SECURITIES AFRICA

For week ending 20 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:

	20-Apr-12	WTD %	YTD %
Currency	Close	Change	Change
AOA	95.09	0.00	-0.17
DZD	73.41	0.31	2.43
BWP	7.27	0.81	1.41
CFA	491.64	-0.50	0.63
EGP	6.03	-0.14	-0.26
GHS	1.81	-1.20	-11.69
KES	82.02	-0.09	1.84
MWK	165.18	-0.32	-1.71
MUR	28.03	0.00	0.37
MAD	8.46	-0.13	1.34
MZM	27,550.00	-0.66	-3.18
NAD	7.79	2.05	4.34
NGN	157.18	0.16	1.63
ZAR	7.84	1.27	4.12
SDD	266.27	-0.03	-0.06
SDP	2,261.00	0.00	0.00
SZL	7.79	2.01	4.33
TND	1.52	-0.47	-2.14
TZS	1,565.45	-0.33	-0.32
UGX	2,483.61	-0.34	-1.49
ZMK	5,206.94	-0.88	-3.77

Source:oanda.com

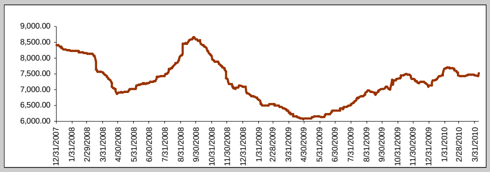
African Stock Exchange Performance:

Country	Index	20 April 2012	WTD % Change	WTD % Change USD	YTD % Change	YTD % Change USD
Botswana	DCI	7,132.78	1.35%	2.18%	2.32%	3.79%
Egypt	CASE 30	4,707.99	-0.57%	-0.71%	29.97%	29.64%
Ghana	GSE All Share	1,048.22	-1.22%	-2.40%	8.17%	-3.15%
Ivory Coast	BRVM Composite	155.09	0.73%	0.23%	11.67%	12.38%
Kenya	NSE 20	3,554.46	2.84%	2.75%	10.90%	12.99%
Malawi	Malawi All Share	5,808.91	1.70%	1.38%	8.19%	6.36%
Mauritius	SEMDEX	1,792.33	-0.58%	-0.58%	-5.09%	-4.74%
	SEM 7	338.41	-0.68%	-0.68%	-3.40%	-3.05%
Morocco	MASI	10,378.00	1.42%	1.29%	-5.74%	-4.46%
Namibia	Overall Index	903.63	1.65%	3.77%	7.83%	12.72%
Nigeria	Nigeria All Share	21,756.50	4.89%	5.06%	4.95%	6.69%
South Africa	All Share	34,216.55	1.52%	2.82%	6.94%	11.53%
Swaziland	All Share	276.45	0.00%	2.05%	2.98%	7.64%
Tanzania	DSEI	1,327.29	-0.54%	-0.87%	1.85%	1.52%
Tunisia	TunIndex	5,115.11	0.99%	0.52%	8.32%	8.04%
Zambia	LUSE All Share	3,941.80	0.95%	0.07%	-5.47%	-8.64%
Zimbabwe	Industrial Index	133.83	-0.23%	-0.23%	-8.25%	-8.25%
	Mining Index	88.09	-0.80%	-0.80%	-12.52%	-12.52%

SECURITIES AFRICA

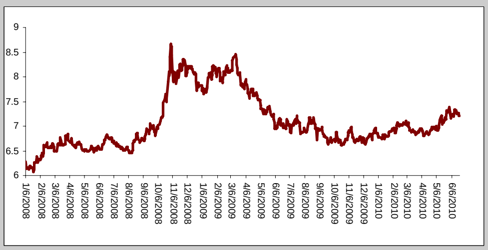
Botswana

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 +1.35% to close at 7,132.78 points. Lethole and FNBB led the gainers after adding +4.35% and +3.64% to close at BWP 1.20 and BWP 2.85 respectively. Other counters to gain included Turnstar (+3.33%), Primestar (+3.24%) and Discovery (+3.14%). On the losing front we had BOD (-10.64%) to BWP 0.42, Cresta (-8.65%) and BIHL (-4.76%).

Corporate News

Botswana Metals has received assays from two remaining diamond holes drilled in a four-hole program at the Dibete prospect, a new discovery in Botswana which show intersections of high grade copper and silver mineralisation. The most promising result was an intersection of 13 metres at 2.88% copper and 157 grams per tonne (g/t) silver from 29 metres, including 1 metre at 15.55% copper and 1220g/t silver.

Previously released results from the two other holes of the program included an equally high grade intersection of 36 metres at 1.37% copper and 70g/t silver from 12 metres, including 1 metre at 15.43% copper and 971g/t silver. The results of the drilling program confirm shallow high grade copper-silver mineralisation over a 250 metre strike length, which is still open to the north. Dibete has similarities to the Airstrip prospect and may be part of a larger mineralised system encompassing Airstrip 6.5 kilometres to the west-northwest.

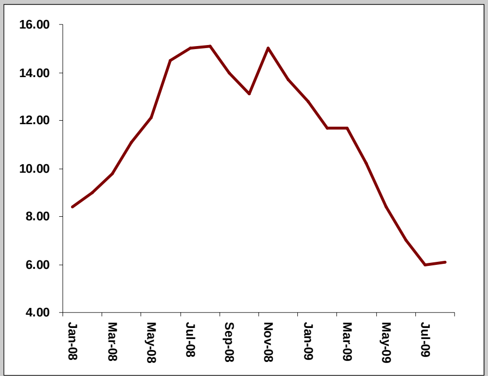
Both prospects have structural controlled mineralisation with similar mineralogy, with less erosion of the supergene mineralisation at Dibete. They also have additional potential present in unexplored surrounding areas where both soil and stream sediment geochemistry indicates additional mineralisation.

Botswana Metals is exploring three discovery areas, Airstrip Copper, Maibele North and Dibete, and also plans to test several versatile time domain electromagnetic anomalies to the east at Takane over the next year. The company's exploration assets are only 80 kilometres north of the Selebi Phikwe nickel-copper mine and smelter and about 80 kilometres to the south of the Tati Nickel mine. *(Proactive Investors)*

Economic News

Botswana's headline consumer inflation slowed to 8.0% year-on-year in March from 8.2% in February, the Central Statistics Office said on Friday. On a monthly basis inflation however quickened to 0.5% in March from 0.2% previously, the statistics office said. *(Reuters)*

Researchers at the International Monetary Fund (IMF) expect Botswana's



Source: SAR

economy to grow by 3.3% this year, representing a downward adjustment from the 5.3% growth the institution had forecast last September. In the April 2012 edition of its World Economic Outlook released on Tuesday, the IMF attributed the downward review to the possibility of lower diamond exports this year. "Growth is expected to slow in Botswana to 3.3% this year, due in large part to weaker global demand for diamonds," the IMF said. Economic crises in the Euro zone and stagnation in the US have weakened demand for diamonds, which being luxury products, are often the first jettisoned by markets affected by economic constraints.

The IMF's forecasts echo similar projections by government, the UN and the African Development Bank, and all have been vindicated by the 40% slump in diamond exports in the fourth quarter of 2011. The IMF's projections for Botswana, however, fly against its forecasts for the rest of sub-Saharan Africa, where growth estimates of 5.4% in 2012 will be higher than the five% seen in 2011. "Sub-Saharan growth is expected to pick up somewhat in 2012 helped by the coming on-stream of new mineral and oil production and the reversal of the adverse supply shocks experienced in 2011," the IMF said.

"That said, several economies will experience significant slowdown." The economies projected to experience significant slowdown include Botswana, South Africa, Ghana, Angola and Nigeria. According to data in the World Economic Outlook, Botswana's projected growth in 2012 will be lower than the average of 3.8% for middle-income sub-Saharan African states. In this group, Botswana has the third lowest growth projection after South Africa and Swaziland, which is expected to experience a contraction of 2.7% of its economy, in 2012.

The IMF said in general, sub-Saharan Africa's resilience stemmed from its limited financial linkages with crisis-ridden Europe and the diversification of its exports towards fast-growing emerging markets. For Botswana, China and India are increasing their positions as major diamond markets with Botswana-branded polished diamonds proving a hit among consumers in those countries. The IMF, however, also warned that South Africa's exposure to the Euro crisis could transmit to neighbouring states. Botswana's imports are primarily from South Africa while that country's institutions dominate the local banking and financial sector.

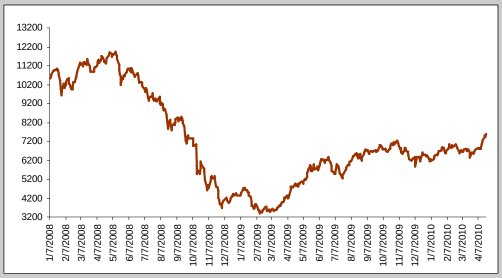
"Adverse shocks affecting South Africa can quickly spread to neighbouring economies through their effect on migrant workers' incomes, trade, regional investment and finance," the IMF cautioned. "South Africa is more exposed to weaknesses in the world economy - particularly to Europe, which remains a major market for its high-value-added exports." The IMF's researchers advised sub-Saharan governments to focus on rebuilding fiscal buffers, many of which were eroded by the 2009 recession.

In Botswana, government dipped into national savings to support the economy through the recession, with the Pula Fund declining from BWP 51.6bn at the end of 2008 to BWP 43.5bn by the end of 2009. The Pula Fund houses national savings. "Many economies in the region have already begun to reduce fiscal deficits and tighten monetary policy, particularly where inflation spiked last year. Budgetary discipline will also help generate the room needed to refocus spending on priority areas such as infrastructure, health, and education. If downside risks materialise, economies without significant financing constraints should be prepared to loosen policy levers." Finance minister, Kenneth Matambo has similarly stressed the need for fiscal rebuilding, vowing that any budgetary surplus will be channelled towards national savings.

In addition, the budget has focussed on project priorities, while going forward, recurrent spending will be reduced by outsourcing and a five% reduction in public service salaries over the next three years. The ministry is also driving the Public Finance Management Reform Programme to enhance prudent management of public finances. *(Mmegi)*

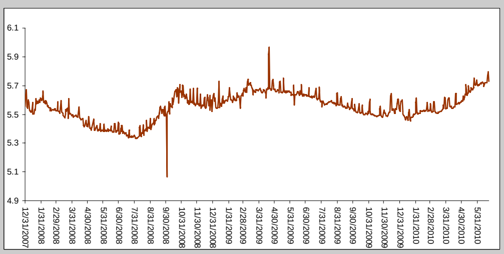
EGYPT

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 -0.57% to 4,707.99 points. Sham Dreams led the movers after gaining +9.90% to EGP 9.29 followed by Paper Middle East (+9.02%) and El Kahera El Watania (+8.43%). MISR Hotels was the biggest loser after shedding -8.38% to close the week at EGP 35.10. Other notable losses were recorded in: Torah Cement (-8.36%) and Natural Gas (-7.84%).

Corporate News

No Corporate News this week

Economic News

The number of tourists visiting Egypt in the first quarter of 2012 fell to 2.34m, a drop of 30% on the same period the previous year (3.1m in 2011), state-run news agency MENA reported on Friday. Despite the overall drop, the number of tourists from Saudi Arabia during the first quarter of 2012 doubled over the year before to reach 220,000, Hesham Zaazou, assistant tourism minister, was quoted as saying.

In the first quarter of 2011, which saw the peak of Egypt's popular unrest, 111,000 Saudi Arabia tourists visited the country. Saudi tourists make up around 50% of the total 462,000 Arab tourists who visited Egypt during the first three months of 2012. Egypt's tourism sector, one of the country's main generators of foreign currency, has taken a major hit in the aftermath of the 25 January uprising that ousted long-time president Hosni Mubarak. Egypt saw around 10.2m tourists in 2011, 32 pe. *(Ahram)*

Egypt's request for a USD 3.2bn IMF loan will not be enough to meet the country's financial needs and will require additional resources from donor countries, the head of the International Monetary Fund said on Wednesday. "It will not be sufficient, and everybody knows that, so it will require other donors, other participants to also come to the table to help Egypt," IMF Managing Director Christine Lagarde told a news conference before the start of the IMF and World Bank meetings in Washington. "As is always the case, we will play the catalyst role that we always play," she added.

The IMF has said there is no timeline for concluding its loan talks with Egypt. It has insisted that any IMF financing package needs the broad support of all political parties in the country, especially given upcoming elections in June. However, Egypt's Muslim Brotherhood's candidate for president, Khairat al-

Shater, has said that the group would not accept an IMF loan unless its terms were changed or a new government was formed to monitor how it was spent.

The country's transition to civilian rule will culminate at the end of June, when the military hands power over a newly elected president for whom the economy will be a top priority. Since the overthrow of Hosni Mubarak, Egypt's army-backed government has shored up the economy largely by drawing down reserves and borrowing from domestic banks, with interest rates having risen to historic highs as funds grow tighter.

The government has spent more than USD 20bn in foreign reserves to prop up the country's currency since last year's uprising. Reserves fell by another USD 600m in March to USD 15.12bn, equivalent to less than three months of imports. An Egyptian government official said on Thursday Saudi Arabia will deposit USD 1bn in the Egyptian central bank and buy T-bonds valued at USD 750m by the end of the month as part of a USD 2.7bn support package reached with Riyadh this week.

Lagarde said the IMF stood ready to help Egypt but emphasized that an IMF-backed loan program needed broad political support. "With IMF programs, it takes 'two to tango,' right? So, we are ready," Lagarde said. "We have identified the needs. We are reaching out to all appropriate authorities in the country, and we want political endorsement," she added. However, she added: "If we hear solid partners on the ground say, I am not too sure about this program, not too sure about the IMF, not too sure about borrowing, it is a bit of an issue." *(Reuters)*

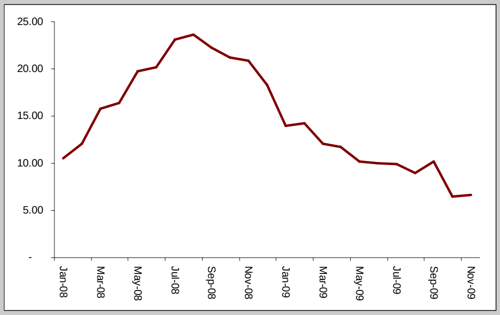
Saudi Arabia will deposit USD 1bn at the Egyptian central bank and buy T-bonds worth USD 750m by the end of April as part of a USD 2.7bn package to support Egypt's battered finances, an Egyptian official said on Thursday. Egypt's foreign reserves have tumbled by more than USD 20bn to USD 15.12bn during the political turmoil and spasms of violence since Hosni Mubarak was ousted from power last year. The budget deficit has spiraled. The Egyptian official told Reuters the Saudi package had been agreed two days ago at a meeting of Arab officials in Morocco. There was no immediate comment from Saudi officials.

The Egyptian official, who asked not to be identified, said the package includes USD 250m of support to buy fuel, which could help intermittent shortages that have led to queues at gasoline stations and fueled public anger. It will also include USD 500m in project finance with a additional USD 200m going to small- and medium-sized enterprises, the official added.

An imminent financial crunch is overshadowing Egypt's transition from army to civilian rule. Egyptians vote in May on a new head of state to whom the military is due to hand power on July 1. Egypt said last year that Saudi Arabia and other Gulf Arab states had pledgedbns of dollars in support, though till now just USD 1bn had been provided, with Saudi Arabia and Qatar offering USD 500m each.

The countries were close allies under Mubarak and Egyptian officials have expressed frustration at the slow pace of the arrival of funds pledged by Gulf states. Economists have said dispersal of the funds would provide relief for Egypt but add the country needs to swiftly stablise its economy by drawing

CPI Inflation



Source: SAR

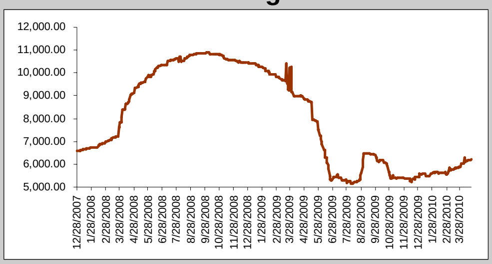
back tourists and the kind of investment it was attracting before the anti-Mubarak uprising.

Faiza Abu El-Naga, Egypt's minister of international cooperation, had earlier told reporters Saudi Arabia would provide Egypt with the financial support but did not say when. Separately, Egypt is negotiating a USD 3.2bn financing facility with the International Monetary Fund, but a tussle over terms between the army-appointed government and the Muslim Brotherhood which dominates parliament has hindered a deal. *(Reuters)*

SECURITIES AFRICA

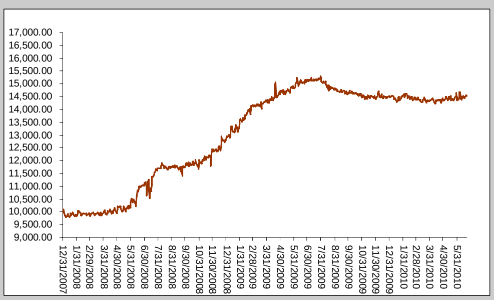
Ghana

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 down -1.22% to close at 1,048.22 points. Gains were recorded in UTB (+3.33%) and Tullow (+0.54%) while CPC (-50.00%), ETI (-7.14%) and SCB (-0.35%) were on the losing front.

Corporate News

Fidelity Bank Ghana Limited has secured the approval of its shareholders to list on the Ghana Stock Exchange to raise additional capital. The management of the bank was given the mandate to take all the necessary steps, including the appointment of all relevant professional advisors required for the Initial Public Offer (IPO) and listing of the company on the Ghana Stock Exchange between 2013 and 2015.

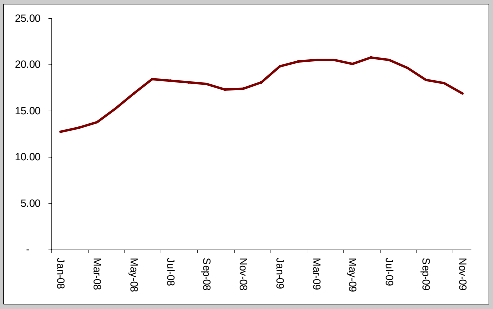
The decision was taken at the bank's 5th Annual General Meeting which also authorized the board of directors to determine the relevant terms and conditions relating to the IPO and Listing. Ahead of the IPO, it was resolved to accept deposit payments up to GHS 25m from existing shareholders and others who may be interested in the offer. Management of the bank also got approval to issue additional non-redeemable preference shares up to the Ghana Cedis equivalent of USD 420m through a private placement. It was also decided that the bank should transfer an amount of GHS 4.00m from its income surplus account to stated capital after mid-year audit in 2012.

At the end of the meeting, the board of directors put smiles on the faces of shareholders of the bank as they announced a 150% surge in dividend payments per ordinary share for the end of 2011, and posted a GHS 14.6m before tax profit. This means that holders of ordinary shares would receive GHS 0.25 per share, which is 150% increase over the amounts that was paid to shareholders the previous year. In 2010, shareholders received GHS 0.10 while in 2009 the bank rewarded GHS 0.05.

The amount represents a payout ratio of over 40% of the profit after tax for 2011 and will be paid on April 16, 2012 to shareholders on the bank's register. An elated Edward Effah, Managing Director of Fidelity Bank Limited, said the bank was progressing towards its dream of "becoming a top 5 bank" in the next few years. At the end of 2011, the bank posted a 106% increase in its profit before tax, growing from GHS 6.8m to GHS 14.6m from the previous year.

Total assets of the bank also increased significantly from GHS 650m in 2010 to GHS 1.1031bn in 2011, representing a 59% growth; while it's total income also increased by 72% from GHS 64m in 2010 to GHS 79m in 2011. Mr. Affah also

CPI Inflation



Source: SAR

stated that Fidelity Bank's customer base more than doubled as it increased from 120,000 to 250,000.

The rise in the customers of the bank was attributed to the extensive branch expansion embarked on in the years past, as well as the various customer loyalty programmes which received impressive patronage. As a result of the increase in the customers, the bank recorded a boost in its deposit mobilization to the tune of GHS 896m, a 64% increase from the previous year's GHS 548m.

"With a balance sheet size in excess of GHS 1bn, we are now among the few banks in the country with such a balance sheet," said Mr Affah, who noted that after five years of the bank's existence, it could now boast of 40 branches and 49 ATMs nationwide, with plans to roll out 10 more branches this year. "We envisage a bright future in which we will remain ahead of the market trend," he noted.

Chairman of the Board of Directors of the Bank, William Panford Bray, noted that the bank's sterling performance was achieved against a backdrop of a relatively unpredictable global economy, yet "the relatively political stability in Ghana however served as a solid foundation for the private sector to successfully absorb the other challenges in the banking industry." Your bank had an excellent year making significant strides in the market, increasing profitability and growing its size to an appreciable level in spite of the stiff competition and tough market conditions," Mr Bray told the shareholders. Later, the company's name was changed from Fidelity bank Limited to Fidelity Bank Ghana Limited in accordance with the companies Code 1963 Act 179. *(Ghana Web)*

Economic News

The Bank of Ghana hiked its key interest rate by a full percentage point to 14.5% on Friday to support the cedi, warning that the weakness of the currency posed an inflationary threat and endangered the stability of the economy. Ghana is the latest African nation to gain middle-income status after it began commercial oil output in 2010. Political stability and a growing middle class have made it an attractive target for foreign investors. But an import-driven slide in the cedi, which has dropped more than 8% against the dollar this year, prompted a rate hike at the upper end of analysts' expectations.

The central bank also issued one of its strongest warnings on the inflationary risks ahead. "Recent developments in the exchange rate remain a major source of concern, and its possible impact on inflation as well as implication for the country's international reserves calls for decisive policy measures to stem the trend," Governor Kwesi Amissah-Arthur said. "Although growth potentials remain strong, prevailing exchange rate developments could act to offset the gains made in macroeconomic stability," he told a news conference after a meeting of the bank's monetary policy committee.

The cedi was trading at 1.792 to the dollar late on Friday, after starting the day at 1.791. The currency remains within sight of its recent record low of 1.800. The interest rate hike followed a similar 100 basis-point hike in February which was the first rise in three years. Amissah-Arthur said the bank would reduce net open position requirements on banks, the difference between their assets and liabilities in a particular currency, in a bid "to improve the supply of foreign exchange by banks to the market".

Data this week showed March annual inflation edged up to 8.8% from 8.6% the month before. But the cedi weakness has raised concerns of future inflationary pressures, especially if the government increases spending before an election due in December. Analysts said the rate hike highlighted growing concern over the currency, which has been driven down by factors including strong import demand for equipment by local companies.

"It demonstrates to us that the MPC expects the cedi depreciation pressures to translate into upward inflationary pressures," said Yvonne Mhango, Sub-Saharan Africa analyst for Renaissance Capital, whose main-scenario forecast had been for the Bank to keep rates unchanged. "The upside inflation risk has risen significantly for the MPC, which is in accordance with our view. We expect inflation to edge up towards the early teens by year-end 2012."

Standard Bank's Samir Gadio welcomed the move but questioned whether it would be sufficient. "This is going to send the signal to the market that it is ready to tighten liquidity, which will slow the depreciation for now. But the bank doesn't have the reserves to be able to sell sizeable amounts of dollars. The odds remain against the cedi being strong or even stable," he said.

The central bank said the rate hike would provide "space" for issuing short and long-term government paper to investors at attractive rates, as part of efforts to mop up liquidity. "We believe that with today's rate adjustment, there is room for us to issue notes and lock out the excess liquidity in the system for a defined period and also be able to pay attractive interest to investors," deputy governor Kofi Wampah said.

He told Reuters the central bank got additional income in cedis from its dollar sales by virtue of the depreciation and this would provide resources to back the issue of long-term notes. The bank is hoping to issue a 2-year note next month and Wampah said he expected that it would attract a high offshore interest due to the policy rate hike.

The statistics office this week revised upwards its estimate of Ghana's 2011 growth rate to 14.4% from an earlier estimate of 13.6%. Ghana started commercial oil production from its offshore Jubilee field in late 2010. Growth for this year is seen at just above 8%. *(Reuters)*

Ghana’s external debt stock declined marginally by 3.3% to USD 7.6bn at the end of February 2012 compared to USD 7.8bn at the end of December 2011, Central Bank Governor Kwesi Amissah-Arthur said in Accra on Friday. The stock of domestic debt, however, went up by 6.7% in the first two months of the year to GHS 12.6bn.

Addressing a press conference to announce the decision of the Monetary Policy Committee (MPC), Mr Amissah-Arthur said the total public debt stock was estimated at GHS 25.3bn as at the end of February 2012, up from GHS 24bn recorded at the end of December 2011. As a ratio of Gross Domestic

Product (GDP), the total public debt increased to 43% of GDP at the end of February 2012, from 42.6% of GDP at the end of December 2011.

Mr Amissah-Arthur said fiscal data from the Ministry of Finance and Economic Planning showed that total revenue and grants for the first quarter of 2012 amounted to GHS 3.5bn, a growth of 25.1% over the outturn for the same period in 2011. Total tax revenue amounted to GHS 2.7bn and was 45.8% higher than the outturn of GHS 1.8bn recorded during the same period in 2011.

He said disbursements of grants during the first quarter amounted to GHS 265.8m. Total expenditure (including payments made for outstanding commitments) amounted to GHS 4.2bn in the first quarter of 2012, out of which recurrent expenditure totalled GHS 2.6bn against a target of GHS 2.7bn, driven mainly by higher levels of emoluments.

Domestically-financed capital investment amounted to GHS 427.6m while foreign-financed capital expenditure amounted to GHS 178.9m, 62.8% lower than the target of GHS 480.9m. These developments resulted in an overall budget deficit on cash basis (including divestiture and discrepancy) of GHS 835.3m (equivalent to 1.2% of GDP), against budget target of GHS 916.5m (equivalent to 1.3% of GDP), which was financed from domestic and foreign sources.

Mr Amissah-Arthur said Net Domestic Financing amounted to GHS 690.7m, against the target of GHS 745.1m while financing from foreign sources was GHS 264.8m, against a target of GHS 291m as well as loan repayments amounted to GHS 120.2m against a target of GHS 206m. The Governor said the preliminary estimate of total merchandise exports for the first three months of 2012 was USD 3.8bn, indicating a year-on-year growth of 22.8%.

He said the growth in export earnings continued to be driven by gold, cocoa beans and crude oil. Exports of gold amounted to USD 1.5bn, cocoa beans USD 939.8m and crude oil USD 689.6m. Other exports, including non-traditional exports, amounted to USD 675.2m during the period.

Total merchandise imports provisionally amounted to USD 4.0bn in the first quarter of 2012, representing a year-on-year growth of 19.8%. Oil imports, including crude, gas and refined products amounted to USD 457.2m compared with USD 692.2m for the same period of 2011.

Total non-oil imports amounted to USD 3.6bn of which capital imports was USD 781.2m, intermediate imports USD 1.7bn, consumption imports USD 775.8m and others USD 251.8m. These developments in the merchandise trade resulted in a trade deficit of USD 202.1m compared with a deficit of USD 246.1m for the same period in 2011.

The level of Gross International Reserves which stood at USD 5.4bn in December 2011, declined to USD 4.6bn in January 2012, rose to USD 4.7bn in February 2012 and fell to USD 4.6bn in March 2012. *(Ghana Web)*

Cocoa purchases declared to Ghana's sector body Cocobod reached 717,171 tonnes by March 22 since the start of the 2011/2012 season last

October, Cocobod sources said on Monday. The figures, which covered the first 23 weeks of the main crop, were down 3.5% from the same period last year, the sources told Reuters. Ghana, the world no.2 cocoa producer after Ivory Coast, hopes to buy around 950,000 tonnes in the season ending September, up from an original forecast of 850,000-900,000 tonnes. *(Reuters)*

Offshore pipelines for the construction of Ghana's first gas plant have been ordered, a government official has said. The pipelines are set to arrive in the country by July 2012."The offshore pipelines have been ordered…they will arrive in Ghana by July," Dr George Sipa-Yankey, CEO of the Ghana Gas Company told Citi FM today April 16, 2012 in an interview monitored by ghanabusinessnews.com.

Arrangements are also being made for the supply of the onshore pipelines, Dr Sipa-Yankey said. The gas plant, to be constructed by China's Sinopec, is worth USD 1.2bn. Officials say the project will have a functioning gas processing plant and an infrastructure linking the FPSO to the processing plant and to Aboadze and Prestea through Esiama in the Western Region.

It is expected to produce 300m cubic feet of gas from the Jubilee Field daily.Expected to be completed by December 2012, the project will be financed through a USD 3bn loan contracted by the government of Ghana from the China Development Bank (CDB).Part of the USD 3bn agreement has been signed by the two counterparts. Ghana's Vice President John Mahama and some members of government are currently in China to seal the deal. *(Ghana Business News)*

Ghana said on Thursday that the USD 6bn it is seeking from the Export-Import Bank of China through an existing USD 13bn Chinese credit facility would fund new transport, education and health projects in the West African state. Ghana, which is heading toward presidential elections in December, had said in August last year that it was seeking to land the USD 6bn loan from the ExIm Bank, but had not said how it planned to use the funds.

President John Atta Mills landed one of the biggest Chinese loan agreements in Africa when he visited China in 2010 and signed a framework totalling USD 13bn. Ghana is currently using some USD 3bn from the China Development Bank through the framework for energy infrastructure and roads. The drawdown of another USD 6bn loan could raise concerns about Ghana's public finances. The country is already struggling to stick to a 2012 deficit target of 5.2% of national output excluding oil due to higher-than-expected wage claims and the continued cost of fuel subsidies.

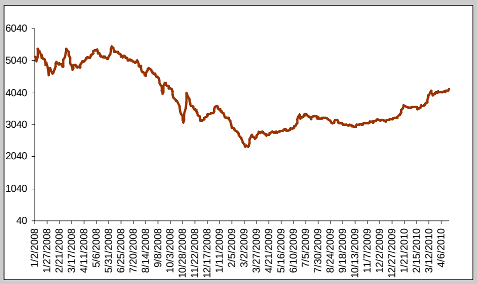
Vice President John Mahama met with the head of the ExIm Bank last week to discuss details of the proposed loan deal, Deputy Finance Minister Seth Terkper said, adding the talks "went well" but that they remained in the early stages. "It was one of the first meetings we had when we arrived in China," Terkper said. He said Ghana was hoping to use the funds for road building, schools and hospitals, as well as to improve water and electricity infrastructure.

Terkper said Ghana was seeking the new social infrastructure loan in three USD 2bn tranches. But he said the government was going into the negotiation aware that the intended projects may not generate the needed funds for repayment. Ghana became the continent's newest oil and gas producer when it started pumping from its Jubilee field in December 2010. It is also the world's second largest cocoa grower and a major African gold miner.

But the Bank of Ghana on April 13 warned that a slide in the value of the local cedi currency - which has fallen more than 11% so far this year versus the greenback, "could act to offset the gains made in macroeconomic stability." The Bank raised its prime interest rate 100 basis points to 14.5% in an effort to support the cedi. *(Reuters)*

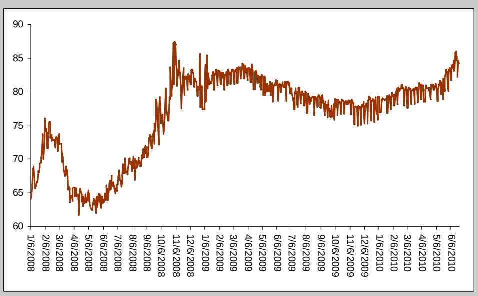
Kenya

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 +2.84% to close the week at 3,554.46 points. Mumias led the movers after gaining +29.79% to KES 6.10 followed by BAICL which rose +17.86% to KES 4.95. Other notable gains were recorded in Pan African up +16.67% to KES 29.75 and Sammer (+11.69%). Scan was the main loser, shedding -8.41% to KES 49.00 followed by Crown Berger (-6.48%) and TPSE which lost -6.15% to KES 45.75. Market turnover was up +3.90% to KES 1.60bn.

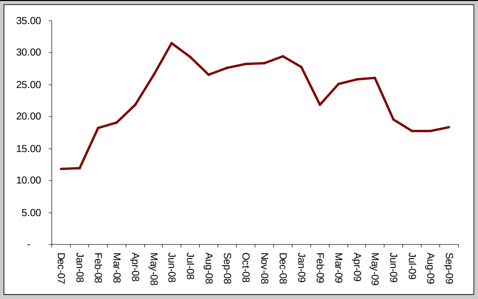
Corporate News

Mumias Sugar Company has a new chief executive officer, following confirmation of Mr Peter Kebati by the firm's board to the position. Mr Kebati, who was formerly the firm's director of Finance, takes over from Dr Evans Kidero who has been at the helm for almost decade. Mr Kidero has expressed an interest in joining politics. In an interview with the Nation, Kenya Sugar Board director representing Mumias Sugar zone, Billy Wanjala, was confident that Mr Kebati will take the sugar producer to a higher level in terms of efficiency.

"Mr Kebati has demonstrated in the past that he is a reliable manager having worked with dedication as the finance chief. He has what it takes to improve on what his predecessor has achieved in the last 10 years," said Mr Wanjala. Mr Wanjala urged farmers to accord the new CEO support in his new duties. "He already understands what areas need to be polished to address issues of cane scarcity and development, payment issues and cane spillage and poaching menace," he said. Efforts by the Nation to reach Mr Kebati on his mobile phone were futile but close friends said he was locked up in a meeting related to his new roles. *(Nation)*

African Queen Mines said Monday that Alkili Minerals Services has initiated the company's 2,000 metre core drilling program at the Odundu property in southwest Kenya's Rongo Gold Fields. The company, which said that core drilling of the first hole is now underway, previously completed a program of regional exploration including mapping, sampling trenching and ground and airbourne geophysics.

The Odundu property covers an area of approximately 97 square kilometres in the Kanango gold mining area of the Migori District of Nyanza Province near Lake Victoria. The project is situated some 380 kilometres by road from the capital city of Nairobi and 60 kilometres north of the border with Tanzania, forming part of the rich Lake Victoria Greenstone Belt that hosts gold deposits including African Barrick Gold's Bulyanhulu and North Mara Mines and AngloGold Ashanti's Geita Mine. In February and March of this year, seven



Source: SAR

trenches totaling 520 metres and covering a northwest-southeast strike of approximately 580 metres were excavated perpendicular to the main shear zone.

Broad zones of mineralized material were recorded in all seven trenches, as wide as 40 metres. Gold assay results obtained from samples from the main artisanal pit located between trenches A1 and B1 ranged between 2.12 grams per tonne (g/t) gold and 35.0 g/t. Intermediate values recorded within this range were 2.43 g/t, 3.0 g/t, 8.33 g/t, and 9.70 g/t gold, the company said.

Channel sampling and logging of the trenches are now complete and assay results are pending, African Queen added. Initially, six core drill holes totaling approximately 1300 metres have been positioned to test the gold mineralization within an anomalous area of the northwest-southeast trending shear zone traversing the property. This shear zone was initially discovered through the company's preliminary field reconnaissance work and later delineated through airborne and ground geophysics programs.

The remainder of the drilling program, provisionally set at 2,000 metres with plans to expand based on results, will test the extensions of the shear zone and other prospective targets within the property. Gold mineralization on the property appears to be associated with rich sulfide mineralization that is now being explored over a strike of approximately 1.5 kilometres, the company said.

"We are delighted that drilling is now underway at Odundu in Kenya's Rongo Gold Fields. Odundu is an exciting target that marks the beginning of our ambitious long-term exploration plans for Kenya," said CEO Irwin Olian. Holes OD1 and OD2, the first two holes of the core drilling program, are planned to achieve depths of 260 and 230 metres, respectively.

Holes OD3 and OD4 will be drilled at a distance of 120 metres towards the southeast and are planned to achieve depths of 260 and 190 metres, respectively. Holes OD5 and OD6 will be drilled towards the southeast of the main artisanal workings to depths of 240 and 150 metres, respectively. The company said that the exploration program at Odundu will be refined as results from both the trench sampling and drilling become available.

Ultimately, a conceptual geological model to explain the gold mineralization on the property will be incorporated into future exploration phases. Under a joint venture agreement with Kenyan-based Abba Mining Company, African Queen can earn up to an 85% interest in the project by funding prescribed optional stages from exploration through feasibility.

The company is also the manager and operator of the property. Vancouver-based African Queen is exploring its properties in Mozambique, Ghana and Kenya for gold and other metals and it is undertaking exploration in Botswana and Namibia for diamonds, gold and other metals. Its operations in Kenya are being carried out through its operating subsidiary AQ Kenya Gold Limited.

Last month, the company said it closed the second tranche of a private placement financing, raising a total of USD 2.41m in proceeds. Funds will be used for the drill program at Odundu, as well as the current drill program at its

Noyem-Nyanfoman project on Ghana's Ashanti Belt, and for potential property acquisitions and working capital. *(Proactive Investors)*

Kenya's top telecoms operator Safaricom will lay a fibre-optic cable network to offer faster and more efficient Internet data services in expectation of a mobile "data tsunami", its chief executive said. Safaricom, in which Britain's Vodafone has a 40% stake, has a big lead over rivals such as the local unit of France Telecom, but its network has been struggling with fluctuating data speeds and dropped calls. "The next set of investments is going to be around fibre because we have major dependency on fibre," Bob Collymore told the Reuters Africa Investment Summit.

"The data tsunami will come and it will come maybe 12 months or 18 months from now," he said. Safaricom expects a surge in demand for data services in the east African nation of 40m people, thanks to an explosion of Internet-ready, hand-held devices, an increase in the number of relevant applications and content. It also sees Kenya positioned as a possible information technology hub for the entire continent.

Safaricom, which has 5m data users and 17m mobile phone subscribers, currently relies on other carriers that have their own fibre networks. Speaking at the Reuters office in Nairobi, Collymore said the move would improve the firm's services as it will result in the replacement of old cables and those that have been spliced during road construction. It will take two to three years and involve partnerships with other operators, Collymore said.

"The industry needs to work on sharing infrastructure. We are looking at what would be a sensible model for us so we can do it twice as quickly and at half the cost," he said. Collymore said Safaricom was also seeking new opportunities for its pioneer mobile phone-based money transfer service, M-Pesa. Started in 2007, it now handlesms of dollars a day in transactions. Safaricom is in discussions with the central bank to be able to offer more services after an upgrade to the system platform. "We need to move into offering micro-saving, micro-lending and micro-insurance," he said.

Apart from transferring cash, M-Pesa users can also pay various bills or purchase airline tickets through the service. Collymore, a Vodafone veteran who has previously worked in Japan and South Africa, said Kenya can attain its ambition of becoming a regional information technology hub, thanks to a well-educated workforce and investment by private firms.

"Kenya sits head and shoulders above. We just need to get a few things right, and these things are more environmental, and we can easily become the hub, not just of east Africa, but of sub-Saharan Africa," he said. Among short-term uncertainties are elections due by March next year. Collymore also stressed the importance of corporate governance and integrity.

Collymore encountered corporate governance short-comings when he took over the helm of Safaricom in November 2010, having to fire workers and terminate contracts with dealers for fraud which ran into "a fewm dollars". "We are in a much better shape now than we were a year ago," he said of the experience of fraud at the company. He added that last year's jump in fuel prices, high inflation and interest rates in Kenya were still affecting businesses.

The shilling fell steeply against the dollar last year, forcing policymakers to jerk up the policy rate to 18% from below 7%, within a span of three months. "The price of fuel hasn't got better. That still remains volatile because you have the externalities as well as the local issues. If you look at interest rates, it is still running at 18%, how long is that sustainable for?" Collymore said. *(Reuters)*

Standard Chartered Bank of Kenya plans to increase its authorised share capital ahead of a rights issue, pending approval from shareholders and regulators, the bank said in a statement on Thursday. Ranked among the biggest banks by assets in east Africa's biggest economy, Standard Chartered said it wanted to offer 37m new shares of KES 5 (USD 0.06) each, but did not specify how much it planned to raise, or when the issue would be.

In an earlier interview with Reuters, chief executive Richard Etemesi said additional capital raised would go towards supporting strong growth in lending and starting operations in neighbouring countries such as Ethiopia, South Sudan and Rwanda. Etemesi indicated the capital raising venture would be in 2013. The bank, which is controlled by Standard Chartered Plc posted a 7% increase in pretax profit to KES 8.3bn in 2011.

Standard Chartered's share price fell 3.5% to KES 165 at 1200 GMT. Other Kenyan banks, including Diamond Trust Bank, NIC Bank and Equity Bank are also eyeing various capital raising ventures by next year to support expansion. *(Reuters)*

Economic News

Kenya's energy regulator raised the prices of diesel, petrol and kerosene on Saturday, a move driven by higher international crude oil costs and likely to ramp up inflation in east Africa's biggest economy. The Energy Regulatory Commission (ERC) increased the price of super petrol in the capital Nairobi by KES 6.81 per litre to KES 118.50, and that of diesel by KES 3.67 to KES 108.80.

Kerosene prices in Nairobi went up by KES 2.14 a litre to KES 86.28. The new prices come into effect on April 15 and stay in force for a month. "In the last two months, there has been a steep upward trend in the price of crude and refined petroleum products in the international markets. This has a negative impact in current and subsequent price reviews," ERC Director General Kaburu Mwirichia said in a statement.

Kenya's economy is highly dependent on diesel for transport, power production and agriculture while kerosene is used in many homes. The country's central bank moved aggressively late last year to cool prices by ramping up interest rates, and the year-on-year inflation rate fell for the fourth consecutive month in March to 15.61% from 16.69% a month before. *(Reuters)*

Kenya has agreed to borrow USD 600m from foreign creditors at an interest rate of 7%, a senior Treasury official said on Friday. The east African nation desperately needs the loan to plug a funding shortfall for its fiscal year ending June 2012 after local borrowing rates soared and full-year revenue collections showed signs of falling below target. Geoffrey Mwau, economic secretary at the ministry of finance said it was not clear when the government would sign an agreement with the three banks that won a bid to arrange the loan, Standard Chartered, Citibank and South Africa's Standard Bank. "They (negotiations) are basically done. It should be 7%," Mwau told Reuters by phone.

Finance Minister Robinson Githae had told reporters on Wednesday that the government was renegotiating the terms of the loan to ensure they get the best deal. Githae had also said he would ask for evidence that the funds would be sourced offshore, to ensure that the lenders did not mop up hard currency locally, piling pressure on the shilling. The shilling slumped last year, causing anger among citizens due to the resulting rise in prices of imported goods, forcing policymakers to sharply raise interest rates. *(Reuters)*

Kenya's central bank sought on Monday to mop up KES 5bn (USD 60m) through repurchase agreements, the sixth straight session it has moved to take excess liquidity out of the system and see off downside risks to the currency. The Central Bank of Kenya has already soaked up a total of KES 31.1bn (USD 373.6m) through repos over the last five trading sessions.

The central bank resumed taking liquidity out of the system on April 5, the same day the weighted average interbank rate fell to 10.3% having dropped 11%age point over three sessions. Good liquidity means market participants can fund more easily long dollar positions, weakening the shilling against the dollar. *(Reuters)*

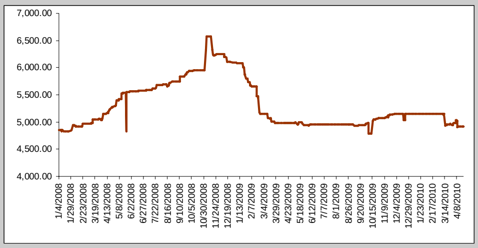
The number of internet users in Kenya rose 95.6% year-on-year to 17.4m in the fourth quarter of 2011, thanks to an increase in mobile phone subscriptions, the industry regulator said. Mobile phones are the main mode of accessing the internet in east Africa's largest economy. Mobile phone subscriptions grew 12.5% to 28.1m from about 25m in the year before period, the Communication Commission of Kenya said in its latest quarterly report on Wednesday.

"The increase in mobile subscriptions is an indication of operators' determination to continue growing their subscriber base through tactful marketing approaches as a strategy towards customer acquisition," CCK said. Safaricom, partly owned by Britain's Vodafone, , held on to top spot with a 66.6% market share despite dropping slightly from the previous year's 67.7%.

It was followed by the Kenyan unit of India's Bharti Airtel , which shed off 0.5%age points to realise a 15.2% market share, CCK said. Telkom Kenya, controlled by France Telecom had 10.3% while India's Essar Telecom controlled 7.9% having climbed from 6.2% the previous year. CCK said subscriptions to mobile phone-based money transfer services by all operators grew 42.1% while deposits through the services rose 54.5% to 176.8bn. *(Reuters)*

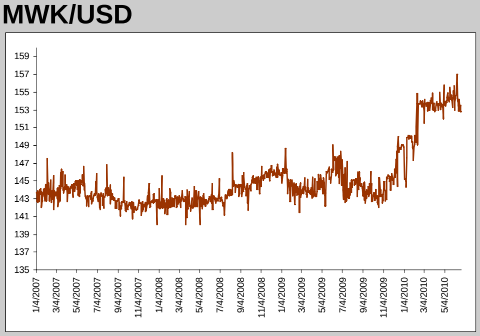
Malawi

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 +1.70% to 5,808.91 points, with thin trades across both local and foreign boards. Gains were recorded in Illovo (+3.57%) to MWK 145 and Nico (+4.17%). Market turnover for the week amounted to USD 435,729.11.

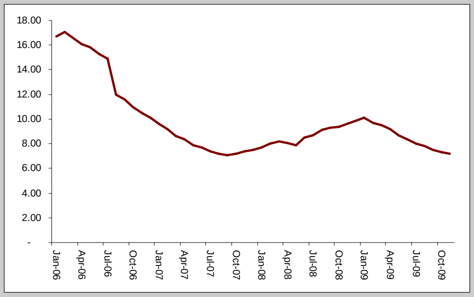
Corporate News

No Corporate News this week

Economic News

No Economic News this week

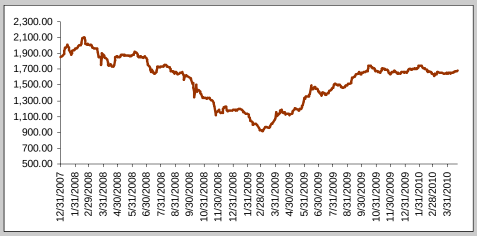
CPI Inflation



Source: SAR

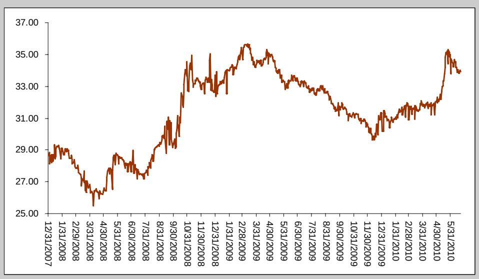
Mauritius

Mauritius Stock Exchange



Source: Reuters

MUR/USD



Source:SAR

Economic indicators

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

Source: World Development Indicators

CPI Inflation

Stock Exchange News

The SEMDEX was down -0.58% while the SEM 7 shed -0.68% to close at 1,792.33 and 338.41 points respectively. Vivo Energy led the movers, gaining +2.6% to close the week at MUR 159 followed by IBL, up +2.0% to MUR 77.50 and PAD (+1.30%). Dale led the losers after shedding -10.0% to MUR 11.70 while H Mallac lost -6.9% to MUR 149 and Sun Resorts shed -2.5%.

Corporate News

No Corporate News this week

Economic News

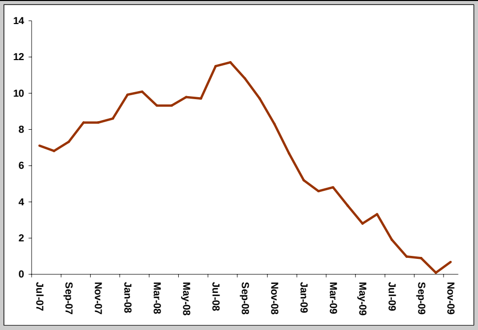
Mauritius said on Monday it needs MUR 20bn (USD 683.8m) in private investments to finance ambitious infrastructure projects by 2015, the Indian Ocean island's acting president said on Monday. Monique Ohshan Bellepeau, who took over after the president resigned last month to re-enter party politics, said the tourism-dependent government had doubled its budget allocation for the road sector to 4.3bn rupees this year.

"But this is set to rise further to 11bn rupees by 2014," Bellepeau said, addressing lawmakers in parliament. "For the period 2012-2015 investment in the road sector will be boosted by the introduction of public-private-partnership schemes ... These projects will involve private investment to a tune of 20bn rupees," she said. Mauritius has cut its growth forecast for this year to 3.6% from 4%, citing a bleak outlook for the main sectors of the roughly USD 10bn economy, whose trade is heavily skewed towards the euro zone.

The debt crisis in the zone could cut demand for Mauritius' exports like textiles and also cut affect its tourism. Europe is one of the largest source markets for Mauritian tourism. Business confidence fell in the first quarter of this year as a strong rupee and festering euro zone woes fueled uncertainty in the island's key services sector. *(Reuters)*

The number of tourists visiting Mauritius fell 0.2% year-on-year in the first quarter, as arrivals declined from France, one of the Indian Ocean island's most important markets. Statistics Mauritius said on Tuesday arrivals for the first three months of 2012 fell to 261,995 from 262,626 in the period a year ago, although March arrivals rose 0.6% to 83,827.

Visitors from France dropped 2.7% to 89,626 while arrivals from Europe overall declined to 171,669 from 176,460. Tourism typically generates about 10% of gross domestic product for Mauritius' USD 10bn economy. European tourists account for some two-thirds of arrivals. The tourism industry in Mauritius has been hit by the fallout from the global economic slowdown and continued worries



Source: SAR

about the euro zone crisis. *(Reuters)*

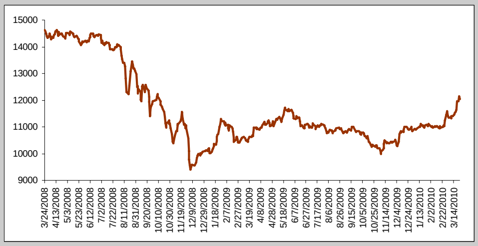
Mauritius' trade deficit widened 43.8% to MUR 7.6bn (USD 256.9m) in February from a year earlier, driven by a jump in the cost of mineral fuels and lubricants, official data showed on Friday. The value of imports overall climbed 21% from a year earlier to 13.2bn rupees, with the cost mineral fuels and lubricants increasing to 4.6bn rupees from 2.4bn.

Exports fell 0.1% to 5.7bn rupees, on the back of a drop in revenues from sales of manufactured articles, Statistics Mauritius said in a statement. Britain was the main buyer of goods from Mauritius in February, accounting for 21.8%, while India supplied 34.5% of the island nation's imports. *(Reuters)*

Securities Africa

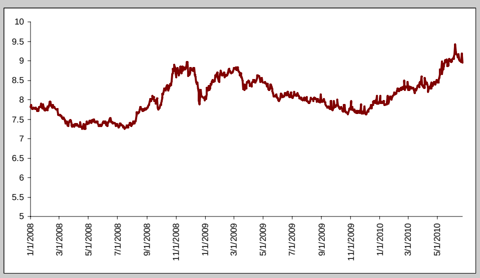
Morocco

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 gained -+1.42% to close the week at 10,378.19 points. Gains were recorded in Auto Nejima (+12.27%) to MAD 1,482.00, Aluminium Maroc (+9.44%) and Diac Salaf (+9.36%). On the losing front we had Mediaco, down -7.96% to MAD 42, SCE which shed -7.33% to MAD 266 and SRM (-7.00%).

Corporate News

French cooperative bank BPCE confirmed it had agreed to buy a 5% stake in Morocco's third-biggest lender Banque Centrale Populaire (BCP) under a capital increase plan. Two sources familiar with the deal told Reuters earlier on Monday that BPCE would start by acquiring a 5% stake in BCP and could later increase the stake to as much as 15%. A BPCE spokesman had no comment on possible plans to expand the partnership which BPCE said in a statement on Monday would enable the creation of financial products and services between Morocco and France.

BPCE said the capital increase would take place at MAD 201 a share, which is above BCP's last closing share price of MAD 196.50 on Friday. The total offer for the 5% stake is EUR 141m. The Moroccan bourse watchdog CDVM suspended trading of BCP shares on Friday pending an "important announcement."

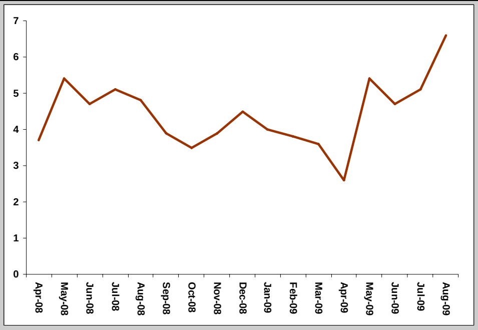
One of the sources had told Reuters: "BCP is prepared to give BPCE as much as 15% through two subsequent capital increases of 5% each." The plan to take a 5% stake in the Moroccan lender, which has a market capitalisation of MAD 30.8bn (USD 3.6bn), was first reported on Monday by news website Wansquare.

BPCE in December announced the sale of a 23.8% stake in Moroccan mortgage lender Credit Immobilier et Hotelier for close to EUR 120m. The Moroccan government last year raised MAD 5.3bn by selling a 20% stake in BCP at a time when a spending spree to contain street protests inspired by the Arab Spring revolts has burdened public finances. *(Reuters)*

Economic News

Morocco has picked a consortium led by EDF Energies Nouvelles, the renewable arm of France's EDF, to build a wind farm, the French utility said on Monday, in one of the kingdom's first projects in an ambitious plan for green energy. The Taza wind project, with a capacity of 150 megawatts (MW), is to be located in northern Morocco to the east of Fes. Morocco, which has no oil production and relies heavily on energy imports, wants to make the most of its ample wind and sunlight to become a top renewable energy producer.

The kingdom aims to build 4,000 MW in wind and solar power capacity by 2020



Source: SAR

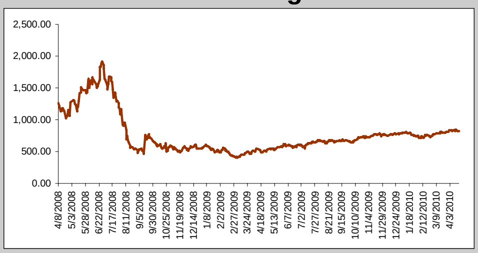
to meet nearly half its energy consumption. The project will be equipped with 50 Alstom wind turbines of 3 MW each. EDF Energies Nouvelles, Mitsui and Alstom will subcontract at least 30% of the construction work to Moroccan companies. The group did not disclose the financial terms of the project, nor a schedule for the start-up of production.

The project will be followed in 2012 by another tender for renewable power production capacity of 850 MW. A landmark project is the 500 megawatt project in the southern region of Ouarzazate, which is the first of five in a USD 9bn solar programme that is planned to account for 38% of Morocco's installed power generation capacity by 2020. *(Reuters)*

Morocco's foreign exchange regulator on Monday said the country's trade deficit for January-March stood at MAD 48.9bn (USD 5.75bn), an increase of 13.2% from the year-earlier period. The regulator released the following data on the country's trade, tourism receipts, transfers by Moroccan emigrants and private foreign loans and investment (PFLIs) for the period. Morocco's currency is not fully convertible and growth in tourism and remittances helps mitigate any destabilising impact on the banking system from a net outflow of foreign exchange caused by the surge in the trade deficit. *(Reuters)*

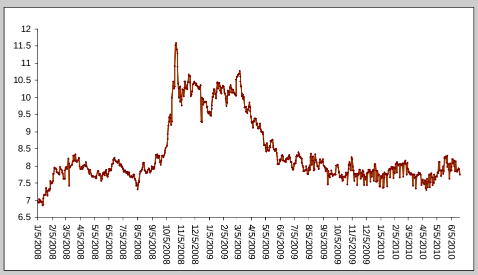
Namibia

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 +1.65% to close at 903.63 points. On the NSX local and DevX, BVN was the only gainer after adding +0.21% to NAD 9.77 while DYL was the main shaker after losing -9.09% to close at NAD 0.10 followed by FSY which shed (-7.62%) and MMS (-4.00%).

Corporate News

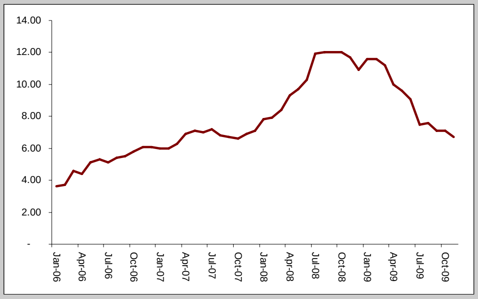
No Corporate News this week

Economic News

Namibia's consumer inflation eased to 6.9% year-on-year in March from 7.4% in February, the Central Bureau of Stastistics said on Friday. On a monthly basis inflation slowed to 0.3% from 0.8% the previous month. *(Reuters)*

SECURITIES AFRICA

CPI Inflation



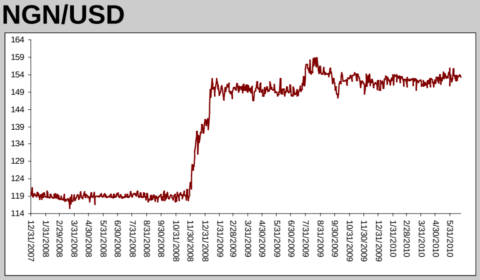
Source: SAR

Nigeria

Nigeria Stock Exchange

Source: Reuters

NGN/USD



Source:SAR

Economic indicators

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

Source: World Development Indicators

Stock Exchange News

The NSE All Share index gained +4.89% to close at 20,756.50 points. Union Bank gained +26.69% to close at NGN 3.75 while NASCON was up +26.58% to close at NGN 5.00. Other notable gains were recorded in FCMB (+22.44%), First Bank (+20.75%) and RT Briscoe (+20.00%). On the losing front we had Continental Re (-13.19%), Conoil (-9.73%) and MRS Oil (-9.73%).

Corporate News

Nigeria's Unity Bank said on Friday its pre-tax profit declined by 76.65% to NGN 3.13bn (USD 19.87m) in 2011, from NGN 13.41bn the previous year. Gross earnings also dropped to NGN 47.54bn, from NGN 64.81bn in the previous year, the bank said in a statement to the Nigerian Stock Exchange. *(This Day)*

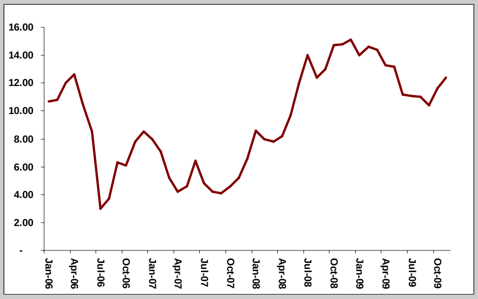
Sterling Bank Plc has said its gross earnings increased significantly by 49% to NGN 45.2bn in its audited results for the year ended December 31, 2011 as against the NGN 30.4bn recorded in 2010. The commercial bank also disclosed that its net profit also increased by 60% to NGN 6.7bn in the period under review. A statement from Sterling Bank at the weekend, also said that the performance generally reflected robust growth in it income and profitability. According to the financial institution, its interest income increased from NGN 24.5bn in 2010 to NGN 30.2bn in the year under review.

It added: “Operating income also grew by 32% to NGN 27.0bn in 2011 compared with NGN 20.4bn in 2010. Profit after tax and extra-ordinary income thus jumped by 60% to NGN 6.7bn in 2011 as against NGN 4.2bn in 2010. “The bank emerged with a stronger and healthier balance sheet as the proportion of bad loans to total loans and advances surpassed the Central Bank of Nigeria (CBN)’s industry target of 5% at 4.8%.

“Non-performing loans had stood at 10.7% of gross loans in 2010. Sterling Bank’s total balance sheet nearly doubled from NGN 259.6bn in 2010 to NGN 504.4bn in 2011. Total deposits doubled by 104% to NGN 406.5bn as against NGN 199.3bn while the bank expanded its risks assets as net loans and advances rose by 60% to NGN 163.5bn from NGN 101.9bn in 2010.”

Speaking on the results, Managing Director/Chief Executive Officer, Sterling Bank, Mr. Yemi Adeola, said the bank’s performance in 2011, underscored its ability to attain growth despite challenging economic conditions. According to him, the bank had harnessed the opportunities created by its successful business combination with the Equitorial Trust Bank (ETB). He added that the bank had emerged as a stronger institution with a network of almost 200 branches.

CPI Inflation



Source: SAR

Adeola also reiterated the commitment of the board and management to unlock values for shareholders as the bank consolidates its operations to focus on core commercial banking business in line with the new regulatory regime of the apex bank. He further assured stakeholders of the bank of a robust outlook going forward.

"A cleaner balance sheet and impressive growth in net profit set Sterling Bank apart from banks' results so far. Return on average equity increased from 17% in 2010 to 20%. Liquidity ratio improved from 47% to 64% while capital adequacy ratio improved from 13% to 17%.

"The sterling performance has impacted positively on pay-outs to shareholders with the board recommending distribution of about NGN 1.6bn as cash dividends to shareholders, representing a dividend per share of 10 kobo," it added. *(This Day)*

Skye Bank said yesterday its pre-tax profit fell by 45.5% to NGN 6.51bn in 2011, down from NGN 12.73bn the previous year, and it declared a dividend of NGN 0.25 per share. Gross earnings rose to NGN 104.83bn for 2011, from NGN 83.97bn in 2010, the bank said in a statement through the Nigerian Stock Exchange.

It did not explain the fall in profit despite rising revenues, but a number of Nigerian banks have issued disappointing results for 2011 because of write downs of non-performing loans left over from a 2008/9 banking crisis. *(Daily Trust)*

Foreign oil majors such as Royal Dutch Shell, Exxon Mobil Corp and Chevron Corp should have secondary share listings in Nigeria and planned new energy laws could push them to agree, the stock exchange regulator said. Speaking at the Reuters Africa investment summit, Arunma Oteh, Director General of Nigeria's Security and Exchange Commission, said 80% of government revenues come from the oil industry but it makes up only 5% of the stock market.

By persuading the national oil company, NNPC, and foreign oil companies to list a portion of their joint ventures the stock market would better reflect the economy for investors and Nigerians could have greater ownership of oil firms. "We're in discussion both with NNPC as well as the oil majors as to listing on the Nigerian Stock Exchange," Oteh said in Abuja. According to Reuters report, although doing business in Africa's most populous nation isn't easy, the country is viewed as a promising frontier market. Industrial firms and banks make up most of Nigeria's current stock market capitalisation.

Oteh said oil companies could be encouraged to list shares by the pending Petroleum Industry Bill, which aims to increase local participation among sweeping changes. Oteh said it could focus oil firms on when to list on the exchange. But the has been blocked in parliament for years. Few think it will pass this year despite President Goodluck Jonathan's order to get it get it through quickly. Africa's biggest oil exporter is hoping to overhaul its woeful electricity supplies by privatising its power sector this year and Oteh said a plan was also needed for the listing of power distribution and generating companies.

The government has said it will privatise 17 companies in the sector although the plan is months behind schedule and faces opposition from powerful vested interests in the country of 160m, where most people live without electric light. "It is important to democratise the success of these companies and we believe power is going to be bigger than telecommunications," Oteh said.

Nothing has demonstrated Nigeria's promise as a market more than the success of telecommunications companies like South Africa's MTN. Oteh said she also wanted MTN and local telecommunications companies such as Glo, owned by Nigerianbnaire Mike Adenuga, to list on the exchange. *(This Day)*

Guaranty Trust Bank Plc has launched its Francophone West Africa expansion with the opening of its first branch in Cote D'Ivoire last Monday. The Managing Director of GTBank, Mr. Segun Agbaje, who disclosed at an interaction with journalists in Lagos, noted that the entry into the Francophone region was in line with new focus on developing off-shore banking franchise, following divestment from its non-banking subsidiaries.

The bank completed its Anglophone West Africa expansion in 2009 with GTBank Liberia. It also has its subsidiaries in Ghana, Gambia and Sierra Leone. Agbaje said that as part of efforts to extend its quality services to more customers, GTBank has established 22 electronic branches with the target to hit 76 e-branches at the end of 2012. Apart from the e-branches, he disclosed that the bank would open 10 new full branches in 2012.

According to him, in 2007, GTBank had a strategic plan that by 2012, it would be the number one bank in Nigeria, in terms of profit before tax and return on equity/profitability, maintain cost to income stability through unparalleled efficiency and expand leadership position across West Africa. He said that GTBank was on course in meeting those goals. The bank posted NGN 52.653bn profit after tax (PAT) for the year ended December 2011, which is "the highest PAT so far posted by any bank."

Agbaje said that the high profitability was achieved through a concerted effort to improve efficiency, expenses control and growth in customer base. He noted that concerted efforts were made by the management to improve efficiency, in an increasingly competitive operating environment. According to him, the bank witnessed growth across all revenue lines.

"Increase in interest income was driven by growth in interest income from a larger loan book despite increased competition in the high-end banking space. Growth in income from investments in government securities was enhanced by return to positive interest rates. Growth income from interbank placements was achieved because GTBank remained a net placer in the interbank market in 2011," he said.

Agbaje said that as the bank continued to record improve results over the years, GTBank ensured that shareholders were adequately rewarded, hence the recommendation of final dividend of NGN 0.85 for the year. Having paid an interim dividend of NGN 25 before, shareholders would be getting total dividend of NGN 1.10 per share for the year. He added that GTBank's commitment to the growth of the Nigerian economy led to the allocation of 22% of the loan portfolio to the manufacturing sector in 2011.

GTBank's loans and advances in 2011 stood at NGN 716bn, indicating that about NGN 158bn, which is 22%, went to the manufacturing sector. He said that despite the high level of loans and advances, there was a robust strategy in place to ensure high credit quality. According to bank's non-performing loans (NPL) dropped from 6.7% in 2010 to 3.7% in 2011. *(This Day)*

Fidelity Bank Plc said its gross earnings increased by 25% to NGN70.05bn for the full year ended December 31, 2011 compared to NGN 56.05bn in 2010. The bank's profit before tax was NGN 7.67bn for 2011, which represents a drop of 11.3% from the 2010 figures of NGN 8.65bn. The net interest and discount income grew by 9.6% to NGN 29.08bn from NGN 26.54bn recorded in 2010, though average interest income on average earning assets dropped from 11.6% in 2010 to 10.7% in 2011.

Non-interest income grew by 41.3% to NGN 21.95bn from NGN 15.54bn in 2010; a key benefit of the increasing linkage effect from new branches. Operating expenses rose by 30% to NGN 38.88bn in 2011 from NGN 29.86bn recorded in 2010. Total assets increased by 53.84% to NGN 740.94bn as at December 31, 2011 from NGN 481.62bn as at December 31, 2010. The shareholders' funds stood at NGN 137.36bn as at December 31, 2011. Return on equity dropped from 6.4% as at December 31, 2010 to 5.6% as at December 31, 2011. *(Daily Trust)*

Forte Oil Plc, formerly AP Petroleum, has projected its half year profit before taxation for 2012 at NGN 1bn. Speaking on the forecast to Daily Trust, the Acting Group Chief Executive Officer of Forte Oil, Mr. Akin Akinfemiwa, said that 2012 is a year of recovery for the company. "In this time, the company will build on the foundations laid last year through a revamp of its people, systems and structures that will give us the required leverage to return to our winning ways," he said.

He further that "as we move through 2012, we expect financial momentum to build as we restore high-value output in all area of our business and also bring new projects on stream in the areas of upstream exploration and production." *(Daily Trust)*

The Dangote Sugar Refinery Plc said it will to pay out NGN 3.6bn as divided to its shareholders for the business year ended December 31, 2011. The management has also assured of continuous improvement in its performance in view of the new investments undertaken by the organization. Despite the inclement operating environment, the management, in a statement made available to Daily Trust yesterday said the company was able to weather the storm to record the profit owing to sound management and proactive decisions.

In the same vein, the company posted a turnover of about NGN 107bn, for the year while it recorded a Profit Before Taxation of NGN 10.6bn, and a Profit After Tax (PAT) of NGN 7.1bn. The company an-nounced yesterday that the dividend payout amounts to the sum of 30 kobo per share for every ordinary share of 50 kobo each, held in the company by members as at May 2, 2012. The modest performance for the year under review, the management noted, was in spite of the economic crisis, low interest rates and increasing price of raw sugar.

However, it stated that the selling price of refined sugar did not fully reflect the increase in the cost of raw sugar as doing so would push the price of the refined product too high for the consumers. To sustain this trend, and deliver the desired financial performance and value for shareholders and all other stakeholders, in the current year and beyond; it said investments are being made on its plant to ensure improved maintenance routines and optimal capacity utilization, as well as meet the ever-changing consumer needs.

The management further said: “Our priority is to grow our markets both locally and internationally. Arrangements are currently underway to expand our export horizon beyond Ghana; today we are prospecting other countries across the West African coast. We are also in the process of restructuring our distributorship especially for the retail products.” *(Daily Trust)*

Economic News

A sharp fall in oil prices would be a relief for much of the world, but for Nigeria it could spell big trouble. "There will be a very bad day and a lot of gnashing of teeth if the oil price crashes and we haven't saved a thing," Nigeria's central bank governor, Lamido Sanusi, said. Africa's most populous country is one of the world's fastest-growing economies - gross domestic product expanded by more than 7% last year - and foreign investors have poured money into its financial markets to take advantage of high interest rates.

But it remains dependent on oil production which accounts for about 80% of government revenues, Sanusi said. He is a leading advocate for an overhaul of Nigeria's economy to make it less exposed to fluctuations in oil prices, a campaign which has drawn opposition from the country's powerful state governors. They fear reforms such as creating a sovereign wealth fund could prevent them from dipping into Nigeria's windfall oil revenues.

Sanusi noted recent discussions between the United States and other industrialized nations about the possible release of strategic petroleum reserves, and signs that producer countries such as Saudi Arabia might increase output to help bring down oil prices. "Our major concern is a major decline in the price of oil or (domestic) output would lead to a massive depreciation of the currency, a collapse in reserves and a huge growth in deficits and some of the states outside of the oil-producing region might find actually themselves in a situation where are not able to pay salaries," he said.

"I am trained to think in terms of 'what if' and that's the mindset I bring to my job. What happens if oil prices go to USD 50 a barrel? It's happened before." Sanusi, a former banker who specialized in risk management and who is allied with Finance Minister Ngozi Okonjo-Iweala in the push for reforms, has warned that Nigeria's system of subsidizing fuel prices is unsustainable. The Nigerian government tried to scrap the subsidies but backtracked after widespread protests earlier this year and partially reinstated them.

Sanusi said the government should spend no more than the 880bn naira for subsidies in 2012 earmarked in the budget signed by Nigerian President Goodluck Jonathan on Friday. "I would simply like to see that the government does not pay a penny more than that, no matter what happens," he said. Asked how low oil prices would need to fall before they pose a risk to Nigeria, Sanusi said a decline to around USD 85 or USD 90 a barrel - from around USD 120 now - could lead to a shortfall in projected revenues and higher budget deficits, if Nigeria's oil output does not increase.

Speaking to Reuters in New York on Friday, Sanusi said Nigeria's central bank was comfortable with its monetary policy stance, having hiked interest rates sharply last year, but that could change if the government breaks its new 2012 budget. The budget includes an assumed average oil price of USD 72 a barrel, any earnings over which are saved into the country's excess crude account. That is USD 2 more than the level recommended by the central bank, but the difference did not translate into a major increase in the planned level of spending, Sanusi said.

"So I don't think the headline numbers alone would justify a change in monetary stance from where we are today," he said. Nigeria's central bank implemented a string of rate hikes in 2011 that pushed the benchmark borrowing rate to 12%. "We front-loaded most of the tightening. We met seven times last year and tightened six times out of seven."

A surprise dip in inflation seen in February from January's level might continue until about April before an up-tick starting in April or May and price growth could peak at around 14.5% in the third quarter before slowing to single digits in late 2013, Sanusi said. "We've done most of the work ahead of the fuel subsidy removal. Now it's about waiting to see that tightening moving through the system which is what we're seeing." Sanusi also said he expected the recent stability of the naira currency to continue. *(Reuters)*

The gross capital base of the insurance industry has hit NGN 600bn, the Commissioner for Insurance Fola Daniel, has said. He told The Nation that the industry as at 2010 had between NGN 500bn and NGN 600bn gross income, adding that with last year’s financials, which is still being processed, the income may exceed NGN 600bn.

Daniel noted that with the enormous opportunities in the economy, the industry has the potential to achieve NGN 2tn income. He said the operators are under trading with the cash at their deposer stressing that the industry after five years of recapitalisation ought to have been a model to insurers across African and other part of the globe. He said: “The issue of how close or far the industry is towards the achievement of the target would not have a straight answer. I think what we need to do is really to go back to the fundamentals of the figures behind that target we gave ourselves.

On the basis of what we have in the nation, should we really be talking of NGN 1tn income? Five years after recapitalisation, should we not be talking of something more than NGN 1tn? If we deploy NGN 500bn to NGN 600bn to do business, should we not be looking at doubling that amount of money? Or even making it triple? I think we have the wherewithal to generate income in excess of NGN 1tn. “How much of it we have gotten, I cannot say, because the 2011 account has just reached the commission, I do believe that by the time we get most of the accounts, we would be able to say; yes this is where we are exactly. I think the underlining thing should be, do insurers have the capacity? Do we have a business environment that can support the premium income of NGN 1tn or even NGN 2tn? And the answer is yes.”

He noted that the Insurance industry is assiduously working to net over NGN 100bn from motor insurance, adding that going by the statistics provided by the

Federal Road Safety Commission (FRSC) which put vehicles in the country at over 10m, the industry through its initiatives will net over NGN 100bn from that class of insurance. Daniel said the industry also hope to achieve gross premium income of NGN 1.10tn, create additional 250,000 new jobs, make substantial contribution into the Fire Service maintenance fund as provided in section 65(5) of the Insurance Act, attain3.0% insurance contribution to the nation's Gross Domestic Product (GDP) and attain premium per capita contribution of NGN 7, 500 from NGN 1, 200.

He said if available statistics are anything to go by, the MDRI's target of NGN 2.5tn gross industry premium income by the end of 2015 and NGN 6tn by the end of 2021 is on course. Daniel said in terms of average growth rate, the industry has recorded 36.0% for 2007-2009 up from 11.67% for 2004-2006. He added that although complete figures for last year are not yet available, there are strong indications from what is available that the industry will record significant increase. *(Nation)*

Managing Director, Asset Management Company of Nigeria, AMCON, yesterday, said Nigeria's banking crisis was over and the sector's earnings should see a substantial recovery when results come in for the first quarter of 2012 just as the Central Bank of Nigeria, CBN, has disclosed that the nation's external reserves rose by 3.63%. The CBN said Nigeria's foreign exchange reserves jumped by 3.63% on the month to USD 36.05bn on April 12, their highest in more than one year. The forex reserves stood at USD 34.47bn a year ago and were at USD 34.74bn a month earlier.

AMCON was set up in 2010 to clean up the banking system in the country following a USD 4bn rescue of nine lenders that came close to collapse. Speaking to the Reuters Africa Investment Summit in Lagos, AMCON CEO, Mustapha Chike-Obi, said earnings in the banking sector would recover well in the first quarter of 2012, after suffering last year because of write-downs on bad debt.

"The numbers we're seeing in the first quarter are very robust," he said, adding that three nationalised banks were all now profitable. We should wait to the second quarter of this year before passing judgment — I will not tell you that nothing surprising can come up — but the banking crisis of 2007-2009 is over."

The banking sector was the second worst performing index on the local exchange in 2011, falling 32%, with only oil and gas doing worse. Seven out of 15 local lenders listed on the exchange have announced 2011 earnings, with most posting higher-than-expected loan losses. FCMB has reported a loss while UBA issued a profit warning. Diamond Bank also reported a loss last year, but swung back to profit in the first quarter.

"Nigerian banks are now the healthiest banks in the world in terms of asset quality and capital," Chike-Obi said. He said AMCON was now the largest institutional holder of Nigerian bank stocks "and we're happy to hold them. We're not selling." AMCON plans to refinance its NGN 1.7tn three-year bond with maturities of somewhere between seven and 10 years when the debt expires next year.

Chike-Obi said they were not yet at the stage of seeking investors for the bond, and that a preliminary roads now in New York, Boston and London next month was more about explaining what AMCON is doing than marketing new debt issues. *(Vanguard)*

Coordinating Minister for the Economy and Minister of Finance, Dr. Ngozi Okonjo-Iweala, disclosed in Abuja, yesterday, that the nation's federally collected revenue was forecast at NGN 9.692tn in the 2012 fiscal year. Okonjo-Iweala who said this while presenting the Federal Government 2012 Budget details in Abuja, noted that oil revenue which remains the mainstay of the nation's economy was expected to account for NGN 6.636tn while non-oil revenue was expected to yield the balance of NGN 3.055tn.

The Federal Government's share of the federally collected revenue stands at NGN 3.561tn which leaves about NGN 1. 136tn deficit when compared with the NGN 4. 697tn expenditure profile for the year. The deficit is 2.85% of the Gross Domestic Product, GDP. Dr. Okonjo-Iweala said the budget had been conceptualized on four broad pillars: "stable macro-economic environment through strong and prudent fiscal policies by eradicating revenue leakages and improving spending efficiency and structural reforms like the on-going reforms in the ports, power and lately, the liberalization of the downstream oil sector in order to attract investors.

"Strengthening governance practices and institutions that engender an environment that promotes accountability and transparency in governance; and investment in priority sectors of the economy taken is the most veritable way of inclusive growth." Pension verification to continue The minister also said that the on-going pension verification exercise would continue and indeed be extended to other pension authorities.

She said: "Going forward, government intends to extend its extensive audit to other pension administration authorities and we expect to make significant savings upon the completion of the biometric verification of pensioners. "This will in addition, make it possible to properly pay genuine pensioners and keep track of them in the system."

Boko Haram won't hinder projects in the North Responding to a concern from the audience on the dangers inherent in the implementation of projects in the budget especially in parts of the North where Boko Haram has made government operations difficult, Minister of State for Finance, Alhaji Yerima Ngama expressed optimism that projects would be carried out unhindered by the insurgents.

His words: "The Boko Haram people are also interested in development. We believe they won't be against development projects. Government is on top of the security situation. A month ago, no one would have expected the PDP rally in Damaturu, but only last week, the rally held under a peaceful atmosphere".

Power reform frustrating On the worsening power situation across nation, the Minister of Power, Prof. Barth Nnaji, who was also at the presentation, said the situation was more frustrating to him than concerned Nigerians but that a change was near. The minister had to sack three top executives of the Power Holding Company of Nigeria, PHCN, recently over what he said bordered on sabotage.

He assured that with the several on-going projects in the sector as well as privatization of the Distribution and Generation Companies, the industry would soon have a positive outlook. *(Vanguard)*

Nigeria's foreign exchange reserves jumped by 3.63% on the month to USD 36.05bn on April 12, their highest in more than one year, the latest Central Bank of Nigeria (CBN) data showed yesterday. The forex reserves stood at USD 34.47bn a year ago and were at USD 34.74bn a month earlier.

Though the reserves have seen declining in the past three years despite rising oil prices, gradual reduction in demand for dollars at the bi-weekly forex auction this year has meant the CBN spends less of its reserves to support the naira. Nigeria relies on crude exports for more than 95% of its foreign exchange earnings and investors watch reserve data closely to gauge the defences Africa's second largest economy has against a potential dip in oil prices. *(Nation)*

Mismanagement and theft by top Nigerian officials involved in a corrupt fuel subsidy scheme cost the country USD 6.8bn in three years, a parliamentary probe found, calling on President Goodluck Jonathan to overhaul the state oil firm and ministry. Nigeria tried in vain to end gasoline subsidies on Jan. 1, but a week of public protests forced the government to partially re-instate the payments, seen as a massive drain on its budget.

The report filed late on Wednesday said the state oil firm, private marketers and the regulator owe a combined 1.07tn (USD 6.8bn) in unpaid debts to the government and that the state oil firm owes oil trading companies some USD 3.5bn for fuel, including to independent oil trader Trafigura. It recommended the state oil firm be overhauled.

Nigeria's oil industry has been criticised for being corrupt for years but audits and reports have never resulted in high level officials being charged. This is parliament's strongest report yet into high level oil graft and its probe was prompted by the public protests in January. The missing USD 6.8bn equals roughly a quarter of Nigeria's annual budget for a country in which more than half of inhabitants live below the poverty line with no electricity.

After January's protests, a wave of audits and probes were ordered to uncover why Nigeria was spendingbns of dollars more on fuel subsidies than was in the budget, and buyingbns of litres more than Nigerians were actually consuming. The parliamentary probe covering 2009 to 2011 found that petrol marketers, including state-owned NNPC, were taking subsidy payments for fuel that didn't exist or was sold abroad.

"The committee believes that if the fuel subsidy scheme was properly managed, the sum of NGN 1.070tn, or USD 6.8bn, would have been available to the three tiers of government," it said. "We found that the subsidy regime, as operated between the period 2009-2011, were fraught with endemic corruption and entrenched inefficiency," said a report submitted to parliament and seen by Reuters on Thursday.

Africa's largest crude exporter pumps more than 2m barrels per day (bpd) but could be producing 4m bpd with an efficient state-oil firm, less graft and stronger regulation, foreign oil company executives and industry experts say.

"Government officials made nonsense of the subsidy guidelines due mainly to sleaze and, in some other cases, incompetence," the report said.

The 200-page paper advises that the board of NNPC, which is headed by Oil Minister Diezani Alison-Madueke and includes NNPC chief executive Austen Oniwon, should be "completely overhauled" and the anti-corruption agency should investigate its members for prosecution. The lawmakers said the minister's job should be split in two. "Given the large and complex nature of the Ministry of Petroleum Resources, the committee recommends that two ministers should be appointed to take charge of the upstream and downstream," the report said.

Fuel regulator PPPRA answers to Alison-Madueke but she is also head of the board of NNPC, an oil company which buys and sells crude oil and products. This process is clear conflict of interest for the oil minister and "negates principles of checks and balances and international best practices," the report said. NNPC is a huge organisation, which is at the heart of every deal done in Nigeria but has little operational capacity to drill, ship or refine oil. Foreign oil companies and government officials regularly complain about it not paying its debts.

"The committee recommends that the house do a direct audit of the NNPC to determine its solvency. This was as a result of plethora of claims of indebtedness and demands for payments by NNPC's debtors which, if not handled well, will ... affect the entire economy of Nigeria," the report said. Fuel regulator PPPRA came under some of the strongest criticism in parliament's investigation but Jonathan can point to his sacking the head of the regulator in November last year, although he was replaced by an executive at NNPC.

The uncontrollable nature of the fuel subsidy may continue. Nigeria's 2012 budget allocation to pay fuel subsidies is NGN 888bn but this will be spent well before the end of the year, risking Africa's second biggest economy being burdened by more debt, the central bank governor told Reuters on Thursday. *(Reuters)*

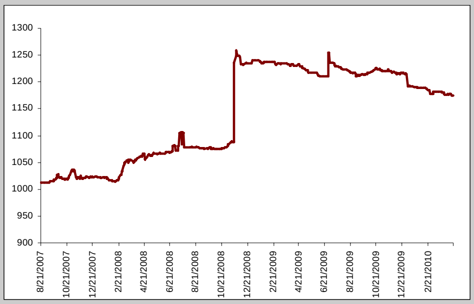
Nigeria plans to auction NGN 90bn (USD 571.68m) in sovereign bonds ranging between 3 and 10 years at its regular auction on April 25, the Debt Management Office (DMO) said on Thursday. The debt office said it would sell 20bn naira in 3-year paper with term-to-maturity of one year and 11 months, NGN 35bn each in 5-year and 10-year paper, which are due to mature in 2017 and 2022 respectively. Two of the instruments are re-openings of previous issues, while the 5-year bond is a new issue. The result of auction is expected to be released the following day.

"The DMO reserves the right to alter the amount allotted in response to market conditions," it said in a public notice. Nigeria, Africa's second-biggest economy after South Africa, issues sovereign bonds monthly to support the local bond market, create a benchmark for corporate issuance and fund its budget deficit. The debt office had on Wednesday announced plans to raise between 210bn and 290bn naira in sovereign bonds ranging between 3 and 10 years in the second quarter of the year. *(Reuters)*

Securities Africa

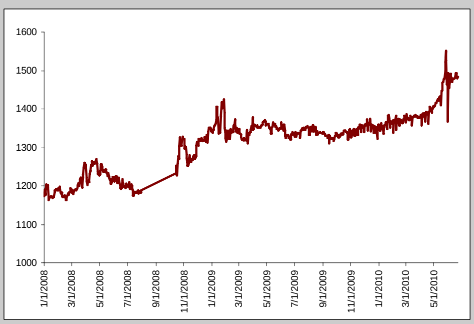
Tanzania

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

Stock Exchange News

The DSEI lost -0.54% to close at 1,327.29 points. TCC was the only mover after gaining 3.13% to TZS 3.300 while CRBD led the shakers after losing 6.67% to TZS 140 followed by TBL (-5.71%) and NMB (-1.10%).

Corporate News

Vodacom Tanzania announced a further reduction of its M-Pesa transaction fees at the weekend as part of efforts to reduce money transfer fees to attract more subscribers, a statement released by the firm yesterday said. The mobile phone network provider has cut down cash withdrawal fees by about 20% effective today. Previously withdraw charges ranged between Sh500 and 5,000 depending on the amount.

A few months ago Vodacom reduced its sending fee charges to the minimum of Sh50 per transaction. Vodacom managing director Mr Rene Meza said: "We understand the economic situation in the country and know how M-Pesa has become a necessary service in the daily lives of Tanzanians, so we have decided to make it more affordable and easier for our customers."

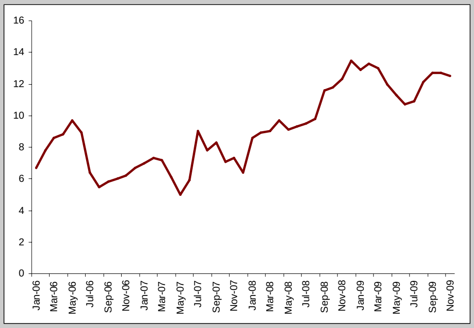
Vodacom M-Pesa offers a variety of mobile payment services including utility bills for electricity, water, and Pay TV, as well as examination fees to the national examination council. It can also be used to pay for local flights on Precision Air and Coastal, purchase bus tickets, pay school fees, deposit and withdraw money through CRDB Bank, Western Union to name just a few. It has an agent network of about 20,000 across Tanzania.

In spite of challenges such as low deposits within the banking sector, weak domestic demand, low disposable incomes, inadequate financial inflows among others, Zimbabwe's economy is on a rebound due to increased productivity and earnings from agriculture and mining. *(The Citizen)*

African Barrick Gold posted a 17% fall in gold production in the first quarter, partly due to lower head grades at its Buzwagi mine in Tanzania. The Tanzania-focused miner produced 144,643 ounces of attributable gold in the quarter. Power outages at its mines held back output in the final quarter last year, with the company's full-year production falling 2% to 688,278 ounces.

African Barrick, a unit of Barrick Gold Corp, the world's largest gold miner, reported a 41% surge in costs to USD 925 per ounce for the quarter, well ahead of its full-year estimate of USD 790 to USD 860 per ounce. Costs jumped 22% last year on the back of rising inflation, higher wages and increased use of more expensive generator power to keep mines working.

CPI Inflation



Source: SAR

Rising costs have hurt African Barrick's market capitalisation, with shares falling 15% in the first quarter even as gold prices rose more than 6% during the period. The company's London-listed shares closed at 368.9 pence on Wednesday on the London Stock Exchange. *(Reuters)*

Economic News

Tanzania's year-on-year inflation rate slowed for the third straight month, to 19% in March from 19.4% a month earlier due to a fall in food and fuel costs, the state-run statistics body said on Monday. The modest fall is expected to leave east Africa's second largest economy struggling to meet its target of single digit inflation by June.

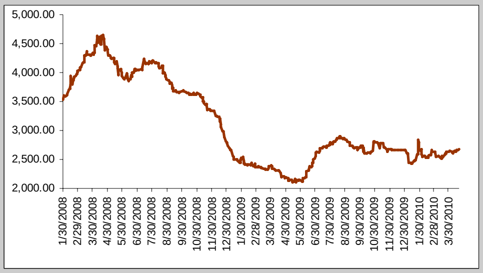
Poor rains across much of east Africa for most of last year hit food security and electricity output, triggering spikes in the level of inflation and threatening economic growth. The National Bureau of Statistics (NBS) said food prices edged down to 25.7% year-on-year in March from 26.7 a month ago, helping push inflation lower.

Food and alcoholic beverages account for almost half the total weighting in the consumer price index in Tanzania. "Falling food and energy costs are the main reasons for the decline of the inflation rate in the year to March 2012," Ephraim Kwesigabo, the director of population census and social statistics at NBS, told Reuters.

The World Bank has backed the government's forecast that inflation could be lowered to single digits by mid-2012, while the International Monetary Fund has said it expects this to happen by the end of the year. Electricity and gas costs stood at 17.4% year-on-year in March 2012 versus 19.5% a month earlier. *(Reuters)*

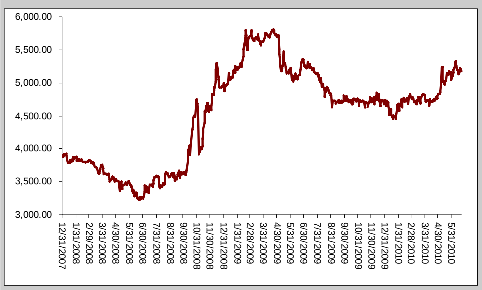
Zambia

Zambia Stock Exchange



Source: Reuters

ZMK/USD



Source:SAR

Economic indicators

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

Source: World Development Indicators

Stock Exchange News

The LuSE index gained a marginal +0.95% to close at 3,3941.80 points. Investrust, Natbrew and Zambia Sugar led the gainers after putting on +5.29%, +2.00% and +1.36% to close the week at ZMK 17.90, ZMK 8,000 and ZMK 299.00 respectively while AELZ (-10%), Zanaco (-8.93%) and Zamefa (-8.45%) were on the losing front.

Corporate News

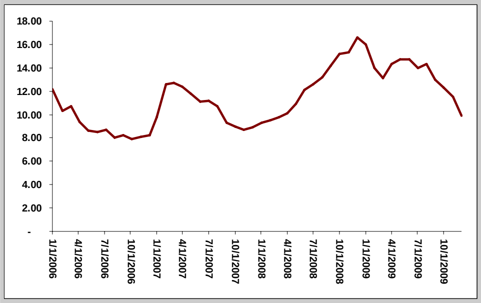
China Nonferrous Metal Mining (Group) Co Ltd (CNMC) plans to list its Zambia copper assets in Hong Kong, aiming to raise about USD 500m, the Chinese-language Ming Pao Daily reported on Tuesday, citing market sources. The state-owned metals group is expected to launch the initial public offering as early as next week, the report said.

CNMC, which delayed the listing plan late last year because of uncertain market conditions, is expected to cut the size of the deal to about half of its original plan, the newspaper said. CNMC received approval from the Hong Kong stock exchange late last year for a USD 1bn IPO, Thomson Reuters publication IFR reported. China International Capital Corp, JPMorgan Chase & Co and UBS AG are managing the deal, the newspaper said, giving no other listing details. *(Reuters)*

Economic News

No Economic News this week

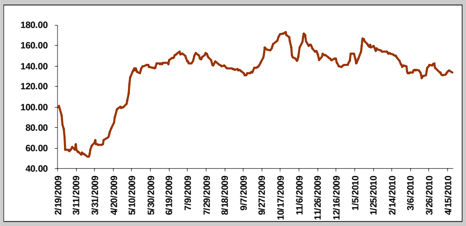
CPI Inflation



Source: SAR

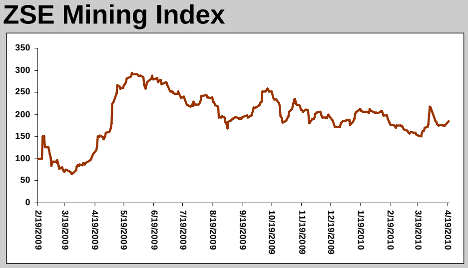
Zimbabwe

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 -0.23% to 133.83 while Mining Index shed -0.80% to 88.09 points. Bindura and Radar led the movers after gaining +40.80% and 33.33% to close the week at USD 0.0352 and USD 0.18 respectively. Other gains were recorded in CFI up +25% to USD 0.05 and Natfoods which put on +11.11% to USD 1.00.Interfin and Astra led the losers after they shed -55% and -40% to USD 0.025 and USD 0.015 respectively. Other notable losses were recorded in Old Mutual (-27.91%), NMB (-12.50%) and African Sun (-11.39%)

Corporate News

Mining companies have warned that the decision by Government to increase mining royalties could weigh down on minerals output as companies seek to contain costs while maximising yields per unit of production. Chamber of Mines president Mr Winston Chitando said Government should lessen royalties as they weighed down on net returns. Addressing the Buy Zimbabwe seminar mining cluster in Harare on Friday, Mr Chitando said any levy on royalties affected the mining plan.

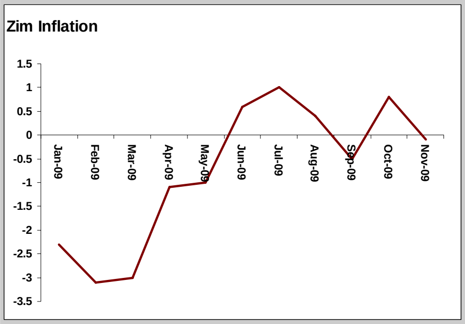
The outcry comes after the Government late last year hiked royalties for gold and platinum to 7% from 4,5% and 10% from 5% respectively, starting January this year. Mr Chitando warned that the higher royalties would compel companies to raise the cut-off threshold of the mineral yield they are prepared to extract. The Chamber of Mines president said high royalties could sterilise the resource. He said low yield mineral blocks would not be exploited.

“Any royalty affects the mining plan,” he said. “If in theory your royalty is 5% it means you reduce profitability by 5%. As you mine you do not extract everything. You choose what is profitable. “Whether you mine something that is 4,5 grammes per tonne or 0,1g per tonne the cost per volume (mineral ore) is the same,” he said. The mining companies said they would reluctantly leave more resources in the ground because extracting them would be sub-economic.

Finance Minister Tendai Biti last year doubled mining royalties on concerns that the fiscus was getting little revenue from the mining sector. Analysts fear the increase in royalties could affect economic growth as mining, together with agriculture, is expected to anchor the growth. The economy is forecast to grow by a conservative 9,4% this year. It grew by 9,3% last year, its third consecutive expansion.

The mining sector has increasingly become important to Zimbabwe after contributing about 13% to Gross Domestic Product, according to the Ministry of Mines and Mining Development. Meanwhile, Mines and Mining Development

CPI Inflation



Source: SAR

Minister Obert Mpofu said he was working closely with the Ministry of Youth Development, Indigenisation and Empowerment to localise foreign mines. He warned foreign mining firms that any attempts to avoid the country's equity laws would only result in serious complexities.

Minister Mpofu said for the country to realise optimal benefits from mining it was critical for Government and locals to have direct control. "Government seeks to achieve economic empowerment and indigenisation in the mining sector in a manner that results in the development of the industry for long lasting economic benefits," he said.

The minister also expressed confidence that firming commodity prices would enable the mining sector to anchor economic growth. Zimbabwe has the world's second largest deposits of platinum and is said to have capacity to supply 25% of global diamond sales. It boasts of at least 40 known mineral occurrences. *(Herald)*

Governmnent is set to incur a huge budget deficit this year as its revenue base continues to shrink, Finance minister, Tendai Biti has said. He was speaking at a joint press conference with Agriculture, Mechanisation and Irrigation Development minister, Joseph Made, where they unveiled a USD 20m finance facility for the 2012 winter wheat programme.

"Our revenue is under-performing, we are not collecting as much as we ought to be collecting," said Biti. "Last time, we had a shortfall of USD 58m and as at the end of March 2012, we had a short fall of USD 93m." He added: "So it's important that our resource mobilisation increases. It's important that our diamonds perform — they are not performing." Biti told journalists recently that diamond revenue for February was a paltry USD 5m against a target of USD 41,5m. In his monthly state of the economy address, Biti revealed cumulatively the actual revenue collections for January and February 2012 amounted to USD 488,24m, against a target of USD 549,5m.

This implies a cumulative deficit of USD 61,24m, largely emanating from under-performance of diamond revenues during the period under review. Biti said this had affected the performance of government as some projects under the 2012 budget largely depended on diamond revenue. Earlier this year, Biti met with President Robert Mugabe to discuss the contentious issue of diamond revenues from Marange, which are still not flowing consistently into state coffers amid fears of massive looting of the precious gems by senior politicians.

Mugabe is said to have promised to address the issues of transparency and accountability with regard to the diamond revenues. The MDC-T alleges that Mugabe and Zanu PF are running parallel coffers for the latter's administration and political activities. Diamond revenue is pivotal to the finance ministry's budget, as USD 600-million is expected from the gem exports to cover part of this year's USD 4bn budget.

Last year, Zimbabwe exported 716 958 carats of diamonds with only USD 103,9m being realised at a time when diamond prices continued to firm on the international market. "We need to mobilise resources that will mitigate and liquidate domestic indebtedness to our local suppliers," said Biti. "So we want to break this cycle of inter-indebtedness and intra-indebtedness in government."

Biti said government owed at least USD 20m to power utility, Zimbabwe Electricity Supply Authority (Zesa), USD 20m to Zimbabwe National Water Authority (Zinwa), USD 60m to NetOne and about USD 30m to TelOne. *(The Standard)*

Government will soon issue a Special Grant for the transfer of mining rights to Essar Africa for the Indian firm to revive NewZim Steel Limited. Mines and Mining Development Minister Obert Mpofu told The Herald Business in an interview his ministry was working on the transfer of the rights.Essar Africa, a unit of conglomerate Essar Global, has not started actual production-related work at NewZim Steel since acquiring it in March 2011. It has cited the iron ore mineral rights as the reason behind the delays.

Essar acquired the former Ziscosteel last year, taking 60% of Government's shareholding in the firm that had ceased operations for two years, largely because of crippling financial problems and mismanagement. Minister Mpofu said the mining rights had not been incorporated in the agreement signed between Essar and the Ministry of Industry and Commerce. "The transaction was between Essar Africa and the Ministry of Industry and Commerce regarding the manufacturing aspect of Zisco (NewZim Steel)," he said.

"But this was not incorporated into the mineral rights needed in the agreement. These are matters that should have been taken into consideration from the beginning, but are just emerging now." He said a meeting held about two weeks ago had been intended to resolve the remaining issues with regards to the transfer of mining rights to Essar Africa. A Special Grant is a mining title issued by the Secretary for Mines and under Part 19 of the Minerals Act for all minerals other than coal and energy minerals in respect of areas reserved against prospecting or pegging.

But The Herald Business understands that the Ministry of Industry and Commerce overlooked certain critical aspects of the agreement to close the deal, in principle, and then tie up the loose ends when the investment was secured. Issues not concluded during the negotiations included the transfer of mining rights for iron ore, which was the key feedstock for steelmaking at Zisco.

Other conditions of the multim-dollar deal that had to be fulfilled after the deal was signed in principle included guarantees for uninterrupted power supply, fiscal concessions, rail transport, water and access to coal. Zimbabwe holds an estimated 39bn tonnes of iron ore and a sizeable chunk of this mineral resource was held by the Redcliff-based steelmaker through its renamed mining arm, Buchwa Iron Mining Company.

Ziscosteel holds iron ore rights to reserves in such areas as Buchwa, Ripple Cliff (Kwekwe), Malingwane (Gwanda), Hwedza and Mwanesi (Chivhu), which is the largest in Zimbabwe, though it is of inferior quality. The investment by Essar Africa relieved the Government of about USD 340m in foreign debts. Proposals have been made to write off more than USD 100m, which is owed mostly to State- owned institutions. *(Herald)*

DELTA Beverages lager volumes grew 23% for the full year to March 31, 2012 bolstered by capacity enhancement and improved availability. SABMiller plc, the majority shareholder in Delta Beverages, said in its trade update yesterday, Africa operations recorded a 13% increase in lager volumes, despite emerging capacity constraints in some markets. The beverages maker is expected to release its financials for the year ended March 31, 2012 next month.

“Capacity enhancements and improved availability enabled our associate in Zimbabwe to grow full year lager volumes by 23% on an organic basis,” said SABMiller plc. The growth in Delta’s lager volumes spurred overall volume growth for the global brewer, which holds 36,9% equity in Delta. Delta had a volumes growth focus of between 17-20% to the full year. The global brewer said lager volumes were 3% ahead of the prior year for both the year and the fourth quarter.

Soft drinks volumes were 7% higher than the previous year and 12% higher in the final quarter.Latin America’s lager volumes were up 8% on an organic basis compared with the prior year, with healthy growth sustained through the fourth quarter. In Europe, full year lager volumes declined by 1% as beer market growth continued to be subdued and competitors aggressively promoted economy brands and packs.

Lager volumes in the Asia Pacific region grew by 4% for the year and full year lager volume growth in China was 9% on a reported basis, with acquisitions enhancing market share. Meanwhile, local analysts yesterday said the good performance is likely to give impetus to the counter that has been hovering between US67c and US70c in the first quarter of the year.

Both local and long-term foreign investors have continued to show interest in the country’s biggest company by market capitalisation given its strong performance, increased production and forecast. Investors on the ZSE have been shifting to dividend declaring companies, which is likely to impact positively on Delta. *(Herald)*

New Dawn mining corporation has initiated an 8 000m diamond drilling exploration project at its Camperdown Gold Mine project in Shurugwi. In a statement, the company said the exercise was aimed at testing the downdip extent of the known mineralised zones within the claims area, with 58 inclined holes to depth of between 100 to 200m, and with a drill pattern on a 200m grid.

“Contingent on drilling parameters, the programme is expected to take up to six months, with analysis of the results expected to be completed by the end of December 2012. Based on the results of this drilling programme, the company may consider additional exploratory work to further define and develop this opportunity,” the company said.

The company owns 100% of the Turk and Angelus Mine, Old Nic Mine and Camperdown Mine. The company’s five mines are functional and have a combined milling capacity of 2 000 tonnes per day. *(Newsday)*

Murowa Diamonds (Murowa)’s production went up 47% to 66 000 carats in the first quarter of 2012 compared to 45 000 carats in the same period last year, Rio Tinto Plc (Rio Tinto) has said. Total diamonds recovered at the Zimbabwean mine amounted to 85 000 carats from 126 000 tonnes of ore processed. Rio Tinto, a 78% shareholder in Murowa, said total diamond production from its entire operations for the three months —as at March 31, went up 41% year-on-year to 3,5m carats on 2,4m carats in 2011.

The resources group attributed the improved output to its Argyle mine in Western Australia and its 60%-owned Diavik mines in Northwest Canada. Output at the group's diamond flagship Argyle mine grew 52% to 2,5m carats during the quarter from 1,6m carats prior year while output at Diavik grew 19% to 963 000 carats due to increased underground operations and improved grades compared to 812 000 carats.

The company recently started construction of the Argyle underground mine which is expected to be complete by the end of 2013. Argyle is currently mining slightly higher grade ore in the final open cut deposit. Chief executive Tom Albanese last month announced the company had begun a strategic review of its diamond business that will include exploring a range of options for potential divestment.

During the period under review, Rio Tinto cut down on the number of diamond processing partners in 2012 from its usual 20 to 13 without giving a reason. The diamantaires, belonging to diamond-dealing groups and involved in cutting and polishing as well as marketing the precious stones, enjoy a guaranteed, consistent and consistent supply of both rough and polished diamonds from three distinct product streams generated by Rio Tinto's Argyle, Diavik and Murowa mines.

Rio Tinto's diamonds are produced in a range of colours, including white, champagne and pink. Some of the gems are cut and polished and destined for the fine jewellery market whilst others are retained for cutting and polishing, and sold on the international market. For the full year 2011, Rio Tinto's total diamond production from its three mines fell 15% to 11,7m carats compared to 13,8m carats at the end of 2010.

Speaking on the performance of non-diamond operations Albanese said; "We had a solid first quarter with increased production of iron ore, coal, bauxite, alumina and titanium dioxide compared with the first quarter of 2011." "This was driven by a combination of our consistently high operating performance and reduced impact from severe weather than in 2011. We were therefore well positioned for the relatively strong markets in the first quarter, albeit with continued volatility as we anticipated," he added.

The group's iron ore shipments went up two% to 54m tonnes from the first three months of 2011 while iron ore production of 59m tonnes 46m tonnes attributabl was 10% higher than the first quarter of 2011. Mined copper production was 18% lower than the first quarter of 2011 due to anticipated lower grades at Kennecott Utah Copper."Bauxite and alumina production were 10% and 13% higher than the first quarter of 2011.

Aluminium was nine% lower primarily reflecting the orderly shutdown of two thirds of capacity at Alma, due to labour disruption, and the closure of Lynemouth," said the mining group. "Hard coking coal production was five% higher than the first quarter of 2011. Rio Tinto's share of thermal coal production was three% higher following the increase in ownership in the former Coal & Allied operations."

Titanium dioxide feedstock's production was 14% higher than the first quarter of 2011.
According to the group's results for the fourth quarter of 2011, the company's

share of Murowa's output doubled to 285,000 carats as at December 31 from 139 000 carats in 2010.

Murowa, located near Zvishavane in south central Zimbabwe, is a partnership between Rio Tinto and RioZim Limited (RioZim), an independent Zimbabwean — owned and listed company. Saddled by a USD 29m debt, RioZim recently received shareholder approval to raise over USD 56,6m. The miner planned to raise USD 5m through a rights issue,USD 6,6m through a private placement and USD 45m by issuing debentures to GEM Raintree Investments. *(Daily News)*

South Africa's number two food retailer Pick n Pay Stores (PnP) has announced plans to introduce three more branded stores through its investment in TM Supermarkets (TM). Pick n Pay increased its stake in TM from 25 to 49% in exchange for USD 15m investment, diluting Meikles Africa's (Meikles) 75% stake.

In its year-end results to February 29, 2012, the South African company said the three new stores will add to 50 units currently operated by TM .This comes after Pick n Pay chairman Gareth Ackerman was quoted by the international media saying the group, which has about 94 stores outside South Africa, spread across African countries, would be expanding more in markets where it already has operations, such as Zambia, Mauritius and Zimbabwe.

"For us to double the number of stores in the rest of Africa in the next five to 10 years is absolutely conceivable. We just don't have plans for it yet," he said. The development comes as Meikles continues to persue its plans to open a mega Pick n Pay in Msasa despite handover delays of the property. The store will be housed at the now defunct Jaggers Wholesalers site.

"The Msasa premises will be handed over to us by the landlord shortly after which we will equip them to our standards. The project is on track to be completed in the second half of the year," finance director Onias Makamba said in January. He said the company will also pursue the re-branding of some of its TM Supermarkets into Pick n Pay following regulatory approval for the South African firm to increase its stake in which it has now attained. "Other existing stores to be rebranded include Borrowdale, Kamfinsa, Newlands, Bradfield (Bulawayo), Avondale and Mutare," Makamba said. Earlier this year PnP announced the planned opening of a branded stores at the proposed Mall of Zimbabwe in Borrowdale.

Dallas Langman, PnP head of group enterprises, speaking to SA media said Pick n Pay was awarded branding rights under terms for its acquisition for at least six top tier retail outlets across the country in Harare, Bulawayo, Mutare and Victoria Falls out of TM's 50 outlets countrywide. In the full year to February 2012, PnP reported a 15% fall in full-year profit, missing expectations, hit by costs related to its shopper loyalty programme and investments in its supply chain.

Economic News

The government is set to float a tender for a strategic partner for Agribank during the second quarter of this year, the bank's chairman, Sij Biyam has said. He said the privatisation of the bank and search for a strategic partner were at an advanced stage. “The next step is for government to float a tender for the strategic partner and this is envisaged for implementation during the second quarter of 2012,” said Biyam.

Finance minister, Tendai Biti, last year announced that government, which holds majority shareholding in the bank, would offload its shares in the bank to make it more competitive. This decision followed cabinet authorisation for the cash-strapped institution to seek a new partner. Government approved a privatisation plan for the bank where a strategic partner would buy 49% equity with government retaining 51% of the same.

Biyam said that government floated a tender in mid-March for financial and legal advisors as part of the bank’s privatisation. The government has repeatedly sought a suitable partner for the bank as it continually recorded losses over successive financial periods because it loaned the bulk of its cash to the low performing agricultural sector.

The plan to privatise Agribank is part of the government’s strategy to create private-public sector partnerships that can help resuscitate and recapitalise its loss-making parastatals. The bank recorded a loss after tax of USD 286 409 for the year ended December 31 2011 compared to a loss of USD 8,1m in 2010. The reduction in loss was attributed to a growth in operating income, which increased by 82% from USD 10,6m in 2010.

“The turnaround and strong performance also partly reflected the positive impact of the Industrial Development Corporation SouthAfrica (IDCSA) line of credit of USD 30m, which was disbursed in 2011,” said Biyam. The facility was disbursed to local companies on the basis of a criteria supporting increased local manufacturing capacity, creation of jobs and more local goods on the market, and this consequently had a positive impact on the bank’s profile.

The bank presently anticipates more new lines of credit this year. Biyam said the bank was currently negotiating with IDCSA for a second tranche worth USD 30m, which is expected to be disbursed during the second quarter of 2012, focusing on increasing capacity utilisation and job creation. Companies in the agricultural, manufacturing and tourism sectors would be the main beneficiaries. The facility has a six-year tenor with concessional interest rates. *(The Standard)*

Zimbabwe's headline consumer inflation rate slowed to 4.0% year-on-year in March from 4.3% in February, the National Statistical Agency said on Thursday. On a month-on-month basis, inflation was at 0.43% in March compared with February's 0.49%, Zimstats said. *(Reuters)*

Zimbabwe has ordered more than 100 mining and prospecting companies to resubmit applications to exclusively explore for minerals, providing shareholder details and proof of funding. The order follows the ministry of mines' decision in January to hike pre-exploration fees for most minerals by as much as 8,000% in a move the ministry said was meant to curb the speculative holding of mine titles.

On Monday, the ministry said in a public notice it now wanted 109 companies, including the largest gold miner Metallon Gold, the local operation of South African miner Metallon Corporation, and individuals to make fresh applications. The companies should show they have capacity to carry out exploration work.

None of the major miners like Rio Tinto, Anglo American Platinum and Impala Platinum, which have operations in Zimbabwe, were affected by the directive. *(Reuters)*

The Zimbabwe Revenue Authority has surpassed its first quarter revenue target by 8%, collecting USD 773,7m on the back of improved compliance levels by clients. The revenue authority had intended to collect USD 715,4m during the period. Board chairman Mr Sternford Moyo, in his report for the period under review, said the economic recovery had resulted in stable disposable incomes, now being spent on excisable products.

He said that demand for fuel had one up marginally due to the improvement in capacity utilisation by industry. Value Added Tax had continued to contribute significantly to Government coffers, he said. The revenue head contributed USD 292,7m, which amounts to 38% of total collections. This was followed by Individual Tax, which contributed 19% to total revenue after collections totalled USD 145,5m. Total collections for Excise Duty amounted to USD 88,9m against a target of USD 70m.

According to the report, gross VAT collections were 15% above target after totalling USD 292,8m against a target of USD 249,5m. But net collections (after effecting VAT refunds) amounted to USD 260,5m against USD 249,5m, which translates to a positive variance of 4%. VAT on local sales contributed 54% of total VAT revenue while the remainder was from VAT on imports.

“The outstanding performance of this revenue head can be attributed to improved local industrial capacity utilisation which enhanced performance of VAT on local sales,” said Mr Moyo. In addition, improvement in disposable incomes due to upward review of the tax-free threshold and the upward review of employees’ salaries by some companies resulted in increased consumption of commodities which attract VAT.

The Finance Ministry has set a tax revenue target of USD 3,4bn to finance the 2012 National Budget of USD 4bn. The remainder of USD 600m is expected to come from diamond revenues. Last year Zimra collected USD 2,4bn. Company Tax was USD 75,2m against a target of USD 69,3m, resulting in a positive variance of 8%. Mr Moyo said the sterling performance of this revenue head could also be attributed to the improvement in local capacity.

According to the Confederation of Zimbabwe Industries, capacity utilisation is now 57,3%. During the period under review other indirect taxes did not perform according to expectations partly due to royalties realised. He said by the end of the quarter, about 30m kg of tobacco had been auctioned at an average price of USD 3,70 per kg, translating into USD 135m worth of tobacco sales. “This boosted collections under Tobacco Levy,” said Mr Moyo.

Other taxes consist of Domestic Dividends and Interest, Other Income Tax, Tobacco Levy, Other Indirect Taxes, Non-Tax Revenue and Carbon Tax. Collections under this revenue head were USD 82,8m against a target of USD 75,4m, resulting in a positive variance of 9%. *(Herald)*

The International Monetary Fund (IMF) has forecasted Zimbabwe’s real gross domestic product (GDP) growth at 4,7% this year. The IMF in its World Economic Outlook (WEO) also anticipated increased GDP growth for

2013 to 6,3% while a slowdown is expected in 2017 to 3,6%. The Bretton Woods Institutions in January had predicted a 3,5% growth for the local economy in 2012.

The IMF said the economic growth in sub-Saharan Africa will be driven by high commodity prices, while South Africa will continue to stumble due to its deep ties to Europe. Growth in the region according to the WEO will pick up to 5,4% this year thanks to new mineral and oil production and the growth of export markets outside Europe. South Africa, the region's largest economy, will grow by a modest 2,7% this year as it struggles with weaker terms of trade and a decrease in business confidence.

The country's 2012 growth forecast was revised up from 2,5% in January, while a projection for regional growth in 2012 was revised down modestly from 5,5%. Many other sub-Saharan countries have benefited from limited exposure to Europe as well as rebounding agricultural sectors after last year's droughts, the report said. The IMF predictions come on the back of Finance minister, Tendai Biti's projections of 9,4%, underpinned by strong performance in finance, expected to grow by 23%, mining 15,9%, tourism 13,7% and agriculture 11,6%.

The African Development Bank (AfDB) has however warned Zimbabwe's 9,4% growth in 2012 rests on a stable political environment which could be undermined by a proposed election. The institution also raised concern over the negative impact of the indigenisation drive currently being undertaken in the country. The Reserve Bank of Zimbabwe earlier in the year also cautioned that under the multi-currency system were the country does exercise control of its currency, it made it difficult to intervene with appropriate stimulus packages in the event of exogenous shocks.

The WEO presents the IMF staff's analysis and projections of economic developments at the global level, in major country groups and individual countries. The report focuses on major economic policy issues as well as on the analysis of economic developments and prospects. Published twice a year, as documentation for meetings of the International Monetary and Financial Committee, and forms the main instrument of the IMF's global surveillance activities. *(Daily News)*

Notes

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