SECURITIES AFRICA

For week ending 13 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:

Currencies:

	13-Apr-12	WTD %	YTD %
Currency	Close	Change	Change
AOA	95.09	0.00	-0.16
DZD	73.64	0.49	2.13
BWP	7.33	-1.01	0.61
CFA	489.22	0.15	1.12
EGP	6.02	0.01	-0.12
GHS	1.79	-0.23	-10.36
KES	81.95	-0.17	1.93
MWK	164.67	1.42	-1.40
MUR	28.03	-0.41	0.37
MAD	8.45	0.26	1.47
MZM	27,370.00	1.90	-2.51
NAD	7.95	-2.04	2.34
NGN	157.44	0.03	1.47
ZAR	7.94	-1.52	2.88
SDD	266.19	-0.03	-0.04
SDP	2,261.00	0.00	0.00
SZL	7.95	-2.04	2.37
TND	1.52	-0.18	-1.67
TZS	1,560.27	0.15	0.01
UGX	2,475.24	-1.04	-1.14
ZMK	5,161.30	0.54	-2.87

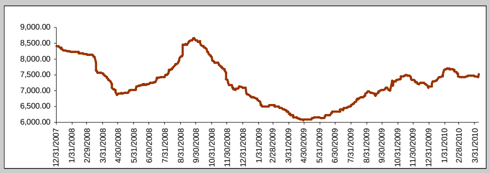
Source:oanda.com

African Stock Exchange Performance:

Country	Index	13 April 2012	WTD % Change	WTD % Change USD	YTD % Change	YTD % Change USD
Botswana	DCI	7,075.78	0.24%	-0.76%	1.50%	2.12%
Egypt	CASE 30	4,735.15	-1.90%	-1.89%	30.72%	30.57%
Ghana	GSE All Share	1,061.21	0.07%	-0.16%	9.51%	-0.77%
Ivory Coast	BRVM Composite	153.97	-1.42%	-1.26%	10.87%	12.12%
Kenya	NSE 20	3,456.35	1.64%	1.48%	7.84%	9.96%
Malawi	Malawi All Share	5,712.06	0.75%	2.20%	6.38%	4.92%
Mauritius	SEMDEX	1,802.80	0.12%	-0.30%	-4.53%	-4.18%
	SEM 7	340.74	0.95%	0.54%	-2.74%	-2.38%
Morocco	MASI	10,232.79	-2.66%	-2.41%	-7.06%	-5.67%
Namibia	Overall Index	889.00	0.23%	-1.78%	6.08%	8.62%
Nigeria	Nigeria All Share	20,743.16	-0.95%	-0.92%	0.06%	1.55%
South Africa	All Share	33,705.03	0.90%	-0.61%	5.34%	8.47%
Swaziland	All Share	276.45	0.00%	-2.00%	2.98%	5.48%
Tanzania	DSEI	1,334.49	0.53%	0.68%	2.40%	2.41%
Tunisia	TunIndex	5,064.96	1.54%	1.36%	7.26%	7.48%
Zambia	LUSE All Share	3,904.53	-0.76%	-0.23%	-6.36%	-8.71%
Zimbabwe	Industrial Index	134.14	-1.36%	-1.36%	-8.04%	-8.04%
	Mining Index	88.80	-0.46%	-0.46%	-11.82%	-11.82%

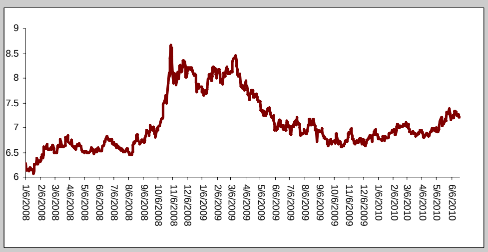
Botswana

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 +0.24% to close at 7,075.78 points. Turnstar and NAP led the gainers after adding +7.14% and +4.65% to close at BWP 1.50 and BWP 2.25 respectively. Other counters to gain included Letlole (+4.55%), New Gold (+.65%) and Stanchart (+0.33%). On the losing front we had Cresta (-5.45%) to BWP 1.04, Selafana (-1.79%) and RDCP (-0.73%).

Corporate News

TSX-V-quoted Galane Gold has completed the acquisition of Northern Lights Exploration (NLE), giving it control over prospective gold areas in the Tati Greenstone Belt, in Botswana. The company acquired the shares through its Botswana subsidiary Mupane Gold Mining. NLE held several prospecting licences in the Tati Greenstone Belt, adjacent to existing licences held by Galane.

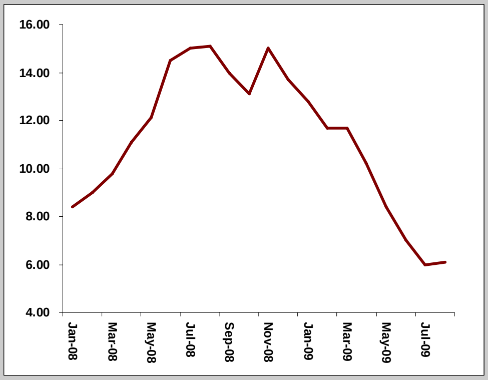
“Completing the acquisition of NLE is a significant milestone for Galane. Combining the existing Galane exploration tenements with those of NLE means that the company has a combined area of more than 1 200 km2 and control of what we believe is all prospective ground for gold exploration on the Tati Greenstone Belt,” CEO Philip Condon said in a statement.

Chief geologist Charles Byron added that one of the most appealing aspects of these properties was that the previous exploration work, carried out by Gallery Gold and Iamgold, was not comprehensively followed up on in the context of the then-prevailing much-lower gold prices. Exploration ceased for the most part in late 2005 and then completely in early 2007. “Only some of the exploration targets were investigated further on the ground and even then, not fully in some cases. Many of the targets received little or no attention,” he said.

Based on the extensive exploration work performed on the NLE licence areas from 1995 to 2007, the company said it had a long list of priority exploration targets throughout the area. “We are optimistic that we will identify new sources of gold and leverage our existing assets and infrastructure to bring these targets into production,” Condon added.

Galane Gold would immediately implement an exploration programme that would build on the previously completed work. The company will initially focus on the top four priority targets known as Jim's Luck, Matopi, Rainbow and Tekwane. The exploration programme would be fully funded from the cash flow generated from the existing Mupane operation.

Galane issued NLE shareholders with 3.13m common shares and promissory notes worth about USD 400 000. If by July 2018, exploration work within the NLE prospecting licence areas confirmed a Canadian National Instrument 43-



Source: SAR

101-compliant measured mineral resource containing certain amounts of gold ounces, NLE shareholders would accrue further shares in Galane according to an agreed sliding scale, at no further cost.

For example, if the measured resource or mined gold equalled or exceeded 100 000 oz, NLE would acquire 1.38m additional shares, while the agreement provides for a similar maximum threshold of onem ounces, which would result in NLE acquiring 2.5m additional shares in Galane at no cost.

The contingent share issuances are cumulative across the sliding scale, providing for NLE acquiring up to 8.75m additional shares if a resource of onem ounces or more is measured or mined in NLE's licence areas. This would result in NLE shareholders acquiring a maximum of 11.75m shares in Galane. *(Mining Weekly)*

Economic News

Botswana has been ranked the top African destination for mining investment way above regional giant South Africa. According to results from a 2012 survey compiled by a German mineral industry advisor company Behre Dolbear, Botswana amassed a total 37 points to be ranked eighth in the world while finishing top in Africa amongst 25 countries considered in this year's survey.

The world's top diamond producer by value has not moved from the last rankings released in 2011. Australia and Canada have continued to top the list as the world's best mining investment destinations with 57 and 52 points respectively followed by South Americans Chile and Brazil on third and fourth spot with 51 and 45 points respectively. Other nations in the top 10 are Mexico (5th), United States of America (6th), Colombia (7th), Ghana and Peru tied at ninth spot. Russia anchors at the bottom of the rankings as the worst destination for mining investment with a mere 16 points below Bolivia and Democratic Republic of the Congo (DRC) with 17 and 19 points respectively.

Meanwhile, neighbour South Africa is ranked 20th with 25 points moving up only one spot from the previous ranking. South Africa is a spot behind Zambia, which moved up two placed after gaining 26 points this year. Ghana, having gained 36 points this year is second in Africa followed by Namibia at 11th with 33 points. The annual survey by the mineral industry advisors was ranking the countries using seven criteria.

The criteria used this year are: the country's economic system, political system, the degree of social issues affecting mining in the country, delays in receiving permits due to red tape and other issues, the degree of corruption prevalent in the country, currency stability and competitiveness of the country's tax policy. Each criterion was ranked on a qualitative scale from one (worst) to 10 (best) that reflects conditions that promote investment growth in the mining sector. The maximum score attainable for a country was thus 70 points.

Botswana gained above average scores in tax regime and economic system while scoring an average score for all other factors. In general, the survey reveals that African countries have made strides in the rankings. Three African countries, Ghana, Namibia and Zambia have all gained two points in the 2012 rankings. "The improved stability of these and other African countries government is leading to a revival in long-term African mineral investment, which in turn is improving infrastructure as well the lives of its citizenry which when combined with its mineral wealth is making these countries a more desirous location for mineral investment," reads part of the report.

It says the initial resurgence in mineral consumption during the first half of 2011 appears to have abated with mineral prices and demand both retreating from recent highs. The outlook for 2012 remains uncertain, mostly due to the 'band-aid' approach the EU is using to resolve the debt problems in Greece, Portugal, Spain and Italy.

The Behre Dolbear Group of companies is comprised of more than 150 professionals based out of 12 offices around the globe. Since 1999, the company has compiled annual political risk assessments of the key players in the global mining industry. Over time, its assessment indicates a positive correlation between the growth of a nation's wealth and the prosperity of its mining industry. *(Mmegi)*

The country's rough and polished diamond exports bounced back from a four-month slump in February, rising to BWP 2.23bn or nearly three times their level in January, Mmegi has learnt. Preliminary data from Bank of Botswana indicates that the February level of diamond exports, both rough and polished stones, was approximately 89% higher than the December sales and 65% higher than the November figure. The February 2012 sales are also 35% higher than the BWP 1.65bn recorded in February 2011.

Diamond sales slumped from a record BWP 10.1bn in the third quarter to BWP 6.2bn in the fourth quarter of 2011, on weakening demand in the key US and the Euro zone markets, owing to the economic crisis. The slump consequently pushed the Gross Domestic Product (GDP) down 5.8% quarter on quarter in the fourth quarter of 2011, with output in the economically critical mining sector declining by 24.8%.

The GDP figures, released last week seemed to confirm expectations of constrained growth and even a possible recession in 2012, stemming from a slowdown in the mining sector. However the figures released yesterday by the Bank of Botswana, confirm projections made by several producers pointing to the precious stones' resilience in 2012, despite threats of economic deceleration in traditional diamond markets.

Last week, De Beers Botswana CEO, Neo Moroka, told Mmegi the demand for diamonds has been strong at the three sights or auctions held by the Diamond Trading Company Botswana (DTCB) since the beginning of the year. He said the sales were positive despite the fact that cutting and polishing firms still had stockpiles of diamonds from sights held last year. "Sales have been very good," Moroka said.

"Due to the downturn at the end part of last year, companies have been getting rid of the stockpiles and when the industry is selling off stockpiles, the performance is not usually good. But much to our surprise, our sights in the first quarter of the year have been above expectations, although not as good as the first quarter of 2011 which was exceptional." Moroka said rough diamond prices were expected to trend upwards this year, based on the strong demand coming out of China, which is now the second largest consumer of the precious stones after the US. *(Reuters)*

The rate of output of formal loans and advances in the economy rose in 2011 to pre-recession levels as commercial banks relaxed their lending criteria following the tightening associated with the 2009 global financial crisis. According to Bank of Botswana data published this week, credit growth in 2011 reached 26.4% with total credit outstanding as at December 2011 pegged at BWP 27.96bn from BWP 22.12bn in December 2010.

Of the BWP 27.96bn owed to commercial banks as at December 2011, loans to individuals accounted for 54.6% or BWP 15.3bn, underlining the continuing dominance of retail activities in the domestic banking sector. Banks' other lending was dominated by trade, manufacturing and finance-related businesses which collectively accounted for BWP 6.13bn while other sectors including government and parastatals were minor players.

Bank of Botswana data indicates that the credit growth of 26.4% in 2011 was marginally below the 27.7% pegged in 2008 **-** the last year before the recession. In 2009, credit growth was measured at 15.2%, declining further to 11.9%, as banks tightened their lending to curb defaults while the number of credit-worthy borrowers also declined due to the adverse economic conditions.

That banks loosened their lending in 2011 is not only confirmed by the BoB's data on higher credit growth, but also positive results and statements by listed commercial banks in the recent reporting period. First National Bank Botswana, which has the largest loan book in Botswana, grew its loans and advances by 24% in 2011 to BWP 8.1bn while Standard Chartered grew its loan book by 17% to BWP 4.1bn over the same period.

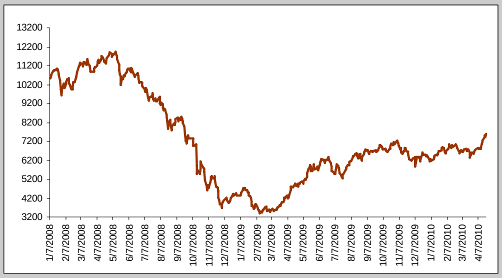
"The bank's statement of financial position grew by 17% from the previous year with advances to customers growing by 24% mainly in the property finance and retail space," said FNBB in a statement accompanying their recent results. The other major player in the banking sector, Barclays, grew its loans and advances by nine% in 2011, focussing on the quality of credit and thus reducing impairment charges and other provisions by 28%.

According to BoB data, total arrears on loans owed to commercial banks declined to BWP 1.04bn in 2011 from BWP 1.45bn in 2010, indicating the greater effort by the banks to improve loan book quality. The data also indicates that individuals were the biggest culprits in loan defaults, making up BWP 845.7m of the total arrears or 81%. The level of individual indebtedness and default has been a national talking point for several years with lawmakers calling on government to establish safety nets and other protection for affected individuals.

The Ministry of Finance and Development Planning is currently establishing a national credit bureau to mitigate the growing over-indebtedness and the tendency by consumers to borrow from multiple sources. When fully functional, the bureau will obtain and monitor the credit histories of all borrowers in Botswana with a view to guiding lenders in terms of the credit worthiness or risk of borrowers. *(Mmegi)*

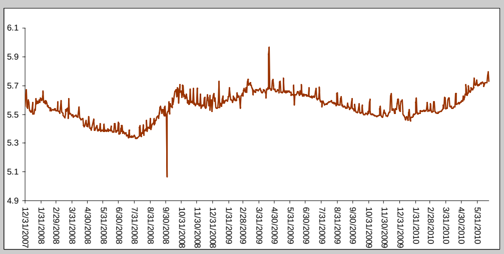
EGYPT

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 -1.90% to 4,735.15 points. General Silos and Storage led the movers after gaining +9.61% to EGP 20.18 followed by general Egypt Aluminium (+8.91%) and Trans Ocean (+7.69%). National Housing for Professional Syndicates was the biggest loser after shedding -5.12% to close the week at EGP 31.30. Other notable losses were recorded in: Orascom Development Holdings (-5.02%) and Egyptian Gulf Bank (-4.26%).

Corporate News

Egypt's largest steel producer, Ezz Steel, said on Tuesday its 2011 net profit declined 20% from a year earlier. Net profit after minority interests dropped to EGP 202m (USD 33.5m) from EGP 252m. Net sales rose 12% to EGP 18.6bn. The company was rocked by the uprising against leader Hosni Mubarak in February 2011 and its aftermath. Egypt's public prosecutor jailed the company's chairman Ahmed Ezz in February of last year on corruption charges. He has since stepped down. *(Reuters)*

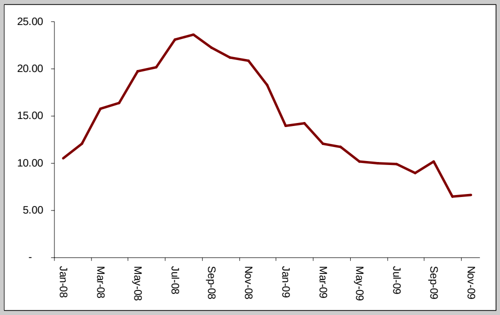
France Telecom SA (FTE) will seek approval from Egyptian regulators to buy out the remaining publicly traded shares in its local wireless venture withbnaire Naguib Sawiris in a EUR 1.5-bn (USD 2bn) transaction. France's biggest phone company agreed on the final terms of the deal with Egyptian partner Orascom Telecom Media & Technology Holding SAE (OTMT), including a EGP 202.5 a share (USD 33.56) offer to acquire Cairo-listed Egyptian Company for Mobile Services, the companies said today. They reached a preliminary agreement in February on Mobinil, as the operator is known.

Mobinil rose 1.7% to EGP 179.97 at the 2:30 p.m close in Cairo after surging 9.6% yesterday. Orascom jumped 6.7% to EGP 1.43. Mobinil has risen 130% so far this year. France Telecom dropped as much as 2.9% to EUR 10.23 euros in Paris today.

France Telecom is refocusing its business on fast-growing emerging markets as mobile revenue in Europe stalls. Egypt, the Arab world's most populous with more than 80m inhabitants, is among the largest developing economies in which France Telecom has a presence, and represents a key part of its Middle Eastern strategy, which includes operations in Jordan, Tunisia, and Bahrain.

"To further enhance ECMS's integration in the Egyptian economy, France Telecom intends to ensure that, if the conditions allow it, up to 15% of ECMS's shares are held by Egyptian shareholders, whether these are private or public companies, or individual shareholders," France Telecom Chief Executive Officer Stephane Richard said in the statement.

CPI Inflation



Source: SAR

Depending on the results of the tender offer, France Telecom's ownership of Mobinil will be in a range of 66% to 95%. Orascom Telecom will own 5%, though it will indirectly hold voting rights of about 30%. France Telecom has three options to keep 15% of the company in Egyptian hands, said Amr Elalfy, director and co-head of research at Cairo-based investment bank CI Capital, who predicts the deal will go through.

"They can buy all the shares and sell them back at the market, which is unlikely because they can lose money, or raise capital without subscribing to it," he said. "The third option is to agree with an Egyptian partner to take this stake." A France Telecom spokesman said it was too early to say which options the company would pursue.

The deal may provide support for Egypt's foreign-currency reserves, which tumbled more than 50% since last year's uprising to USD 15.1bn in March. Egypt's economic growth slowed to 0.4% in the final quarter of 2011 from 5.6% a year earlier and the budget deficit is likely to be near 10% for a second year, according to government forecasts. *(Bloomberg)*

Economic News

The urban consumer inflation was 9% in the 12 months to March, down from 9.2% in February, figures on Egypt's state statistics agency showed on its website on Tuesday. The urban consumer price index for March was 122.6 versus 112.4 a year earlier, the state statistics agency CAPMAS said. On a montly basis, urban inflation increased 1.2%. *(Reuters)*

Monthly revenue from Egypt's Suez Canal rose 3.5% in the year to March to USD 428m, the Egypt Information Portal website showed on Monday. The canal's revenue in March 2011 was USD 413.5m. Revenue rose 12.2% month-on-month from USD 381.4m in February 2012. The waterway is a vital source of foreign currency in Egypt, along with tourism, oil and gas exports and remittances from Egyptians living abroad. *(Reuters)*

The International Monetary Fund said on Tuesday it was staying in close touch with Egyptian authorities as they work out a budget and round up political support that would make an IMF financing package possible. A financial arrangement to support Egypt's economic program will be presented to the IMF Executive Board once this work is completed and external financing from bilateral donors and other international institutions is confirmed," the IMF said in a statement.

An IMF mission was in Cairo from March 25 until Tuesday discussing details of an IMF-backed economic program. Egypt has sought a USD 3.2bn financing arrangement from the IMF, following political turmoil that has heightened balance of payments pressures. Earlier this month, the IMF said there would have to be broad political support from all political parties in the country before loan talks could be concluded, and it reiterated that point on Tuesday.

The IMF statement did indicate progress was being made. There was a shared understanding on the need to address short-term challenges facing the economy and to promote reforms that can help achieve higher and more inclusive growth going forward," the IMF said. Any deal would need the backing of the Muslim Brotherhood's Freedom and Justice Party (FJP), which has nearly half the seats in parliament. *(Reuters)*

Egypt's consumer confidence index declined in March on the previous month, the latest data from Cabinet's Information and Decision Support Center (IDSC) showed on Wednesday. The index slipped 2.1% to 100.4 points last month, with the IDSC attributing the fall to consumers' disappointment with recent economic policies and pessimism over rising living costs.

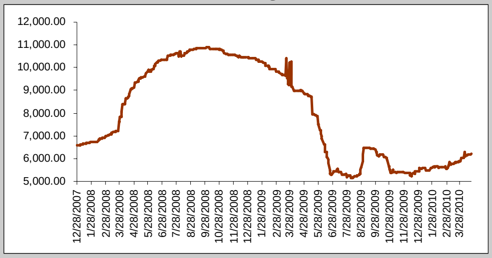
The economic-policy confidence index also slumped by 5.3% month-on-month in March to reach 78.1 points due to consumers' fears that Egypt's economic situation is deteriorating. According to the latest IDSC data, a whopping 88% of Egyptians are pessimistic as to the country's economic prospects, compared to only 11.2% in February.

Meanwhile, Egypt's family-income index rose in March by 8.1% to reach 50.6 points, as the proportion of Egyptians who consider their monthly incomes sufficient to buy basic goods rose to 20.7% compared to 17.3% in February. IDSC data further showed that expectations of improved living and economic conditions fell by 3.4% in March on the month before to 172.5 points. *(Ahram)*

The number of mobile phone subscriptions in Egypt rose 27% to 91.32m users in the year to January, government figures showed on Wednesday. The number of mobile phone subscriptions in December 2011, was 83.43m. In January 2011, Egypt's three mobile operators, Etisalat Egypt, Mobinil and the Egyptian unit of Vodafone, had 71.5m subscriptions. Egypt is the Arab world's most populous country, with more than 85m people. *(Ahram)*

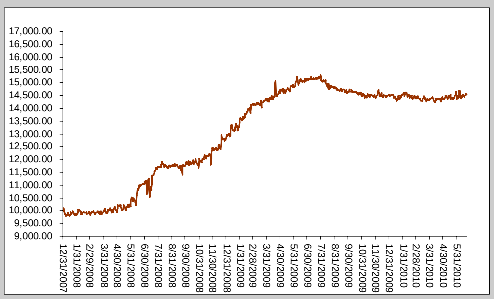
Ghana

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 +0.07% to close at 1,061.21 points. Gains were recorded in GGBL (+2.40%), GCB (+1.86%) and TEBG (+0.54%) while FML (-1.35%) and SCB (-0.61%) were on the losing front.

Corporate News

The United Bank for Africa Ghana Limited, a subsidiary of UBA Plc, has announced a profit after tax of USD 12.72m (GHS 22.4m) for 2011, from USD 5.20m (GHS 9.2m) in 2010. The Nigerian Punch news publication April 4, 2012 cites a statement released by the Bank April 3 saying its profit for the year ended 2011 showed an increase of 143%, on the back of improved risk analysis and prudent operational costs.

"Specifically, UBA Ghana with 26 fully-networked branches and 40 Visa-enabled ATMs spread across Accra, Tema, Kumasi, Takoradi and Aflao, recorded a profit before tax of GHS 30.2m (USD 17.653m) in 2011 against GHS 13.9m (USD 7.86m) in 2010, representing an increase of 143% over the previous year," the publication quoted the text of the statement.

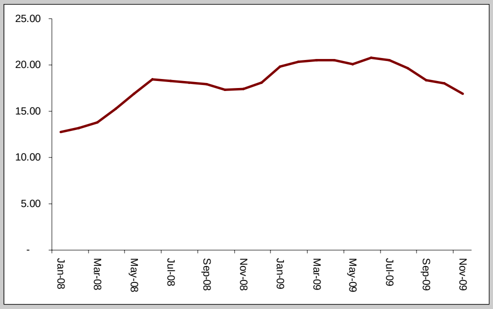
The Bank's deposit volume for the period increased to GHS 404.6m (USD 228.8m) from GHS 311.2m (USD 176m) in 2010. It added that the bank's improved risk analysis and prudent measures contributed in reducing its non-performing loans from 19% in 2010 to 7.91% in 2011. *(Ghana Web)*

The Ghana National Petroleum Corporation has completed lifting its second consignment of crude oil form the Jubilee Field. Ghana last year earned a little over USD 444m from the sale of four lifting's, Joy News has learnt. In all, the Jubilee Field partners have lifted a little over 10m barrels for Q1.

Meanwhile the country has been able to save USD 69m from the revenues earned from crude oil sales last year. USD 14.4m has been put aside for future generations in the heritage fund, while USD 58m has accrued to the Stabilization Fund to cushion the country in times of price volatility. *(Ghana Web)*

SG-SSB will enhance service delivery and adopt positive orientation to clients to increase its market share, the bank's Managing Director, Mr Gilbert Hie, said in Accra on Thursday. The bank will also boost deposits and loans, focus on staff training and enhance operational efficiency to deliver value to shareholders. Mr Hie was addressing brokers, financial institution representatives, investors, and the media at the Ghana Stock Exchange 'Facts

CPI Inflation



Source: SAR

Behind the figures' programme.

He said while the current macro-economic environment presented a positive atmosphere for the banking sector to thrive, the high level of competition was making it difficult for the banks to increase their market share. Mr Hie said, with a huge number of the population outside the banking sector, the industry would grow only if more people own and operate bank accounts. He said it was important to encourage the public to save with banks, which would guarantee the safety of their deposits.

Mr Hie, said the bank would ensure efficiency, increased productivity, sustain support for small and medium scale enterprises while maintaining strict risk management for long-term growth. He said, the bank's new Head Office would be completed by March next year ,to bring together all the different head offices under one roof to ensure efficiency and good supervision. SG-SSB recorded a net profit of GHS 22.5m for 2011 compared to GHS 19.3m in 2010, and shareholders' funds increased from GHS 118.8m to GHS 150.6m. *(Ghana Web)*

Economic News

Ghana's economy grew 14.4% in 2011, the national statistics office said on Wednesday, revising upwards an earlier estimate of 13.6%. Last year was the first full year after Ghana began commercially producing oil from its offshore Jubilee field in late 2010*. (Reuters)*

Annual inflation in Ghana rose to 8.8% in March from 8.6% in February, the national statistics office said on Wednesday. "In March, general price levels went up by 1.2 month-to-month and 8.8% year-on-year," Philomena Nyarko, acting government statistician, told a news conference.

The figure comes two days before the Bank of Ghana rate-setting committee is due to decide on Ghana's primary policy rate, which it hiked by 100 basis points to 13.5% at its last meeting in February. Analysts contacted by Reuters this week expect another hike on Friday. *(Reuters)*

The Ghana Stock Exchange has insisted more companies are likely to list on the bourse, despite the poor trading activities over the last six months. External factors including the Euro zone debt crisis and other internal matters have forced investors to withdraw from the market.

A number of companies including Met Insurance and oil giant, Kosmos Energy, are billed to list by the end of the second quarter of 2012. Analysts say the conditions are still not favorable for listing. But in an interview with Citi Business News, the Managing Director of the GSE, Kofi Yamoah, insisted some companies might list despite the gloomy outlook.

"Kosmos expressed its interest to list, and we are also looking at other companies per what our advisors are saying," he said. "We cannot put a number on it but there are certain organizations we are looking at to list." Mr. Yamoah also expects improved market activity in the second quarter of the year. *(Ghana Web)*

Ghana's government is barring public institutions from spending plans that were not included in the 2012 budget, Finance Minister Kwabena Duffuor said on Wednesday, in a bid to ensure fiscal discipline ahead of elections later this year. The West African nation holds presidential and parliamentary elections in December, and there are fears that the government could bow to pressure for wage hikes and other spending ahead of the vote."The government is committed to maintaining fiscal discipline and not repeating the mistakes of previous election years," Duffuor told journalists.

Duffuor said President John Atta Mills had told ministries, departments and agencies in a directive to refer all contracts to the Attorney General's office for clearance before they are signed. Earlier this month, the IMF told Ghana that higher than expected wage claims and fuel subsidies meant it should take further steps to ensure it meets its 2012 deficit target of 5.2% of non-oil gross domestic product.

Duffuor said unbudgeted spending in the past had undermined the effective implementation and control of the national budget. Ghana's economy grew 14.4% in 2011, helped by the start of commercial oil production, and the country has managed to keep inflation below 9% for nearly two years.

Under the new guidelines, government agencies are also barred from signing deals including the procurement of vehicles, equipment or services unless approved by the cabinet and covered in the budget, Duffuor said, adding that any violation of the directive would heavily punished. *(Reuters)*

A draft joint venture agreement between Ghana and India for the setting up of a USD 1.2bn fertiliser plant in the Western Region of Ghana where oil and gas are produced in commercial quantities is in advanced stage of discussion. Ghana and India have already signed the Memorandum of Understanding (MOU) for the setting up of the plant since 2010. Both governments – Ghana and India – are also working hard to conclude the deal, hopefully, by the end of this year, the Indian High Commissioner to Ghana, H.E Rajinder Bhagat has hinted.

The company, Rashtriya Chemicals & Fertilisers Limited, which is India’s biggest state-run urea maker, indicated that the plant, when established, will have the capacity to produce onem metric tonnes of fertiliser.Reports said shortage of natural gas in India, the main feedstock for making urea, is forcing companies, including Indian Farmers Fertiliser Cooperative Limited, the nation’s largest producer, to build plants overseas.

India’s cabinet, on May 19th, 2011, more than doubled the price of gas sold to makers of fertiliser, which is used to grow crops, including wheat, sugar, rice and edible oils. The fertiliser maker, based in Mumbai, plans to secure fuel for the project from Ghana Oil Company, and India’s fertiliser ministry has approved the investment proposal, the officials said.

During his visit to India, Vice President John Dramani Mahama said the fertiliser manufacturer would produce enough to meet Ghana’s requirements, and export the surplus to India and other fertiliser consuming countries. Furthermore, statistics from the Ghana Investment Promotion Centre (GIPC) show that India's imports from Ghana in the year 2010-11, recorded USD 159.75m, while exports to Ghana stood at USD 658.35m. This brings the total trade to USD 818.10m, which indicates a growth of 52.2%.

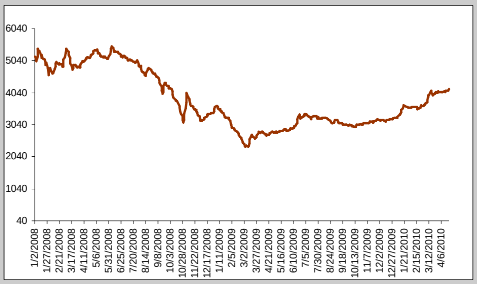
According to the GIPC's foreign direct investment statistics for 2011, India stood second in terms of numbers of projects (76) registered. India's exports to Ghana consist mainly of drugs and pharmaceuticals, machinery, plastics, and electronics among others. Imports from Ghana include edible fruits and nuts, wood and wood products, precious and semi-precious stones.

There has been an increased interest by Indian companies in Ghana during the past years, as a number of business delegations have been visiting to explore markets and to look for public, private partnership with Ghana. India is one of the major trading partners of Ghana. There are well established Indian businesses in Ghana which are engaged in manufacturing, retail, banking, telecom, and ICT among others.

Recently, Ghana Heavy Equipment Limited (GHEL), a state-owned company, has tied up with BEML Limited, a Government of Indian firm, under which BEML Limited would be supplying heavy machines to GHEL for sale on the Ghanaian market. *(Ghanaian Chronicle)*

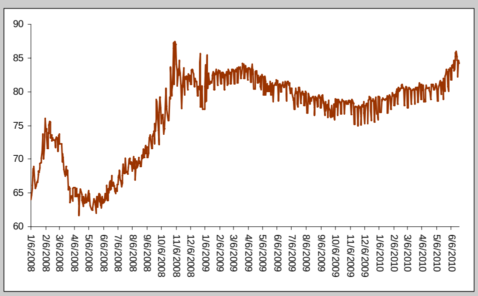
Kenya

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 +1.64% to close the week at 3,456.35 points. Uchumi led the movers after gaining +8.17% to KES 13.90 followed by EAPCC which rose +7.14% to KES 60.00. Other notable gains were recorded in C&G up +6.38% to KES 25.00 and TPS (+5.98%). Kakuzi was the main loser, shedding -2.44% to KES 80.00 followed by City Trust (-2.22%) and DTK which lost -2.14% to KES 91.50. Market turnover was up +17.32 to KES 1.54bn.

Corporate News

Apache Corporation has secured a rig to drill a well on an offshore Kenyan oil exploration block that it owns jointly with other firms, one of its partners on the block said on Tuesday. Kenya has seen interest in its exploration blocks rise since its first oil discovery in the dry and dusty county of Turkana, where Africa-focused UK firm Tullow Oil has been exploring.

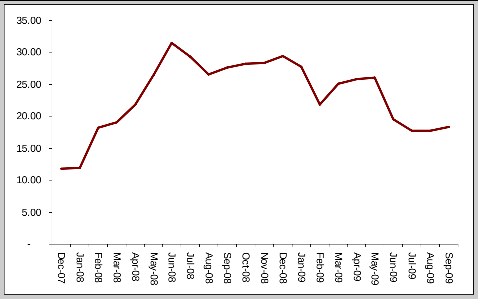
East Africa has become a focus of interest for oil and gas exploration, but a worldwide shortage of rigs threatens to slow growth and increase the cost of operations. Houston-based Apache will use the deepwater drilling ship Deepsea Metro 1 to sink a well on the Mbawa prospect within block L8 off Kenya's Lamu archipelago, said Pancontinental Oil & Gas, a partner on the block.

"We are pursuing what we see as a major oil play rather than a gas play offshore Kenya," Pancontinental's Chief Executive Officer Barry Rushworth said in a statement. Block L8 is run as joint venture with Apache as the operator holding a 50% stake. Origin Energy Limited has a 20% share while Australia's Pancontinental and Tullow Oil have a 15% stake each.

"Apache is anticipating a spud date within Q3 2012, with the actual date depending on when the drilling rig is finished with its current operations," Rushworth said. He said the well on Mbawa prospect is expected to take some 45 to 60 days to complete to a planned total depth of 3,250 metres below the sea in water depth of 860 metres, easily within the range of modern equipment. Pancontinental estimates that Mbawa has a maximum potential of 4.9bn barrels of oil. *(Reuters)*

Fuel-related production costs at the East African Portland Cement Company are set to drop by 60%, following completion of a move from oil fired kilns to coal powered ones. This transition kicked off in December 2010, prompted by a need to cut down on escalating costs of production caused by fluctuating prices of furnace oil.

“The reason for the change is because coal is cheaper. It reduces production costs and aids in planning,” Mr Charles Charo, the head of production operations



Source: SAR

at the cement firm said during an interview with the Nation. Before adoption of coal powered kilns, the cement producer spent about KES 5.8m on furnace oil daily, which it sourced from the Middle East.

This comprised consumption of 168 tonnes of furnace oil at an hourly rate of 7 tonnes costing KES 35,000 per tonne. With the coal, the company says it spends KES 2m on 200 tonnes of coal at an average consumption of 10 tonnes per hour. A tonne of coal costs KES 10,000 inclusive of transport costs. “Energy output by coal from its components is about 75% unlike furnace oil.

“It makes economic sense to power the kilns using coal than furnace oil, although at times we use the oil before the coal heats to the right temperature,” he said. The cement firm imports coal from South Africa but with the discovery of the mineral at the Mui in Kitui, there is a possibility of preference for locally produced coal once mining starts.

It will join a host of other local firms, including state-owned Kenya Electricity Generating Company (Kengen), who are eyeing coal as alternative energy. KenGen recently disclosed plans to invest KES 58.1bn in a coal plant in Coast region. So far, Kenya has four blocks of coal with one (Block C), where 51 wells have been sunk, estimated to contain about 400m metric tonnes of coal. *(Nation)*

Consumer goods manufacturer, Unilever has reassured that it will not relocate its manufacturing plant from Kenya despite the high cost of doing business in this market. Global CEO Paul Polman, who visited Kenya last week as part of his Africa-wide tour, said the company was focusing on increasing efficiency in production and was infact increasing its investment in the country.

There has been speculation that Unilever could follow the trend of other manufacturers who have relocated to cheaper business destinations. These include Colgate Palmolive, which moved its manufacturing to Egypt, Cadbury’s which shifted the bulk of its chocolate making operations to South Africa and Reckitt Benckiser, among others. The main issue has been the high cost of power, more times higher than other Comesa countries with energy subsidies, labour and inefficient infrastructure especially, the port, roads and railway which increase the cost of transporting bulk loads by manufacturers.

“We have no plans of relocating from Kenya,” Polman said after meeting Prime Minister Raila Odinga. “On the contrary, we are investing hugely in innovations, market development activities, manufacturing capacity, technology, working capital, distribution infrastructure and talent development”. Polman said the new investments are informed by the huge growth potential in the Kenyan market and the larger East and Southern Africa region.

“This region is already so critical in fuelling the growth delivered by Unilever globally, given that the rest of the developed world is stagnant, shrinking or confronted by financial challenges,” he added. Unilever is consolidating its manufacturing volumes from the Kenyan factory to build economies of scale to serve an expanded regional market under the free-trading environment provided by the East African Community Common Market Protocol. *(The Star)*

Kenya Airways is confident that its rights issue will be successful, despite its listed share price dipping to below its offer price of Sh14, at the close of

trading last Friday. Mr Alex Mbugua, Kenya Airways group finance director, said that in the medium and long-term, the share price of the company will rise due to the strong fundamentals of the company and aggressive growth plans.

He added that the dip in the listed share price which closed at KES 13.95 last Thursday will not last, given that the volume of shares traded at that price were very thin. In addition, he said, the company is putting into the market 1.47bn shares at KES 14, as opposed to the 462m that are already there; hence, making it difficult for any investor to lay their hands on a sizeable chunk at a lower price. According to Mr Mbugua, only fourm out of the company's 462m shares have been traded since the rights issue was announced on March 19, with threem of those being traded by a single investor from South Africa.

This, he adds, leads to a false perception that the share price is falling, yet a large majority of shareholders are confident in the stock and are holding on to it, possibly to take up their rights in the issue. He says the decision by some investors to sell at the lower price may have been informed by their realization that they do not have enough funds to take up their rights, but cautioned that it does not make economic sense. *(Nation)*

Kenya's Capital Markets Authority has re-admitted shares of East African Portland Cement after a two-month suspension, saying doubts about the firm's ability to run its business had been quashed by continuous operations over the period. The shares had been suspended from trading on Jan. 17, to protect shareholders from a bitter dispute between its board and the government, a 25% shareholder that wanted to dissolve the board, citing an improper tender process for clinker - a lumpy intermediate product in the production of cement.

The High Court later ruled the government had no power to order the board's dissolution. "The Authority was satisfied that the uncertainty surrounding the status of the company to execute its obligations has been largely addressed by the continued functioning of the company," the regulator said in a statement issued late on Wednesday.

An hour into Thursday's trading session, there were no trades in the shares, with a lone bid at KES 30.0 per share, much lower than the last traded price of KES 56.0. The company warned last month that full-year earnings would be down at least 25% on the year before amid high production costs and mounting competition. *(Reuters)*

Economic News

Tea production in February fell 31% compared to the same period last year, due to adverse weather conditions experienced in parts of tea growing areas early this year. A report released by the Tea Board of Kenya indicates that the crop's production declined to 18.4m kilogrammes in February down from 26.7m kilos during the same month last year.

"Owing to these adverse weather conditions, there was notable reduction of green leaf to factories consequent to which, some factories operated below their normal processing capacities," the report, signed by Tea Board of Kenya's managing director Sicily Kariuki, read in part. The continued hot and dry weather conditions experienced in most parts of the country in February and the impact of frost attack seen in some parts of the tea growing zones in January were said to have heavily accounted for the decreased production.

During the month of February, tea growing areas in the West Rift were the most affected with the region lowering its production by 7.4m kilo to stand at 9.7m kilos compared to the same period last year. Output by smallholder farmers declined to 11.7m kilos, following a cut of 3.7m kilos from last year's production during the same period. *(Nation)*

Kenya will maintain its tight monetary stance for another month or two despite falling inflation and a stable exchange rate, to ensure that it is completely safe to start easing, its finance minister said on Wednesday. Policymakers raised rates by a total of 11 percentage points in the fourth quarter of last year to fight rampant inflation, which peaked at just under 20% in November, and to prop up the shilling after it fell sharply against the dollar.

"We will continue with the current tight monetary policy until we are sure we have come out of the woods ... Inflation is going down ... If we can get another month or two, then there will be a case for reduction in the CBR," Njeru Githae told reporters. Year-on-year inflation fell for the fourth consecutive month in March to 15.6%, partly due to the high interest rates, which have slowed growth of credit to the private sector.

Githae said the country's long rains season had started, pointing to reduced pressure on food prices in the short term. The shilling had also stabilised at around the KES 82-83 level against the dollar, he said. The shilling fell to a record low of KES 107 per dollar last October, pummelled by a gaping current account deficit, and against a background of slow action by the central bank.

A weak currency fed into inflation through higher costs of imports like fuel, angering citizens and forcing parliament to attempt to sack the central bank governor, Njuguna Ndung'u. Despite the improving economic fundamentals, Githae said the treasury was concerned that a clamour for higher wages in the public sector could drive up the government's wage bill.

Nurses, doctors and teachers have all gone on strike in recent months, demanding higher salaries. "That is actually giving us some concern because if it is allowed to become unmanageable, it is going to affect the fundamentals," he said. The treasury will also have to provide extra cash in the next financial year to fund a new, devolved system of government created by the country's new constitution that was enacted in 2010.

"As of now, nobody really knows the true cost of devolution. This is the time we are getting titbits," Githae said, citing an expanded parliament, which will require an extra KES 10bn (USD 120.12m). The minister, who was confirmed in his post last month after acting in it since January, said a USD 600m foreign loan to the government, which was expected to have been concluded by now to support this financial year's budget, was being renegotiated with arrangers.

"We are still negotiating. When you are talking of USD 600m, even a 0.01% (saving) makes a lot of sense. I'll also want evidence from the lenders that this money has actually come from outside our region." he said. *(Reuters)*

Kenya's state-run Geothermal Development Company (GDC) plans to seek USD 750m from the Group of Eight major nations to drill a 3,000 megawatt steam field in 2013, a senior company official said on Thursday. East Africa's largest economy is the first country in Africa to tap the vast hot steam in the earth's crust, in a bid to diversify its power generation and reduce over-reliance on weather-dependent hydropower as well as thermal generation.

Silas Simiyu, GDC's chief executive officer, told Reuters the firm was negotiating for funds for development of the 3,000 MW steam field, dubbed Silali, located in Kenya's Rift Valley. "Under the G8, they are planning to support us for Silali. We are doing it as a block from Lake Bogoria to Silali for a total of 3,000 MW," said Simiyu on the sidelines of the launch of the company's first major steam field project, Menengai.

"For the steam, the cost is about USD 750m ... We want to move there next year, once we finalise the financing agreement." Simiyu said GDC had 16 geothermal sites in the Rift Valley, which has the potential to produce 7,000 MW, of which the first phase of Menengai has begun. The African Development Bank has given GDC a USD 124.5m loan and a further USD 25m through the Climate Investment Fund for the development of the first phase of 400 MW in Menengai, Gabriel Negatu, director of the east Africa regional resource centre at the bank, said.

Development of the 400 MW steam field is set to be completed by 2016, with Independent Power Producers (IPPs) expected to bid for power plant installation, Simiyu said. He added that 19 international and local firms had been short-listed, including the country's main power producer, Kenya Electricity Generating Company (KenGen) and Kenyan investment company, TransCentury

"Out of these 19, four will be given concessions for 100 MW each. There is a basis for these firms to be selected. One is their tariffs have to be low and their utilisation of our steam has to be efficient," said Simiyu. Successful firms will be expected to reduce the cost of electricity by as much as half of the KES 12 per kilowatt hour at present, Simiyu said.

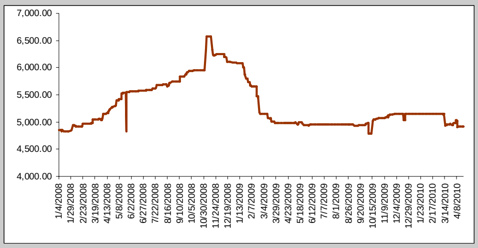
Kenya plans to tap at least 5,000MW of geothermal power to wean the country off unreliable hydropower. Blackouts happen frequently due to generation shortfalls and an ageing grid. KenGen is also seeking investors to put up six geothermal plants to produce a total of 585 MW. *(Reuters)*

Kenya's central bank will sell a new 2-year bond worth KES 5bn (USD 60m) at auction this month, traders said on Thursday. Fred Mweni, chairman of the Kenya Bond Traders, told Reuters the bond would have a market-determined coupon rate. The bond auction will be held on April 24. At the last sale of a two-year bond in November, the weighted average yield rose to 22.844% from 16.526% a month earlier. *(Reuters)*

Securities Africa

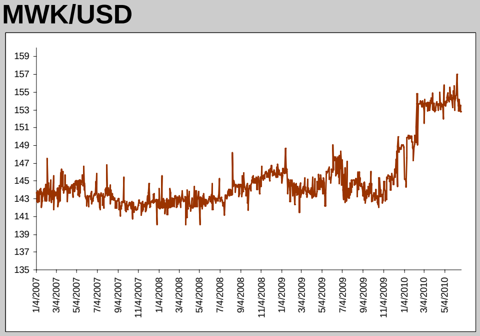
Malawi

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 +0.75% to 5,712.06 points, with thin trades across both local and foreign boards. Gains were recorded in NITL (+5.85%) to MWK 17.00, NBM (+3.77%) to MWK 55, Standard Bank (+1.77%) and TNM (+1.64%). Market turnover for the week amounted to USD 235,696.82.

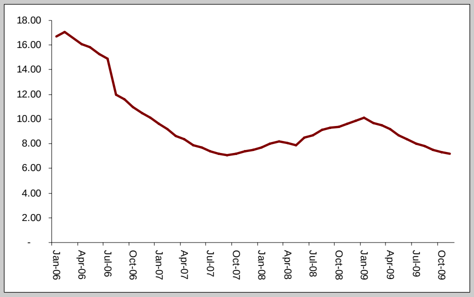
Corporate News

No Corporate News this week

Economic News

No Economic News this week

CPI Inflation

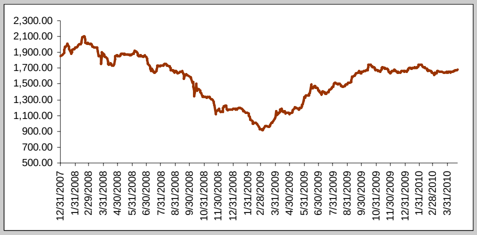


Source: SAR

SECURITIES AFRICA

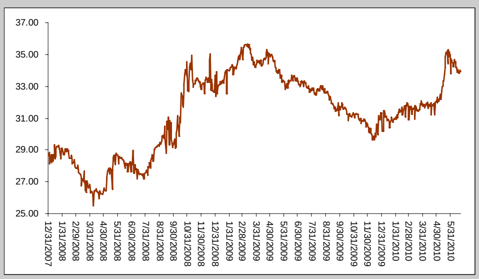
Mauritius

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 up +0.12% while the SEM 7 gained +0.95% to close at 1,802.80 and 340.74 points respectively. Rogers led the movers, gaining +3.00% to close the week at MUR 340.00 followed by Innodis, up +2.5% to MUR 41.80 and Terra (+1.30%). Go Life led the losers after shedding -12.50% to MUR 0.07 while ASL lost -5.7% to MUR 100 and Vivo Energy shed -3.7%.

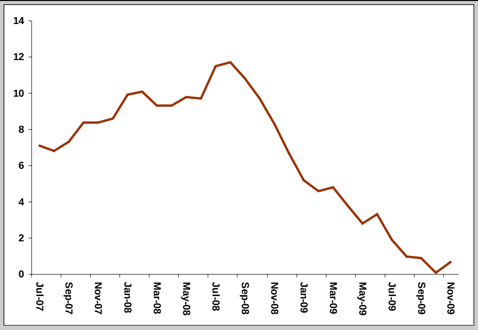
Corporate News

No Corporate News this week

Economic News

Mauritius' annual average inflation slid for the fourth straight month to 5.9% in March from 6.2% in February, the statistics office said on Friday. Consumer prices rose 0.3% in March from a month earlier, driven by the prices of food and non-alcoholic drinks, housing and utilities and health services. The Consumer Price Index rose to 132.3 from 127.4 in March 2011, leaving the year-on-year rate at 3.8% from 4.1% in February, according to Thomson Reuters calculations.

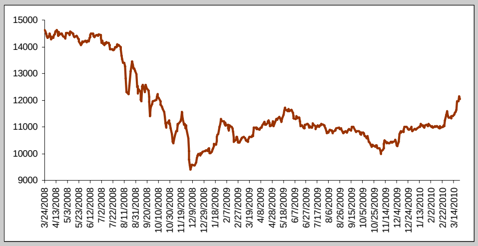
Mauritius trimmed official interest rates by 50 basis points to 4.9% last month, citing a rise in downside risks to the domestic growth outlook. Food and non alcoholic drinks prices climbed 0.1% month-on-month, while health costs rose 0.5% and housing, water, electricity, gas and other fuels jumped 1.1%. The cost of furnishings, household equipment and routine household maintenance bucked the trend, falling 0.3% on February's prices. *(Reuters)*


14
12
10
8
6
4
2
0
Jul-07
Sep-07
Nov-07
Jan-08
Mar-08
May-08
Jul-08
Sep-08
Nov-08
Jan-09
Mar-09
May-09
Jul-09
Sep-09
Nov-09

Source: SAR

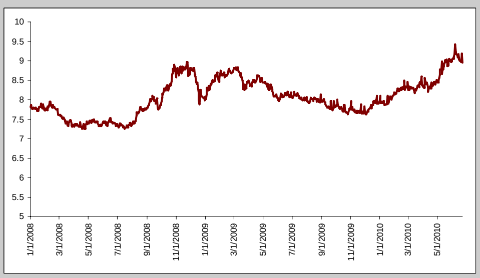
Morocco

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 -2.66% to close the week at 10,232.79 points. Gains were recorded in Sothema (+13.15%) to MAD 1,179.00, Delaittre Levivier (+9.70%) and IB Maroc (+5.80%). On the losing front we had SNEP, down -20.94% to MAD 185, Fertima which shed -11.62% to MAD 194.00 and Maghreb Oxygene (-10.83%).

Corporate News

No Corporate News this week

Economic News

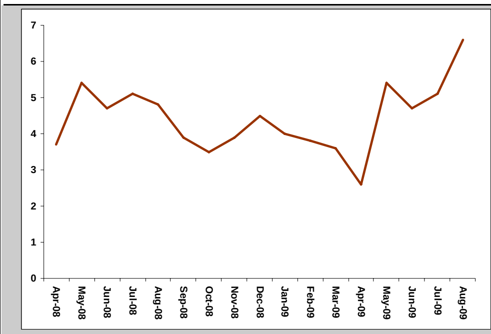
Morocco's state-run cereals authority ONICL on Monday said it has bought 74,500 tonnes of barley as authorities seek to cushion the impact of drought on livestock breeders. ONICL said it paid between MAD 3,200 (USD 380) and MAD 4,050 per tonne for the barley which should be delivered 75 days after that April 4 tender date. Rabat has suspended import duties on the commodity to ensure adequate supplies to the drought-hit country*. (Reuters)*

Morocco's government has agreed to amendments from parliament to widen the imposition of a new tax on firms to help it develop poor areas and help quash grumbling discontent over social inequalities, officials said on Monday. Plans for the so-called solidarity fund tax were announced in the midst of mass protests last year in Morocco that were inspired by the Arab Spring revolts. Proceeds from the new tax will help raise MAD 2bn (USD 235m) for a social solidarity fund to develop poor areas in a country that has one of the widest wealth inequalities in the region and where protesters still take to the streets over poverty, joblessness and corruption.

The fund is also expected to pave the way for a reform of food and energy subsidies - which even the government says benefit mostly those who need them the least. The 2012 budget now provides for the imposition in 2012 of a tax equal to 1.5% of the net profit for firms that make between MAD 50m and MAD 100m in net annual gains, Finance Ministry and parliament officials said.

Firms with annual net profits above MAD 100m will be subject to a 2.5% tax on their net profit in 2012, they added. The government also agreed to raise tax on beer and spirits in 2012 by 12.5 and 43% respectively, the first increase since 2010, the officials said. In its draft budget for 2012, the government had initially fixed the contribution at 1.5% of net profit for firms that make over MAD 200m in annual gains.

"The government has agreed to the majority's proposed amendments for the



Source: SAR

ratio and scope of the new solidarity tax but it rejected the (majority's) demand that this tax applies beyond 2012," a parliament official said. The fund should enable authorities to develop poor areas, many of which have seen protests about poverty, unemployment and poor infrastructure and access to basic amenities.

Official data shows that 24% of Morocco's near-34m population lives in poverty. Morocco's budget deficit in 2011 rose to its highest level since the 1990s, or 7% of gross domestic product (GDP), with those subsidies costing nearly as much as the budget shortfall. Morocco's parliament is expected to vote and endorse the amended budget before the end of this week. *(Reuters)*

Morocco's parliament on Wednesday passed the 2012 budget that targets a deficit below 5% and subjects corporates and alcohol to higher taxes as the government seeks to reduce wide social inequalities and tame protests over unemployment. The budget won 166 votes out of 230 present at the session in the 395-member parliament, the official MAP news agency said.

The budget provided for a total expenditure of MAD 346.8bn (USD 40.86bn) and receipts at MAD 314.5bn. It targets a budget deficit of less than 5% after it hit 6.1% in 2011, its highest since the 1990s. The impact of bad weather on farming prompted the government to revise down to between 3 and 4% the tourism- and agriculture-reliant economy's growth projection for 2012 from an initial 4.2% and the 4.9% it achieved in 2011.

The central bank says that with the impact of the slowdown in the euro zone, Morocco's main trade partner, the USD 100-bn economy will grow only by between 2 and 3%. Inflation is projected to jump to as much as 2.5% from 0.9% in 2011 as the government is expected to provide less subsidies - especially for energy products - should global prices surge.

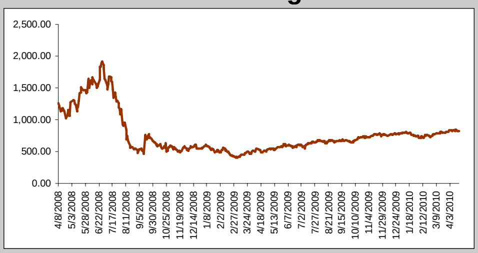
The budget was based on an oil price of USD 100 a barrel which is below current market price. Public investment was fixed at about MAD 60bn, which is 25% above its level in 2011, but accounts for 17% of expenditure, while military expenditure inched up to MAD 52.6bn. The state will foot MAD 93.5bn in public wages in 2012, which is 5.5% above 2011 when it raised public sector wages as it sought to contain any spillover from Arab Spring revolts.

The government agreed to amendments from parliament to widen the imposition of a new tax on firms to help it develop poor areas and to raise tax on beer and spirits in 2012 by 12.5 and 43% respectively, the first increase since 2010. The budget also raises by almost 40% to 26,200 the number of jobs the public sector, mostly in home affairs and education departments, is projected to create in 2012.

"I don't think the budget is efficiency-driven: Too many tax loopholes, too much on compensation (subsidies) fund, too many hiring," tweeted Zouhair Baghough, who blogs as the Moorish Wanderer on Moroccan economic issues. Police on Wednesday violently broke up a protest by hundreds of jobless graduates who gathered outside the building of parliament in Rabat while legislators were discussing the budget. They carried a super-sized copy of the agreement they signed with authorities in 2011 promising them immediate recruitment without passing tests. *(Reuters)*

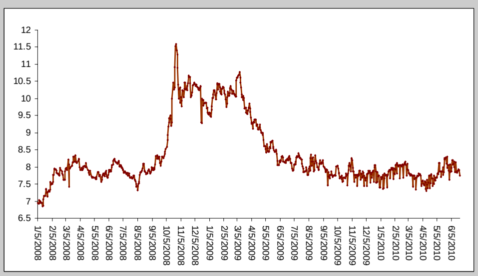
Namibia

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 gained +0.23% to close at 889 points. On the NSX local and DevX, FSY and FNB were the only gainers after adding +10.53% and 0.07% to NAD 1.05 and NAD 14.76 respectively while MEY was the main shaker after losing -50.00% to close at NAD 0.01 followed by MMS which shed (-3.85%) and EXT (-0.35%).

Corporate News

Swiss-based commodities and mining giant Glencore International's drive to buy up African mining assets has taken it to Namibia. It acquired a majority stake in the Rosh Pinah mine, a leading regional zinc and lead concentrate producer, from South Africa's Exxaro Resources. The acquisition in December 2011 came after Exarro's decision to follow Anglo American's lead and exit its zinc business in South Africa and Namibia.

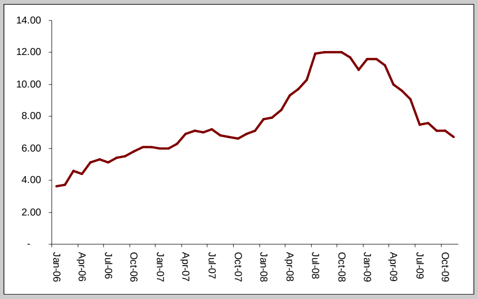
In 2010, Rosh Pinah produced 101,000tn of zinc concentrate sold to South Africa's Zincor refinery along with 19,000tn of lead concentrate, exported mainly to Italy. The underground mine has an economic life of another eight and a half years based on current reserves, with net operating profits of NAD 143m (USD 20m) in 2010.

Originally founded as a private commodity trading group in 1974, Glencore is headquartered in the Swiss town of Baar despite listings in London and HongKong. Speculation mounted in early February that the trading house was nearing an USD 88bn merger deal with Swiss-based miner Xstrata that would create the world's fourth largest mining company. *(The Africa Report)*

Economic News

No Economic News this week

CPI Inflation



Source: SAR

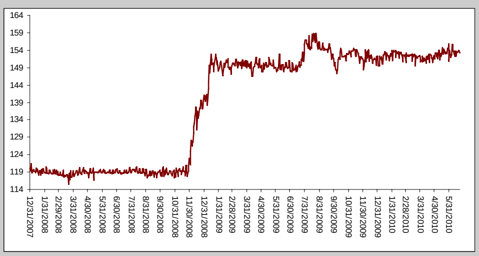
SECURITIES AFRICA

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 lost -0.95% to close at 20,743.16 points. Union Bank gained +20.82% to close at NGN 2.96 while CAP was up +13.89% to close at NGN 22.80. Other notable gains were recorded in Sterling Bank (+12.50%), GSK (+10.70%) and GT Assure (+6.21%). On the losing front we had Livestock Feeds (-12.63%), Access Bank (-12.56%) and Bagco (-10.81%).

Corporate News

Determined to maintain high quality of service on its network, Etisalat Nigeria, fifth Global Systems for Mobile Communications in Nigeria says it has budgeted NGN 30.6bn for network expansion. Steve Evans, chief executive officer, Etisalat Nigeria made this disclosure at the official unveiling of Etisalat Master Brand Essence Campaign in Lagos.

Evans also disclosed that Etisalat currently has over 12m telecoms subscribers on its network. According to him, the company intends to roll out additional 1,000 base transceiver stations (BTS) to further expand its network coverage in Nigeria. As at December 2011, he noted that Etisalat had succeeded in rolling out 3,000 base stations across the country.

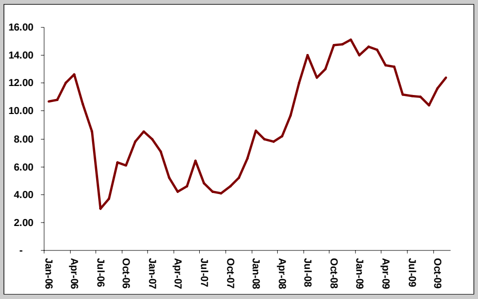
The company which commenced operation in Nigeria three years ago said it is targeting additional 1,000 base stations by December this year to improve quality of services on its network. He said the 1,000 BTS target by the end of 2012 will bring the total number of base stations so far built by Etisalat in the country to 4,000, adding that in terms of coverage and improved quality of services, “the network’s growing subscribers are in for a better deal from the telecoms company.”

He explained that in building the cell sites, Etisalat had partnered with many companies to undertake various aspects of the project. He said: “The cell site project is a big civil engineering machine that we have put in place and we have also partnered with companies helping us to put the concrete on the site, helping us to build the towers, putting the telecoms equipment on those towers, connecting the towers, testing them and optimising them.”

Though Evans noted that it takes up to nine months to complete full work on a base station, his company would meet the additional 1, 000 base stations target given the robust machinery it has put in place to get the project delivered on schedule. *(Business Day)*

The Nigerian National Petroleum Corporation (NNPC) has assured it will improve on gas supply to the power plants across the country in the next 48 weeks. Nigerian National Petroleum Corporation (NNPC) Group Executive Director, Gas and Power, Dr. David Ige, gave the assurance while speaking with

CPI Inflation



Source: SAR

reporters after inspecting the Escravos to Lagos gas pipeline project at Chanomi creek in Warri South West Local Government Area of Delta State being undertaken by Fenog Nigeria Limited, an indigenous company.

Ige said they have done a lot in laying the new gas pipeline, just like the one they have just inspected, expressing confidence that the contractor will complete the work on time. He said the combination of what they are doing on the supply side is what they are doing on the demand side. He explained that they will significantly improve the supply of gas to the power plants over the next 48 weeks and are doing a lot of work already. He said work at the Utorogun and Ughelli gas plant to increase capacity from 320m cubic to 510 capacities is in progress.

Ige disclosed that the new power plants at Olorunsogo in Ogun State could not be put into effective use for now because the existing pipeline was very small, but assured that Nigerians would in the next six weeks notice significant stabilisation of gas supply to the power plants. "As you can see, the work is being delivered 100% by an indigenous company, Fenog Nigeria Limited. The company is doing very well and we will continue to encourage the Management and staff of the company as well as other indigenous companies", he said.

The Executive Director, Fenog Nigeria Limited, Mr Mathew Tonlagha, said the company invested massively in acquiring the latest equipment in the world because of its belief in the local content agenda of the Federal Government. Tonlagha assured that the project would be delivered on time to meet the expectations of Nigerians and also to prove to the world that "we can handle some of these projects ourselves."*(Nation)*

President, Dangote Group of Companies, Alhaji Aliko Dangote plans to invest USD 7bn in power, petrochemical and mining sectors of the economy within the next four years. Dangote said he will be contributing USD 2.5bn to these projects while USD 4.5bn will be borrowed from reputable international lenders such the International Finance Corporation (IFC).

He disclosed these at a send off for the IFC Vice-President, Sub-Saharan Africa, Latin America and Caribbean and Western Europe, Mr Thierry Tanoh, in Lagos. The funds, he said, will be deployed in generating 2,000 mega watts of electricity. "We want we want to do power, that will be about 2,000 mw that is infrastructure. We will be investing in petrochemical, which has to do with fertiliser and so on. We will do mining. These three things in the next three years, will be gulp USD 7bn. We will put down our equity of about USD 2.5bn and borrow USD 4.5bn," he said.

Dangote commended IFC for committing huge funds to the Group businesses when many international lenders were not ready to give out credit to African companies. He noted that from as at 2006, the total loan portfolio in Africa was USD 150m but has now increased to about USD 2bn. Central Bank of Nigeria (CBN) Governor, Sanusi Lamido Sanusi said the IFC has worked like a development bank with an eye on returns, adding that the bank has carried out development projects in a manner that allows it make good money while contributing to growth and development of the economy. *(Nation)*

Cement manufacturing firm, Ashaka Cement Plc last week declared a dividend of NGN 0.40 kobo per share for the year ended 31, 2011.

According to the audited results made available by the Nigerian Stock Exchange (NSE), the company posted a turnover of NGN 20.78bn in 2011, compared with NGN 19.153bn recorded in 2010. Profit after tax stood at NGN 3.572bn as against NGN 3.004bn in 2010.

While the NGN 0.40 dividend would be paid after its forthcoming annual general meeting, shareholders should expect higher returns in the current year going by the assurance of the company's new chairman, Alhaji Umaru Kwairanga. The board of Ashaka Cement elected Kwairanga as chairman of the company last January.

Prior to his appointment, the new chairman, who is a professional with several years of experience in capital market, banking and finance and real sector, has been serving as member of the board since 2008. Speaking on his plans for the company, Kwairanga noted that as a subsidiary of Lafarge Cement, the company would tap from the experience of the world leader in building materials to improve its leading position in the Nigerian cement industry, especially in Northern part of the country.

According him, Ashaka Cement would strive to increase its market share from the current five%, adding that the company would also expand its production capacity from onem metric tonnes to 1.3m metric tonnes this year. "I want to assure investors that the board and management will work hard to deliver better returns on their investments. Our other stakeholders will equally benefit from the positive results of the strategies Ashaka Cement is putting in place," he said.

Speaking on the value Kwairanga would add to the company, the Lafarge Country Manager, Nigeria and Benin Republic, Mr. Jean-Christopher Barbant, said he was the right chairman the company needed at the moment. "He has the experience. He is a son of the soil and he knows the environment and community very well. He has been a board member for some years and we have confidence in him that he will drive Ashaka Cement to the next level in line with the vision of Lafarge," Barbant said. *(This Day)*

Hopes for stable power supply may have to be tempered for the foreseeable future as the failure of Power Holding Company of Nigeria (PHCN) to settle its N88.7bn debts to gas suppliers is further worsening the crisis. THISDAY had, in earlier reports, highlighted how security agencies were delaying different power projects across the country with the non-clearing of power equipment at the ports by Customs as well as frequent transportation delays at roadblocks mounted by soldiers.

The newspaper also reported how moribund and inadequate transmission facilities are further compounding the energy crisis across the country. It has now emerged that the country stands to lose nearly 5000 megawatts as most of the power projects under construction are unlikely to get gas supply because of PHCN's heavy indebtedness to the suppliers. Apart from the 250mw capacity Gbarain Ubie Power Station in Bayelsa State, where gas supply will not be an issue, operations of newly-completed power plants will be hampered, THISDAY can report.

Though the Nigerian National Petroleum Corporation (NNPC) is making concerted efforts by laying massive pipelines through its gas marketing arm, the Nigerian Gas Company (NGC), these efforts would not successfully address the gas challenges because the oil companies are not keen on selling gas to PHCN again. It was learnt that the oil companies, which produce the gas that will be piped to the power stations, are also reluctant to invest in domestic supply because the current pricing template does not guarantee adequate return on investment.

As things stand, PHCN owes Agip NGN60bn for its power plant at Okpai in Delta State which produces 470mw. It also owes Shell NGN12.48bn for its power plant which generates 561mw at Afam in Rivers State, while the power utility company also owes NGC NGN10bn for 700m standard cubic of natural gas. The National Integrated Power Project (NIPP) is being owed NGN6bn for power supplied from its stations in Sapele in Delta State and Olorunsogo in Ogun State, while the Ibom Power is being owed NGN300m for the 90mw generated from its plant at Ikot Abasi in Akwa Ibom State.

PHCN requires monthly revenue of at least NGN22.5bn to ensure regular settlement of its obligations to power and gas suppliers like Shell, Agip and AES. The monthly revenue, which was NGN11.8bn in July 2011, moved up to NGN15.6bn in December 2011, but declined to NGN12.8bn in January 2012, due to the general strike against the removal of petrol subsidy.It is however being owed about NGN100bn by customers across the country. The Federal Government, through the NNPC, is only responsible for the transportation of the gas from the well-heads to the power stations via pipeline infrastructure being put in place by the NGC.

NNPC spokesman, Dr. Levi Ajuonuma, told THISDAY that the NNPC had 60% equity in the joint venture companies and to a large extent was responsible for gas production. Ajuonuma noted that domestic gas price was also increased from four cents per standard cubic feet to one dollar per standard cubic feet to encourage the oil companies to boost domestic supply. “The problem is that the Power Holding Company (PHCN) is not paying for gas and the oil companies are not happy about it. PHCN is hiding under the World Bank Partial Guarantee to dodge payment,” he said.

Apart from the worsening power supply situation, inadequate gas supply will also lead to loss of revenue as there will be 4802.5mw of idle capacity at the various stations. For instance, the test-firing of the Alaoji Power Station in Abia State ought to be ongoing but it was gathered that even after the inauguration is successfully completed, there will not be enough gas to fire the four gas turbines, leading to loss of 504mw.

A source close to the station told THISDAY that without adequate gas to fire the four gas turbines, the turbines would not be able to generate enough steam to run the steam turbines, leading to another loss of over 400mw. Alaoji Power Station, it was learnt, has both steam and gas turbines. Also under the NIPP, Sapele Power Station in Delta State has been technically completed and one of the gas turbines was already running but had to be shut down on account of inadequate gas.

The country is losing 115mw from the station, which could have been added to the national grid. In Olorunsogo Power Station in Ondo State, 375mw is currently idle because there is no gas to power the turbines. The Calabar Power Station has five gas turbines of 112.3mw each, with a total capacity of 562.5mw. It was gathered that the test-firing of the plant is ongoing but concern has been raised that if that is successfully completed, there will be no gas to power the plants, leading to 562.5mw of idle capacity.

Investigation has also revealed that Addax Petroleum, which is committed to providing the gas from one of its nearby offshore facilities, said the gas would not be available until 2014.The Omotosho Power Station Phase 2 in Ondo State is also technically completed but there is no gas to fire the plants, leading to loss of 451mw. Ihovbor Power Station in Edo State has four units of 112.5mw each and a total capacity of 450mw.

The test-firing is also ongoing but even when that is completed, chances are that there will not be enough gas to fire all the turbines. Chairman of the contractors handling the various NIPP projects, under the aegis of Electric Power Foundation of Nigeria, Mr. Otis Anyaeji, told THISDAY that right from conceptualisation of the projects, there were deliberate efforts by the Federal Government to ensure gas availability.

“The only reason for building the power stations where they are was because of nearness to source of gas supply. That there was no timely agreement to encourage oil companies to invest in domestic gas does not mean that government was not oblivious of the relevance of gas in gas turbine projects. You cannot build a hydro power in a desert,” he said. Anyaeji stated that oil companies were dragging their foot because the current pricing structure was not appropriate to guarantee enough returns on investment.

“There is no private sector company that is going to get involved if they are not going to get commercial pricing in the investment. That is why those that were given licences to explore gas are not doing as fast as they should. You don’t expect oil companies to run ahead of you and invest billions of naira, without charging commercial rate to recover cost,” he added. THISDAY gathered that laying gas pipelines is not the only issue but piping more gas to the new lines.

For instance, the Escravos Lagos Pipeline (ELP) was designed to pipe gas to the 1320 mw capacity Egbin Power Station in Lagos. The line is also currently supplying gas to the West African Gas Pipeline and there is ongoing effort by the NNPC to extend the lines to service Olorunsogo and Omotosho Power Stations. The project is expected to be completed by May 2012 but there is no clear commitment yet from the International Oil Companies (IOCs) supplying gas to the lines to increase gas production to meet the additional demand. *(This day)*

Integrated energy group, Oando Plc Wednesday projected a profit before tax of NGN 5.3bn and profit after tax of NGN 3.6bn for the second quarter (Q2) ending June 30, 2012. The profit projection is in compliance with the listings requirements and rules governing listing on the Nigerian Stock Exchange (NSE). According to Oando, it will end the quarter with a turnover of NGN 191.354bn and an operating profit of NGN 11.618bn. But after making provision for operating expenses, interest expenses and charges and depreciation, a profit before tax of NGN 5.339bn is being envisaged by the company.

Oando also projected that it would thereafter end Q2 with a profit after tax of NGN 3.611bn after providing for taxation and depreciation. However, the company noted that the earnings forecast had neither been reviewed nor reported by its auditors. Commenting on the forecast and performance of Oando, analysts at Vetiva Capital Management Limited, said the energy company's long-term outlook was still positive.

"Oando, with the commencement of East Horizon Gas Company gas pipeline system and OES Passion rig deployment for Shell drilling contract, has established further revenue streams with expectations of NGN 5bn and NGN 5.4bn revenue contributions in 2012 respectively. We believe this business is on a sound footing and is poised to tap into growth opportunities across Nigeria's energy space," they said.

Meanwhile, Portland Paints Plc has announced a dividend of 20 kobo for the year ended, December 31, 2011. Announcing its audited results yesterday, Portland Paints declared a turnover of NGN 2.584bn in 2011, up from NGN 2.380bn in 2010. Profit before tax and profit after tax rose to NGN 274.948m and 156.885m in 2011 from NGN 246.842m and NGN 131.624m in 2010 respectively.

Trading at the stock market remained bearish for the second day as the NSE All-share Index declined by 0.15% to close at 20,814.35. The market had opened for the week on negative note the previous day with the index sliding by 0.73%. The negative trend continued Wednesday as 22 equities lost value compared with 15 equities that appreciated.

Okomu Oil Palm Plc led the price losers with NGN 1.53 to close at NGN 30.30 per share. Flour Mills of Nigeria Plc shed NGN 1.09 to close at NGN 54.01, while Ashaka Cement Plc, Oando Plc and Zenith Bank Plc went down by NGN 0.47, NGN 0.19 and NGN 0.18 respectively. On the other hand, UAC of Nigeria Plc led the price gainers with NGN 1.50 to close at NGN 31.56. CAP Plc trailed with a gain of NGN 1.00 to be at NGN 21.02 per share. Investors traded 176.693m shares worth NGN 1.426bn in 3,918 deals. *(This Day)*

Chairman, Visafone, Mr Jim Ovia, has outlined a three-year roadmap for the company. He said the firm will focus on expansion of its voice and data network and investment in the Long Term Evolution (LTE) technology, for proliferation of mobile broadband services across the country.Speaking at a meeting with the telco's dealers in Lagos, he said the firm believes uptake of mobile broadband services would ensure continued growth of the telecoms sector as well as economic development of the country.

He disclosed that the company is investingbns of naira to achieve this objective. "We are set to embark on a new journey focused on the new paradigm of market dynamics by expanding our voice and data network in which we are investingbns of naira. "I believe the aggressive Internet penetration will lead to economic growth of Nigeria and is the future. We will drive this by investing in the infrastructure ahead of time to reap the benefits," he said.

According to him, it is estimated that by 2015, Nigerians would be using wireless broadband services worth N600bn besides having 70m Internet users. He restated Visafone's commitment to playing a dominant role in the Central Bank Nigeria's (CBN) mobile money initiative, assuring its customers of "exciting times" in mobile money, cash-less Nigeria and convergence.

"We will continue to partner and engage with you very closely towards delivering a superlative mobile broadband experience to our customers and ensure we garner a significant market share of that pie leading to high returns for all of you." "We shall also aspire to pioneer innovative solutions in the marketplace with pocket-friendly solutions and offerings. We are also set to introduce new and exciting devices through our network, including tablets and affordable smart phones." *(Nation)*

An indigenous company, E-Block Cement Limited yesterday unveiled its plans to set up a 2.5m metric tons cement factory in Ogun state, which is expected to create about 5,000 jobs in the country. The Chief Executive Officer of the company, Segun Jawando, made the remarks in Abuja when he visited the Minister of state for Trade and Investment, Dr Samuel Ortom. He said that the company will place Nigeria in the heart of Africa, adding that they intend to export cement to other countries in the West African region thereby increasing foreign earnings for the country.

"The company had already secured a place to site the cement manufacturing company in Ogun state and has secured all the technical partners and requirement and by the time they finished the industry, it will generate up to 5,000 employments," he said. He explained that they have already submitted their request to the ministry for license to export cement from Nigeria to other countries as part of their overall plan.

He called for the support of the Federal Government in order to make the environment conducive for the operations of the industry, adding that the host community will benefit immensely from the operations of the factory as it will create wealth as well alleviate poverty of the people. One of the representatives of the company, Ogunsakin Nelson, said that they came up with the company in order to put Nigeria at the heart of Africa and to create opportunities that are viable to reduce unemployment in the country.

Speaking, the Minister of State for Trade and Investment, Dr Samuel Ortom thanked the investors for responding to the request of the Mr President to come and invest in the country, adding that cement is very key to the development of the economy. He said that the 12m metric tonnes presently being produced in the country is far short of the 18m metric tonnes demand hence, the need to produce more. *(Daily Trust)*

UTC Nigeria Plc has recorded significant improvement in its bottom line for 2011 financial year, with its profit after tax growing by 1,653%. According to its audited results for the year ended, December 31, 2012, its after-tax profit rose to NGN 1.399bn from NGN 79.802m recorded in its 2010 financial year. The company's turnover however, reduced by 0.9%, from NGN 2.82bn in 2010 to NGN 2.798bn in 2011 financial year.

It profit before tax and extraordinary items rose to NGN 154.94m in 2011 from NGN 5.20m in 2010. The company's balance sheet information showed its fixed assets rising marginally to NGN 2.309bn in 2011 from NGN 2.029bn in 2010. Its cash and bank balances rose to NGN 163.025m from NGN 51.176m same period in 2010. While its other credit balances rose from NGN 546.042m in 2010 to NGN 878.606m in 2011 financial year. Its net assets also grew to NGN 1.638bn from NGN 1.337bn in 2010.

Meanwhile, Portland Paints Plc has proposed a reward of 20k dividend to its investors for its 2011 financial result. According to its audited result for the year ended, December 2011, it after-tax-profit grew by 19.2%, recording NGN 156.86m in 2011 as against NGN 131.62m in 2010 financial year.

The company's turnover rose by 8.6%, recording NGN 2.58bn from NGN 2.38bn in its previous financial year. Its operating expenses went up by 31.7, amounting to NGN 851.56m in 2011 from NGN 646.75m in 2010 financial year. The company's other income also recorded significant improvement in 2011 rising to NGN 64.411m from NGN 22.945m in 2010. *(Vanguard)*

Economic News

Nigeria faces medium to long term fiscal disruptions unless it takes urgent measures to address its over dependence on oil revenues, poor national savings and infrastructural deficits, an economic intelligence report by Standard Chartered (StanChat) has said. In a special economic intelligence focus on Nigeria, Standard Chartered noted that while Nigeria's fiscal outlook appeared robust, there were persisting long-term fiscal sustainability problems that could snowball into long-term economic crisis with declining resources amid exploding population.

The report anchored by regional head of research, Africa global research, Standard Chartered, Razia Khan, noted that Nigeria's ever-increasing spending rests on a subterfuge of poor revenue performance for the economy masked by rising oil revenue, a weakness that makes the country more vulnerable to any oil-related shock. According to the report, in the absence of high oil prices, current spending levels may be unsustainable, but cutting back may be unfeasible politically.

The report pointed out that the absence of any working long-term national savings framework leaves Nigeria with little buffer in the event of any shock that might impact fiscal revenue citing the frequent disbursals from the Excess Crude Account (ECA) and the inactive Sovereign Wealth Fund. "The absence of any firm rules governing withdrawals from the ECA makes it more susceptible to political considerations, significantly weakening the framework for long-term fiscal savings.

Despite the passage of Sovereign Wealth Fund legislation and the withdrawal of USD 1bn from the ECA as seed money for the fund it is not yet operational. Any progress in this area would be a significant step up for Nigeria's overall fiscal framework," the report noted. The report, made available yesterday, indicated that while Nigeria's infrastructure needs are vast, a traditionally unfavourable mix of recurrent and capital expenditure has failed to create the necessary fiscal space for scaling up infrastructure development.

According to the report, Nigeria might find it difficult to engage in much-needed capital expenditure given its dismal performance and difficulty in raising more revenue from non-oil economy. Standard Chartered noted with a score of 0.44, Nigeria ranks within the lowest bracket of tax collection in sub-Saharan Africa, pointing out that the proposed rebasing of the economy might further constrain revenue collection and tax effort metrics.

"Oil is not a renewable resource. Unless there is more long-term saving of oil wealth, or more investment in infrastructure able to contribute to future growth, the benefits of oil wealth will be lost forever. Not least, demographics underscore the urgency of reform: Nigeria is expected to be the fourth most populous country globally by 2050," the report cautioned. The report indicated that Nigeria needs to step up economic reforms to correct current imbalances and steady the economy for sustainable growth in the future. *(Nation)*

Olokola Free Trade Zone (OKFTZ) can attract USD 30bn investments in the next three years, its Managing Director, Mr Luk Haelterman, has said. He told the News Agency of Nigeria (NAN) in Lagos that the zone, when completed, has huge investment potential. He said the profile of the zone stood at between USD 20m and USD 30m. "At present, we have about 60 investors at the zone but we are targeting 1000," he added.

Haelterman said the zone could attract more vital industries, but that this is hindered by lack of gas to generate the required electricity in the zone. He urged the Federal Government to hasten the development of power plants in the country. He said: "We do not have gas access because no zone within the country, is linked to gas facilities, which every zone needed. "We need the help of government in area of gas network and gas supply to meet up with electricity supply needs to the zone."

The OKFTZ boss said the zone has a power plant capable of generating between 10 megawatts (MW) and 50MW. He said serious plant needed effective gas supply and "to have the required gas supply, government should provide enabling gas pipelines." He said the government needs to come to the help of FTZ operators to compete better in the country. "Nigeria is very reach in terms of raw materials, which attracted most investors to invest in the free trade zone," he said.

Haelterman listed some of the benefits accruable from doing business in a Nigerian FTZ to include relative proximity to major markets in Africa, Europe and America. He added that a large domestic market for the 25% of goods from the zones could be sold in the customs territory. He said Nigeria's FTZ regulatory regime was liberal and provided conducive environment for profitable operations.

Haeiterman said the zone has freedom from legislative provision as pertains to taxes, levies, duties and foreign exchange regulations. He said 100% of foreign or local ownership of factory was allowable as well as one stop approvals for all licenses whether or not the business is incorporated in the customs territory or not. "The zone has unrestricted remittance of profits earned by investors, permission to sell 100% of total production in the domestic market.

Rent-free land at construction stage, thereafter rent shall be as determined by the management of the zone. Foreign managers and qualified personnel may be employed by companies operating in the zones," he noted. OKFTZ is a state-of-the-art industrial zone of about 10,000 hectares located on the boundary of Ogun and Ondo states. *(Nation)*

The Federal Government is partnering commercial banks to fashion out a new funding mechanism that would give Small and Medium Enterprises (SMEs) increased access to cheap funds. The Minister of Trade and Investment, Olusegun Aganga, disclosed this at a meeting with Small Medium

Enterprise Development Agency (SMEDAN) Desk Managers of Banks and representatives of commercial banks in Abuja.

He said the initiative is aimed at removing barriers militating against banks' lending to MSMEs and designed as part of renewed efforts to increase their capacity to create jobs, generate wealth and transform the economy. He said reviving the MSME's sub-sector is the surest way to fight unemployment which he said is" becoming alarming and staring us in the face."*(Nation)*

Some capital market operators yesterday called on commercial banks to provide financial assistance to the newly appointed market makers in the capital market. The operators said that the collaboration and financial support by banks to the 10 market markers would create the needed depth and liquidity in the market. A market maker is a brokerage firm that accepts the risk of holding certain quantities of a stock to facilitate trading in the security.

The News Agency of Nigeria (NAN) recalls that the Nigerian Stock Exchange (NSE), had on April 4, appointed 10 market markers to provide more liquidity and depth in the nation's bourse. The operators told NAN in separate interviews in Lagos that the capital market needed special financial window before the market markers would start operating.

Malam Garba Kurfi, the Chief Executive Officer, APT Securities and Funds Ltd., said the N750m minimum capital requirement for the market makers was inadequate for their operation. He said market making in troubled and depressed bourse like the NSE required more than N750m for daily market intervention. *(Nation)*

The United States imported 64% less crude oil from Nigeria than last year because of idled refineries and more use of domestic crude, the EIA said. The U.S. Energy Department's Energy Information Administration reports there was a "sharp decline" in the amount of crude oil imported from Nigeria since January when compared to last year, preliminary weekly data indicate.

In January, the United States imported 449,000 barrels of Nigerian crude oil per day, a 54% decrease from the same time last year. That marks the largest monthly decline since 2002. The EIA said about 30% of the overall decline was due to the idling of the Trainer refinery and the Marcus Hook refinery, both near Philadelphia. The agency said declines were attributed to the quality of Nigeria crude and because using domestic crude oil like West Texas Intermediate, Bakken and Eagle Ford was cheaper.

"Given the growing production from the Bakken and Eagle Ford formations and associated transportation constraints, these inland crudes have been selling at a discount to waterborne crudes on the Gulf Coast, providing refiners in that area further incentive to switch from imported crude to inland, domestically produced crude when available," the agency said in a statement. (UPI). *(Daily Trust)*

The International Finance Corporation has gained approval from the Nigerian government to issue its first naira-denominated bond, a senior official told Reuters yesterday. Jingdong Hua, vice president and treasurer of the private-sector lending arm of the World Bank, said proceeds of the bond will be used to support IFC's development projects in the oil-rich nation, Africa's second-biggest economy.

Hua said the size and tenor of the bond would depend on the needs of its Nigerian clients and investor demand, and that Standard Chartered and Nigeria's Guaranty Trust Bank and Chapel Hill Denham will act as bookrunners. IFC intends to issue the bond this year, subject to market conditions, and hopes to receive regulatory approval shortly. "We do have the necessary sovereign approval. We are going through some final regulatory written endorsement that we need to get before we can go to market," Hua said in a telephone interview.

IFC will also seek approval for a bond programme in Nigeria that will enable it to issue debt over a period of years and help deepen the local capital markets. "For us this would be just the beginning," Hua said. Once this is done we would be very interested in pursuing a bond programme in the country where we get one approval good for many years and we can tap the market as and when we have a programme demand." In January, IFC said it would issue more than USD 1bn in local currency bonds over the next 10 years in Ghana and the eight member countries of the West African Economic and Monetary Union (WAEMU). It also has approval for a local currency bond issue in Kenya.

Proceeds of the naira bond will be used to fund projects in areas such as infrastructure, said Andrew Cross, IFC's principal financial officer. "Typically, the proceeds go to whatever the priority sectors of the country are," he said. "In Nigeria, investing in infrastructure is typically a key priority." Cross said IFC would work with its clients in Nigeria, typically companies that have not previously issued bonds themselves, to identify their financing needs.

"Some will be SMEs (small-and-medium-sized enterprises), some will be institutions that want to borrow (at) longer tenors than maybe domestic investors at this stage are comfortable with," he said. The bond will be offered to both domestic and international investors and will be preceded by a domestic roadshow, Cross added. *(This Day)*

Nigeria's economy recorded an unprecedented 10 trillion Naira in Gross Domestic Product (GDP) as at December, 2011. The growth rate in GDP made the country the third fastest growing economy in the world behind China and Mongolia. "Our income per capita also grew from 1,200 U.S dollars to 1,400 U.S. dollars and this actually moved us from low income country, to Middle Lower income, as per World Bank classification", minister of State for Finance, Yerima Ngama said Wednesday at the Presidential Villa,Abuja.

Ngama cited the report submitted by the country at the 37th Islamic Development Bank (IDB) meeting which took place recently in the Sudan, to buttress his claim. The minister noted that the previous year, 2010, the GDP growth was 8.4% but last year, it dropped to 7.68% because of a negative growth in the oil sector. "So,it means that the none oil sector is actually resilient and strong enough to carry the economy forward with or without the oil sector"

According to him, "This actually placed us as the third fastest growing economy in the world. The first being Mongolia with 14.9% real growth rate; China with 8.4% real GDP growth rate, followed by Nigeria with 7.68%. "But the more important story out of it is that as a nation, we have our vision 20:2020 we have the objective of having one of the world strongest economies by the year 202020. All the other countries apart from China that are ahead of Nigeria are growing at a slower rate than Nigeria.

When those ahead of you are growing slower, it means that in the next 8 years, we will achieve our objective of being one of the strongest economies in the world", he said. Ngama noted that the IDB has 56 member countries with each country expected at annual general meetings to present a report on the economic development in their countries.

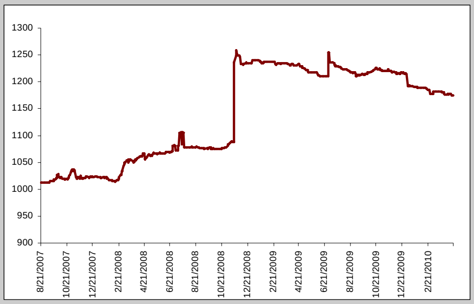
According to him the rating is a significant development as it shows growing investors' confidence in Nigeria, and is indicative of Nigeria being on track to achieving Vision 2020 in the next eight years, with Nigeria being among the top 20 economies in the world by then.

"The aim is to educate ourselves about what is happening in our countries. In the case of Nigeria, our report was actually the best. For the year, for the quarter which ended on December 31, 2011, only about 46 countries have actually submitted their data and Nigeria was third in terms of GDP growth. We recorded a GDP growth of 7.68% in real terms and this is largely due to growth in the none oil sector" he said .

"We are lucky to get a board seat in the Islamic Corporation for the Development of the private sector, which is like the private sector arm of the IDB and Nigeria will be representing Africa on that board. This means most of our private sector will benefit from their finances. On the impact of the growth on Nigerians, he noted that the standard of living in Nigeria has improved as a result of the growth, as at December, 2011. *(Business Day)*

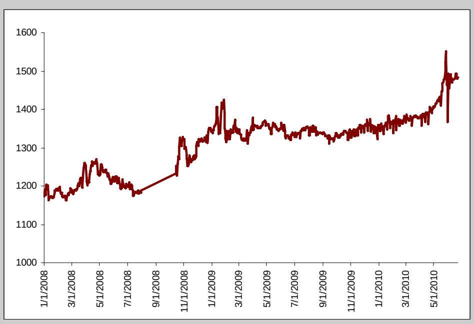
Tanzania

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	23.862	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 0.53% to close at 1,334.49 points. Gains were recorded in TBL up +6.06% to TZS 2,800 and NMB (+3.41%) to TZS 910.00. All the other counters remained unchanged.

Corporate News

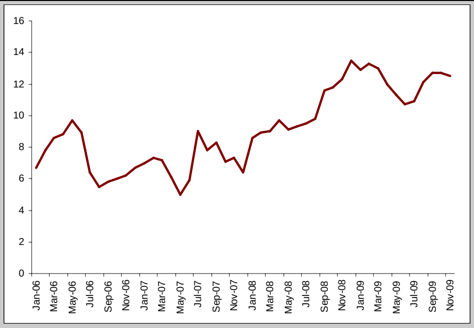
Tanzania Telecommunications Company Limited (TTCL) has signed a USD 6.7m contract with the Rwanda Development Board (RDB) to supply the Rwandan government with 1.244 Gigabit per second (Gbps) of internet bandwidth over the next ten years. The deal, signed in Kigali on Apr.3, "is consistent with the vision for the country and it is key in changing the economy from agriculture to service based," says the head of Information Technology (IT) at RDB Patrick Nyirishema.

Rwanda has used a World Bank grant through the Regional Communication Infrastructure Programme-Rwanda (RCIPRW), a project that aims at lowering prices of internet capacity as well as extending the geographic reach of broadband networks in the country, to buy capacity from TTCL. The new internet capacity will be offered to government institutions through the existing optic fibre network, while businesses and individuals will access it through Internet Service Providers (ISPs).

The CEO of TTLC Said Amir Said pledged to deliver the highest level of service to the RDB. "This is a long-term commitment, one that we take utmost serious," he said. "We actually plan on developing our networks from all directions of Rwanda. This place will be the hub of ICT." Within two weeks of signing of the contract, TTCL will provide part of the capacity and will progressively scale up to the full contracted capacity in less than six months.

TTCL was chosen through an open bidding process where eight other companies--local, regional and international--had participated. Selecting the company was based on its attractive offer rather than the price. Rwanda has a low internet penetration with around 700,000 users but, in a recent tweet, Prime Minister Pierre Damien Habumuremyi said the target is to reach f5m users by 2016.

The ministry in charge of ICT recently issued new guidelines that oblige internet providers to share bandwidth in order to serve their customers better. Now, if one internet provider encounters a technical fault and is not able to deliver internet to its customers, it can use the bandwidth of another company once agreeing on a fair price. The guidelines were issued on account of the internet disconnections that followed cuts to the submarine cables that deliver Rwanda's international bandwidth.



Source: SAR

The government has also invested over USD 68m in more than 2000 kilometres of optic fibre to cover the entire country. Internet providers like Tigo and MTN can access the new bandwidth and sell it to end users in a manner that makes sure everybody can access and benefit equally from it. *(All Africa)*

Vodacom Tanzania customers can expect huge roaming savings when travelling to nine African countries, including Rwanda, where Vodacom and its partners operate. The service was launched yesterday. The countries include South Africa (Vodacom), Mozambique (Vodacom), Lesotho (Vodacom), DRC Congo (Vodacom), Ghana (Vodafone), Kenya (Safaricom), Rwanda (MTN), Uganda (MTN), and (UTL), and Burundi (UCOM).

Customers will be able to receive free incoming calls, free incoming SMS, lower calls and data rates while roaming on all the nine networks. "We know that people want to remain connected at an affordable rate whether they are at home or on holiday in South Africa or travelling for work in Ghana and that nobody likes the headache of worrying about roaming bills," Vodacom Tanzania's Managing Director, Rene Meza said in a press statement sent to the Business Times.

"With the solution launched, yesterday, the operator wants to give customers peace of mind when travelling. Data roaming has been and still is an expensive affair for most operators and, today, we are so proud to reduce substantially, together with voice and SMS, our data roaming charges for our customers travelling in any of our African family," Meza explained. The service will benefit both Vodacom subscribers on post-paid and pre-paid. Vodacom is Tanzania's leading cellular network company. *(All Africa)*

Economic News

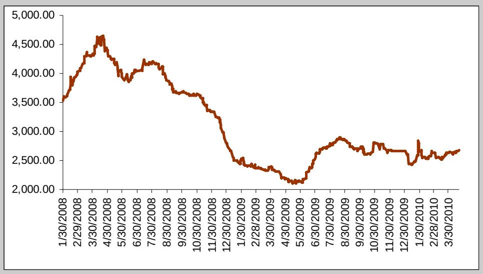
The African Development Bank Group said on Thursday it has approved USD 250mln for road construction projects in Tanzania and Sierra Leone. Under the approvals made by the AfDB Group Boards on Thursday in Tunis, Tanzania's government will receive a USD 216m loan to finance phase two of the country's Road Sector Support Project.

The project estimated at USD 330m comprises upgrading and construction work on the Dodoma-Babati, Tunduru-Mangaka and the Mangaka-Mtambaswala strategic road axes covering 390 kilometers in the eastern and southern parts of the country, respectively, AFDB added in statement. Sierra Leone will receive a loan of USD 34m. *(Reuters)*

SECURITIES AFRICA

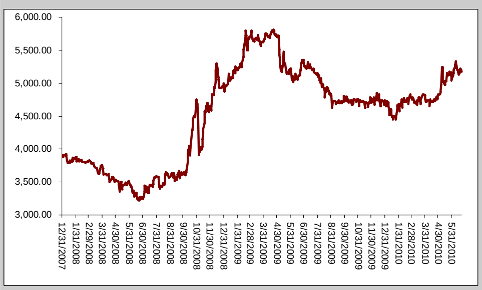
Zambia

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 lost -0.76% to close at 3,904.53 points. Zanaco, Zambeef and Zambrew led the gainers after putting on +16.67%, +5.62% and +0.04% to close the week at ZMK 1,400, ZMK 2,800 and ZMK 2,651 respectively while Bata (-8.26%), Investrust (-5.56%) and SCB (-2.50%) were on the losing front.

Corporate News

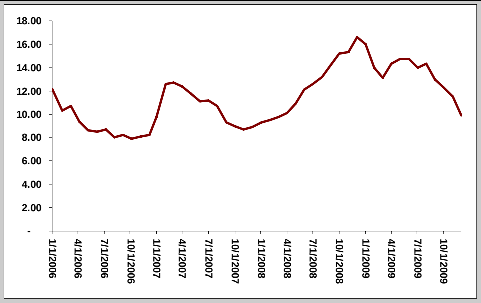
MOPANI Copper Mines spent USD 844m on suppliers in 2011 and the bulk of the contracts went to local vendors in Kitwe and Mufulira towns, which host the mining giant's operations in Zambia. Chief executive officer (CEO) Danny Callow said this on Monday in a statement. Announcing the launch of a new system, which would evolve the way in which the company interacts with its internal customers and external suppliers, Mr Callow said Mopani wanted to provide suppliers with a level playing field and equal competitive advantage.

He said that of the vendors engaged last year, 61% were in first tier which covered Kitwe and Mufulira, eight% comprised all vendors on the Copperbelt, 13% from the rest of Zambia and 18% were foreign vendors. He said Mopani planned to improve the vendor strategy that was implemented at the beginning of 2011 which aimed at identifying and classifying vendors by geographic areas in order to be able to identify the value and volumes of trade in each particular locality.

He said the new system, which had been running since the beginning of March 2012, has given a new dimension to the way of doing business with Mopani, making it even more user friendly. "I'm very delighted that we have managed to implement this system that will see all vendors competing at the same level and given equal opportunities to do business with us," Mr Callow said.

"We are confident that through this system, we will be able to help small businesses grow by giving them equal opportunities with established ones. This will go a long way in creating employment opportunities for the community," he said. The new system had been implemented primarily to enhance security in order to curtail any possible fraudulent activities in the evaluation and awarding of supply tenders to the vendors.

Mr Callow said the system gave vendors the opportunity to tender electronically and that minimised the chances of collusion between the buyers and the vendors on one hand, and provided the suppliers with equal competitive advantage on the other. Mopani, in conjunction with the Kitwe Chamber of Commerce and Industry, recently conducted workshops where over 200 vendors from the Copperbelt as well as Lusaka received training on how to use the new system.



Source: SAR

Mopani was also introducing "Internet Cafés" at the Corporate Office in Kitwe and at Mufulira General Offices to give access to vendors that did not have access to the internet, the CEO said. The new system's marketing director Meryl Malcomess said this was the first time in over 30 years that a company was undertaking such an extensive sensitisation of external system users and showed the level of commitment to ensuring that the end users benefitted significantly from the system.

The Kitwe Chamber of Commerce and Industry (KCCI) welcomed Mopani's new initiative, saying it would level the playing field and its members would derive a lot of benefits from the new system. "We commend Mopani for taking the leading role in improving the business environment which will ultimately result in the improvement of the Copperbelt region in the area of employment creation and general standard of living," KCCI president Raj Karamchand said. He said Mopani was dedicated to enhancing and developing local Small and Medium Enterprises (SMEs) and the newly-implemented system was a step in that direction. *(Times of Zambia)*

The Zambia Development Agency (ZDA) plans to list Afrox Zambia Limited on Lusaka Stock Exchange (LuSE) to raise long-term finance. ZDA procurement and supplies manager Pamela Musepa said listing the firm will also enable public ownership. Mrs Musepa said the agency has since requested for proposals of provisions of consultancy services to list the firm.

She said this in a public tender notice posted on the ZDA's website last week. The notice says the agency will use part of the funds provided, for provisions of various financial advisory services. Mrs Musepa, however, said the agency intends to apply part of the funds to cover eligible payments under the contract for the provision of consultancy services.

She said foreign or local bidders are expected to express interest and will be evaluated based on the Preferential Procurement margin clause for bidders registered with the Citizens Economic Empowerment Commission (CEEC). This will be done in accordance to the CEEC preferential procurement regulation, 2011, Statutory Instrument (SI) 36 92011. The bids are expected to be opened on May 4, 2012 at 14:30 hours at ZDA headquarter offices.

Meanwhile, ZDA has called upon the Zambian private sector to participate in the investment promotion and trade missions to United Arab Emirates (UAE), Saudi Arabia and Turkey. ZDA will be undertaking an investment promotion and trade missions to Dubai, Saudi Arabia and Turkey from May 1 to 11, 2012. This information is contained in a statement obtained by the Mail in Lusaka recently.

The aim of the missions is to promote investment and trade in Zambia which will focus on seven sectors, namely agriculture and agro-processing, manufacturing, tourism, construction, trading opportunities, gemstone and energy. The business delegation will be in Dubai from May 1 to 3, 2012, and in Saudi Arabia's capital Riyadh from May 7 to 8, and Ankara City inTurkey from May 10 to 11, 2012. The statement says that the private sector players that want to participate in the Zambian delegation to these missions should submit their details to the mission they wish to join.

"The private sector wishing to join the Zambian delegation to these missions will be required to submit their company and / or project profiles and also indicate which missions they wish to join," it stated. It says participating companies are expected to meet their costs of transport, accommodation and subsistence. *(Zambia Daily Mail)*

A Zambian registered company plans to build a pipeline from oil-rich Angola to Lusaka after a refinery is completed in Angola, Zambia's investment promotion agency said on Thursday. 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.

Basali Ba Liseli Resources will construct the multi-petroleum product pipeline and other ancillary infrastructure from the Sonaref refinery in Lobito, Angola, the agency said. "The refinery is initially earmarked to refine 200,000 barrels of crude oil per day," the agency said in a statement. It said 90% of the refined product would be consumed in Angola and other southern African countries.

Zambia's sole 24,000 barrels-per-day Indeni refinery cannot process pure crude oil from Angola, according to Zambia's energy regulator. The first phase of the refinery project in Angola was expected to be commissioned by the end of 2013 or early 2014, the agency said. Zambia's investment promotion agency and Basali Ba Liseli Resources would on Friday sign an agreement to enable Zambia to effectively facilitate the project, it said.

Zambia's new government apologised to Angola last year for backing the losing party in the country's 27-year civil war as it tried to repair ties with its neighbour, sub-Saharan Africa's second largest oil producer after Nigeria. *(Reuters)*

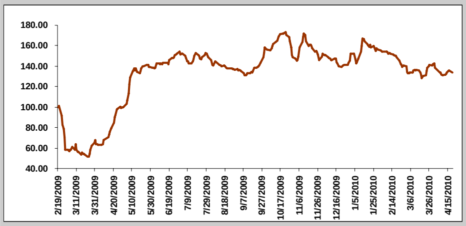
Economic News

Zambia's annual inflation rate could end 2012 below 6%, helped by an expected drop in food prices and lower local lending rates, Finance Minister Alexander Chikwanda said on Thursday. Although Zambia might see a drop in output in the staple crop maize, the southern African country was expected to harvest enough to meet domestic needs, he said.

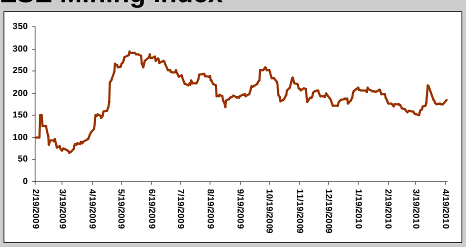
"It could be lower than six% by end this year," Chikwanda said during a recording of an interview to be aired on state television. Zambian inflation accelerated to 6.4% in March from 6.0% in February but remains lower than the 7.2% it reached at the end of 2011. The February reading was also the lowest in a decade. *(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 negative note with Industrial Index losing -1.36% to 134.14 while Mining Index shed -0.41% to 88.80 points. Gulliver and Zimpapers led the movers after gaining +100% and 50% to close the week at USD 0.0004 and USD 0.0105 respectively. Other gains were recorded in Interfresh up +25% to USD 0.0025 and Bindura which put on +8.70% to USD 0.025. Pelhams and Star Africa led the losers after they shed -25.00% and -21.43% to USD 0.0060 and USD 0.0055 respectively. Other notable losses were recorded in National Foods (-16.67%), CBZ (-14.41%) and Seedco (-11.76%)

Corporate News

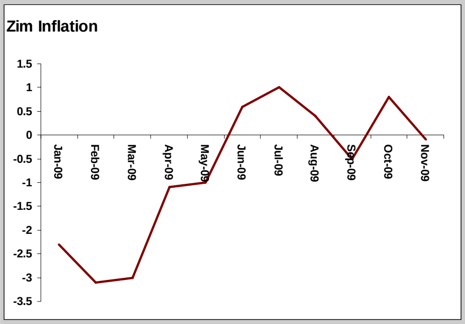
ZIMBABWE Platinum Holdings Ltd is on course to establish a base metal smelter and refinery in the country, the company's deputy chairman, Mr Muchadeyi Masunda, has said. Mr Masunda was speaking at a recent African Development Bank stakeholder workshop in Harare. "We had initially set aside USD 500m for the beneficiation project and in 2010 we sent a team to Canada to assess the kind of infrastructure required. Despite all that has happened, I must say the smelter and refinery project is on course," he said.

The establishment of smelter and refinery infrastructure for platinum is in line with the Government's policy to encourage value addition among the economy's productive sectors.
The recently launched National Trade Policy (2012-2016) points at the regulation of commodities exports "in order to boost beneficiation".This is because primary products whose international prices are vulnerable to external shocks, especially the minerals that now constitute at least half of total annual exports, dominate Zimbabwe's exports.

Moreover, earlier this year, the Ministry of Mines and Mining Development said it would soon withdraw export licences from all miners exporting raw platinum to promote value addition. This would compel all the platinum producers to establish smelters and refineries. But Mr Masunda said a single smelter and refinery would be enough for all the current platinum producers."There is, however, need for a critical mass that is, players such as Unki and Mimosa ramping up their output and coming on board. The key factor here is to be assured of adequate stockfeed going forward," he said.

The current combined production levels from the three platinum mines is below 500 000 ounces, which is inadequate for the establishment of a refinery. Zimplats' current annual output of 180 000 ounces is expected to reach 270 000 ounces a year after Phase 2 ramp-up activity is completed at its Ngezi Mine.The Unki Mine in Shurugwi, at full tilt, is expected to produce around 65 000 ounces, while management has indicated plans to increase output to 150 000 ounces.

CPI Inflation



Source: SAR

The Mimosa Mine produces 100 000 ounces, and management has also indicated production ramp-up plans to the mine's 200 000 ounce design capacity. Expert observers estimate that it would require around USD 2bn to set up such infrastructure, and would perhaps fall under an indicated Phase 3 expansion of Zimplats to the tune of USD 10bn. Zimplats is majority owned by South Africa's Impala Platinum Mines. The company has tabled an indigenisation plan that will gradually see the transfer of the ownership of the mine to locals.

Platinum concentrate produced by Zimplats is sent to South Africa where such beneficiation capacity exists. Value-addition in the minerals sector has a number of benefits that accrue to the overall economy, but mainly greater cash generation and job creation*. (Herald)*

Zimbabwe's largest gold miner, Metallon Gold, is set to resuscitate an open pit mine at How Mine in Matabeleland South province to augment its gold supply output. Open-pit mining is used when deposits of commercially useful minerals or rock are found near the surface of the land or if a normal tunnel-type of mine is not possible to undertake. Metallon Gold Corporate Affairs executive, Zenzo Nsimbi, said the opening of the mine was meant to augment ore supply from underground mining operations.

"Metallon Gold proposes to resuscitate an open pit mining project at How Mine," said Nsimbi in a statement. "The pit is within the existing mining lease and is meant to augment ore supply from underground mining operations." Nsimbi said the project would take-off once the company, which is owned by South African mining magnate, Mzi Khumalo, obtains an Environment Impact Assessment certificate (EIA) after a one-week stakeholder consultative process.

"Stakeholder consultation is an integral part of the EIA process and Metallon Gold hereby invites comments on the project from affected or interested parties," said Nsimbi. "Some of the potential impacts associated with this project include blasting vibrations and noise, vegetation destruction, resultant open pit, waste rock and overburden disposal and dust, along with other impacts."

Metallon has five gold mines in Zimbabwe but only two, its flagship How Mine and the Shamva Mine, are currently producing gold and operating at around 80% capacity. Of the three mines that are non-operational, Arcturus and Mazowe are partially flooded and are expected to commence full production within six months. Redwing Mine may operate within 12 months.

Metallon closed all its mines in 2008 at the height of the economic crisis but resumed operations in July 2009.The country expects output of the precious mineral to increase by 35% to 15 tonnes by year-end on the basis of improved access to funding. *(Standard)*

AfriFresh, the new investor in Ariston Holdings, has increased its stake in the horticultural group following the approval of a rights offer where the South Africa-based firm was the underwriter. Before the rights issue, AfriFresh held 41,74% in the horticulture concern. According to the results of the USD 8m rights offer, the underwriter took over 190 013 652 shares at USD 1,710 123 amounting to 21, 38% of the issued shares.

Rights followed by members totalled 78, 62% subscription valued at USD 6,2m that translated to 698 875 237 shares. An official from the company said there were no underwriters from the local market. We havent seen the transfer register. We are waiting for the register from the transfer secretaries so that we know how much%age has been taken by the underwriter.

Ariston yesterday said it had received requisite regulatory approvals from the exchange control division of the Reserve Bank of Zimbabwe, Youth, Indigenisation and Empowerment ministry, the Zimbabwe Stock Exchange and the Securities Commission of Zimbabwe. In February, Ariston Holdings shareholders approved a plan to raise USD 8m to recapitalise the group at an annual general meeting.

The funds to be raised through the rights issue would finance capital expenditure projects and working capital needs as well as retire debt. At least USD 1,955m will be allocated to capital expenditure, USD 3m to debt retirement and USD 2, 8m to working capital. Speaking at the AGM, the companys chief executive officer Paul Spear said the recapitalisation would have a significant impact on the business.

AfriFresh produces 250 products sold in more than 15 countries in the world. It entered into Ariston after Emvest sold its 42% stake in the company. Turning to revenue projections, Spear said the company expected a turnover of USD 22,1m for the year ending September 30. He said the company would focus on increasing capacity utilisation, operational efficiency and profitability and cash generation this year. Volumes remain below potential, there were high labour costs, capacity utilisation was low and funding for inputs was expensive, he said. *(News Day)*

Royal Bank Zimbabwe says it is in the process of finalising its USD 20m deal with Kenyan-based Commercial Bank of Africa (CBA). This is despite Kenyan Press reports at the weekend in which CBA denied local media reports that it was in talks with Royal Bank for the acquisition of a stake in the commercial bank.

Royal Bank chief executive officer Jeffrey Mzwimbi told NewsDay at the weekend: We are now in the process of tying up the loose ends of the deal. I have not heard that CBA had denied negotiating with us. This could, however, be (something) to do with confidentiality issues. The bank together with ZABG and Genesis Merchant are the three remaining institutions that are yet to fully meet the Reserve Bank of Zimbabwe (RBZ) minimum capital requirements of USD 12,5m for commercial banks and USD 10m merchant banks.

In recent days the bank has been hit by a cash shortage that has left hundreds of clients failing to access their deposits and salaries. Last Thursday, RBZ governor Gideon Gono said the central bank was satisfied with Royal Banks recapitalisation plans and added he would finalise verification of the institutions proposals later this month. He said Royals suitors, CBA, had obtained regulatory approval from Kenya, adding officials from the bank were due to meet central bank officials this week.

According to Business Daily of Kenya, CBA managing director Isaac Awuondo on Sunday denied reports that it was in acquisition talks with a Zimbabwean bank. Awuondo also denied knowledge of the reported deal. Thanks for this useful information which I am not aware of at all and have not had access to, said Awuondo. CBA is said to be majority-owned by the family of Kenyan Deputy Prime Minister Uhuru Kenyatta. But, a fortnight ago, Mzwimbi told the local media Royal had struck a USD 20m deal with CBA.

He said through the deal his bank would be able to meet the RBZ minimum capital requirements and be in a position to offer a wide range of services to its clientele. The deal allows Royal Bank to have a regional footprint and we are at a stage where the institutions are seeking regulatory approvals in their respective countries, he said. Early this year, Gono ordered undercapitalised banks Genesis, ZABG and Royal to submit recapitalisation proposals to the central bank by February 14 or risk forced closure. *(Newsday)*

Listed diversified agro-industrial conglomerate Aico Africa Limited (Aico) says Olivine Industries (Olivine) raised close to USD 12m in a recently held rights issue. "It was just under the USD 12m that was raised and we contributed USD 5.63m," Aico group chief executive, Patrick Devenish said. Olivine, 49%-owned by Aico and 51% by government through the Industrial Development Corporation (IDC) has struggled under liquidity and working capital constraints.

"Basically the funds will be used as working capital for the company," the Aico boss said. The State Enterprises Restructuring Agency (Sera) presenting in parliament last month had initially hinted government was likely to lose its stake in the fast-moving consumer goods company as it did not have the capacity to follow through on its rights. Olivine products include edible oils and fats, canned vegetables, soaps, cotton and soya meal.

The company exports to Botswana, Zambia, Malawi and Mozambique and has good prospects in East Africa and DRC. Like other oil-pressing companies Olivine has been hard hit by a local shortage of soya beans. The country currently produces less than 20 000 tonnes of soya beans per year against a national demand of about 220 000 tonnes per year with export supplementing the shortfalls. The government previously shared ownership of Olivine with Pittsburgh-based Heinz, best-known for its namesake ketchup, beans and soups before its dis-investment in 2009. *(Daily News)*

AFRICAN Sun and Dawn Properties are facing suspension from trading after it emerged this week that the Zimbabwe Stock Exchange (ZSE) is concerned that a legal battle between the two companies will result in the cancellation of the bulk of the group's leases. The ZSE, according to well-placed sources, is concerned that the pending case could have a material impact on African Sun's going-concern status and plans to protect shareholders from prejudice in the event that the courts uphold Dawn's application.

Dawn dragged African Sun to court for allegedly failing to pay its rentals on time and other violations relating to maintenance of properties on lease to the hotel group. Ideally, the two companies were supposed to issue joint cautionary statements following a dispute over the status of the lease agreements of eight hotels under the group. A cautionary statement would guide shareholders when dealing or trading in the shares of the two groups as the dispute is considered to be price sensitive. This might then affect the going-concern status of African Sun as the majority of its business is derived from the hotels.

Dawn is seeking to terminate the lease agreements of eight hotel properties that are leased to African Sun. The properties are Hwange Safari Lodge in Hwange, Holiday Inn Mutare (now African Sun Amber Mutare), Carribea Bay Sun in Kariba, Elephant Hills Hotel in Victoria Falls, Crowne Plaza Monomotapa Hotel in Harare, Express Holiday Inn in Beitbridge and Troutbeck Hotel in Nyanga.

However, well-placed sources say that the ZSE is currently talking to the two companies in order to ensure they come to an understanding and subsequent comprise. But in the event that talks fail, the two companies are likely to be suspended. Meanwhile, African Sun is targeting a top-line of USD 59, 88m in this current financial year, which will be a marginal growth from USD 49,8m last year.

The group is expecting earnings before interest, taxes, depreciation and amortisation of 8%. African Sun CEO Shingi Munyeza told shareholders two weeks ago at the group's annual general meeting recently that the austerity measures, which were implemented last year, had begun to bear fruit. Munyeza said the group had negotiated an earlier exit from Holiday Inn Accra as well as Holiday Inn Gaborone.

The group said it has started the refurbishment of the three city hotels — Holiday Inn Harare, Holiday Inn Bulawayo and Crowne Plaza Monomotapa. The process is expected to be completed by June 2012. Its resorts were currently performing well, with forward bookings at Elephant Hills at 30% until September, The Kingdom at 21% and Victoria Falls Hotel at 61% until September.

In terms of performance in the five months to February, the Victoria Falls Hotel had 58% occupancy and revenue per room of USD 78, Crowne Plaza Monomotapa at 67% and USD 67, Holiday Inn Harare 69% and USD 61 Elephant Hills Conferencing at 44% and USD 36 and the Kingdom at Victoria Falls 35% and USD 34.

African Sun's borrowings in the same period are at USD 13,41m, consisting of USD 8,76m short-term and USD 4,65m long-term borrowings. The hotel group is currently trading with a year-to-date gain of 10% at 0,77c but is being touted as a recovery stock as it is coming from a low base. *(The Independent)*

APEX Corporation has shut down all its operations after the board reviewed the group's operations and concluded the business model was no longer viable. In a statement attached to its full year results to October 31 2011, Apex chairman Farai Rwodzi said the board took a decision to stop operations after selling off Marondera foundry and Philpot and Collins last year, while McMeekan foundry and Precision Grinders were sold this year.

"A detailed review of operations was conducted which led to the conclusion that the existing business model was not viable and outdated," he said. The foundries and engineering group has in the past disposed of its non-performing business units to clear the contingent liabilities of USD 10m. The group said the cost of buying new equipment for the remaining business units would not have justified the potential returns in the current economic environment given that the group was at the same time under pressure from its creditors.

Group turnover totalled USD 11,9m buoyed by a USD 11,6m contribution from Phoenix Consolidated Industries but the group recorded an operating loss of

USD 975 000 given the high operational costs in its existing business units. But Phoenix posted a trading profit of USD 904 000 and this translated to retained earnings of USD 148 000.

Apex's performance in the regional markets was severely affected by the high production cost, rendering its pricing uncompetitive compared to major regional and international producers. Locally, demand for the company's products had remained subdued due to the lack of activity in the mining sector which was the major consumer of its foundry products. But the company has failed to recover given the increased activity in the mining sector.

The company said it concluded the sale of Supersonic property in Bulawayo and the disposal of All Metal Foundries in Bulawayo was at an advanced stage. In the prior financial year, the group disposed of Marondera foundry and Philport and Collins and was also selling all its buildings and properties. "The Zimcast and McMeekan properties are in the hands of property consultants," Rwodzi said.

Apex also holds a controlling stake in Phoenix and shareholding in Gullivers Consolidated and the group will hold its shareholding in these companies, the company said. Going forward the company indicated that it will continue to review its available options to unlock shareholder value. *(The Independent)*

Economic News

Finance Minster Tendai Biti says amendments to the Banking Act to improve the legal and regulatory framework of the financial sector will be concluded in the second half of the year. Minister Biti told journalists at a function held in Harare last week for the outgoing Reserve Bank of Zimbabwe deputy governors that the amendments had been necessitated by the need for measures to deal specifically with challenges faced by banks.
He said following the ReNaissance Merchant Bank saga, there was a need to craft laws to deal with such scenarios.

"After the exposure of Renaissance, the bank was placed under curatorship and it was connected to a number of companies and there was no law to deal with these companies," he said. "In the event that the bank collapses we should have the power to freeze all the companies associated with it," RTG and First Mutual Life, a subsidiary of Afre Corporation, were affected by the exposure of Renaissance, resulting in the Insurance and Pension Commission investigating FML.

Minister Biti called for the harmonisation of IPEC, the Securities Commission of Zimbabwe and the Zimbabwe Stock Exchange. To that effect, the ministry was also working on the Reserve Bank Assumption Bill and amendments to the Securities Commission Act. The RBZ Assumption Bill seeks to deal with the central bank's debt, estimated at USD 1bn. The minister said during the same period, Government was looking forward to making Victoria Falls an offshore zone.

Meanwhile, the RBZ will soon convert the USD 83m it owes banks in statutory reserves into tradable paper that the institutions can use to borrow money. The RBZ used financial institutions and other stakeholders' money during the economic crisis immediately preceding the formation of the inclusive Government. The discounted and tradable paper will serve as the security that was lacking for banks to get overnight accommodation from the RBZ and the interbank market.

The new law also seeks to enhance separate insolvency regimes for dealing with failed banking institutions. The proposed laws cover corporate governance and compliance, troubled bank resolution and consolidated supervision. Meanwhile, the central bank has instituted a comprehensive financial disclosure framework, which ensures that accurate, meaningful, transparent and timely information is provided by borrowers to investors and creditors. Proposals by the central bank come at a time when the financial sector is facing numerous challenges, although it has remained stable since dollarisation.

The prevailing liquidity risk has exposed many banks still dealing with liabilities incurred during the past 10 years of economic depression. Liquidity risk is the risk a financial institution encounters in meeting the obligations of its financial liabilities and often arises from the fact that assets and liabilities have differing maturity periods. The banking system remained vulnerable with weak capitalisation, rising non-performing loans and a tight liquidity situation. *(Herald)*

Zimbabwe plans to nearly double its wheat output to 75,000 tonnes this year, its agriculture minister said on Tuesday, still leaving the country with a huge deficit to be met by imports. The southern African country requires 400,000 tonnes of wheat annually and has struggled to feed itself since President Robert Mugabe began a drive to seize white-owned farms to resettle landless blacks in 2000.

Agriculture Minister Joseph Made told reporters the government would provide USD 20m in low-interest loans to farmers for this year's wheat production. "We are proposing that we target 26,280 hectares for winter wheat. This targeted hectarage should give us 75,000 tonnes," Made said. "This might sound little, but considering the 41,000 tonnes we got last year, this will be some improvement."

Farmers' unions put Zimbabwe's wheat output at 12,000 tonnes last year, barely enough to feed the country for a week. Made also reiterated that Zimbabwe faced a shortage of its staple grain maize, after nearly a third of the planted crop was written off due to poor rains. Finance Minister Tendai Biti told the same news conference Zimbabwe would have to import wheat to ease shortages, but said the government had built up 500,000 tonnes in maize reserves to supply regions facing a deficit.

Last December, the United Nations said it would raise USD 268m for aid efforts in Zimbabwe, with half the money to be used to buy food for more than 1.4m people facing shortages. *(Reuters)*

ZIMBABWE is this week expected to pay about USD 36m to Mozambique's Hydro Cahora Bassa to reduce Zesa's power debt. Zesa owes Hydro Cahora Bassa USD 76m. It also emerged yesterday that Government owes various parastatals and private companies over USD 170m for services rendered. Government claims poor revenue collection is affecting its ability to clear the debts.

On Zesa Holdings' debt clearance strategy, Energy and Power Development

Minister Elton Mangoma yesterday confirmed the money will be paid this week.He declined to disclose the amount Government was prepared to pay. However, Zesa sources said the power utility had raised about USD 36m. The sources said the response from domestic and commercial consumers following massive disconnections was “quite positive”.

Minister Mangoma said the payment will result in Zimbabwe receiving uninterrupted power from its external sources.“We have made tremendous progress to reduce the debt as per their demand. The money will be paid this week to ensure constant supply. “I cannot tell you the actual amount we will pay but we are close to meeting their requirements. There are still one or two things to be finalised but I can tell you that we are almost there,” he said.

Mozambique has agreed to ensure uninterrupted power supply in the interim if Zimbabwe reduces its debt to below USD 40m. Minister Mangoma said it was impossible for the country to clear the debt at once. He said Zimbabwe was committed to settling the debt and disconnections will continue. “Where will the money come from? We are not able to offset the debt at once as the economy is struggling and we will continue mobilising money through various forms which include disconnections. Our wish is to clear the debt and we will continue working flat out to solve our problem.”

Domestic and commercial electricity consumers owe Zesa Holdings about USD 550m. Most residents, especially in high-density areas, are going for almost 10 hours per day without power. The situation has been worsened by malfunctioning units at Hwange Thermal Power Station and Kariba Hydro-Power Station. Zimbabwe requires about 2 200 megawatts daily, but generates only 1 300MW.

The remainder is met through imports from Mozambique, Zambia and the Democratic Republic of the Congo. The country is getting 25 MW from Mozambique. Industrialists and residents last week said Zesa Holdings has a poor debt management system that has seen it failing to recoup the money owed by its customers. Industrialists said unless Zesa implemented the prepayment system, it will find it difficult to offset foreign debts.

Zesa Holdings has no clear debt collection strategies other than disconnections. Farmers unions recently said their members could not pay Zesa bills monthly given that they receive their payments once in six months. Some of the farmers who owe Zesa thousands of dollars have a thriving crop worthms of dollars on their farms.

Meanwhile, Finance Minister Tendai Biti yesterday told journalists that as at March 31 this year, Government revenues had a shortfall of USD 58m from projected collections while expected diamond revenues had fallen short by USD 92 since the beginning of the year. “We as Government have to deal with the debt we owe to the manufacturers of seeds and fertilisers. We owe them close to USD 40m and also USD 20m to

Zesa and USD 20m to Zinwa while NetOne is owed USD 60m and TelOne USD 30m,” he said. Minister Biti said Government debt to the companies and utilities was affecting service delivery and performance of the productive sector. “The extent of our debt is huge and it is killing our productive sectors. What we are doing as the Ministry of Finance is that in the next few weeks we will try to mobilise resources so that we try to do something to liquidate our domestic debt," he said.

Actual revenue collections for January and February stood at USD 488m against targeted inflows of USD 549. Inflows from diamond sales amounted to only USD 19,5m against a projection of USD 77m as no auctions were conducted in January and February. *(Herald)*

ENERGY Minister, Elton Mangoma has ruled out mandatory blending of petrol and ethanol in a development that leaves the USD 600m Green Fuels ethanol project in the lurch and likely imperils some 5000 direct jobs the company has created. Green Fuels is holding onto 10m litres of product and has stopped ethanol production at its Chisumbanje plant after running of storage space leaving thousands of workers at risk of losing their jobs and adversely impacting farmers who supply cane to the mill.

But Mangoma said the company was free to export its ethanol if it was struggling to sell the product locally. "They are already licensed; they are free to export their product," Mangoma told the Herald newspaper. However, in a statement to NewZimbabwe.com, Green Fuels said the "option to export remains open to us and it's a route we are exploring" but added that Mangoma needed to understand that the product would simply be imported back into Zimbabwe at a higher cost.

"Ethanol is in demand in South Africa (where mandatory blending is in place) and other regional countries due to the high fuel prices," the company said. "However, the morally disturbing fact is that exporting ethanol would be imported back at a cost to the Zimbabwean consumer. In all likelihood, this country would re-import ethanol blends from South Africa, as unleaded petrol, therefore buying back a locally produced product at a premium price."

Market uptake of the company's E10 fuel (a 10-90 ethanol and petrol blend) remains limited with motorists concerned about its pricing and possible adverse impact on their vehicles while service stations do not have the infrastructure to store the product. Green Fuels has been lobbying the government to introduce mandatory blending with company officials insisting the policy, backed by higher blending ratios would help lower prices as well as significantly reduce the country's fuel import bill.

But Mangoma categorically ruled out the policy, insisting the State could not be seen to be legislation for an "individual". "We cannot have legislation for individuals, because that would set a bad precedent," he said. "We have already licensed them (Green Fuels), they are already on the market selling their fuel. I have not followed to see the volume which they are selling. Let's not create a problem which is not there."

Green Fuels said it was not correct that mandatory blending would benefit "one individual" as suggested by Mangoma adding the company was in fact a joint venture between two private companies and the government through the ARDA. "This is a National Project, spearheaded by Zimbabweans for fellow Zimbabweans. We believe that if the minister were to visit the project he will be able to see the benefits it has brought to the community, and potential to benefit the country," the company said.

"There are a further two ethanol producers in the country, who are exporting their entire product because of an unfavourable policy environment and they have been following our story with hope that a mandatory blending policy would be something that would be of benefit to them as well. "That Minister Mangoma can reduce this proposed law to "something benefiting) one person is a very disturbing development and clearly indicative of a position based on a lack of appreciation of the massive work being undertaken by Zimbabweans on the ground. "We continue to hope that a site visit will rectify Minister's misconceptions." *(New Zimbabwe)*

Zimbabwe's maize harvest is expected to fall by 26% to 1m tonnes this year after nearly half of the crop was written off because of a prolonged dry spell, an assessment from the agriculture minister showed on Friday. The southern African country, once a regional bread basket, has struggled to feed itself since 2000 when President Robert Mugabe embarked on the seizure of white-owned commercial farms to resettle landless blacks.

Maize production in 2011 was 1.35m tonnes. Out of the 1,689,786 hectares of maize planted area, 45% was lost to a mid-season drought, the report said. Zimbabwe's annual maize consumption is 1.8m tonnes and the report said the country had built up 400,000 tonnes in maize reserves. Zimbabwe would have to import another 400,000 tonnes to make up for the deficit.

With an expected wheat output of only 75,000 tonnes this year, the country would also need to resort to imports to meet its annual requirement of 400,000 tonnes. But Zimbabwe is facing a cash squeeze and the government may struggle to raise money to buy the staples. In the 2012 national budget, finance minister Tendai Biti did not allocate money for grain imports, probably leaving private companies to pick up the bill.

Zimbabwe has over the last 10 years had to rely on donor groups to provide emergency food aid especially to vulnerable groups in the rural areas. Last December, the United Nations said it would raise USD 268m for aid efforts in Zimbabwe, with half the money to be used to buy food for more than 1.4m people facing shortages.

Neighbouring South Africa produced more maize than it typically consumes this season but traders overextended their export commitments and so the country has also had to import the staple to compensate for the shortfall. The southern African maize growing season coincides with the region's wet summer months, roughly from November to April. *(Reuters)*

Notes

Securities Africa Limited

South Africa
☎ Direct: + 27 11 243 9030
Fax: + 27 11 268 5708
Zimbabwe
☎ Direct: + 263 4 706012
Fax: + 263 4 705816
UK
☎ Direct: + 44 20 7101 9290
Fax: + 44 20 7691 7057
USA
☎ Direct: + 1 441 278 7620
Fax: + 1 441 295 6735
Email: Mail@SecuritiesAfrica.com