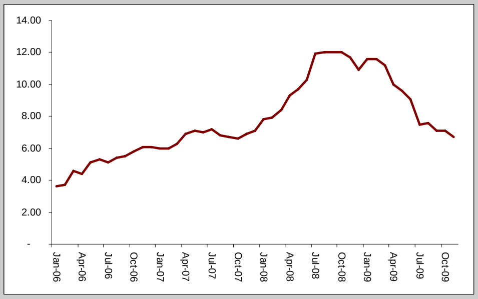
Economic News

Robust mining and farming, as well as an expected boost from strong government spending in last year's budget, should keep Namibia's economy growing at a modest pace in 2012, with a slight acceleration next year, a Reuters poll found. The consensus, from a survey of 10 analysts taken over the last few weeks, forecast a 4.4% growth rate this year, matching the official estimate for last year's performance, and a rise to 5.0% in 2013.

But that is still well below the 6.6% pace of expansion in 2010. “Growth will be underpinned by improving productivity in the mining and agriculture sectors, increases in both current and capital government expenditure and increased private investment,” said Gregan Anderson, analyst at Business Monitor International. Anderson, who forecasts GDP growth at 4.6% this year, said the economy should perk up after widespread flooding and a sluggish world economy. But Namibia would be exposed, like many other African countries, to any renewed global downturn. The resource-rich nation suffered a double-blow to growth in 2009 when floods destroyed infrastructure and crops.

The global economic recession slowed booming demand for its commodities. Neighbouring South Africa, the continent's largest economy, is expected to grow only 2.8% this year, hampered by a lacklustre recovery in the United States and Europe. But diamond-rich Botswana is expected to grow by 5.2%. Namibia is one of the world's largest diamond producers and a major source of uranium. Foreign firms are also exploring the southern Africa country for gold, lead, zinc and iron ore. *(IOL)*

CPI Inflation



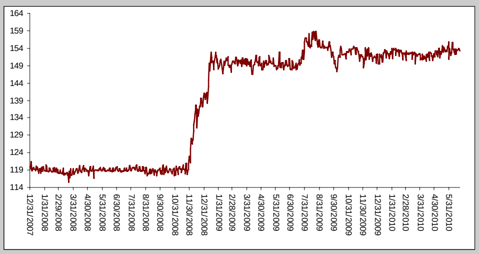
Source: SAR

Nigeria

Nigeria Stock Exchange

Source: Reuters

NGN/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	6.939	13.792	14.278
Current account balance (USD bn)	11.48	25.631	28.488
GDP based on PPP per capita GDP	2,199.08	2,281.27	2,369.35
GDP based on PPP share of world total (%)	0.475	0.489	0.499
GDP based on PPP valuation of country GDP(USD bn)	333.983	355.995	379.907
GDP (current prices)	1,089.30	1,190.86	1,244.37
GDP (Annual % Change)	2.905	4.985	5.215
GDP (US Dollars bn)	165.437	185.835	199.526
Inflation- Ave Consumer Prices(Annual % Change)	11.96	8.80	8.50
Inflation-End of Period Consumer Prices (Annual %)	9.12	8.50	8.50
Population(m)	151.87	156.05	160.34

Source: World Development Indicators

Stock Exchange News

The NSE All Share index gained +1.40% to close at 20,941.93 points. Okomu Oil gained +19.60% to close at NGN 33.50 while GT Assurance was up +14.17% to close at NGN 1.45. Other notable gains were recorded in Mobil Oil (+10.05%), CAP (+8.10%) and Inter Wapic (+8.00%). On the losing front we had Japaul Oil (-16.42%), Cadbury (-14.16%) and Oando (-13.68%).

Corporate News

Africa's richest man Aliko Dangote plans to list his USD 11bn cement business, Dangote Cement, on the London Stock Exchange next year, the Financial Times reported in Monday. Dangote is cited by the FT as saying he intends to free-float a 20% stake in Dangote Cement to finance its rapid expansion.

"We want to list in London next year. By then the upside to our business will be much bigger than today," Dangote is quoted as saying. Morgan Stanley and JPMorgan have been appointed as co-leads for the London share issue, according to the FT. Dangote is cited as saying the company was on track to meet the corporate governance requirements for a premium listing, and that he would give up his current role as chairman. *(Reuters)*

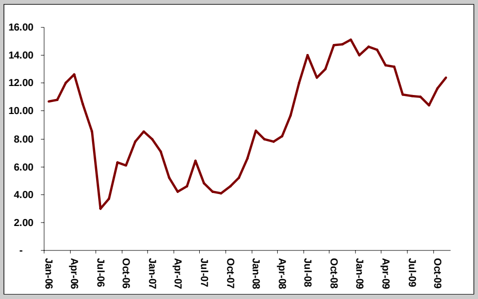
Pan African bank Ecobank Transnational Incorporated (ETI) has proposed a 0.4 cents dividend payout to its shareholders. This is contained in its 2011 financial result released to the Nigerian Stock Exchange (NSE) over the weekend in Lagos. The bank retained its dividend payout to its shareholders at 0.4 cents the same amount paid in 2010.The audited report of the bank shows that profit after tax rose by 56.9% as it posted USD 206.840m in 2011 compared to USD 131.819m recorded in year 2010.

Also, profit before tax grew from USD 169.026m in 2010 compared to USD 277.422m in the review period of 2011; indicating a growth of 64.1%. Gross earnings also increased from USD 1.132bn in 2010 end to USD 1.514bn in the review period of 2011; representing an increase of 33.7%. Meanwhile, Cadbury Plc has declared a 216.8% increase in its profit after tax. The company posted a profit of N3.700bn in 2011 compared to N1.168bn in 2010.

The profit before tax of Cadbury was N5.082bn in 2011 compared to N1.952bn in 2010; showing a growth of 160.3%. The turnover of the company increased by 16.9% as it posted N34.110bn in year 2011 compared to N29.170bn in 2010 end.. *(Daily Trust)*

Despite decline in the profit after tax of the Nigerian Aviation Handling Company (NAHcO) in 2011 financial year ended 31 December 2011, the company still managed to propose a dividend and bonus to its

CPI Inflation



Source: SAR

shareholders. In its 2011 audited results, the company announced a proposal of NGN 0.25 dividend payout and a 1 for 5 bonus to its shareholders. The 2011 audited result shows that profit after tax of the company declined from NGN 1.77bn in year 2010 to NGN 757.720m; showing a 35.6% decline in the review period.

Profit before tax also dipped from NGN 1.711bn in year 2010 to NGN 1.178bn in the review period of 2011; representing a loss of 31.2% However, its turnover grew by 12.5% as it posted N7.141bn in year 2011 compared to N6.345bn in year 2010; indicating a growth of 12.5%

The company in its corporate actions to the Nigerian Stock Exchange (NSE), said closure date for investors of the company to benefit from the dividend and bonus on the company's register of shareholders is 14th-18th May 2012; while qualification date is May 11, 2012. *(Daily trust)*

Eletrobras- Latin America's biggest power utility company and Brazil's major electric utilities company- plans to build hydro power stations in Nigeria. Minister of Trade and Investment, Dr. Olusegun Aganga disclosed this to journalists in Abuja recently. He said following his recent meeting with the firm in Brazil, the Federal Government will soon sign a Memorandum of Understanding (MoU) with the firm on the possibility of investing in Nigeria's power sector.

He said a Brazilian team of investors were due for a scheduled investment visit to Nigeria in April to consider the feasibility of their investment plans. He said: "In my meeting with potential investors in Brazil, it is heart-warming to take home the fact that foreign investors rarely talk about our security challenges because they view their investment in the long-term, it is actually Nigerians at home and in Diaspora that are all about the security issues which I know the government is really working on.

Eletrobras, Brazil's largest power company has expressed their intention to invest in Nigeria's power sector. They are due to sign MoU with the government on investment in hydro power generation, likewise, the Brazilian Development Bank (BNDES), which has remained a critical player in providing funding for infrastructural development in Brazil will also sign MoU with the Bank of Industry (BoI) on exchange of critical technical expertise; they will be in Nigeria sometimes next month."

While commenting on the importance of sustainable power supply to the economic growth aspirations of the country, the minister noted that a number of initiatives were being taken by the government to swiftly improve the status of power supply in the country. "You all know how much this government desires to get the power sector right; it is at the heart of President Goodluck Jonathan's administration to improve the situation of power supply in Nigeria and as it is, I am glad to inform you that we have developed a Nigerian Sugar Master Plan (NSMP).

"The NSMP will ensure on an annual basis: 1,767,000 tonnes of sugar; 161.2m litres of ethanol, 400 megawatts (MW) of electricity, 1.6m tonnes of animal feeds, 37,378 permanent jobs and 79,803 jobs. We will also have USD 65.8m savings in Forex on fuel imports and USD 350m savings in forex on sugar imports", he added. Eletrobras, the world's tenth largest power firm is also the fourth largest clean energy company in the world. The firm is currently expanding its operations in the Latin American continent, as well as in Africa.

The company's official business name is Centrais Elétricas Brasileiras S.A and it holds stakes in a number of Brazilian electric companies, such that it generates and transmits approximately 60% of Brazil's electric supply. It currently has a generating capacity of about 40,000 megawatts (MW), mostly in hydro-electric plants. And the Brazilian federal government owns 52% of the stock of Eletrobras, which is traded on several high profile global stock exchanges. *(This Day)*

Chief executive officers of Nigeria businesses are optimistic of their company's future, despite the gloomy picture their counterparts in sub-Saharan Africa are painting. This was contained in the result of the 15th Annual Global CEO survey conducted by PriceWaterhouseCoopers International Limited, which states that CEOs are confident about growing over the next one to three years.

According to PWC survey, 90% of the Nigerian CEOs are very confident about their companies' prospect for revenue growth over the next 12 months as well as in three years' time. This is unlike their counterparts in other African countries where only 64% look forward to their companies' revenue growth over the next 12 months and 65% over the next three years.

"The result reveals that the optimism is linked to the Nigerian CEOs' strategic focus on increasing their share in existing markets, offering new products and services within existing business models and making changes to existing products and services while making less incursions on new geographic markets." Also, 80% of the CEOs believing that the world will be more open to cross -border capital flows and another 70% believe that the world will be more open to international trade in the next few years.

Participants of the study that involved 201 interviews with CEOs in sub-Saharan Africa, including 30 CEOs from Nigeria in late 2011, indicate that issues of risk (94%), capital investment (93%), innovation (87%), and talent (86%) top their agenda. The study also shows that these CEOs are clearly focused on approaches to managing risk and making capital investments, a disposition that makes them and their companies highly competitive.. *(Business Day)*

The Islamic Development Bank (IDB) has set aside about USD 2bn (about NGN 310bn) in support for the Nigeria's developmental programme, which span three years (2012-2014). Vice President Namdi Sambo disclosed this in his keynote address titled "African Development Experience: What Successful Experiences to Replicate and Scale up," during the special meeting of African Governors Forum on the Special Programme for the Development of Africa (SPDA) yesterday in Khartoum, Sudan.

He said the Federal Government under the Goodluck Jonathan administration's developmental programme set target to accelerate and sustain economic growth; improve and modernise infrastructure; strengthen human capital stock and enhance access to social services; improve governance and increase competitiveness; reinforce social cohesion and main-streaming cross cutting issues. SPDA is an initiative of IDB for the acceleration of development objectives in African member countries.

Vice President Sambo observed that on the political and social fronts, the African continent was still evolving and reeling from some complex and multi-dimensional challenges especially how to eradicate poverty and provide decent and better lives and opportunities for the teeming population across the continent. He said: "It is on record that Africa is the only region in the world that is off-track in achieving most of the targets set in the Millennium Development Goals particularly in the areas of the mainstream inclusive growth, provision of basic services (infrastructure, water, sanitation, education and hospitals) and reversion of the spread of diseases, tackling of poverty, job creation and security.

"African countries cannot do all these things alone; they need help and assistance from development partners. The prospect of this veritable source of support is fast becoming less reliable, no thanks to the failure so far, to comprehensively resolve the high incidence of debts and deficits in Japan, United State of America and some European Union member countries.

In his welcome remarks, IDB President, Dr. Ali, noted that Vice President Sambo's presence at the forum was an indication of the attention Nigeria paid to IDB's initiatives, saying that IDB was determined to step up efforts to remove obstacles to development and eliminate poverty in its member countries, even as he stressed that development was a collective effort. *(Nation)*

Nigeria's Diamond Bank said on Tuesday it will ask shareholders for their approval to enter into merger talks with other banks and to raise USD 200m in bonds. The mid-tier lender has been trying to expand after state-owned rescue bank AMCON said it will privatise three nationalised banks within 18 to 24 months.

It didn't provide details on timing for the debt issue but said it will target strategic investors including the World Bank's private sector lender, the International Finance Corp. It plans to seek approvals at the next meeting of shareholders on April 30. Shares in Diamond soared 4.62% to 2.49 naira at 1124 GMT, recouping losses sustained after the lender on Monday posted pre-tax losses of NGN 16.3bn (USD 103m) for 2011 full year. *(Reuters)*

Stanbic IBTC Bank, a member of Standard Bank Group, has announced its audited results for the year ended December 31, 2011, posting a profit before tax of N11.2bn from gross earnings of NGN 67.4bn. Pre-tax profit stood at NGN 13.5bn in the 2010 financial year, while profit after tax in 2011 stood at NGN 7.4bn, a decrease of 21% from NGN 9.5bn in December 2010.

Its growth in gross earnings represents an increase of 19% over the NGN 56.7bn posted in December 2010. Total assets went up 44% to NGN 554.2bn as against the prior year's NGN 384.5bn. According to the results, made available at the Nigerian Stock Exchange (NSE), total operating income increased by 17% to NGN 56.5bn, from NGN 48.4bn in December 2010, while gross loans and advances to customers went up 42% to NGN 266.6bn, compared to NGN 187.1bn in December 2010. Chief Executive Officer, Stanbic IBTC, Mrs. Sola David-Borha, emphasised that the bank was strategically primed to achieve higher growth in the years ahead despite the tough operating conditions.

"As expected our operating performance in 2011 was in line with our strategy of building a franchise which can generate sustainable risk adjusted returns to our shareholders. Our continued investment in building a cost efficient and customer friendly branch network combined with our innovative and attractive bouquet of banking products and our growing base of stronger customer relationships yielded very pleasing loan and deposit growth in 2011 despite the testing operating environment," she stated.

Borha added that the loan book grew by 42%, well ahead of the overall market growth rates. "These results demonstrate that our strategy is bearing fruit and positions us towards realising our objective of being the leading end-to-end financial solutions provider in Nigeria," she said. David-Borha said the bank remained on track to achieve its long term strategic growth and profitability by continuing to mitigate exposure to unforeseen shocks and prioritising asset quality through diligent and systematic approach to risk management.

"The bank's aggressive branch expansion project remained on course. The overall objective being to avail a growing number of Nigerians access to Stanbic IBTC Bank's rich bouquet of services and products, while other fundamentals are being strengthened for enhanced performance and efficiency," she said. According to her, already present in all the 36 states of the country, including the Federal Capital Territory (FCT), the bank made significant investment in expanding its footprint last year, growing the branch network by 21% to 171 branches at year end 2011 from 141 in 2010.

David-Borha said the bank continued to maintain its traditional signature capital strength and healthy liquidity position throughout the year, while access to an extensive depth of experience from within the bank and the Standard Bank Group has put Stanbic IBTC Bank in an enviable position to generate growing value for shareholders in 2012. *(This Day)*

Nigeria's privatisation regulator said Manitoba Hydro of Canada (MHC) had won a USD 24m power transmission contract, part of delayed plans to overhaul woeful electricity infrastructure. Nigerian President Goodluck Jonathan announced plans to reform the power sector 20 months ago but privatisation has been slow due to political wrangling, union disputes and government concerns over raising electricity prices.

Africa's most populous nation of more than 160m is the continent's biggest oil producer, but is blighted by persistent electricity outages which force businesses and individuals who can afford them to rely on diesel generators. It also perpetuates social inequality in a country where the majority survive on USD 2 a day or less, depriving many of light at night or the ability to power water pumps, let alone recharge mobile phones or access the Internet.

MHC has won the contract to manage the Transmission Company of Nigeria (TCN), responsible for transmitting electricity from power plants to substations. It is negotiating the contract price - it wants USD 24m - before signing. The Bureau of Public Enterprises said in a statement on Wednesday MHC would be responsible for reducing electricity losses during transmission, ensuring adequate generation output and regulating fair payments between traders.

Nigeria plans to privatise the bulk of six power generation plants and 11 distribution firms, which supply end users, but it has yet to clarify a new tariff structure due to fears of a public backlash against higher prices. Companies won't buy state assets until a tariff system guarantees competitive electricity prices. Given that most people currently only receive sporadic power it will be a universally unpopular step, although necessary for the long term future of power output.

The power ministry is also in negotiations with unions representing employees of the Power Holding Company of Nigeria, the inefficient giant which currently manages power distribution. Privatisation will lead to job losses. Tens of thousands of Nigerians took to the streets in January after the government removed gasoline import subsidies, more than doubling the cost of motor fuel. More than a week of protests and strikes forced the government to partially reinstate the subsidies*. (Reuters)*

Shareholders of Dangote Cement Plc (DCP) are to reap a double for the year ended December 31, 2011, as the company has recommended the payment of cash dividend and bonus issue. The company will pay a cash dividend of N19.37bn, which translates into N1.25 per share. Also, the directors recommended a bonus issue of one new share for every one already held.

According to the company's financial statement released on the floor of the Nigerian Stock Exchange (NSE) yesterday, a turnover of NGN 235.70bn was recorded compared with NGN 202.57bn indicating a 16% growth. Profit before tax rose by 14.6% to NGN 139.08bn to NGN 121.28bn while retained profit surged from NGN 105.32bn to NGN 125.48bn.

Chairman of the DCP, Alhaji Aliko Dangote, had recently assured the shareholders of good returns on their investments, stating that the significant contributions of the new line in Obajana and inauguration of the 6m metric tons Ibese Cement plant would positively affect the company's turnover and ultimately, returns on shareholders investments. Meanwhile, the Central Securities Clearing System Limited (CSCS) yesterday laid off some of its members of staff.

Although the number of employees affected by the exercise was not disclosed, CSCS explained that it was in line with a new business strategy, which was approved by its board and would position the firm as a highly innovative and globally respected Central Securities Depository (CDS).

"To realise this vision, mission and core values of the company it has become imperative to strengthen its new product development and customer interfacing units and personal to meet current company and market place realities. In line with these initiatives, the board approved the rightsizing of CSCS workforce, which has been implemented as part of the an overall turnaround strategy aimed at positioning the company to remain viable as a business in a dynamic and fast paced market place," CSCS said.

According to the firm, it regards its employees as its most valuable assets and thus views this exercise as an opportunity to enhance the organisation's medium-term and long term agility through well-planned and targeted coaching and other career management interventions which are already being implemented across the company. *(This Day)*

Diamond Bank Plc has announced a profit-before-tax of NGN 7.5bn for

first quarter of the year, compared to NGN 1.8bn in the same period in 2011. It also recorded a net interest income of NGN 18.1bn in March 2012 from NGN 12.3bn in March 2011. The bank also recorded a 51.2% increase in gross earnings from NGN 20.3bn in March 2011 to NGN 30.7bn in March 2012. Its total assets and contingents increased from NGN 1tn mark to NGN 1.1tn.

It recorded NGN 991bn in December 2011. The bank's net risk assets increased by 10.8% quarter on quarter to NGN 440.3bn. It recorded NGN 397.4bn in December 2011). Customer deposits increased by 6.4% quarter on quarter to NGN 640.1bn as against NGN 601.7bn it recorded in December 2011. *(Daily Trust)*

Economic News

Disturbed by the unwarranted fall in power generation, the Minister of Power, Prof. Barth Nnaji has summoned all the chief executives officers (CEOs) of the 18 successive companies of the Power Holding Company of Nigeria (PHCN), to a meeting today. The meeting is to identify the causes of drop in generation and sustainable solutions to the problem. The issue of gas supply would also be top of the agenda to be discussed at the meeting.

The power generation level had earlier gone up to 4,400megawtts (MW) but stands at about 3,200mw, indicating loss of over 1000mw. This has led to abysmal drop in power supply across the country. Besides, the meeting becomes imperative because the level of power generation affects the national grid. Our correspondent gathered from a source close to the power ministry that whenever the generation drops below 3,600mw, it causes grid instability. “Whenever the power generation is less than 3,600mw, the grid swings and the development causes damage and instability to it. All these would be discussed at the meeting,” the source said.

Nnaji had last week ordered an investigation into the three system failures, which the country has experienced since March 15. He had ordered the Chief Executive Officer of the Transmission Company of Nigeria (TCN), Mr. Akinwuni Bada, to set up a team of experienced and competent engineers to investigate the causes of the system failures and submit a report to him within seven days. System collapse used to occur about four times every month but had not taken place since December as a result of repairs effected in the transmission network.

The hydro power stations are also affected because the water level has been low and generation from there is very suboptimal, the source added. The source said the Shiroro power station is not generating anything while that of Kainji has grossly dropped. Kainji has installed capacity of 760mw but over time has been able to generate 330mw. Currently, as a result of low water level, the power station generates about 200mw.

As part of efforts to address the grave drop in generation as well as advance government's power sector reform agenda, it was learnt that the Minister of Power just returned from the United States where he met officials of the United States Export-Import Bank (US-EXIM Bank) for funds. The US EXIM Bank had in October last year promised to give a USD 1.5bn lifeline for the power sector. *(Nation)*

The Federal Government's revolution plan of reviving and transforming the manufacturing sector has the capacity to contribute at least 8% to the country's Gross Domestic Product (GDP) by 2015 as against its current contribution of 4.5%. The Minister of Trade and Investment, Mr. Olusegun Aganga disclosed this at the First Bi-Annual Seminar for Trade and Investment Correspondents and Group Business Editors in Abuja.

He said barriers will be removed to increase productivity. "The ministry will focus on areas with comparative advantage, such as agro-allied and agri-business, leather, textile, oil palm, sugar, food processing, fruit juices and concentrates, tomato, including mining and mineral allied businesses, such as, cement, aluminum, iron and steel and automobile.

"Petrol-chemicals such as, fertilisers, methanol, propylene, ethylene, plastic industry, the oil and gas industry, refineries including research and Development and Innovation will also be linked as part of enhancing productivity, institutionalisation and industrial skills development," Aganga said. The ministry he said intends to remove the barriers to increased productivity based on a research of failed ailing industries already carried out by the ministry, with assistance from the private sector.

Besides, he said the ministry will develop backward integration policies in other key sectors to replicate the success story of the cement sub-sector. "In the case of sugar, I am glad to inform you that with the proven potential for wealth creation and high employment generation in the sugar industry, a Nigerian sugar master plan (NSMP) has been produced.

This will provide the road map for at-least 100% local production in sugar. As at today Nigeria produces only about two% of the sugar it consumes. "The NSMP will ensure on an annual basis, 1,797,000 tonnes of sugar, 161.2m litres of ethanol, 400MW of electricity, 16m tonnes of animal feeds, 37,378 permanent jobs and 79,803 seasonal jobs," he said. *(Nation)*

Yields on Nigeria's dollar- denominated bonds due 2021 declined to the lowest on record on higher oil prices. The yield on the USD 500m of Eurobonds of Africa's biggest oil producer fell six basis points, or 0.06%, to 5.286% by 4:24 p.m. in London, the lowest since the debt was first issued in January 2011, according to data compiled by Bloomberg.

Crude oil is trading more than USD 30 a barrel above the USD 72 proposed by lawmakers as a benchmark for this year's budget, raising expectations of higher foreign reserves and a stronger naira. Nigerian benchmark Bonny Light crude has advanced 15% this year. "Several of the African sovereigns continue to benefit from high oil prices," Stephen Bailey-Smith, a London-based emerging-markets strategist at Standard Bank Group Ltd., wrote in an e-mailed report today.

The naira appreciated 0.1% to 157.56 per dollar on the interbank market in Lagos, the commercial capital. The currency of sub-Saharan Africa's second largest economy has risen 3% this year. Nigeria sold USD 100m at a foreign-currency auction yesterday, the central bank said. Borrowing costs of domestic bonds due 2015 fell 12 basis points to 15.13% yesterday, according to the

Financial Markets Dealers Association website.

“Short-term naira strengthening is likely as a result of large dollar inflows from foreign investors seeking high yielding government securities and dollar supply from government agencies,” Ecobank Transnational Inc. (ETI) analysts, led by Paris- based Paul-Harry Aithnard, wrote in a note to clients today. *(Bloomberg)*

The Presidency has approved the USD 72 oil price benchmark proposed by the National Assembly for the 2012 budget, it was learnt yesterday. The Finance Minister Dr Ngozi Okonjo-Iweala disclosed this to reporters at the end of the National Economic Management Team (NEMT) meeting. She said: "On the specific areas of discrepancies, obviously, the first one is the benchmark price that went from USD 70 to USD 72, which we have looked at the analysis that it was used for, part of it to reduce deficit, part of it for additional spending and we think this thing is okay. We are still ending up with fiscal deficit that is reasonable, fewer than three% and it will reduce debt, and this is okay."

The National Assembly in passing the appropriation bill had increased the oil price benchmark from USD 70 to USD 72, allocating part of the funds to some of the Ministries, Department and Agencies (MDAs), thereby jacking up the proposed budget from N4.7trillion to N4.88trillion. This, according to the Finance Minister, did not go down well with President Goodluck Jonathan and accounted for why he was not in a hurry to append his signature to the 2012 Appropriation Bill recently passed by the National Assembly.

She, however, said a meeting has been scheduled for tomorrow with the leadership of the National Assembly to reconcile all the grey areas in the budget. But she said the executive is already looking into details of the budget passed to ascertain areas of disagreement. Director of Budget, Dr. Bright Okogu, said the raised bench mark price yielded for the Federal Government about NGN 98.4bn and NGN 50bn out of that will help to reduce the deficit, while the balance of about NGN 48.5bn was allocated to some MDAs to do certain other projects.

He, however, said more clarification would be required from the National Assembly on the N180bn Subsidy Reinvestment and Empowerment (SURE) programme, which was initially integrated it with the rest of the traditional budget. He said the Federal Government will like the law makers to separate this. Okogu said next year, the government would be working towards submitting at least three months before the end of the year. This, he said, is the stand of the president, assuring that work would start as soon as this year’s process is completed. *(Nation)*

Following the removal of encumbrances, which hitherto hindered players in the oil and gas, telecommunication sector of the Nigerian economy from listing on the Nigerian Stock Exchange (NSE), a number of them have indicated interest to list on the Exchange. Head of Listing and Retention of the NSE, Mrs. Tarba Peterside, who confirmed this development to THISDAY last Monday, said the exchange had received firm commitment to list from oil and gas and some telecommunication firms since the introduction of the new set of listing rules.

In order to cement the commitment, the NSE had a dinner with major telecommunication companies in Lagos on Monday. It was gathered that dinner afforded officials of the firms and management of the exchange an opportunity to iron out some outstanding issues that may discourage them from listing. Peterside had explained that at a news conference on the new listing rules that four sectors were major priority in its quest to attract new companies to the NSE adding that the NSE received confirmation from 20 companies that will list on the Exchange this year.

She said: "We are also getting in touch with a number of companies, explaining to them the value proposition of being listed on the NSE. To find out how we can bring them to participate in the market, to help them create wealth and have access to proper capital formation. "There are so many things we can do and are already doing to attract companies to come to the market. We are building a strong pipeline and really, the decision as to when a company comes to the market is dependent on the company.

Companies look for market conditions that are perceived as being favourable to them. Our job is to make sure that the pipeline is reached and when they are ready they get listed." Among the new criteria for listing (on the Alternative 1 segment) is a cumulative consolidated pre-tax profit of at-least NGN 300m for at least three years (as against five years before), with a pre-tax profit of at least NGN 100m in two of those years.

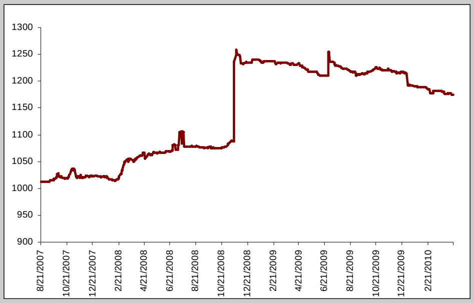
Also, companies willing to list on the exchange, henceforth, must have been in operations for three years, three years financials and date of last audited accounts must not be more than nine months. Another notable change to the Exchange rules is the clause that mandates promoters and key stakeholders to retain 50% of shares pre-Initial Public Offering (IPO) for 12 months.

Additionally, companies wishing to list on the Alternative 1 market must be registered as a public limited, liability company under the provisions of the Companies and Allied Matters Act (CAMA). They must migrate to the International Financial Reporting Standard (IFRS) and its securities must be fully paid up at time of allotment in line with the Securities and Exchange Commission (SEC) requirements for minimum threshold for a successful offer.

On the other hand, companies wishing to list on the main board must have a cumulative consolidated pre-tax profit of at-least N600m within one or two years, three years' operating track record of company and/or core investor. Companies wishing to list on the main board are also required to have three years financials and (date of last audited accounts must not be more than nine months) or evidence of strong technical partner with substantial equity and involvement in management. *(This Day)*

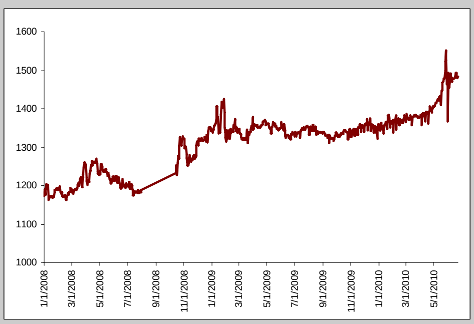
Tanzania

Dar-es Salaam Stock Exchange



Source: Reuters

TZS/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-9.907	-9.086	-9.7
Current account balance (USD bn)	-2.195	-2.15	-2.477
GDP based on PPP per capita GDP	1,414.36	1,487.35	1,578.68
GDP based on PPP share of world total (%)	0.082	0.085	0.088
GDP based on PPP valuation of country GDP(USD bn)	57.335	61.5	66.582
GDP (current prices)	546.63	572.25	605.346
GDP (Annual % Change)	4.954	5.649	6.74
GDP (US Dollars bn)	22.159	23.662	25.531
Inflation(Annual % Change)	7.251	7.028	7.126
Inflation (Annual % Change)	6.659	6.423	5.5
Population(m)	38.2	38.964	39.743

Source: World Development Indicator

CPI Inflation

Stock Exchange News

The DSEI gained a marginal 0.14% to close at 1,327.48 points. Gains were recorded in NMB up +3.53% to TZS 880 and TBL (+0.76%) to TZS 2,640. All the other counters remained unchanged.

Corporate News

KIBO, the mining exploration company listed on the JSE AltX and London's AIM, has acquired the controlling interests in two energy assets in Tanzania. Kibo, which aims to explore and develop mineral deposits in Tanzania, said yesterday the new assets consist of a coal interest, the Rukwa Coal Project near Mbeya, and a portfolio of prospective licenc es for both coal and uranium. Agreements had been reached to acquire a minimum of 51% of Mzuri Energy Holdings through Kibo subsidiary Morogoro Gold, and to acquire no less than 51% of Mayborn Investments.

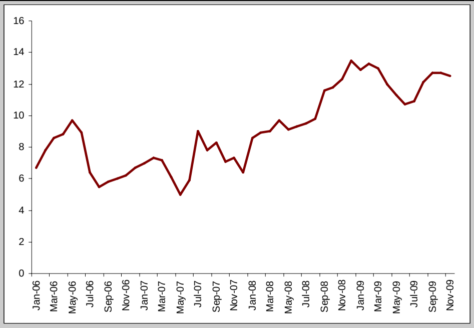
The stake in Mzuri would be acquired through the issue of shares at £0,03 per Kibo share. If Kibo acquires 100% of Mzuri and Mayborn, the maximum number of new Kibo shares to be issued for the deal would be 790,3-m shares. CEO Louis Coetzee said Tanzania was a region that was on the radar of a substantial number of investors and major industrial groups in Asia and North America.

"The acquisition provides our shareholders with exposure to a large portfolio of energy assets. This is part of a broader decision by the company to combine aggressive exploration within Kibo's current portfolio … and develop a multi-commodity exploration portfolio," he said yesterday.

Kibo's mineral assets consist of three projects in Tanzania: Haneti, for the exploration of nickel platinoid elements and gold, and Morogoro and Lake Victoria both involved in gold exploration. Rukwa Coals owns two prospecting licences in the Mbeya region, and the resource was estimated at 129-m tons of thermal coal. *(Business Day)*

African Barrick Gold raised the mineral resource estimate for its Nyanzaga project in Tanzania, and said the project had the potential to become its next mine in the country. The miner's Nyanzaga project, which comprises the Tusker and Kilimani mineralised zones, is located within the Sengerema District in the Mwanza region of the east African nation.

The London-based company, a unit of the world's largest gold producer Barrick Gold, now estimates the amount of gold contained in the project at over 4.6m ounces, up from its previous estimate of over 4m ounces announced in January. African Barrick has 4 producing mines, all located in northwest



Source: SAR

Tanzania.

The company's shares, which have shed about a quarter of their value since the company gave out a disappointing forecast in February, rose nearly 2% to 393 pence at 0709 GMT on Tuesday on the London Stock Exchange. *(Reuters)*

Aim-listed Shanta Gold said on Wednesday it would seek to raise at least USD 35-m, which it would use to bring the New Luika gold mine, in Tanzania, into production by the third quarter. The company said the raising would consist of USD 25-m by way of five-year convertible loan notes and a minimum of USD 10-m through an equity placing of new ordinary shares. “This financing will allow Shanta Gold to complete the construction of the New Luika mine, the company’s first producing mine, and start first gold production by the middle of the third quarter.

“The transaction structure allows the company to address its short-term working capital requirements with certainty, while at the same time reducing dilution for existing shareholders,” CEO Gareth Taylor said in a statement. The notes are underwritten by Liberum Capital, carrying interest of 8.5% a year at a conversion price of 29.53p a share, representing a 25% conversion premium to the mid-market closing reference share price, on April 3 of 23.63p.

“Upon completion of the New Luika plant, the company will be able to quickly start production and ramp up production, as a result of the ability to feed existing high-grade ore, which had been stockpiled since ore mining started in November 2011. “The updated resource statement to be announced during the second quarter is expected to justify an increase in the project’s processing capacity with limited additional capital expenditure,” Taylor said.

The company’s directors believed the New Luika mine's near-term production would provide Shanta Gold with robust cash flows to reinvest in advancing its pipeline of development and exploration projects. Other developments included the Saza Village tailings dump joint-venture project, located 7 km from the New Luika gold mine, which would add further value to Shanta's operations in the goldfield.

Encouraging geological results at Singida have led to a full feasibility study and an application for a mining licence, which would provide an indication of the viability of the approval of a second mine, and move the company into midtier gold-producer status. Consultations with the local community and the Ministry of Mines in relation to the Mgusu project were ongoing. *(Mining Weekly)*

Economic News

Tanzania’s central bank is planning to create a section on the Dar es Salaam-based stock exchange to let small businesses raise capital and list shares. The bank is seeking consultants to prepare the plan for the capital markets regulator, which will start in the 2012-13 fiscal year, it said in a statement published in the Daily News today. The plans also include trading of municipal bonds on the bourse and setting up a commodities exchange, it said. *(Bloomberg)*

Tanzania has received a USD 100m credit from the World Bank to improve

the investment climate and boost growth in east Africa's second-biggest economy. The World Bank's country director for Tanzania, Uganda and Burundi, Philippe Dongier, said the money from the International Development Association (IDA), the World Bank's concessionary lending arm, would help support private sector development.

A World Bank study ranks Tanzania 127th out of 183 countries, when measured in terms of the cost of doing business, due to excessive bureaucracy, cumbersome tax processes and regulations in starting a new business. "Efforts in the first focal area will support improvements in the general investment climate, accompanied by specific reforms in land access, specific economic zones and facilitation of a regional transit hub," Tanzania's finance minister, Mustafa Mkulo, said at the signing of the loan agreement on Monday.

"Reforms in the second focal area will stress the need for consolidating the current efforts to improve public financial management and budgetary transparency. It will also give attention to enhanced and transparent domestic revenue mobilization." Ranked Africa's fourth biggest gold producer, Tanzania depends on tourism, mining and agriculture but is increasingly attracting more investor interest in telecommunications, energy, manufacturing, financial services and transport.

The World Bank expects Tanzania's economy to rebound to 7% growth in 2012/13 if the global economy recovers, with gas revenues expected to boost domestic growth in the next decade. *(Reuters)*

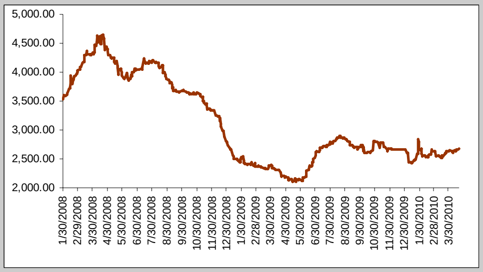
Tanzania's energy regulator on Wednesday raised the prices of petrol, diesel and kerosene in east Africa's second-biggest economy, citing higher international oil prices. The retail price of petrol was raised 4.1% and the price of diesel by 0.1%. Kerosene prices were raised 0.6% in the latest monthly price changes which take immediate effect.

"The price changes have been caused by changes in world market prices," the Energy and Water Utilities Regulatory Authority (EWURA) said in a statement. The energy regulator said petrol prices on the world market rose by USD 95.7 per metric tonne over the past month. EWURA raised the price of petrol in the commercial capital Dar es Salaam by TZS 87 per litre to TZS 2,231, and that of diesel in the capital by TZS 3 to TZS 2,098.

Kerosene prices in the commercial capital rose by TZS 12 to TZS 2,068 per litre. The energy regulator started using a new formula in January for calculating fuel price caps after the country introduced a bulk petroleum procurement system. The importation of large volumes of fuel, aimed at lowering costs of oil imports, has so far failed to reduce pump prices due to currency fluctuations and rising global oil prices. Tanzania has awarded a USD 750m contract to Swiss trader Augusta Energy to supply more than 600,000 tonnes of oil products to the country over May and June. *(Reuters)*

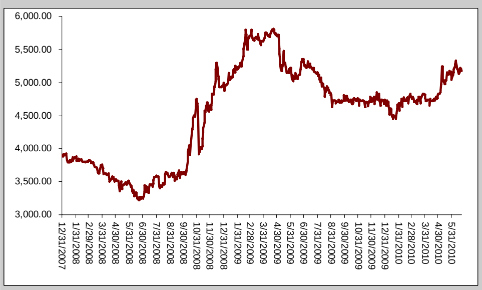
Zambia

Zambia Stock Exchange



Source: Reuters

ZMK/USD



Source:SAR

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-3.935	-2.871	-2.561
Current account balance (USD bn)	-0.484	-0.453	-0.469
GDP based on PPP per capita GDP	1,544.01	1,615.66	1,696.23
GDP based on PPP share of world total (%)	0.026	0.027	0.027
GDP based on PPP valuation of country GDP(USD bn)	18.482	19.711	21.091
GDP (current prices)	1026.921	1294.482	1472.322
GDP (Annual % Change)	4.537	5.042	5.495
GDP (US Dollars bn)	12.293	15.792	18.307
Inflation- Ave Consumer Prices(Annual % Change)	13.989	10.201	7.261
Inflation-End of Period Consumer Prices (Annual %)	11.996	8	7.017
Population(m)	11.97	12.2	12.434

Source: World Development Indicators

CPI Inflation

Stock Exchange News

The LuSE index gained +0.23% to close at 3,934.55 points. Puma, Zambia Sugar and Natbrew led the gainers after putting on +15.55%, +11.15% and +5.26% to close the week at ZMK 1,174, ZMK 299 and ZMK 8,000 respectively while SCB (-10.11%), Pamodzi (-9.77%) and BATA (-3.11%) were on the losing front.

Corporate News

Zambezi Resources Ltd. (ZRL)'s Mwembeshi Resources unit will invest USD 494.6m developing a copper mine in Zambia's Chongwe district, the Zambia Daily Mail said, citing a statement from the company. The Mwembeshi open-cast mine is expected to produce about 15m metric tons of copper a year, the Lusaka-based newspaper reported. Zambezi Resources was granted a license to dig copper at Mwembeshi in 2003, the Daily Mail said. *(Bloomberg)*

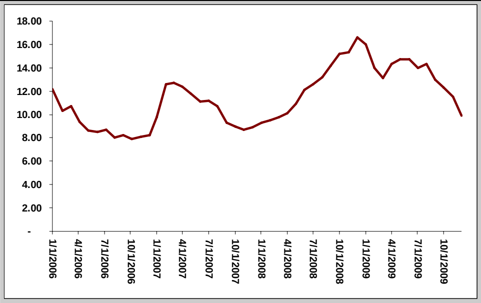
The Government of Zambia is set to takeover the Kabwe-based Zambia-China Mulungushi Textiles, Commerce, Trade and Industry Minister, Robert Sichinga, has said. The Minister said the Chinese Government has hinted that it is not interested anymore in operating the ailing firm, which has prompted the Zambian Government to takeover the textile firm. The Government would acquire all the shares of the company upon finalization of the agreement, the Minister informed.

Sydney Tembo, President of Kabwe Chamber of Commerce and Industry (KCCI), said the collapse of the firm has affected several people who directly or indirectly depended on the firm for their livelihood. He added that the cotton growers were the most hit due to closure of the company. He expressed optimism that the Government would be able to quickly arrive at a solution. *(Zambian Watchdog)*

Economic News

Zambia, Africa's top copper producer, said on Friday it planned to phase out a suspension on the issuance of new mine licences that the new government of President Michael Sata imposed in October to root out corruption. Mines Minister Christopher Yaluma said the issuance of all "non-mining rights" such as prospecting would resume with immediate effect as well as those for small-scale and artisinal mining, with the ban remaining on new permits for larger mining operations and mineral processing.

Yaluma said those who applied for mining rights before the suspension and are in possession of valid offer letters and those who did not collect their offer letters were invited to collect them and pay the prescribed fees by May 1. "Commencing on April 2, receipt of applications for renewal of prospecting



Source: SAR

licence, small-scale mining licence, small-scale gemstone licence and artisans mining rights ... will start," he said.

The ministry of mines would start receiving applications for the transfer of mining rights on April 16 and those for mining rights and mineral processing on June 4, he said. "The audit and clean-up exercise may result in the cancellation of defaulting licences," Yaluma said. *(Reuters)*

Ten foreign companies, including Glencore Energy UK Ltd, have tendered to supply oil to Zambia for a period of two years starting this year, the public procurement agency said on Friday. The oil should be configured to Zambia's 24,000 barrels-per-day Indeni refinery, which does not process pure crude oil. Zambia in February invited tenders for the supply of 1.4m tonnes of oil after the expiry of a contract with Glencore under a two-year arrangement from March 2010.

Hazel Zulu, the Zambia Public Procurement Agency spokeswoman said Mercury Energy Trading (SA), Agipol Africa Limited, Gunvor (SA) and Crown Hill Investments Limited had also put in bids. Others are KenolKobil Limited, Trafigura PTE Limited, Vitol SA, Independent Petroleum Group Company of Kuwait and Addax Energy SA, she said. "The evaluation process should be concluded within 21 days," Zulu said.

Zulu said 12 companies had tendered for a separate contract to supply oil products, 217m litres of diesel and 21m litres of petrol to Zambia. Strauss Logistics, Agipol Africa Limited, Mocoh SA, Trafigura PTE Limited, KenolKobil Limited, Galana Petroleum Limited and Oilcom(T) Limited and Mogas International Limited are among the bidders, she said.

The rest are Independent Petroleum Group Company, Gapco Kenya Limited, Oryx Supply and Storage and Dalbit Petroleum Limited, she said. Zambia, Africa's top copper producer, imports all its petroleum requirements, mainly from the Middle East, through the port of Dar-es-Salaam in Tanzania. *(Reuters)*

Foreign holdings of Zambian debt have fallen to their lowest since 2005, reflecting uncertainty over the direction of policy following elections last year and the spillover from the global financial crisis, a central bank official said on Tuesday. The Bank of Zambia also wants to consolidate the 170-plus bonds in circulation to spur trading in the secondary market, the bank's assistant director of market operations, Jonathan Chipili, told Reuters in a phone interview.

Offshore investors' holdings of Zambian government bonds are less than 5% of outstanding debt, the lowest proportion since foreigners were first allowed in to the market seven years ago, Chipili said. September's election, in which populist opposition leader Michael Sata unseated Rupiah Banda's Movement for Multiparty Democracy, looked like one significant factor, he said.

"The participation of foreign investors in our securities market has reduced, even prior to the elections," he said. "They want to be sure how the government is going to steer its policy." Since coming to power, Sata has made a series of decisions that have unsettled investors in Africa's top copper producer, including reversing the sale of state telecoms firm Zamtel and doubling mineral royalties for copper miners to 6%.

Last month, Fitch cut Zambia's rating outlook to negative from stable, citing concerns about the government's actions. In addition to Zamtel, Sata's administration has reversed the USD 5.4m sale of a domestic bank to South Africa's FirstRand. Chipili said the euro zone debt crisis was also to blame for the declining foreign interest in a high-risk frontier African market. "It's difficult to argue that the lower participation of foreign investors is purely due to an election," he said. "It's a combination of factors."

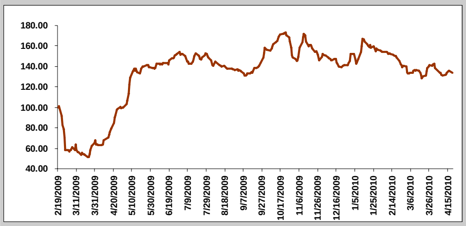
Offshore holdings of bonds were at their highest in 2008, accounting for 18.08% of all bond holdings, while 2011 saw the highest foreign holdings of Treasury bills at 13.35%. Zambia's central bank last week rolled out a monetary policy framework to replace money-supply targeting, setting its inaugural benchmark interest rate at a high 9%, effective from Monday.

Chipili said the central bank was also talking to the Ministry of Finance about reforms to improve trading in the secondary market, including introducing a primary dealership system and consolidating the number of outstanding bonds. Just 1% of bonds in issue are traded on the secondary market, he said. Zambia issues bonds in six maturities ranging from two to 15 years. But the adoption of a multiple pricing approach means each bond has its own price, Chipili said.

"We've got so many bonds on issue, so the bond market is highly fragmented," he said. "What we want to do is to have whatever is circulating on each tenor consolidated into one bond so that they've got the same maturity date and when we reissue they should have the same price." The bank hoped to introduce the reforms this year, he added. *(Reuters)*

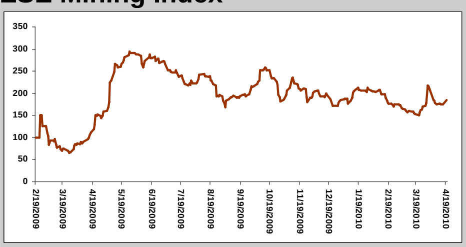
Zimbabwe

ZSE Industrial Index



Source: Reuters

ZSE Mining Index



Source: Reuters

Economic indicators

Economy	2009	2010	2011
Current account balance(% of GDP)	-21.357	-19.898	-19.582
Current account balance (USD bn)	-0.76	-0.84	-0.946
GDP based on PPP per capita GDP	303.146	359.739	411.761
GDP based on PPP share of world total (%)	0.004	0.005	0.005
GDP based on PPP valuation of country GDP(USD bn)	3.731	5.954	5.983
GDP (current prices)	303.146	359.739	411.761
GDP (Annual % Change)	3.731	5.954	5.983
GDP (US Dollars bn)	3.556	4.22	4.831
Inflation- Ave Consumer Prices(Annual % Change)	9.00	11.96	8.00
Inflation-End of Period Consumer Prices (Annual %)	0.813	8.731	7.4
Population(m)	11.732	11.732	11.732

Source: World Development Indicators

Stock Exchange News

The market closed the week on a mixed note with Industrial Index losing -0.56% to 135.99 while Mining Index was up +4.94% to 89.21 points. Medtech and CBZ led the movers after gaining +42.86% and 40.20% to close the week at USD 0.001 and USD 0.07 respectively. Other gains were recorded in Bindura up +35.29% to USD 0.023 and Zimpolw which put on +21.43% to USD 0.085. Apex and Interfin led the losers after they shed -28.57% and -20% to USD 0.0005 and USD 0.028 respectively. Other notable losses were recorded in NMBZ (-20%), Astra (-15.97%) and TNH (-15.56%)

Corporate News

RIOZIM Ltd has gone into the red after posting an operating loss for the year of USD 8,1m. The loss was a significant downturn from the profit of USD 9,3m the company posted in 2010. The company attributed the depressed financial performance to low metal sales and unfavourable metal prices during the period. "The loss is attributable to low own metal sales and a decline in metal prices," said the company in a statement.

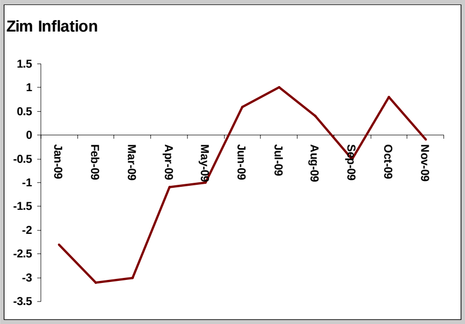
Net financing costs amounted to USD 13,6m compared with USD 9m in the previous year. RioZim operates three mines producing gold, nickel, copper and diamonds. Renco Gold Mine's output increased marginally to 18 500 ounces compared with 18 000 ounces in 2010. But management said output was low in the third quarter due to main host problems which have since been resolved. In respect of the Empress Nickel Refinery, nickel and copper production dropped from 8 550 tonnes in 2010 to 8 100 in the year just ended.

Diamond output at the Murowa Mine more than doubled to 324 000 carats last year, said RioZim. Production rose to 324 000 carats from 141 000 in 2010. RioZim holds a 22% stake in Murowa, while Rio Tinto International owns the majority stake. Murowa has since put on hold a USD 300m expansion plan to lift output to 1,8m carats. There are also indications by Rio Tinto that it could divest from the business. RioZim said the planned exploration programme for Cam & Motor Mine is almost complete. The company says work is underway to take the project to a bankable stage. But funding constraints have slowed this down.

Similarly, funding constraints are delaying drilling for the Kenilworth Gold prospect and the Chimakasa ferrous nickel deposits. But capitalisation of these projects may come sooner rather than later as the company's shareholders approved all the capital-raising resolutions at a recent Extraordinary General Meeting. *(Herald)*

African Sun Limited (ASL) is targeting a USD 59,8m turnover for 2012 following a solid performance by the group in the first five months to

CPI Inflation



Source: SAR

February 2012. Speaking at an annual general meeting on Friday, ASL chief executive officer, Shingi Munyeza, said the austerity measures that the company implemented had begun to bear fruit.

During the period under review, the company recorded an increase in turnover of 19% to USD 22m slightly ahead of the target, while foreign arrivals were 25% up from last year. Munyeza said revenue per available room was up 16% and earnings before interest, depreciation taxation and amortisation stood at 11% compared to 1% in the same period last year.

The refurbishment of Holiday Inn Harare, Holiday Inn Bulawayo and Crowne Plaza is progressing well and is set to be complete by June this year, he said. We will embark on hotels in Victoria Falls thereafter, he said. Munyeza said the companys borrowings were at USD 13,4m and the bulk of them were short-term loans.

We are in the process of restructuring short-term loans to reduce the effective cost of borrowings exposure. We will be restructuring these debts in six months, he said. Munyeza, however, said challenges faced by Air Zimbabwe had negatively affected the companys operations. We work with chartered flights between Harare and Victoria Falls. People are now going through Johannesburg, he said.

ASL is refurbishing its hotels and introducing the InterContinental Hotel Group (IHG) franchise. The company will rebrand Holiday Inn Mutare to African Sun Amber while Holiday Inn Beitbridge would be rebranded to Beitbridge Express Hotel. The group said this was in line with its growth strategy where new brands would unlock shareholder value and increase profitability for the operations.

Sun Amber is described as a mid-range city brand targeted at the business traveller and conference delegates. The group received a USD 10m loan from Afrexim Bank in 2011. *(News Day)*

Trust Bank Corporation Limited (Trust) has registered a USD 4,6m pre-tax loss in its maiden results to December 31, although the banking concern expects to recoup these losses soon. Among the new strategies it has taken to strengthen its brand is ramping up its national footprint and re-energising its operations.

“The revenues are on a steady growth path and efforts to grow the revenue further are on course with the launch of a wide product offering line with market trends and aimed at bringing convenience to the banking public,” chairperson Elizabeth Chitiga said. Trust's operating expenses amounted to USD 8,4m for the period while impairment losses on loans and advances closed at USD 0,25m. “Efforts are underway to recover the amounts that have been impaired and management initiatives which have so far yielded commendable results,” she said.

“These efforts shall remain in force during the year and will further be strengthened where opportunity for improvement exists in order to improve the bottom line,” she added. Chitiga said the banking concern was poised to get a boost from the release of credit facility. “The bank envisaged that the lines of credit of approximately USD 10m which will be released in the first quarter of 2012 will result in an increase in business volumes,” she said.

Chitiga said the group was close to concluding discussion with potential investors to inject much needed capital in the third quarter of the year. “The bank has engaged shareholders to further capitalise the bank to enhance its underwriting capacity, resulting in the injection of additional capital post reporting date,” the chairperson said.

Going forward she said the banking group will focus on reducing its operation cost while widening its product range. “Costs remain a threat especially payroll costs which will increase in tandem with industry sector negotiations and these will continue to be monitored seriously. In line with its strategy to use ICT as a business enabler, the bank has put a freeze on recruitments and will use ICT to automate processes thereby minimising human intervention,” she said.

Trust banking operations re-opened its doors in December 2010 after being re-licensed by the Reserve Bank of Zimbabwe. Its licence was suspended and merged into Zimbabwe Alied Banking Group together with Barbican and Royal banks at the height of Zimbabwe’s financial industry crisis of 2005. *(Daily News)*

TN Holdings Limited (TN) plans to unbundle its banking, furniture manufacturing and retail units from the group as part of efforts to unlock value for its shareholders, the company says. “At the same time, new specialised business units shall be launched and incubated in line with the strategy to spin them off at some point in the future,” said the group in its audited annual results for the period to December 2011.

“There is potential to unlock shareholder value in future by demerging those specilaised business units that are fully developed and can follow a growth trajectory that is less dependent on the other parts of the group,” Harry Kantor, TN chairman said. He said in the period under review the listed company had opened 27 TN Bank malls throughout the country which offer furniture, sales through its TN Harlequin Luxaire, telecommunications and banking products through EcoCash and TN Bank under one roof.

Kantor said pharmacies were also opened in selected outlets. Recently, the company acquired 14 additional outlets from Rufaro Marketing which he said were being used to house bank branches, pharmacies and its recently launched TN grill restaurants. “We expect to launch more supermarkets and fast foods outlets which will utilise the same distribution network that the group has, thereby increasing convenience of our customers, and lowering occupancy cost per business unit,” the TN chairman said.

TN’s earnings before interest and tax (EBIT) for the full year stood at USD 5,89m, slightly higher than last year, as the group offered discounts to the tune of USD 6,5m on cash purchases of furniture to induce demand. “This was part of the group’s liquidity management strategy,” Kantor said. The group’s revenue from sale of merchandise stood at USD 34,9m, up from USD 13,5m.

Interest income was USD 30m against costs of sales of USD 16m. TN’s gross profit went up 229% to USD 18,9m compared to USD 5,7m in 2010 while operating profit stood at USD 7,7m compared to a USD 445 000 loss prior year. Profit after tax for the period was surged 308% to USD 3,5m from a loss position of USD 1,7m prior year.

TN Bank's total income rose 64% to USD 13,9m to post a USD 1,5m profit before tax compared to USD 1,3m in 2010. TN Banks loans and advances went up 180,4% to USD 75,8m from USD 27m in the comparative period. The group's furniture manufacturing and retail TN Harlequin Luxaire revenue rose 284% to USD 51m from USD 13m the previous trading period.

The furniture unit's after tax profit also increased 220% to USD 4m, reversing a USD 3,3m loss last year. TN Asset Management recorded a marginal profit of USD 17 000 in the period under review for the 2011 financial year.

The group according to founder and group chief executive Tawanda Nyambirai is set to conclude its disposal of a stake in its banking unit to Econet Wireless. He said the transaction was at various stages of approval from relevant authorities. *(Daily News)*

NMBZ Holdings Limited says focus for 2012 and beyond would be on increasing lines of credit to drive future growth in the wake of liquidity challenges prevailing on the market. "We are very cognisant of the fact that future growth in capacity will come from credit lines. We concluded a USD 10m facility last year and we have drawn down USD 5m of that," group CEO, James Mushore said recently.

Mushore said other lines of credit were presently at various stages of negotiations, adding that the group would this year be focusing on increasing volumes rather than margins. A number of financial institutions are increasingly turning towards finding new lines of credit from the international market, as Zimbabwe's economy continues to reel under the grip of a liquidity crunch.

NMBZ's lines of credit as at December 31 2011 amounted to USD 18,9m. Country risk issues relate to the uncertainty surrounding elections, indigenisation andthe absence of a lender of last resort, among others that pose as major obstacles to investment prospects. The entry of African Century into the group in 2010 was anticipated to open doors to international capital after the international financial services group underwrote the group's capital raising measure from existing shareholders.

African Century and NMBZ together operate the leasing business, African Century Limited.
Mushore said the leasing business contributed USD 113 573 to the group's bottom line, adding that credit lines for the unit were currently at various stages of negotiations. Significantly, the lease book closed the year 2011 at USD 11,3m.

The percentage contribution from the bank to group profitability is expected to decrease due to increased contribution from the leasing business and other new units to be introduced in future. "In as far as performance is concerned, we are on target in terms of average return on equity as we were affected in 2010 by the retrenchment exercise," said Mushore.

Return on equity went up to 22% in 2011 from 5% in 2010. It is projected to grow to 25% this year. "This was achieved against the background of the absence of a lender of last resort, so liquidity had to be managed very tightly," he said. NMBZ managing director Benefit Washaya said the group's cost to income ratio closed the year 2011 at 76% and the target for 2012 had been set at 74%.

The cost to income ratio is a useful measure of the rate at which a bank's costs change compared to income. "We would want to see that figure coming down and lines of credit would help in terms of beefing up the top line which in turn would reduce the ratio," Washaya said. In the financial year ended December 31 2011, NMBZ recorded a profit after tax of USD 4,5m, with the banking arm contributing 94% to the figure. *(The Standard)*

Miner Mwana Africa said on Monday it plans to raise USD 35m with a share sale that will bring in a Chinese partner and could fund the restart of a nickel mine in Zimbabwe as well as gold and copper projects in the Democratic Republic of Congo. Mwana said China International Mining Group Corporation would buy USD 21.2m of new shares at 5.5 pence per share, with the remaining shares being sold to institutional investors via a placing at the same price.

Mwana owns a 52.9% stake in Bindura Nickel Corporation in Zimbabwe, the only fully integrated nickel operation in Africa, whose assets include the Trojan mine. It also owns an 80% joint-venture interest in the Zani Kodo gold project and 100% of SEMKHAT copper-gold project, both in the Democratic Republic of Congo.

Mwana shares were trading at 5.5 pence at 0810 GMT, up from Friday's close at just over 5 pence. In financing conditions that remain tough for early-stage projects, miners have increasingly turned to a new generation of strategic buyers, including Chinese players keen to secure supply for the world's greatest commodity consumer.

Chinese miners and investors have been increasingly successful in snapping up stakes or projects in Africa, from Minmetals' acquisition of Anvil Mining to Jinchuan's acquisition of copper and cobalt producer Metorex, or iron ore miner African Minerals' USD 1.5bn deal with Shandong Iron & Steel, completed last week*. (Reuters)*

Caledonia Mining Corporations local unit Blanket Mine recorded a seventh consecutive increase in gold production to 10 533 ounces in the fourth quarter to December 2011 up from 9 743 ounces in the previous quarter. The performance of the fourth quarter ensured gold production was up 102% to 35 826 ounces for the year. In a trading update, Caledonia said turnover for the year ended December 2011 increased to USD 55,7m from USD 22,3m the previous year.

Gross profit was up 358% to USD 29,1m while net profit after income taxes amounted to USD 12,1m. During the fourth quarter, Blanket paid USD 5m towards taxes, royalties, licence fees, levies and other payments to the government. I am delighted to report the fourth quarter of 2011 was the culmination of a highly successful year for Caledonia, during which gold production at the Blanket Mine in Zimbabwe more than doubled.

Production has now increased in each of the last seven quarters, president and chief executive Stefan Hayden said. In the fourth quarter of 2011, 10 533 ounces of gold were produced, which exceeded our quarterly production target of 10 000 ounces. In addition, the cash cost of production was significantly reduced for the year as a whole (and this) reduction, which is in line with our earlier guidance, was due to improved operating efficiency and benefits of economies of scale.

In the fourth quarter the cash cost of production was reduced for the year as a whole to USD 581 an ounce, compared to USD 751 an oz in 2010. He said with the reduction in production costs Blanket Mine was now one of the most efficient and lowest cost gold producers on the continent. In February, Caledonia and the Indigenisation and Empowerment ministry signed a memorandum of understanding (MoU) agreeing to dispose a 51% stake valued at USD 30m to locals. Hayden said the group was working hard on various transactions envisaged in the MoU with the government and hope to implement the agreement during the second quarter of 2012.

Under the deal the National Indigenisation and Economic Empowerment Fund will acquire a 16% stake, management and staff 10%. As yet to be identified local partners will take 10% while a further 10% would be donated to the Blanket Gwanda Community Trust including a non-refundable donation of USD 1m. Foreign owned companies are compelled under the indigenisation and empowerment programme to sell at least 51% of the shareholding to indigenous Zimbabweans. *(News Day)*

New Africa Securities and ReNaissance Securities were yesterday suspended from trading at the Zimbabwe Stock Exchange (ZSE) as they are reportedly inadequately capitalised. Stockbrokers are required to have at least USD 150 000 capital adequacy or 13 weeks working capital in order to be licensed.

The development comes barely a week after ZSE in consultation with the regulator, the Securities Commission of Zimbabwe (SEC) suspended Interfin Securities and Remo Investments Brokers over a payment dispute. SEC chief executive officer Tafadzwa Chinamo confirmed the development.

The two were not fully funded. They had not met the licencing requirements and the deadline for compliance was March 31, said Chinamo. We have been communicating with them all along. So if they address that issue we will lift the suspension. Brokers receive a fixed brokerage fee of 1% on every transaction they make.

The money they generate is determined by deals they make a day on approximately two hours of trade they have. SEC was established through an Act of Parliament, to among other functions, provide high levels of investor protection, reduce systemic risk, regulate trading and dealing in securities and register, supervise and regulate securities exchanges.

The commission also licences, supervises and regulates licensed persons to ensure high standards of professionalism and integrity on their part and encourage the development of free, fair and orderly capital and securities markets in Zimbabwe. Several stockbroking firms have been struggling as a result of an illiquid market with less coming from foreign investors and little from local institutional investors.

Turning to the suspension of Remo and Interfin, Chinamo said: Investigations are still ongoing. Once they are concluded we will sit down and consider what action to take. *(News Day)*

Mining conglomerate Metallon Gold Zimbabwe plans to resuscitate operations at its How South open pit mining project on the outskirts of Bulawayo to augment gold ore supply from underground operations. The firm's corporate affairs executive, Zenzo Nsimbi, said before operations could be revived an environmental impact assessment (EIA) should be conducted. "Metallon Gold proposes to resuscitate an open mining project (How South) at How Mine, located 30km south-east of the city of Bulawayo in Matabeleland South Province," Nsimbi said.

"The pit is within the existing mining lease and is meant to augment ore supply from underground mining operations." Metallon, which is owned by South African mining magnate Mzi Khumalo, reportedly accounts for more than half of Zimbabwe's gold output. It is, however, not clear when the open pit was closed. Potential environmental impacts associated with the planned project range from blasting vibrations, noise vegetation destruction, waste rock to overburden disposal and dust.

Nsimbi added they expected stakeholders' inputs by next Tuesday to facilitate EIA reports finalisation and submission to the Environmental Management Agency for review. The wholly-owned subsidiary of UK-domiciled Metgold Limited has several gold mines spread across the country, namely How Mine, Shamva Mine, Arcturus and Mazowe.

Metallon became the dominant gold miner in Zimbabwe when the company took over the mines. But, the mining concern closed all its mines in 2008 at the height of an economic and political crisis and resumed operations in July 2009 after the consummation of the inclusive government. *(News Day)*

Lafarge Cement Zimbabwe plans to spend USD 4,5m on capital expenditure during 2012 in a move aimed at improving the plant's efficiencies. In a trading update for the first three months ending March, managing director Jonathan Shoniwa said: "This is expected to result in better plant rehabilitation and improved efficiencies." He said cement demand in the first three months was up 31% and the market remained predominantly retail as the construction sector's contribution was stagnant at 18%.

In the first quarter revenue was up 32% to USD 16m. The company is projecting full-year revenues of USD 60m up from USD 50m last year. "Profit margins at 13% are expected to improve further following the reorganisation and anticipated increased efficiencies," he said. "We recorded minimal exports for the quarter as the main strategy is to focus on the more profitable domestic market."

Shoniwa said cash generation was expected to improve in line with improved operating margins and working capital management. During the year ended December 2011, Lafarge recorded a 19% increase in turnover of USD 49,7m. The company remained bullish as it anticipated demand for cement to remain strong. Profit before tax was up 35% to USD 5m from USD 3,7m recorded in the previous year.

The profit before tax margin increased to 10% from 9% in 2010. Profit for the year amounted to USD 3,5m up from USD 2,7m the previous year. Last year, the company's finance costs increased by 64% to USD 0,7m as the business increased short-term borrowings to bridge working capital constraints during a major plant shutdown period. *(News Day)*

Cigarrete-maker British American Tobacco (BAT) has registered 49% increase in sales volumes to USD 39,8m for the full year to December. BAT, 58% owned by London-listed BAT plc attributed the positive growth to an improvement in its sales mix. “Increased sales volumes were realised in all key areas of the brand portfolio, notably our key and iconic Madison Brand which realised a 61% increase in sales volumes against the same period last year,” company chairperson Kennedy Mandevhani said.

“The Madison 10s line was re-introduced to deliver a wider product offer for the benefit of meeting consumer demands across the economic divide. Investment in a new cigarette maker and packer combination resulted in improved product quality and production efficiencies,” he added. BAT’s gross profit increased 163% to close the year at USD 18,4m while its underlying operating profit improved to USD 7,3m against USD 184 000 in 2010.

“As we move into 2012, the business focus will be on further volume and value growth in our brands,” Mandevhani said. He said the company had managed to meet increased demand of its local and export markets due to improved tobacco quality and volumes. “The year saw further volume growth in good quality flue cured tobacco to both the auction and contract floors which supported the increased demand for cigarettes by our consumers and our export flows to Mozambique,” the BAT chairperson said.

The company exports to Mozambique semi-processed tobacco as part of a global BAT agreement and the market makes a meaningful contribution to the group’s turnover. Going forward, Mandevhani said the company will continue to ride on its strong brand portfolio while offering its consumers a wider variety of quality cigarette products at competitive prices.

“BAT has succeeded in building on the strength of our brands and our distribution capacity to deliver strong volume and profit growth …., thus ensuring a sustainable business model which will continue to create value for all our shareholders and stakeholders,” he said. Mandevhani said the business sector continued to face operational challenges despite a stable business environment which has paved the way for businesses to concentrate resources on growth and profitability.

“The broader business viability challenges remain and are attributed to low levels of international investment resources being directed to Zimbabwe and liquidity challenges within the financial sector, primarily due to concerns with regard to the requirement for companies to comply with the Indigenisation and Economic Empowerment Act, challenges within the GNU and uncertainty over the timing of elections,” he said. BAT declared a final dividend of USD 0,16 per share taking the total dividend for the year to USD 0,26 per share. *(Daily News)*

Nesté Equatorial African region head, Pierre Trouilhat, says the company’s Zimbabwean market has been growing in the past three years and is among the top on the continent. Trouilhat said according to the turnover of 2011, the country was number three in the company’s core business, while on nutrition it was number two after Angola. “Although the turnover of Nestlé Zimbabwe is still small, in the past two years the country has shown positive growth,” he said.

"For us it's a market we are developing again which came out of stagnation during the Zimbabwe dollar era." He said it was against this background the company had found it prudent to invest in the country. The company plans to invest USD 14m on both commercial and small-scale dairy farming in the next seven years. It would bring cattle from source markets to boost the national herd as well as assist farmers in creating wealth.

The company is conducting the same project in India whereby 50 000 women are into cattle and buffalo dairy production under the Village Women Dairy Development Programme. The women in India produce 15 milllion litres of milk per day. They come from three different villages in India, Nestlé India culture executive Aman Bajaj Sood said. She said the project started in December 2003 and has been growing since. "The women look for the cattle and buffalos on their own and what Nestlé does is to offer them technical assistance," Sood said.

"From the total number, 80% of these farmers are small-scale farmers with two cows per household and can produce 50 litres of milk per day." Nestlé Zimbabwe has so far distributed 346 cows in the country under the project for both small and large-scale dairy farming. The company's managing director Kumbirayi Katsande early this year said the revival would ensure the country has more dairy cows.

The national milk output is projected to increase to 25m litres annually in the next seven years from the current 3,5m. Nesté Equatorial African region head, Pierre Trouilhat, says the company's Zimbabwean market has been growing in the past three years and is among the top on the continent. Trouilhat said according to the turnover of 2011, the country was number three in the company's core business, while on nutrition it was number two after Angola.

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CFI Holdings Ltd has sold part of its real estate that houses Crest Breeders to Fidelity Life for USD 3,3m as part of its plans to retire a debt which was USD 13,2m as at the full year to September 2011, and free capital for operations. CFI CEO Steve Kuipa told shareholders at an annual general meeting last week that inclusive of the latest disposal the group had so far managed to raise USD 5,6m from the disposal of noncore assets.

Kuipa said the group was also looking at raising another USD 1,8m from the disposal of various properties in its retail division. The CEO said further to the cautionary statement in January, the investors who had expressed interest in the group's Crest Poultry division, Victoria Foods as well as in CFI Holdings itself had completed their due diligence exercises last month.

The CFI group had received expressions of interest from some of the investors but more detailed information was needed before final binding offers were received. "The exercise will be completed by mid-April 2012. Thereafter, the offers will be presented to the board." Kuipa said the group used 65% of the PTA USD 3,8m facility. Victoria Foods was in the process of installing automatic packing machines. A total four had already being installed while the outstanding line will be installed by the end of April 2012.

Kuipa said 80% of the machinery spares and components required for major refurbishment of the Gweru maize milling plant and the Harare wheat plant have been received. The outstanding spares and machinery were due to be received by this week, he said. In the five months to February, turnover for the group grew 20% against prior year to USD 48,1m but margins remained under pressure across the group relative to the comparable period, owing to increased competition and equipment breakdowns, he said.

Kuipa said demand for poultry products remained firm with the group failing to meet demand for table eggs, dressed chickens and stock feeds. The retail division had a good first quarter, Kuipa said, adding the performance was underpinned by surging volumes in agro-input sales. However, the specialised division volumes were subdued in the first five months owing to capitalisation challenges and weakened demand given intermittent availability of key product lines.

Meanwhile Fidelity Life said it planned to develop 6 000 high density residential stands in the land it had bought from CFI, adjacent to Harare's Glen View high density suburb, along the Harare-Masvingo Road. The life assurer said the project was expected to come on board at the end of this year or early next year. *(The Independent)*

Economic News

Government will craft legislation that will encourage exploitation of methane gas in Lupane, a Cabinet minister has said. Industry and Commerce Minister Professor Welshman Ncube said a number of investors had inquired about coal bed methane gas which can be used for electricity generation and the manufacture of fertiliser. Through the production of fertiliser and industrial gas, the country can realise up to USD 2bn annually, he said.

"Government will support fertiliser production through newer technologies, such as coal gasification and coal bed methane gas," Minister Ncube said in an industrial policy document launched last week. "With regards to methane, a favourable legislation and favourable and regulatory framework will be created to promote exploitation of the resource."

The Lupgas was accorded national project status in 2007 but there have been no developments, largely due to lack of funds and the absence of a specific regulatory framework that safeguards investments. Observers have noted that there is need for legislation and regulatory framework that spells out the legal rights and duties of those who exploit gases.

According to experts, the methane gas in Lupane can exceed the combined proven resources for all the countries in sub-Sahara Africa. Preliminary research has shown that Hwange/ Lupane basins could havebns of cubic metres per square mile of sulphur-free methane gas.Two years ago, Government announced plans to invest at least USD 450m in the development of the coal bed methane gas in Lupane.

The Reserve Bank of Zimbabwe was recently quoted by a local daily as saying the country might lose out on its rich coal bed methane gas reserves in Lupane as Botswana had already started tapping into the shared resource. "According to the United States, we have the largest reserves of methane gas in sub-Saharan Africa here in Lupane," said Dr Gono. "But we are not exploiting it and it is now flowing to Botswana which is exploiting it."

While Dr Gono could not elaborate, Energy and Power Development Deputy Minister Hubert Nyanhongo said last year the gas was escaping through holes drilled by a French firm five years ago. Companies that have previously shown interest in Lupane gas include the Industrial Development Corporation, TA Holdings which owns Sable Chemicals, fertiliser firm Chemplex and Zesa Holdings.

Hwange Colliery Company last week said that it was working on a feasibility plan for the coal bed methane gas exploration and extraction. The project is being worked on and a potential joint venture partner has been engaged. The full cost of development is estimated to be USD 500m. *(Herald)*

The PTA Bank has extended lines of credit worth USD 83m to CBZ Bank and Sakunda Energy. The lines of credit are part of the regional financier's trade finance facilities to Zimbabwe across several sectors. The facility to CBZ is worth USD 60m for on- lending to small-to-medium enterprises, while Sakunda will receive USD 23m for fuel procurement.

Speaking at the signing ceremony for the two facilities in Harare recently, PTA Bank outgoing president Dr Michael Gondwe said Zimbabwe was one of the bank's largest beneficiaries. Since 2006, the PTA Bank has extended facilities valued at over USD 700m. "Over the last five years, the bank's trade finance facilities extended to this country are in excess of USD 600m, which has mainly gone to support the financial sector through lines of credit, agribusiness and commodities," he said.

"In addition, we have also provided project financing support to various key sectors amounting to over USD 100m during the same period." The PTA Bank, also known as the Eastern and Southern African Trade and Development Bank, has critical mandates to promote the development and deepening of local and regional financial markets. It also promotes rapid private sector development in its member countries through increased trade and project financing among others.

Meanwhile, the PTA Bank has officially opened its Harare office and reflected long-term commitment to the country by acquiring a prime property on the outskirts of the Central Business District. Dr Gondwe said the increasing number of the bank's customers in the country prompted the establishment of the office in Harare. The bank has also signed a host country agreement with the Government, which lays down the rules of engagement between the two parties, as a way to formalise their stay in the country.

Economic Planning and Investment Promotion Minister Tapiwa Mashakada said the opening of the bank's permanent office in the country was a vote of confidence in its economy. "The acquisition of a property here in Zimbabwe bears testimony to the PTA's confidence in Zimbabwe and the consolidation of their role as a key supporter of business growth in this country," he said.

The Harare office becomes the third to be operationalised after the head office in Bujumbura and the Nairobi office since the bank was established in 1985. PTA incoming president and chief executive Mr Admassu Yilma Tadesse has pledged to continue supporting the country. "I have complete confidence in Zimbabwe, and will continue to support her as I did when I was the executive vice president of the Development Bank of South Africa (DBSA) in charge of international lending. I would put my job on the line by signing lines of credit to the country," he said.

Mr Tadesse joins PTA Bank from the DBSA where he was a senior group executive managing several business and functional units across the group. He succeeds Dr Gondwe, who has completed his second term and has just been appointed as the new governor of Zambia's central bank. The PTA Bank comprises the following Comesa member states: Burundi, Comoros, China, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tanzania, Uganda, Zambia, and Zimbabwe.

The People's Republic of China became the first non-regional sovereign state to join the bank in 2000, while the African Development Bank (AfDB) is the only institutional shareholder. PTA Bank's primary source of its funding is its share capital. Its subscribed capital currently stands at USD 1,18bn. *(Herald)*

Government is set to introduce measures to curb the "dumping" of clothing and other textile products into the country as it seeks to revive the industry. The Government will also review duties on clothing and the duty-free allowance individuals can bring into the country in line with the new industrial policy. The policy, launched last week, mainly seeks to restore the manufacturing sector's capacity. The textile industry has been identified as one of the channels for the development of the industry.

"The new policy will review duties on a number of these (clothing and textile) products and the duty-free allowance that individuals can bring into the country," Industry and Commerce Minister Welshman Ncube said in the new industrial policy document. "During (implementation of) this policy it is (also) intended to enforce quality standards for incoming as well as pre-post shipment inspection in accordance with World Trade Organisation provisions," he said.

"Checks will also be conducted on the authenticity of certificates of origin and clothing and blankets in transit to ensure they do not end up offloaded in Zimbabwe." Zimbabwe has seen an influx of clothing products from South Africa, Botswana and China, with some of the consignments crossing the borders without duty being paid for them due to lack of adequate controls at border posts. Apart from depriving Government of revenue, this has rendered locally manufactured goods uncompetitive. Minister Ncube said Government would tighten the border controls to plug the smuggling loopholes.

Minister Ncube said the policy would relax Southern Africa Development Community "rule of origin" which maintains a "double transformation". This rule provides that in order to participate in preferential access, clothing must not only be made in Zimbabwe, but must also be produced from fabric made within Southern Africa, to enjoy duty-free access. "The current policy seeks to relax this rule under Sadc through the request for waivers in the fulfilment of our commitment under the protocol," said Minister Ncube.

The sector, with the potential to create thousands of jobs, is highly adaptable and can operate from levels of small-to-medium enterprises to large corporates. Some of the attractive attributes for investors in the textile industry are low levels of capital, low energy use, huge scope of value addition, backward and forward integration. The textile industry still boasts of much diversity, which includes cotton, polyesters, acrylic and other non-made fibre production bases in the country.

High operating costs, high interest rates, obsolete equipment, perennial power cuts and high utility costs have stifled investment in the sector. According to reports, the textile and clothing industry registered a combined 10 000 job losses last year. This brought to just 3 000 the number of workers employed by the industry down from about 18 000 in the 1990s. Furthermore, at least 11 clothing and textile companies are currently under judicial management. Kalahari Clothing Company has been placed under external administration while Bernstein has retrenched most of its workers, a weekly newspaper reported recently, citing the National Union for the Clothing Industry.

Saybrook Manufacturers has also been placed under a similar court-ruled reconstruction arrangement Bulawayo-based Archer Clothing Company went into judicial management in December, with about 800 people losing their jobs. Lancashire Clothing, Scottco which is owned by Aico Holdings, Chinhoyi-based Afroram Spinners, Merspin, National Blankets, Textile Mills Holdings, David Whitehead, and Modzone Enterprises are either facing serious financial constraints or are under judicial management. *(Herald)*

Zimbabwe is looking into complaints by the mining industry that steep hikes in its fees and taxes will seriously hurt miners by taking 60% of every dollar they earn, an official said. "The ministry is presently reviewing the impact of these fees on the mining sector," Prince Mupazviriho, the permanent secretary in the Ministry of Mines, told a mining conference in Harare on Wednesday. He offered no details on whether the ministry might reduce the fees.

The southern African country hiked pre-exploration fees for most minerals by as much as 8,000% in January. Registration charges for platinum and diamond claims rose to USD 2.5m and USD 5m, respectively, in a move it said was meant to curb the speculative holding of mine titles. Miners also must now pay annual ground rentals ranging from USD 500 per hectare for chrome to USD 3,000 per hectare for diamonds.

President Robert Mugabe's ZANU-PF party also is forcing foreign mining companies to hand over majority stakes to Zimbabweans, which analysts say is a way to bolster the party's coffers ahead of an election expected next year. In February the Zimbabwe Chamber of Mines told a parliamentary committee hearing that fees and royalty increases of 7.5% for gold and 10% for platinum announced in the 2012 budget would hit miners who have yet to fully recover from a decade-long economic crisis.

"It's estimated that 60% of every dollar earned in revenue goes to the government, making Zimbabwe one of the most expensive countries to mine," the chamber's vice president, Allan Mashingaidze, told the committee. Zimbabwe's mining industry has overtaken the troubled agriculture sector as the main foreign exchange earner, contributing USD 2.6bn to its USD 4.4bn total export earnings in 2011. *(Reuters)*

Notes

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