SECURITIES AFRICA

For week ending 27 April 2012

Weekly African Footprint

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

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

Currencies:

	27-Apr-12	WTD %	YTD %
Currency	Close	Change	Change
AOA	95.09	0.00	-0.17
DZD	73.62	-0.28	2.16
BWP	7.21	0.81	2.22
CFA	486.66	1.01	1.63
EGP	6.03	-0.01	-0.27
GHS	1.84	-1.75	-13.63
KES	81.97	0.06	1.90
MWK	164.19	0.60	-1.10
MUR	27.97	0.23	0.59
MAD	8.41	0.67	2.00
MZM	27,550.00	0.00	-3.18
NAD	7.75	0.53	4.84
NGN	157.25	-0.04	1.59
ZAR	7.75	1.08	5.15
SDD	266.34	-0.03	-0.09
SDP	2,261.00	0.00	0.00
SZL	7.75	0.59	4.89
TND	1.53	-0.38	-2.53
TZS	1,563.16	0.15	-0.18
UGX	2,475.40	0.33	-1.15
ZMK	5,081.41	2.41	-1.27

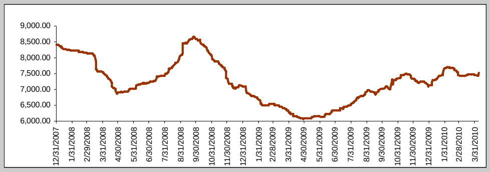
Source:oanda.com

African Stock Exchange Performance:

Country	Index	27 April 2012	WTD % Change	WTD % Change USD	YTD % Change	YTD % Change USD
Botswana	DCI	7,138.45	0.08%	0.90%	2.40%	4.72%
Egypt	CASE 30	4,934.92	4.82%	4.81%	36.24%	35.87%
Ghana	GSE All Share	1,055.79	0.72%	-1.01%	8.95%	-4.12%
Ivory Coast	BRVM Composite	153.58	-0.97%	0.04%	10.58%	12.42%
Kenya	NSE 20	3,554.46	0.00%	0.06%	10.90%	13.05%
Malawi	Malawi All Share	5,763.62	-0.78%	-0.18%	7.34%	6.17%
Mauritius	SEMDEX	1,796.04	0.21%	0.43%	-4.89%	-4.32%
	SEM 7	339.24	0.25%	0.47%	-3.17%	-2.59%
Morocco	MASI	10,218.22	-1.54%	-0.87%	-7.19%	-5.30%
Namibia	Overall Index	900.00	-0.40%	0.12%	7.40%	12.86%
Nigeria	Nigeria All Share	22,109.44	1.62%	1.58%	6.65%	8.37%
South Africa	All Share	34,399.04	0.53%	1.64%	7.51%	13.35%
Swaziland	All Share	276.45	0.00%	0.59%	2.98%	8.28%
Tanzania	DSEI	1,326.75	-0.04%	0.11%	1.80%	1.62%
Tunisia	TunIndex	4,801.23	-6.14%	-6.49%	1.67%	1.03%
Zambia	LUSE All Share	3,921.79	-0.51%	1.95%	-5.95%	-6.86%
Zimbabwe	Industrial Index	129.90	-2.94%	-2.94%	-10.94%	-10.94%
	Mining Index	98.31	11.60%	11.60%	-2.37%	-2.37%

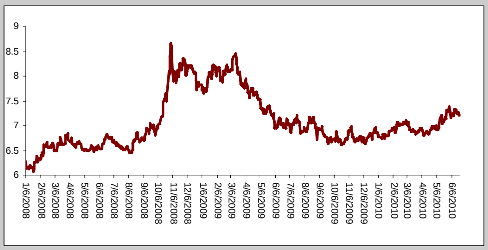
Botswana

Botswana Stock Exchange



Source: Reuters

BWP/USD



Source: Reuters

Economic indicators

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

Source: World Development Indicators

CPI Inflation

Stock Exchange News

The DCI gained a marginal +0.08% to close at 7,138.45 points. Discovery and Choppies were the only gainers after adding +13.04% and +8.11% to close at BWP 13.00 and BWP 0.12 respectively. On the losing front we had Blue (-15.22%) to BWP 0.39, Aviva (-5.06%) and FNBB (-3.51%).

Corporate News

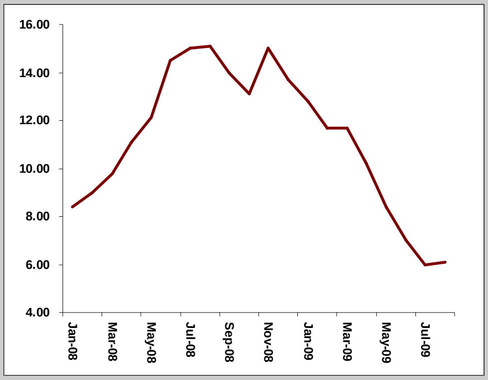
An eight-member parliamentary committee probing the accounts of all statutory bodies, says the Botswana Power Corporation (BPC) is facing a "serious level of risk," with regards to its finances. The eight-page extract on the BPC from the 258-page report painted a bleak picture of the utility's ability to continue delivering its mandate. The report is the latest in a series of revelations about the corporation's unhealthy finances, which began with projections that the BPC likely posted a loss of P87m for the financial year ended 31 March, 2012.

According to the committee's report, the BPC's situation raises concern about its ability to continue as a profitable entity. "The cost of imported power and other supplies and material requirements for the operations of the corporation had increased significantly over the years," reads the report. "In addition, there had been substantial increases in commodity prices in the global markets, which resulted in a significant increase in cost of inputs of the corporation. The corporation has been unable to obtain an adjustment of the electricity tariffs sufficient to recoup these substantial cost increases from the consumers," the report notes.

Figures indicative of the BPC's situation as at March 31, 2010 include a BWP 1.57bn loss for the year, current liabilities of BWP 2.4bn against current assets of BWP 1.4bn and a net debt to equity ratio of 85%. Preliminary BPC finances for subsequent years, as revealed by the corporation recently, suggest that these key indicators have only deteriorated. The corporation's total costs were pegged at BWP 2.74bn in the 2011/12 financial year and are projected to rise to BWP 3.16bn in 2012/13, driven by the generation, transmission and distribution costs associated with Morupule B's units as well as the maintenance and replacement of components for the new power station.

"The BPC requires the corporation to conduct its affairs on sound commercial lines and to produce a net operating income by which a reasonable return can be measured," noted the legislators. "It is apparent that the corporation has not been able to meet the requirements of the Act for the past four years. "Besides failing to meet the requirements of the Act, the operating losses were getting worse each year and the net results were also following the same trend."

The legislators said the dire state of affairs at BPC was likely to persist into the



Source: SAR

"foreseeable future" due to substantial increases in the costs of imported power, supplies and other material requirements and commodities which could not be matched by the low tariffs the corporation was charging. The BPC has said while enhancing internal efficiencies is important, tariff increases are ultimately the sole avenue it has to operate. In 2010, it emerged that the corporation had secured a three-year programme of tariff reviews ranging from 25 to 30%.

Government approved two tariff reviews ranging between 15 and 30% which were made in 2010 and 2011. Government also pumped BWP 954m into the BPC as tariff subsidy over the two years, thus keeping the corporation afloat. It is understood that the corporation is pushing for another 30% increase this year. *(Mmegi)*

Botswana will gain more than USD 5bn of diamond trading business by the end of next year when De Beers completes the transfer of its Diamond Trading Company (DTC) to Gaborone, a move that has already delivered benefits. Two Indian banks involved in financing the diamond business have been granted licences to set up offices in Botswana and two of De Beers' customers, or sightholders as they are known, have set up small jewellery manufacturing businesses in the country, Varda Shine, CEO of DTC, said yesterday.

De Beers sells about USD 6,5bn worth of rough diamonds a year and about USD 5bn of that is generated in the DTC office in London. That business is being moved to Gaborone after a deal between the Botswana government and De Beers was unveiled in September. De Beers was granted an unprecedented 10-year contract for the sorting, valuing and sales of the diamonds produced by Debswana, the equally held joint venture between De Beers and the Botswana government.

Up to 15 big banks are involved in financing the diamond business. "Two already have licences. I believe that once things are settled other banks will follow," Ms Shine said. Including the diamonds sold for beneficiation in Botswana, worth about USD 500m, Botswana will become the world's leading rough diamond sales hub, selling not only diamonds mined in Botswana but those from De Beers mines in Canada.

De Beers sells about USD 600m and USD 300m in SA and Namibia respectively each year. The balance will be sold in Gaborone. "We don't expect to see jewellery manufacturing disappear from India and come here, but we see certain things, like assembly of jewellery, gold work that we believe will be very successful here," she said at the De Beers office in Gaborone.

"One of the biggest advantages is when you export from India to the US, there is a 6% tax. But when you export from Southern Africa, there is no tax, which by itself is an incentive to bring more jewellery manufacturing to the region," she said. It would make sense for the Southern African Development Community to look at precious metal trade to take advantage of the tax advantage and encourage a flow of metal from places such as SA to Botswana to grow a jewellery industry, she said.

The move is one of the largest transfers of a major business to Africa, Ms Shine said and raised the prospect of SA, Namibia and Angola three major diamond producing countries benefiting from the influx of 75 sightholders 10 times a year to Gaborone to buy diamonds. The current DTC operation employs 250 people.

The new Gaborone office will employ 170 people, a third of whom will be Botswana citizens and the intention is Batswana will be a majority over five years. About 50 people are employed in research and development in the UK and will remain there. About 20 people will be made redundant in the move, Ms Shine said. DTC has commitments from 85 DTC employees to move to Gaborone over the next 18 months, but most will only stay in the country for between three and five years.

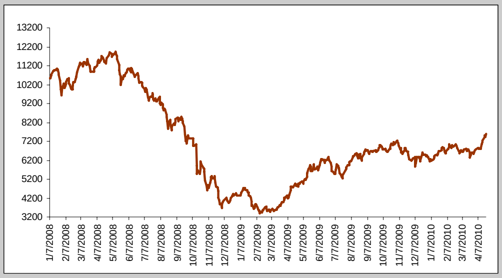
A number of senior DTC people have opted to leave rather than move to Botswana. "I believe we will have sufficient people. We will recruit externally if we have to. We will look to recruit not only in London, but DTC SA, Namibia and Botswana to make sure we close the gaps we do have." A "yawning supply gap" means sightholders will follow De Beers to Botswana to buy diamonds, Ms Shine said. *(Business Day)*

Economic News

No Economic News this week

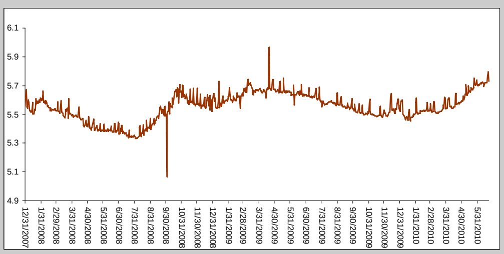
EGYPT

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 gained +4.82% to 4,934.92 points. EFG Hermes led the movers after gaining +9.03% to EGP 14.01 followed by Faisal Islamic Bank (+6.95%) and Cairo Oils and Soap (+5.37%). Arab Ceramics was the biggest loser after shedding -7.13% to close the week at EGP 22.41. Other notable losses were recorded in: National Housing for Professional Syndicates (-6.03%) and Nile Pharmaceuticals (-4.88%).

Corporate News

Egypt's Beltone Financial aims to increase the value of its assets under management by 45% within a year, the company's chairman said on Sunday. Egyptian investment banks were hit hard when foreign investors pulled out of the country and trade on the stock exchange slumped after last year's uprising that ousted President Hosni Mubarak.

Beltone swung to a loss of EGP 106.6m (USD 17.63m) last year from a profit of EGP 2.1m pounds in 2010. "Currently we have assets with a value of 22bn Egyptian pounds and we seek to increase it to EGP 32bn within one year from now," Aladdin Saba told Reuters in an interview. "We aim to expand externally in different countries and we have a wide range of ideas that we seek to execute in 2013," he said, without detailing those ideas or the countries he was targeting.

He said he expected Beltone to return to profit this year. Egyptian investment firm Arabiyya Lel Estithmaraat (AIC) said in February it had sold its 9.56% stake in Beltone in a deal worth 11.1m pounds. *(Reuters)*

Egypt's EFG-Hermes is still negotiating the details of its strategic alliance with Qatar's Qinvest and no final deal has been reached, a spokesperson for the Egyptian investment bank has said. On Wednesday, Egyptian independent newspaper Al-Shorouk reported that EFG-Hermes had completed talks to sell a 60% stake to Qinvest. But speaking to Ahram Online on Thursday, Hanzada Nessim, EFG-Hermes' associate vice-president for strategy and investor relations, denied media reports that the deal had been finalised.

Earlier in the day, EFG-Hermes sent a statement to the country's stock exchange confirming that Qinvest is trying to acquire a majority stake in the firm with the aim of creating an investment bank covering the Arab world, Africa, Turkey and Southeast Asia. Neither the proportion nor the value of the stake Qinvest is exploring were mentioned in EFG-Hermes's statement. Al-Shorouk's story said the venture would include securities brokerage, asset management and investment banking operations, but not EFG Hermes Private Equity.

"The negotiations began months ago and the deal will be announced in the next 10 days," a source with knowledge of the deal told the paper without giving details of the value of the deal. EFG-Hermes, Egypt's biggest investment bank, has a market value of USD 1.08bn and runs offices in nine Arab countries. It also controls a 65% stake in privately owned Lebanese bank Credit Libanais, which it bought in 2010 for USD 542m.

QInvest has a paid-up capital of USD 750m and offices in Qatar, Turkey and Saudi Arabia, its website says. Its shareholders include Qatar Islamic Bank, other institutional investors and high net worth individuals. *(Ahram)*

Egypt's Orascom Construction Industries has signed a USD 363m deal with Iraq's electricity ministry to build a 1,014 megawatt gas power plant in northern Iraq, government officials said on Thursday. The contract involves building a plant in Baiji, 180 km north of Baghdad, to install six gas units, each with a capacity of 169 MW, which Iraq bought from Siemens in 2008.

The project is expected to be completed within 21 months, officials have said. Nearly nine years since the U.S.-led invasion that ousted Saddam Hussein, Iraq's national grid still supplies only a few hours of power each day. Intermittent electricity is one of the public's top complaints.

Iraq plans to boost the grid's capacity by about 1,500 megawatts in the next few months and to add 22,000 MW of production capacity across Iraq, except for the semi-autonomous region of Kurdistan, by the end of 2015, the electricity minister has said. Iraq's power availability has ranged between 7,000-8,000 megawatts but is due to increase to 9,000-9,500 MW this summer as some power projects come online and others are upgraded.

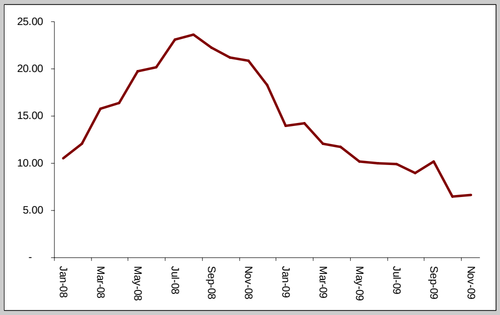
Iraqi demand for electricity peaked at 15,000 megawatts last year, but the oil-producing nation managed to supply less than half of that. Shares in OCI, Egypt's largest-listed company, are trading 0.65% up at LE260 apiece on the country's exchange just before the close of Thursday's session. *(Ahram)*

Economic News

Egyptian energy companies, citing a trade dispute, have terminated a deal to supply Israel with natural gas in a step that may further erode bilateral ties strained by a popular revolt that toppled Egypt's pro-Israeli leader last year. An Israeli partner in the business made the step public on Sunday but an Egyptian firm said the decision to cancel the deal had been made on Thursday. Israel, which relies on Egypt for 40% of its natural gas supply, worried about facing further energy cuts after a series of sabotage attacks on the pipeline running through the volatile Sinai peninsula contributed to shortages.

Israeli Finance Minister Yuval Steinitz expressed "great concern" about the suspension, saying it had set "a dangerous precedent which casts a shadow on the peace agreements and the peaceful atmosphere between Egypt and

CPI Inflation



Source: SAR

Israel". Egypt was the first of two Arab countries to sign a peace treaty with Israel, in 1979, followed by Jordan in 1994. The Egyptian decision was announced in Israel by Ampal-American Israel Corporation, partner in the East Mediterranean Gas Company (EMG), which operates a cross-border pipeline supplying gas to Israel.

Ampal said the Egyptian General Petroleum Corporation and Egyptian Natural Gas Holding Company had told EMG they were "terminating the gas and purchase agreement". The company gave no reasons for the Egyptian decision but said legal redress was under consideration. "EMG considers the termination attempt unlawful and in bad faith, and consequently demanded its withdrawal," Ampal said in a written statement.

Mohamed Shoeib, chairman of the Egyptian company EGAS, confirmed the decision, saying the 20-year-old deal with Israel had been terminated on Thursday. Shoeib told Egypt's Hayat TV that "EGAS ended the deal because the other party didn't fulfil its commitments". The Egyptian decision followed a dispute over damages caused by a series of blasts on the pipeline supplying Israel, via the Sinai desert region on its border where lawlessness has risen since President Hosni Mubarak's overthrow in 2011.

Explosions have caused extensive disruptions in service in the past year, and Israel has warned residents to expect electricity outages in high demand summer months, and that it needed to speed up efforts to seek alternative supply lines. Ampal and two other companies have been seeking USD 8bn in damages from Egypt for not safeguarding their investment against the pipeline blasts.

It said EMG "initiated arbitration" against EGPC and EGAS last October, accusing the Egyptian firms of a "longstanding failure to supply the gas quantities owed". Ampal said in its statement on Sunday that in light of the cancellation, EMG, Ampal and EMG's other international shareholders were "considering their options and legal remedies as well as approaching the various governments" concerned.

Shoeib denied the decision bore any diplomatic significance. "It is a trade dispute not a political issue," he said. Israel had to evacuate embassy staff in Cairo after riots there in September, an incident that highlighted threats to relations, though a new ambassador has since taken up residence in the Egyptian capital. *(Reuters)*

Egypt's government expects funds from a new International Monetary Fund loan to start flowing from May after it told the fund it has the backing of political forces for a deal, the country's finance minister was on Monday quoted as saying. The planned USD 3.2bn facility, which would help stave off a balance of payments and currency crisis, has been threatened by the opposition of the leading bloc in parliament - the Muslim Brotherhood's Freedom and Justice Party (FJP).

There were signs earlier this month that the FJP had agreed to support the loan, vital for a country deserted by foreign investors and tourists since a popular uprising last year. The loan deal requires Egypt to show a package of economic measures that are backed by political groups likely to have a role in government when the current army-backed administration steps aside at the end of June.

"A delegation of the IMF has been notified of the approval of the political powers and the Freedom and Justice and Al-Nour parties of the loan," Minister of Finance Momtaz El-Saeed told Al-Masry Al-Youm newspaper. "The first part of the loan will start to be paid when the board of directors of the Fund meets in May," he added. *(Ahram)*

Egypt's Ministry of Finance will offer EGP 3bn (USD 494.7m) in reopened bonds at an auction on 30 April, the central bank said on Monday. It will offer EGP 2bn in reopened three-year bonds maturing on 3 April, 2015 with a coupon of 16.15%, and EGP 1bn in seven-year bonds maturing on April 3, 2019 with a coupon of 16.85%, the bank said. Settlement for the bonds, which the central bank is selling on behalf of the ministry, is on 1 May. *(Ahram)*

Egypt's parliament overwhelmingly rejected the army-appointed cabinet's plan to cut state spending on Tuesday, complicating the government's efforts to secure IMF help to fight a balance of payments crisis. The International Monetary Fund (IMF) wants the backing of Egyptian political forces for the government's economic reform plan before it signs off on an emergency loan. Egypt has been hamstrung with economic troubles since a popular uprising in January last year.

Prime Minister Kamal El-Ganzouri's government presented the Islamist-dominated parliament with the plan on 26 February and it has been discussed over 10 sessions. Only six out of 365 lawmakers who cast their votes approved of the plan, which was criticised as vague and incoherent. Some said the programme failed to improve public security, reduce poverty or provide the revenue to raise wages.

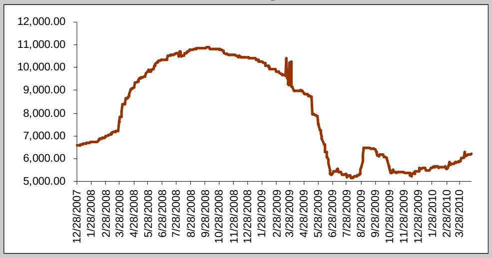
Assembly speaker Saad El-Katatni said the "government must submit its resignation to the head of state". The rejection is a fresh setback in the government's efforts to unlock the USD 3.2bn IMF loan, which it requested earlier this year, and shore up an economy laid low by 18 months of political turmoil.

The government is expected to step aside by the end of June after a presidential election. The Muslim Brotherhood is demanding an important role in the next government and has fielded a candidate for head of state.Finance Minister Momtaz El-Saeed said this week he expected the first loan installments to arrive in May and the government had told the IMF it had political backing for the loan.

But an IMF statement on Tuesday provided little evidence of significant progress. "The IMF remains ready to support a home-grown programme that maintains macroeconomic stability and promotes inclusive growth, enjoys the necessary broad political support and includes adequate external financing from Egypt's international partners," the statement said. "We look forward to advancing these discussions and to bringing a program for consideration by the IMF Executive Board as soon as the above conditions are in place," it added. *(Ahram)*

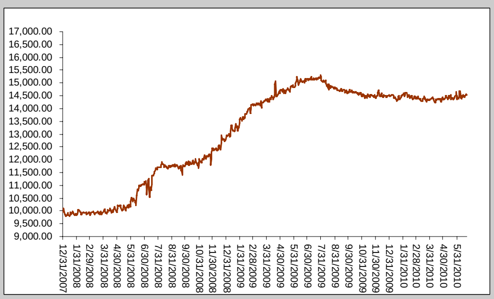
Ghana

Ghana Stock Exchange



Source: Reuters

GHC/USD



Source:SAR

Economic indicators

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

Source: World Development Indicators

Stock Exchange News

The GSE All Share Index was up +0.72% to close at 1,055.79 points. Gains were recorded in ALW (+20%), GOIL (+5.56%) and CAL (+4.17%) while EGL (-8.11%), SG-SSB (-6.82%) and Total (-3.19%) were on the losing front.

Corporate News

Ghana dairy-maker Fan Milk said on Monday that first quarter net profit rose nearly 26% to GHS 6.532m (USD 3.6m) compared with GHS 5.186m in 2011. Revenue for the first three months of 2012 was up nearly 40% to GHS 35.661m from GHS 25.525m for the same period in 2011. *(Reuters)*

Total Petroleum Ghana Ltd., a unit of France's Total SA (FP), said profit jumped 48% in the first quarter as revenue climbed amid higher prices for gasoline. Net income for the three months through March rose to GHS 8.3m (USD 4.5m) while revenue increased to GHS 292.4m from GHS 223m in the year-earlier period, the company, which runs the largest network of fuel stations in Ghana, said in a statement e-mailed by the Ghana Stock Exchange today.

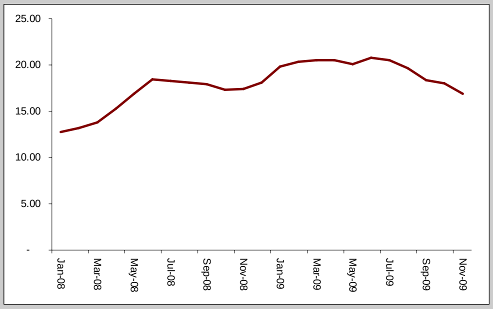
"The company's revenue gained from the increase in gasoline prices in February," Derrick Mensah, a research analyst at SIC Financial Services Ltd. in Accra, said by phone. "Easy access to its filling stations by motorists also helped to drive volumes." Ghana raised gasoline prices by 12% in February, Yaro Kasambata, a spokesman for Ghana's National Petroleum Authority, said by phone today.

A 15% increase, announced by the state-run authority in December, was later scaled back to 12% before it was implemented, he said. "Growing competition on the market may affect the company's ability to grow revenue in the future," Randy Mensah, a stock trader at Accra-based Databank Financial Services Ltd., said in an e-mailed comment. "Other players on the market marginally reduce prices to attract customers." *(Bloomberg)*

Standard Chartered Bank Ghana on Wednesday assured shareholders that the planned bonus share offer would come off in the last quarter of this year. The shareholders in 2011 approved the Board's proposed plan to issue five bonus shares for every share held. The move is to enable the Bank meet the requirement of Ghana Stock Exchange for all listed companies to have a minimum of 100m shares by 2012.

Mr Sunjay Rughani, Executive Director Finance-Standard Chartered Bank Ghana, told shareholders at the bank's Annual General Meeting in Accra that the new shares would be given in line with the approval last year. He said however that, there was no immediate timeline as there were issues of

CPI Inflation



Source: SAR

regulatory approval.

Meanwhile, the bank has announced a fourth successive year of record profits, demonstrating that it has the right leadership and strategy in place to consistently deliver value to shareholders. The Bank's profit before tax rose 12.3% to GHS 114m while the overall balance sheet registered an impressive 18% growth to GHS 1.97bn.

Wholesale banking delivered solid financial performance of 14% operating profit growth at GHS 84.5m, while Consumer Banking saw its income up by seven% to GHS 27.6m. Mr Kweku Bedu-Addo, Chief Executive, Standard Chartered Bank Ghana, said the performance was achieved despite the uncertainty in the global environment.

“We are well positioned to continue lifting our performance in 2012 and beyond. We will continue to identify and support new and emerging opportunities in the country and invest in people, infrastructure and systems to ensure consistent growth,” he said. The shareholders approved a dividend of GHS 3.05 per share. *(Ghana Web)*

Newmont Mining Corp, the world's second-largest gold producer, said its quarterly profit rose as gold prices outpaced higher labor and power costs at its mines. First-quarter earnings were USD 561m, or USD 1.13 per share, compared with USD 514m, or USD 1.04 per share in the year-ago quarter. Revenue rose to USD 2.68bn. During the quarter, spot gold gained 8% -- from USD 1,563.80 per ounce to USD 1,688.29 on March 30. Copper climbed 11%, with benchmark May COMEX futures moving up from USD 3.44 per pound to USD 3.82.

In February, Newmont said it expected a rise in costs for gold and copper in 2012, mainly due to higher labor and power prices and estimated lower production at a mine in Indonesia. The Denver-based company also operates mines in Ghana, Peru, Australia and Nevada. The company said gold production in 2012 was expected to be about 5m ounces to 5.2m ounces and copper production 150m pounds to 170m pounds.

It said 2012 costs applicable to sales for gold are expected to be between USD 625 and USD 675 per ounce, and copper between USD 1.80 and USD 2.20 per pound. They were USD 591 per ounce and USD 1.26 per pound respectively in 2011. Newmont said the outlook also reflected lower expected production at its Batu Hijau mine in Indonesia, where the company is processing lower grade stockpiles until late 2013. *(Reuters)*

Ghana's state-run 45,000 barrel-per-day Tema Oil Refinery will resume crude processing by Monday, the plant's managing director said on Thursday, following a two-week shutdown. "We are set to start processing this weekend - we believe that (at the) latest by Monday, TOR should be in production," Ato Ampiah told Reuters. Ampiah said the plant had undergone an upgrade to its boilers to allow them to run on gas instead of oil.

"It's a big turn around and we expect this upgrade to save the refineryms of dollars a month," Ampiah said. He added that the refinery had purchased 630,000 barrels of crude oil, meaning feedstock was on hand for the restart, and that another 200,000-barrel shipment would arrive to the refinery by next week. Sources close to the plant's labour union told Reuters the plant had been shut since April 11 due to lack of crude.

The Tema refinery has been hobbled by repeated shortages in available crude since 2008, when its main lender Ghana Commercial Bank cut off support due to unpaid debts totalling USD 600m. Ghana's government repaid the debt to the bank early last year, but officials said the refinery still remained indebted to some bulk oil suppliers.

Ampiah said that by June, the refinery would have the capacity to produce high octane petroleum as part of plans to increase its expand its profitability. Currently, Ghana imports high octane fuel and other complex refined products. Ghana is Africa's newest crude oil exporter after starting up its offshore Jubilee field. But authorities have said the Tema refinery needed an overhaul to be able to run the domestically produced oil. *(Reuters)*

Economic News

Ghana is estimated to rake in USD 1bn of revenue a year from the gas industry, an amount that can make the country repay the threebn-dollar Chinese loan facility from the Chinese Development Bank. Vice President John Dramani Mahama made the disclosure at the weekend at the just-ended Third Ghana Policy Fair. He expressed confidence that the country could benefit economically from the gas industry more than oil if the gas infrastructural development projects were executed.

The Vice President said a portion of the Chinese loan is expected to go into funding gas infrastructure project for processing gas from the Jubilee Oil Fields. Mr Mahama said the gas infrastructure development projects would include the construction of offshore pipeline from the Jubilee Field to transport gas, the construction of a gas processing plant, the expansion of the Takoradi Port, the rehabilitation of the Western corridor railway lines, the coastal fishing harbours and landing sites re-development project and cold storage facilities.

He identified infrastructure deficit as a major constraint to accelerated development, which needed to be eliminated to pave way for socio-economic developments. Mr Mahama said the country was moving to the “next level” of development and cited the recent rebasing of the economy to the middle-income status. He said investor confidence in the country’s economy had soared and stressed that Foreign Direct Investment inched up from USD 670m in 2010 to USD 1.2bn in 2011.

On the Policy Fair, Mr Mahama said it underscored the principles of President John Evans Atta Mill’s and the Government’s commitment towards an open, transparent and accountable governance that put the citizenry at the centre of governance. The six-day fair was organized by the MoI on the theme: “Building Together in a Better Ghana.”

Mr Fritz Baffour, Minister of Information, called on the youth to resist the influence of self-seeking politicians, who would want to use them to perpetrate electoral violence. He called on media practitioners to uphold their professional ethics and refrain from sensationalism and ethnocentrisms. *(Ghana Web)*

The assets of Ghana's banking sector has recorded a 27% growth in the year to January 2012, the Bank of Ghana has said. According to the central bank, the increased assets was funded mainly by deposits, which increased by GHS 3.9bn, and net worth which went up by GHS 689.8m. GHS 283.7m of the increase in net worth was due to the recapitalization of banks.

The financial soundness indicators of the banking industry, the Bank says, showed that Capital Adequacy Ratio (CAR) declined to 17.4% in January 2012 from 18.5% in January 2011, but remained well above the prudential requirement of 10%. "Earnings performance in terms of Return on Equity, Return on Assets and Return on Earning Assets improved in January 2012 relative to a year earlier. The Non-Performing Loan (NPL) ratio of the banking industry improved from 17.2% in January 2011 to 14.2% in January 2012," said Mr. Kwesi Amissah Arthur, governor of the central bank.

Mr. Amissah-Arthur said the Credit Conditions survey conducted in March 2012 showed an easing stance of credit for enterprises and mortgages. "Factors that contributed to the easing stance included banks' ability to access market financing, maximum size of loans and margin on riskier loans," he said. He indicated that credit to the private sector rebounded strongly in 2012.

"On a year on year basis, total private sector credit expanded by 42.9% to GHS 9bn in February 2012, compared to a 9.6% growth in February 2011. In real terms private sector credit growth was 31.6%. Sectors with the highest shares of credit were Services (23.7%) and Commerce and Finance (20.6%)," he said.

According to Mr. Amissah-Arthur, broad money supply (M2+) grew by 33.2% in February 2012 to GHS 18.3bn compared to 35.9% growth in February 2011 and this, he said, was driven mainly by Net Domestic Assets (NDA) of the banking system. Commenting on interest rate trends, he said interest rates have generally trended upwards during the first quarter of 2012.

He said the 91-day Treasury bill rates increased by 194 basis points to 12.6% while the 182-day Treasury bill rates went up by 161 basis points 12.9%. "The average rates on the 1-year note also went up by 160 basis points to 12.9% and the 2-year fixed notes by 120 basis points to 13.6%," he said.

Mr. Amissah-Arthur said the rate on the 3-year fixed bond increased by 99 basis points to 14.99%, while the 5-year fixed bond rate remained unchanged at 14.3%. He also noted that the interbank weighted average rate which had fallen to 8.1% in the last quarter of 2011 rose to 12.2% in the first quarter of 2012.

"The average deposit rates of banks declined to 6.9% from 8% a year earlier. The average base rates declined to 22.3% from 22.5% a year ago. Comparatively, the Annual%age Rates (APR) of banks remained unchanged at 28.5%," he said. *(Ghana Business News)*

Ghana is seeking to import timber from Cameroon to feed local processing plants lacking the raw materials to operate fully, a minister

said on Monday. "We have so many sawmills but then the raw material is lacking because over the years there has been excessive exploitation," Minister of Land Affairs and Natural Resources Mike Allen Hammah told reporters at the end of a two-day trip.

Cameroon said it was keen to study new timber markets. "We are looking forward to concretising some of the conclusions we have arrived at with the Ghanaian delegation," Minister of Forestry and Wildlife Philip Ngwese Ngole said. Neither minister mentioned specific volumes.

Cameroon contains some of the Congo Basin's most biologically diverse forest - over 300 species - extending over 22m hectares. The country is a main tropical timber exporter, 80% of which is shipped to the European Union. *(Reuters)*

Ghana earned USD 3.8bn from merchandise exports, preliminary estimates of total exports for the first three months of 2012 by the Bank of Ghana shows. The earnings represent a year-on-year growth of 22.8% according to the central bank. The Bank indicates that the growth in export earnings continues 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,” says the governor of the Bank, Mr. Kwesi Amissah-Arthur. Giving a breakdown, the Bank says, 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.

However, the Bank reports that total merchandise imports provisionally amounted to USD 4bn 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, it adds. “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,” says Mr. Amissah-Arthur. *(Ghana Business News)*

Ghana’s gross international reserves which stood at USD 5.4bn in December 2011 has declined to USD 4.6bn in March 2012, the Bank of Ghana has said. According to the central bank, the reserves declined to USD 4.6bn in January, rose to USD 4.7bn in February before it fell in March 2012. The country also experienced a trade deficit of USD 202.1m in 2012 compared with a deficit of USD 246.1m for the same period in 2011. The Bank indicates that developments in the country’s merchandise trade resulted in the deficit.

It gave the following details of the preliminary estimate of total merchandise exports for the first three months of 2012. It noted that the preliminary estimate of total merchandise exports for the first three months of 2012 is USD 3.8bn, indicating a year-on-year growth of 22.8%. The growth in export earnings continues 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, it said, provisionally amounted to USD 4bn 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, the Bank said 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. *(Ghana Web)*

The annual Producer Price Inflation (PPI) rose to 16.3% in March 2012 from 16.1% in February, Acting Government Statistician, Dr Philomena Nyarko said in Accra on Wednesday. This means that the ex-factory prices of goods for all industry increased on average by 16.3% in March 2012 compared to the same period in 2011. “Based on the revised figures for February 2012, the year–on-year producer inflation rate for March 2012 was 0.2%age point higher than that of February 2012,” Dr Nyarko said.

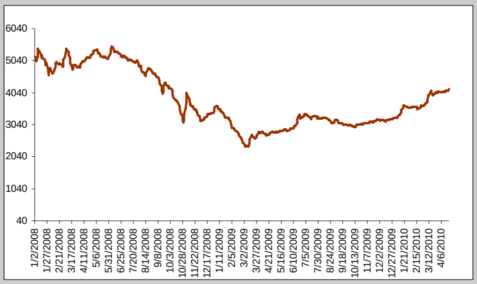
The monthly change rate is 1.1%, meaning that compared to February 2012, the PPI increased by 1.1% in March 2012. Dr Nyarko said the producer inflation rate in mining and quarrying sub-sector dropped by 7.8%age points to 31.5% relative to the rate recorded in February 2012 (39.3%) mainly on account of a decrease in gold prices on the world market.

The manufacturing rate for March 2012 stood at 15.6%, slightly higher than that for February 2012 by 1.4%age points. Dr Nyarko said the slight increase in the manufacturing sector could be attributed to the depreciation of the cedi to the dollar, thereby increasing the cost of imported inputs in the production process.

The rate for utilities for February 2012 was virtually unchanged, Dr Nyarko said. The highest monthly change of 1.9% was recorded in the manufacturing subsector, followed by mining and quarrying (-1.0%). The rate for utilities remained unchanged. *(GBN)*

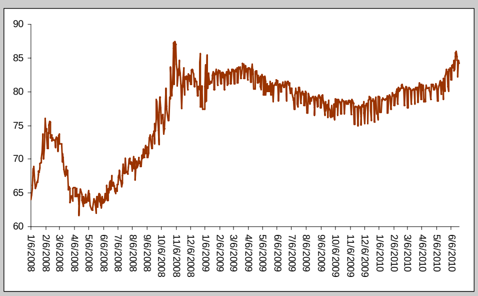
Kenya

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 lost -0.56% to close the week at 3,534.53 points. Kenya Re led the movers after gaining +21.25% to KES 9.70 followed by Crown Berger which rose +8.91% to KES 27.50. Other notable gains were recorded in ARM up +8.82% to KES 185.00 and Access Kenya (+8.14%). Mumias was the main loser, shedding -14.75% to KES 5.20 followed by SGL (-8.70%) and Pan Africa Insurance which lost -5.88% to KES 28.00. Market turnover was up +79.38% to KES 2.87bn.

Corporate News

Kenya Reinsurance (KenyaRe) posted a 23% jump in 2011 pretax profit on Monday, aided by growth in gross premiums. But the company also had to pay out more in claims and suffered a drop in investment income from its holdings in listed companies. The reinsurer's pretax profit for the year ended Dec. 31 rose to KES 2.04bn (USD 24.5m), lifted by a 33% increase in gross premiums totalling KES 6.6bn.

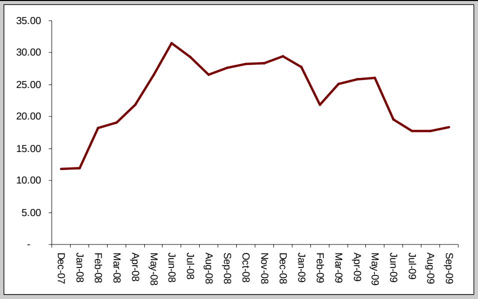
Gross claims were up 49% at KES 3.3bn. Its investment income fell 14% to KES 1.45bn, hit by lower returns on the Nairobi Securities Exchange, where the main index lost a third of its value in 2011. Equities were out of favour with investors as inflation soared and yields on debt securities rose above 20%.

Earnings per share climbed to KES 3.19 from KES 2.57 previously. Its shares were suspended from trading on Monday. They closed at KES 8.00 on Friday. The firm recommended issuance of one bonus share for every six held and maintained its dividend per share at KES 0.35, the same as in 2010. *(Reuters)*

Sameer Africa Ltd withered a hostile operating environment to rake in a 139% growth in profit last year. The tyre maker's full-year profit before tax (PBT) rose to KES 148.44m, up from the previous year's KES 62.19m. But this is despite a harsh trading environment characterised by high interest rates, volatile exchange rate, high cost of raw materials in the first half of the year, and political unrest in the Middle East, which led to increases in fuel and energy costs.

"In 2011 we had aggressively protecting margins despite the challenging micro and macro-environment," explained Issa Timamy, the company secretary. Although the Group's share of loss in associate firms rose to KES 11.62m, up from KES 2.64m, its total income for the period jumped 230% to KES 81.64m, up from KES 24.74m during the previous year.

According to the Group's audited financial statements, turnover grew by 10% to KES 3.67bn, from KES 3.34bn in 2010. Earnings per Share (EPS) grew 67% to 35 cents from 21 cents in a similar period. The Group's performance was,



Source: SAR

however, impacted by the unprecedented depreciation of the shilling and other East African currencies against the US Dollar.

The company said it expected elections to be held by March next year to be conducted peacefully. "This together with observed commitment to the implementation of the East African Community (EAC) common market gives optimism for improved performance this year," it said. The board recommended payment of a first and final dividend of 20 cents per share subject to the approval of the shareholders at an Annual General Meeting on June 15.

The company has crafted a five-year growth and expansion strategy with prime focus on sustainable and profitable market share growth, new products, innovation, conversion, cost optimisation, customer service, and talent management. "The strategic plan lays the foundation for growth," said Timamy, adding that peaceful general elections and commitment to the implementation of the EAC Common market protocol gives the company optimism for improved performance this year. *(Standard Media)*

African Queen Mines said Wednesday that the terms of its exploration license for the Odundu property in southwest Kenya's Rongo Gold Fields has been extended for another two years. The company said the Mines and Geological Department of the Republic of Kenya has now renewed special license No. 287, granted to the company's joint venture partner Abba Mining, for a further period of two years to January 22, 2014.

The original license was issued to Abba in January 2010, for an initial term of two years. In addition, African Queen said the boundaries of the license were changed to reflect the settlement agreement entered into by Abba and B & M Mining Company earlier this year, by reducing the area covered by the license by 15 square kilometres to 97 square kilometres. The news today allows the company to move forward with its drilling and exploration programs at Odundu for the next two years.

“We are delighted to have the full support of the Kenya Mines and Geological Department for our Odundu project and other exploration projects in Kenya," said CEO Irwin Olian. 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.

Earlier this month, the company said that Alkili Minerals Services has initiated its 2,000 metre core drilling program at the Odundu property. The company previously completed a program of regional exploration including mapping, sampling trenching and ground and airbourne geophysics on the property. In February and March of this year, seven 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. Initially, six core drill holes totaling approximately 1,300 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.

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. *(Proactive Investors)*

Kenyan group NIC Bank posted a 29% rise in first-quarter pretax profit to KES 1.03bn (USD 12.4m), helped by a jump in total interest income. Total interest income for the bank, which also operations in Tanzania, more than doubled to KES 2.7bn from KES 1.32bn in the first three months of 2011, NIC said on Thursday.

Total assets grew to KES 84.9bn from KES 63.8bn previously, while earnings per share rose 32% to KES 1.83. The mid-tier lender, known for its strength in asset financing, said earlier this year it planned to raise 2bn shillings through a rights issue to boost its capital ratio and build reserves for expansion.

Among the countries it plans to set up operations is Uganda, where it said earlier this year it expected to invest KES 961m in a new unit. The bank's provision for bad debts rose to KES 66.5m, compared with KES 8.9m in the year ago period.

Aggressive monetary tightening to curb inflation and prop up the east African country's currency has seen commercial banks raise lending rates to about 25% from 15% since October, and lawmakers' attempts to pass a new law to cap rates failed last week. *(Reuters)*

Kenya's Equity Bank's first quarter pretax profit rose 29% to KES 3.73bn (USD 44.8m), largely due to an increase in the bank's loan book, it said on Thursday. Equity, which focuses on the lower-income part of the market, and operates in Uganda, South Sudan and Rwanda, said it's loan book grew 41% to KES 121.1bn. Total income was up 38% to KES 9bn.

Chief Executive James Mwangi welcomed parliament's rejection of a proposal to cap commercial banks' interest rates, which ended months of anxiety by bankers who feared the move would crimp their earnings and lead to credit rationing. "That would have destroyed the economy," he told an investor briefing while announcing the bank's earnings. *(Reuters)*

Kenya Commercial Bank (KCB), the country's largest bank by assets, first-quarter pretax profit rose 35% to KES 3.4bn (USD 40.8m), the bank said on Thursday on its Twitter feed. KCB, also in Tanzania, Rwanda, Uganda and South Sudan, had forecast good results this year after navigating what it said was a difficult 2011 marred by steep inflation, a plunge in the local currency and the financial crisis in Europe. The bank said total first-quarter operating income rose 30% to KES 10.3bn from KES 7.9bn in the first three months of 2011. *(Reuters)*

The demand for Kenya Airways rights issue by local investors remained low a day before Friday's deadline. Analysts say high interest rates in the market have prevented many retail investors from participating in the rights issue, as many of them depend on borrowed funds to invest. “Interest rates in the market are very high currently. This has discouraged some investors who would have opted to borrow to participate in the rights issue,” said NIC Securities research analyst Samora Kariuki in a previous interview.

“Many investors also want to put their money in higher yielding government securities like Treasury bills, which are fetching about 16% returns.” Kenya Airways is looking to raise Sh20.68bn to finance its fleet acquisition and 10-year expansion plan through a rights issue. Existing shareholders have the option of buying 16 shares for every five held, priced at Sh14 per right.

Equity analysts, however, said there was high demand from institutional investors, most of whom took up their rights. “It has been quite busy for us here. A bulk of the demand has come from local institutional investors. We expect the demand to remain high even on the last day of the issue,” Standard Investment Bank research analyst Eric Musau said on phone.

The demand by institutional investors has been largely driven by the changing fortunes of the bourse, lifting it to an eight-month high last week. The investors are looking set to reap from the improving performance of the stock market as conditions in the economy improve. Analysts say the institutional investors have largely been attracted by the rising share price of the airline, which closed trading Thursday at KES 14.90 up from the rights issue price of KES 14.

Local commercial banks, investment companies, insurance and pension firms are some of the institutional investors participating in the right issue. Already, KQ’s two main shareholders, Royal Dutch KLM and the government have taken up their 49% stake. The International Finance Corporation, World Bank’s lending arm, has also committed itself in acquiring 2.5m rights and subsequently applying for 140.5m additional shares. *(Nation)*

Economic News

Kenyans abroad sent home the equivalent of USD 104m in February, higher than any month in 2011 and up 71% from the same month last year, the central bank said on Monday. Remittances are one of the main sources of foreign exchange in east Africa's biggest economy, alongside tea, horticulture and tourism. Kenyans abroad sent cash worth USD 60.8m in February 2011 and USD 89.8m in January.

North America remained the top source of remittances, followed by Europe. Kenyans living abroad typically send money home to help their families and for investment in various sectors, including real estate. In recent years, they have also started investing in government securities targeted at them, such as infrastructure bonds and the Savings Development Bond, the central bank said. *(Reuters)*

Plans by the Government to borrow USD 600m (KES 50bn) from international banks to finance revenue shortfall in last year's (2011/2012) budget have succeeded. Finance Minister Robinson Githae is expected to sign loan agreements with Citibank, Standard Chartered Bank (UK), and Standard Bank of South Africa next week. John Murugu, a director, debt management department at the ministry of finance said the final

Finance Minister Robinson Githae could sign the loan to finance revenue in a week's time boosting foreign exchange reserves and sealing budget deficit. loan documents would be submitted to the Attorney General's office for approval before the end of this week. Complex issues "Some of the things especially to do with commercial banks are very complex. Otherwise we are now almost there. Most of the agreements have been negotiated," Murugu told The Standard yesterday.

"Our lawyers will present the final contract document to the Attorney General this week for approval. After that, we should be able to sign the contract by latest next week." The syndicated loan is mainly designed to substitute part of what the Government planned to borrow from the domestic market this fiscal year. The Treasury had planned to borrow Sh119.5bn from the local market, but high interest and exchange volatility made investors jittery causing them to demand higher yields to compensate for risk.

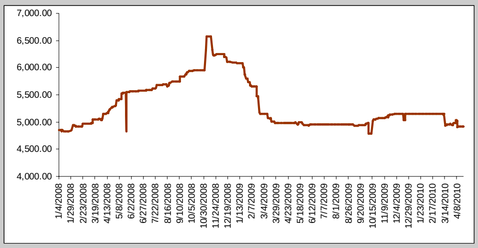
With many of them shying away, the Treasury found it hard to push through its borrowing plan. By December last year, only KES 14bn had come in, implying a further KES 105.5bn was to be borrowed before the closure of the 2011/2012 fiscal year. The International Monetary Fund Country Report dated April 2012, says the Government's contracting of a two-year USD 600m syndicated loan with foreign banks at London Interbank Offered Rate plus 475 basis points will help reduce domestic financing requirements.

Proceeds from the syndicated loan will also boost CBK's foreign exchange reserves and increase liquidity as foreign exchange is converted into local currency and spent by the government Treasury expected to borrow a total of Sh119.5bn through issuance of treasury bills and bonds to finance part of the overall budgetary deficit amounting to KES 236.2bn (7.4% of the GDP) during the 2011/2012 fiscal year.

The amount is part of the Government's overall KES 1.06tn budget for the 2011/2012 fiscal year. Kenya Revenue Authority is staring at a six% deficit in tax collection targets for the 2011/12 financial year due to tax interventions by the Government to cushion the poor against rising cost of living in 2011. *(Standard Media)*

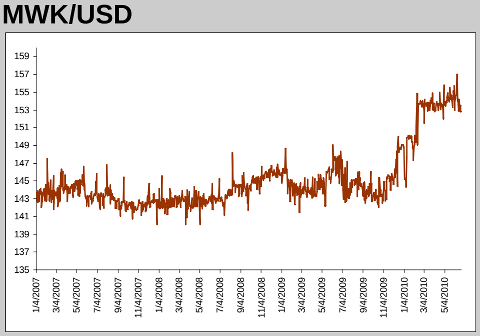
Malawi

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 lost a marginal -0.78% to 5,763.62 points, with thin trades across both local and foreign boards. Losses were recorded in FMB (-9.33%) to MWK 7.00 and Mpico (-7.41%). No gains were recorded during the week. Market turnover for the week amounted to USD 214,158.48.

Corporate News

No Corporate News this week

Economic News

Malawi's consumer inflation quickened to 11.4% year-on-year in March from 10.9% in February, data from the National Statistics Office (NSO) showed on Monday. *(Reuters)*

The head of the African Development Bank said on Sunday he is willing to provide USD 45m in budget financing for Malawi to help new President Joyce Banda revive the struggling economy. Speaking after meetings of the International Monetary Fund and World Bank in Washington, African Development Bank President Donald Kaberuka told Reuters he was determined to support Malawi as it tries to resume economic reforms.

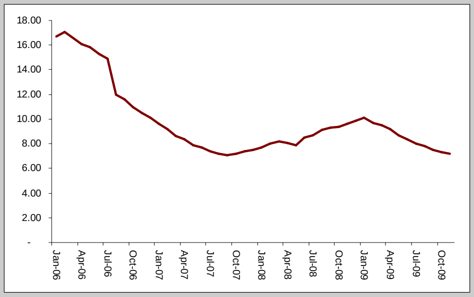
He said he had held "good" discussions with Malawian Finance Minister Ken Lipenga on the sidelines of the meetings. "I am confident Malawians are doing the right thing and we want to support them," Kaberuka said in an interview. "This will be USD 45m in two tranches. I am considering front loading this first tranche to support the currency realignment and to make the next tranche a floating one."

Kaberuka said the development bank would begin discussions on budget support, which were put on hold last year. "Now that they are having very constructive discussions with the IMF, I am prepared absolutely to support Malawi as they resume the reforms, which were doing so well some time ago," he said.

Malawi's economic difficulties have worsened since last year after donors, that had traditionally bankrolled about 40% of the budget, suspended aid over human rights concerns about the former president, Bingu wa Mutharika, a former World Bank economist. The collapse of donor funding put pressure on the currency, the kwacha, forcing 10% devaluation last year.

Banda, a former vice president of Malawi and long-time women's rights activist, was sworn in as president on April 7 after Mutharika's unexpected

CPI Inflation



Source: SAR

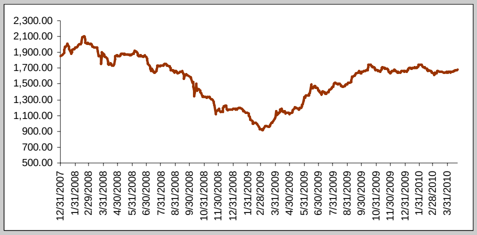
death from a heart attack. One of her first moves as president was to fire Malawi's police chief for the killing of 20 people in anti-government protests in July 2011, which drew international condemnation and led to aid cuts. Kaberuka said he was confident that Malawi would be able to repair its relationship with its donors.

The IMF said last week it was in discussions with Malawi on a new economic program that would be supported by an IMF loan. The Fund suspended its USD 79m program with Malawi last year over Mutharika's handling of the economy. The aid freeze compounded an acute dollar shortage caused by a sharp decline in tobacco sales, Malawi's main source of foreign revenue.

Lipenga told Reuters on April 9 that Mutharika had blocked plans called for by the IMF to devalue Malawi's currency because he worried the move would hurt the poor. The IMF wants to see the kwacha further devalued, saying too much of the state's reserves are being used to defend it. *(Reuters)*

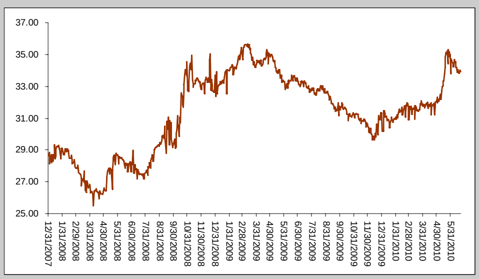
Mauritius

Mauritius Stock Exchange



Source: Reuters

MUR/USD



Source:SAR

Economic indicators

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

Source: World Development Indicators

CPI Inflation

Stock Exchange News

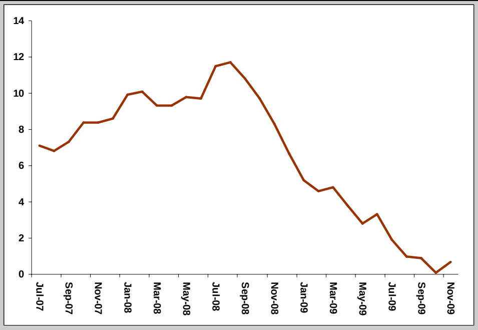
The SEMDEX was up +0.21% while the SEM 7 rose +0.25% to close at 1,796.04 and 339.24 points respectively. Go Life led the movers, gaining +14.30% to close the week at MUR 0.08 followed by Fincorp, up +5.1% to MUR 18.50 and NIT (+1.90%). ASL led the losers after shedding -6.0% to MUR 94 while H Mallac lost -5.4% to MUR 141 and Rogers shed -2.4%.

Corporate News

No Corporate News this week

Economic News

No Economic News this week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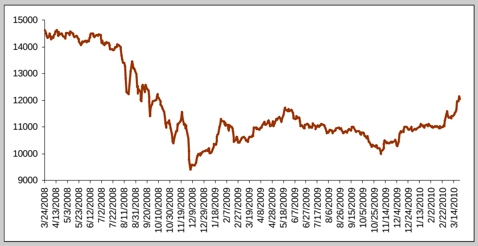
Source: SAR

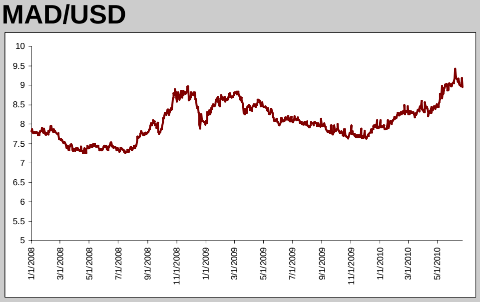
Morocco

Casablanca Stock Exchange



Source: Reuters

MAD/USD



Source:SAR

Economic indicators

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

Source: World Development Indicators

CPI Inflation

Stock Exchange News

The MASI lost -1.54% to close the week at 10,218.22 points. Gains were recorded in Acred (+6.00%) to MAD 410.00, Maghreb Oxygene (+5.98%) and Branoma (+5.95%). On the losing front we had Disway, down -10.98% to MAD 227, Risma which shed -9.77% to MAD 189 and SNEP (-9.13%).

Corporate News

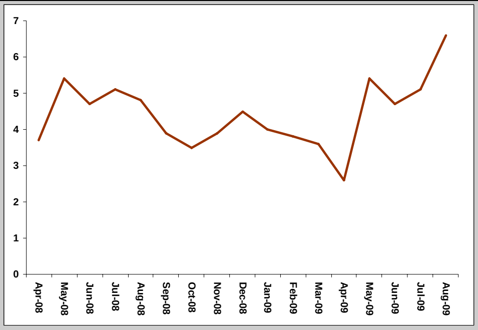
No Corporate News this week

Economic News

Morocco's consumer price inflation fell for the second straight month to an annual 0.3% rate in March versus 0.4% in February, with lower communication costs offsetting higher food prices, official data showed on Friday. Food prices - some 40% of the consumer price index's total weighting - rose 0.8% in March compared with a year ago, versus a 0.4% rise in February, the High Planning Authority said.

Communication costs fell by close to 20% in the 12 months to end-March, while they were down by 12.6% at end-February, it said. Underlying inflation, a gauge used by Morocco's central bank to set the benchmark interest rate, rose 0.5% in March compared to a year earlier, the authority said. On a monthly basis, inflation fell 0.2% from February after food prices rose 0.1%.

Inflation, which stood at 0.9% in 2011, is projected to rise to as much as 2.5% in 2012, the government said. The state spent the equivalent of 6% of the USD 97-bn Gross Domestic Product (GDP) in 2011 on subsidising staples, mostly wheat and sugar, as well as energy products, to hold down inflation. *(Reuters)*



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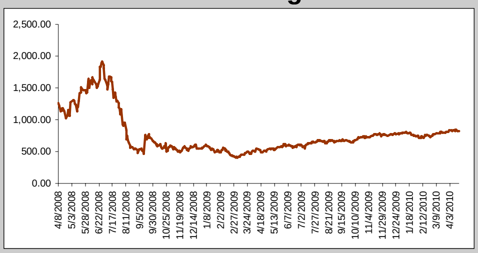
Source: SAR

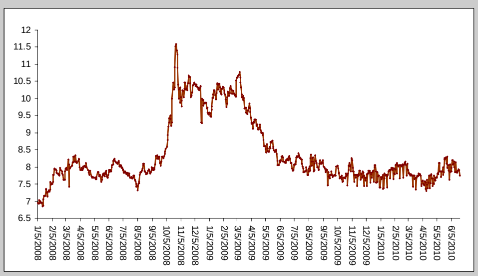
Namibia

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, XEM was the only gainer after adding +25.00% to NAD 0.05 followed by EOG (+17.02%) and BVN (+0.31%) while DYL was the main shaker after losing -10% to close at NAD 0.09. Other notable loses were recorded in; BMN (-4.76%), MMS (-4.17%) and FSY (-2.06%).

Corporate News

Africa-focused uranium miner Paladin Energy says it has significantly strengthened its balance sheet after a convertible bond issue that raised USD 274m (AUD 266.50m) from investors. The convertible bonds were purchased mainly by investors in Canada and Australia, where the miner is dual-listed.

The amount raised was at the top end of company expectations, with Paladin having earlier told the Australian Securities Exchange that it was to raise USD 225m (AUD 218.84m) with the option of upsizing that amount by and extra USD 50m (AUD 48.63m).

"The capital raising has placed Paladin in a strong position to pursue growth opportunities and to optimise the benefit to the company of the strong interest being shown by various potential strategic partners," managing director John Borshoff said in a statement today.

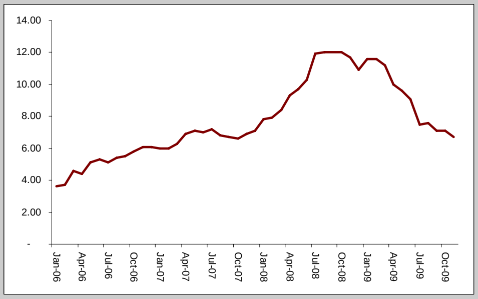
Paladin has two mines, Langer Heinrich in Namibia and Kayelekera in Malawi, with exploration projects in Australia and Canada. The new debt raised will be used to pay down some of the company's much shorter term debt, a USD 325m (AUD 316.10m) convertible note due to mature in March 2013.

The new bonds are convertible into Paladin shares worth USD 2.19 (AUD 2.13), which represents a 25% premium to its share price before the issue was announced, and will be redeemed on 30 April 2017. The bonds carry a coupon of 6% a year, payable semi-annually. *(Herald Sun)*

Economic News

Namibia's central bank decided to keep its main lending rate unchanged at 6% on Wednesday, trying to support hesitant growth in the economy while Europe's debt problems pose a risk to its exports. "Although the majority of domestic indicators displayed robustness (there are) uncertainties regarding developments in the euro area, which remains Namibia's major trading partner," the bank's Monetary Policy Committee (MPC) said at its second policy-setting

CPI Inflation



Source: SAR

meeting for the year.

The MPC said both the domestic and global economic environments posed downside risks to growth in the medium-term. Namibia is one of the world's biggest uranium producers and its economy has not fully recovered after taking a hit to its exports during the 2008/9 global downturn. The bank's concerns about growth have previously outweighed those over rising inflation and it said on Wednesday inflation pressures were mainly externally driven.

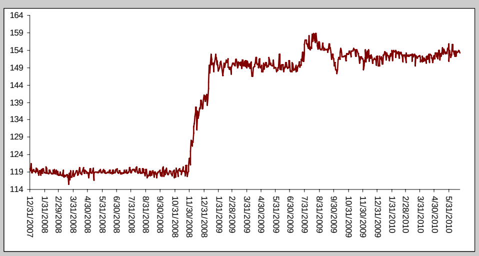
"Taking into consideration developments regarding inflation, which is largely driven by global factors, as well as feeble economic activities, the MPC is of the view that the prevailing monetary policy stance is appropriate to support domestic growth prospects." Annual inflation slowed slightly to 6.9% in March from a more than two-year high of 7.4% in February. The central bank expects growth at 4.2% this year from 3.8% in 2011 mostly on higher uranium output and investments into the construction and mining sectors. *(Reuters)*

Nigeria

Nigeria Stock Exchange

Source: Reuters

NGN/USD



Source:SAR

Economic indicators

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

Source: World Development Indicators

Stock Exchange News

The NSE All Share index gained +1.62% to close at 22,109.44 points. Cadbury gained +27.43% to close at NGN 14.40 while UBA was up +27.05% to close at NGN 3.57. Other notable gains were recorded in Conoil (+21.47%), NCR (+21.46%) and Ashakacem (+21.40%). On the losing front we had CAP (-11.33%), Fidelity Bank (-9.33%) and Portland Paints (-9.32%).

Corporate News

Cement manufacturers in Nigeria have called on the Federal Government to ban the importation of bulk cement before the August deadline set by government, claiming that the volume of cement currently produced in the country is enough to meet local demand. "Government should enforce the ban before the August deadline", said Mr. Daljeet Ghai, Group Chief Executive, Dangote Cement. "Dangote alone has the capacity needed to meet local demand and sustain supply of the commodity across the nation", he said.

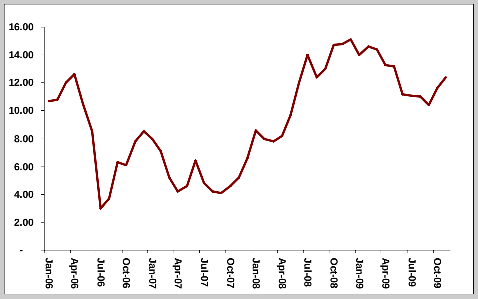
Group Chairman/CEO, Lafarge, Bruno Lafont also said that with the new plant commissioned by the company, the country is now self sufficient in cement. The current production data from the various plants in the country, obtained from Cement Manufacturers Association of Nigeria, CMAN, show that the country's total cement production capacity is now at 22.5m metric tonnes (mmt) per annum while the country's cement consumption is 18.5mmt.

Dangote alone currently accounts for 15m mmt annum (Ibese- 6mmt, Benue Cement- 4mmt; Obajana- 5mmt) while Lafarge Wapco Cement Plc group is contributing 7.5mmt (Ewekoro I- (1.2mmt; Shagamu Cement Plant- 800,000metric tonnes and Ewekoro II- 2.5mmt). Unicem produces 2.5mmt while Ava cement produces 500,000 metric tonnes.

Citing the example of the company's Ibese cement plant as basis for confidence in the ability of local manufacturers to meet domestic demand and still be able to export, Dangote's Ghai said, "Ibese plant is grinding 480,000 tonnes per month, while daily production is 16,000 metric tonnes at 2,400 metric tonnes per hour.

"The Ibese plant, started with a daily production of 12,000 metric tonnes in February, but barely two months after, production moved up to 16,000mmt, which is it's full installed capacity, and this would lead to the achievement of the yearly target of sixm metric tonnes of cement." Vijay Khana, Deputy Director, Operations, Ibese Cement plant added that on a daily basis, the company supplies the market with more than 200,000 bags of cement from the plant. " We load 250 trucks daily; a private truck can carry 600 bags, each Dangote truck carries 800 bags; while smaller trucks carry 300 bags."

CPI Inflation



Source: SAR

Similarly, Nigeria's second largest cement producer, Lafarge Cement Wapco Nigeria Plc, said they are ready for the import ban. "For sure, I see it (ban on cement import) happening. The best thing for Nigeria is for us to manufacture here; if we manufacture here, we create jobs here, and we save the economy in terms of foreign exchange," said Lanre Opakunle, Plant Manager, Ewekoro Cement Plant II. "We have been contributing a lot towards the halting of importation. In the past six months Ewekoro 11 plant have flooded the South West, our core market and beyond with more than 120,000 metric tonnes. A tonne of cement is 20 bags.

"In terms of the total volume, we are pushing into the market 5,000 metric tonnes per week. This translates to over 20,000 tonnes per month and 160,000 tonnes from September 16th last year till-date. For us, what is important is the availability of cement out there in the market. We are stepping up to increase it further. We have the potential for over 40,000 tonnes of cement that we can ship to the market. What has happened in the past is that because of the scarcity of cement, distributors and retailers hike prices of the commodity.

"The advantage we are having now is that with the volume we are supplying into the market, it does not give room for people to play with the price. At about this period last year the price of cement sky-rocketed as a result of scarcity of the commodity. But this is not the case this year. Today, a 50kg bag that used to be sold for N2,200 and above now sells for N1, 600 in Lagos and beyond."

He attributed the success story being recorded to the efficient running of the kilns and the plants' dedicated workforce. "I am happy to let you know that the plant is running 99.38% effectively. The efficient operation of the plant is more about the people that are running it and also about our knowledge of the equipment and our ability to master any problem that potentially comes up; and I am also happy that we are running like a plant that has been in operation for ten years."

"That has helped us to stabilise our operation and it is one of the reasons why we have been able to reach the level of 99.38% production level. Now, in terms of output, there are different volume additions from our plants and we see that the different cement plants in the country are growing their capacities.

In Ashaka we are growing our volume to 1.3m metric tonnes per annum. So, all these in a very short time will stabilise the Nigeria cement market. We don't want a situation whereby we create job in other countries. If you promote import their exit strategy is very easy. If the price starts going down, they will stop importing and that is part of the challenges we had in the past.

"The total capacities of Lafarge Group are Ewekoro 1 and 2 produces 3.5m tonnes, Ashaka is going for 1.3m tonnes, which is 4.8m tonnes and you have Unicem, Calabar doing 2.5m tonnes and Sagamu is 1m tonnes. So we are talking of 8.3m tonnes from Lafarge. That is our installed manufacturing capacity".

Group Chairman/CEO, Lafarge, Bruno Lafont, said: "This new plant brings our capacity to more than 8m tonnes of cement in Nigeria alone. We are determined to continue to make a meaningful and valuable contribution to the socio-economic development of Nigeria. That is my pledge to all of you. So this new plant will help to keep Nigeria self-sufficient in cement. It will create the foundation for future economic development in your country. It will employ, and provide skills for hundreds of Nigerians and it will benefit hundreds more indirectly. It is something for us all to be proud of."

It would be recalled that the late President Umaru Musa Yar'dua lifted the ban on importation of bulk cement in 2009, and granted import licenses to six new firms along the existing cement producers to flood the market with the commodity and crash the price. The six new companies that got the import licenses to complement existing ones were: Minaj Holdings Limited, Enugu, Madewell products, Sapele, BUA International Limited, Kano; NICA Limited, Maiduguri; Reagan Renaissance Limited, Calabar and MAAN Labadi, Lagos.

They joined the seven existing players: Lafarge Cement WAPCO Nigeria; Ashaka Cement; Benue Cement Company, Gboko; Obajana Cement, Kogi; UNICEM Calabar; Cement Company of Northern Nigeria, Sokoto and DURECHEM, Ogun State. In view of local producers' total installed cement production capacity and their ongoing expansion activities, the country seems to be on the march to exiting cement import this year and to begin export next year. In the words of Aliko Dangote, President and Chief Executive, Dangote Group, "We are marking the closing ceremony of cement import in Nigeria." *(Vanguard)*

Nigerian Breweries (NB) one of Nigeria's leading brewers has released its unaudited Q1 2012 numbers, revealing a significant 29.2% year-on year (y-o-y) growth in turnover from NGN 52.0bn to NGN 67.2bn. The brewers Profit before Tax (PBT) also grew by 16.6% from NGN 12.0bn to NGN 14.0bn, while Profit after Tax (PAT) recorded a similar increase of 16.8% from NGN 8.0bn to NGN 9.4bn. Pre-tax and net margins however dipped on a y-o-y basis; recording declines of 230 basis points and 150 basis points to 20.9percent and 14.0percent respectively.

Commenting on the company's results, analysts at Afrinvest disclosed that the brewers results were largely in line with their estimates, with only a 3.4% positive variance in turnover, while PBT and PAT came in 4.0% and 5.9% shy of their forecasts. According to Afrinvest, declines in Pre-tax and Net Margins were not unexpected as they believe the brewer would have incurred additional integration costs from the brewer's recently acquired breweries (Life and Sona Breweries).

"Meanwhile the seasonality in the brewer's sales (with historically weak Q1 turnover, contributing less than 23.0% to full year numbers) continues to play out its revenue profile as seen in these results. Despite the dip in profitability margins, Afrinvest views these results as generally positive and remain upbeat on the medium to long term prospects of the brewer.

They however reiterated their belief that the brewer's focus on the low cost beer market should sustain its dominance of the Nigerian beer market characterised by a bottom heavy population and a slowly growing middle class. Based on these results, NB now trades at trailing Price/Earnings and Price/Book Value multiples of 19.3 times and 8.8 times respectively, relative to 18.7 times and 3.7 times for Guinness.

It would be recalled that SABMiller, South African world brewing giant, in 2009 in , bought Pabod Breweries, Port Harcourt where it owns 57% and Voltic

Nigeria Limited (Voltic produces table water), Lagos owning 80% of the company, and Standard Breweries in Ibadan, using these companies for soft landing in Nigeria. For over five years or thereabout, this world number two brewer entered the Nigerian market, in its quest to tap a USD 3bn (NGN 45.9bn) informal market. *(Business Day)*

Royal Dutch Shell PLC is considering USD 4bn worth of onshore projects in Nigeria to help capture natural gas currently burning at oil wells that contribute to global warming and can sicken those living nearby, the company's CEO said Wednesday. CEO Peter Voser also said Shell's oil production rose to about 800,000 barrels a day in 2011, up after years of militant activity in the country's Niger Delta cut into output.

Voser made the comments Wednesday in London at a conference for Shell, long the dominant foreign oil company operating in crude-rich Nigeria. He said the investments in natural gas would support efforts by the company to cut down on the gas fires, known as flaring. "We expect these to be completed in the 2014 to 2015 timeframe, subject to approval by partners and the security situation," Voser said in his speech, which Shell released on its website.

Environmentalists describe flaring as one of the largest sources of greenhouse gases which cause global warming. Those living in the Niger Delta say the burning contributes to acid rain and causes respiratory illnesses. Flaring leaves their fishing villages bathed in light at all hours and kills the fish living among the creeks and swamps of the roughly 51,800-square kilometer (20,000-square mile) delta.

Nigeria flared off 15.2bn cubic meters of natural gas in 2010 alone, second only to Russia, according to World Bank estimates. Oil production at oil fields run by Shell's local subsidiary, in partnership with the state-run Nigerian National Petroleum Corp., has risen in recent years as well. However, Voser said the security situation remains uncertain in Nigeria, where militants still attack pipelines and thieves steal crude despite a 2009 amnesty deal. Voser said gunmen killed two contractors working with Shell last year.

Crude oil thefts also continue to rise, with estimates that as much as 150,000 barrels of day are stolen, Voser said. That crude, either sold on the black market or refined into crude diesel or kerosene, is worth USD 7bn at current market rates, he said. Shell, as well as other foreign firms, increasingly blame oil thefts for much of the oil spills in the delta. However, Shell's offshore Bonga facility saw nearly 40,000 barrels of oil spilled in an apparent industrial accident in December. Nigeria, which produces about 2.4m of barrels of oil a day, is a top crude oil supplier to the U.S. *(Business Week)*

Pan-African lender United Bank for Africa is in talks withbnaire industrialist Aliko Dangote, Africa's richest man, for a partnership to provide banking services to his Dangote Cement empire in 13 countries, its chief executive said. Phillips Oduoza told the Reuters Africa Investment Summit in Lagos on Thursday, the move would leverage their overlapping presence across thecontinent.

UBA is in all of the 14 countries in which Dangote is building cement plants, except for South Africa. "We are thinking of a strategic partnership between UBA and Dangote (Cement). We are still at the discussion stage," Oduoza said.

"Thankfully in all countries where he has presence, except one, we also have a presence. We can standardise services."

Services would include payment collection and short-term financing of cement distributors working with Dangote. Oduoza also said the bank was aiming to grow its loan book across the continent by 15% to NGN 100bn (USD 636m) in 2012. Non-Nigerian countries make up 18% of UBA's portfolio, and the aim would be to grow that to 25% in the next few years, he said.

He declined to comment on further plans for acquisitions in Africa, saying UBA was in a "consolidation phase" of its assets across the continent. UBA, like many other Nigerian banks, has had a rough time in 2011 a pre-tax loss of NGN 28.49bn, driven largely by write downs of bad debts incurred during a banking crisis in 2008/09.

Results published on Wednesday showed a profit of 10.3bn naira, a sign the bank may be bouncing back. UBA was forced to shelve a share sale. "The market conditions were not quite favourable, so we decided to put it on hold," Oduoza said. "We will resume it when conditions are right." He said a planned USD 500m Eurobond would only happen long after the share sale. *(Business Day)*

Nigeria's United Bank for Africa (UBA) is considering merging its Zambian unit with one or more other local lenders to meet a new regulatory minimum capital of USD 100m, its group chief executive said on Tuesday. It is just one option being considered, chief executive Phillips Oduoza told an investors' conference call. He also said the group returned to profitability in the first quarter, after a 2011 loss caused by bad-debt writedowns.

Zambia's central bank raised the minimum capital for foreign banks operating in the country from around ZMK 12bn (USD 2.31m) to USD 100m, a move it said would help boost the country's financial sector. Shareholder funds for the Zambia unit stood at NGN 2.48bn (USD 15.77m), it said in a presentation to investors.

The bank said African operations outside Nigeria had turned profitable in the first quarter, with 12 out of 18 subsidiaries reporting pre-tax profits. The Zambia unit posted a pre-tax loss of 76m naira. Oduoza said the pan-African lender will tap equity markets to raise finance in order to boost its African operations when stock markets improve. *(Reuters)*

Still relishing an impressive 2011 financial performance, shareholders of Guaranty Trust Bank Plc have been assured of another bountiful harvest in the current year, going by the first quarter results of the bank ended March 31, 2012. In the unaudited results, GTBank posted gross earnings of NGN 52.615bn, showing an increase of 22% above the NGN 43.121bn recorded in the corresponding period of 2011. Profit after tax rose by 35% from NGN 14.328bn to NGN 19.312bn.

Market operators said if that level of growth would be maintained throughout the year, GTBank would end 2012 with a profit after of NGN 76bn compared to the NGN 52bn recorded in 2011. Based on the impressive 2011 performance, GTBank Plc recommended a final dividend of NGN 25.02bn that translated into NGN 0.85 per share. In all, shareholders a total dividend NGN 1.10 per share for the 2011 financial year.

The shareholders had last week commended the bank for the dividend payment, saying that the board and management had been able to position GTBank as the 'bank of choice' within the country and had been generating positive returns for them. The Managing Director of GTBank, Mr. Segun Agbaje, noted that the bank had consistently reported the best results within the sector for the last three years and intended to maintain this trend in the future.

"Our successes over the years can primarily be attributed to teamwork, discipline and passion. Our board is actively involved in the bank's operations, our Management team believe in our vision to be the best bank in the country and our members of staff are committed to go the extra mile in ensuring customer satisfaction," he said.

According to him, the bank intended to consolidate its position in 2012 by pioneering service innovations, developing value adding products within all markets, promoting excellence and creating role models for society through a myriad of social and other initiatives. *(This Day)*

Australian Mines has now finalised the acquisition of Nigeria Gold Pty Ltd, after entering into deeds of settlement with the vendors. The agreement is for the number of shares to be issued as full and final settlement of the Tranche 2 shares, which were to be issued under the terms of the transaction as approved by company shareholders last month.Benjamin Bell, managing director of Australian Mines, commented on the positive outcome:

"This settlement marks a highly successful quarter for the company; with the completion of the high-resolution aeromagnetic surveys at Yargarma and Kasele projects and on-going work at Kagara, the company is looking forward to updating the market with developments in the coming weeks." Following legal counsel on the matter, Australian Mines offered 29,999,998 shares to Nigeria Gold shareholders as final settlement for Tranche 2, in place of the 60m being claimed. This was accepted by the Nigeria Gold shareholders.

The company will now proceed to issue the shares, subject to any related party shareholder approvals that may be required. A further 36m Australian Mines shares may be issued to the Nigeria Gold vendors if the company's Nigerian exploration results identify a JORC Indicated Resource of 500,000 ounces of gold before 9 March 2013. *(Proactive Investors)*

Second National Carrier, Globacom, has announced a new roaming service which offers a uniform local tariff and allows use of local Glo recharge cards in any country where Glo has presence. The service, UNIWORLD, enables both prepaid and post paid subscribers in Nigeria, Benin Republic and Ghana to enjoy seamless, unbroken communications at uniform and affordable rates in those countries.

At a press conference in Lagos, the company's Executive Director, Adewale Sangowawa, said UniWorld unifies the 3 Glo network countries by creating a Virtual Home Environment which allows seamless communications at transparent and affordable rates across borders. "Post paid and prepaid subscribers can now recharge with local Glo recharge cards in Nigeria, Ghana or Benin while roaming and enjoy all roaming services at very affordable rates," he said.

According to him, subscribers who roam across the three countries will be charged same uniform local rates irrespective of where they are calling from. He explained that customers' bills would be rated in Naira, Cedi or CFA depending on their Glo home country. *(Nation)*

NEM Insurance has proposed to pay its investors NGN 0.05 dividend per share in its 2011 audited report. A review of the company's audited report for the period ended December 31, 2011, shows that it posted a profit after tax of NGN 1.343bn compared to NGN 833.854m in 2010, indicating an increase in profit after tax of 61.1%.

Profit before tax also grew from NGN 1.034bn in 2010 to NGN 1.476bn in 2011, showing an increase of 42.7%. Its gross premium also increased from NGN 6.386bn in year 2010 to NGN 8.381bn in 2011, representing an increase of 31.2%. *(Daily trust)*

Nigeria's Skye Bank has raised USD 100m in debt from a multilateral institution at a floating coupon rate of 6.3% for seven-years to boost its capital, its chief executive Kehinde Durosinmi-Etti said on Thursday. "It will add about two% to our capital adequacy ratio," he said, during an investor briefing, commenting on its currently capital adequacy level of 17.5%. A number of Nigerian banks -- First Bank, United Bank for Africa (UBA) and Diamond Bank have indicated interest to raise bonds from the international market this year. *(Reuters)*

Nigeria's Skye Bank said on Thursday it will boost return on equity (ROE) to around 15% by the year-end from 4.7% in 2011 and grow its loan book by 30%. It achieved a 22% growth in loans in 2011 to NGN 519.7bn (USD 3.31bn) by targeting oil and gas, construction, public sector and general commerce, the bank said in an investor briefing on its 2011 full year results.

But its pre-tax profit fell 45.5% to 6.51bn naira in 2011. Skye did not provide an explanation for the fall in the presentation. The mid-tier lender has 249 offices in Nigeria and three bank subsidiaries in West Africa - Gambia, Guinea and Sierra Leone. It said its 3-5 year plan was to grow loans by around 40% with ROE reaching 20%.

Lending to Africa's second biggest economy had started to recover after a banking crisis that led to a USD 4bn bailout of nine bankrupt lenders in 2009. Skye wasn't among them. Syke's rivals - First Bank, United Bank for Africa (UBA) have also announced loan growth of around 10% or more for 2012. *(Reuters)*

Economic News

The federally collected revenue increased by 11.7% to NGN 1.008tn in January this year as against the NGN 890.097bn realised in December last year, the Central Bank of Nigeria (CBN) has said. According to the apex bank's "economic report for January 2012," posted on its website at the weekend, the amount also exceeded what was realised by the federal government in the corresponding period of 2011 by 37.8%.

It however attributed the development to an increase in both oil and non-oil receipts during the month under review, saying that at NGN 802.71bn, gross oil receipts, which constituted 79.6% of the total revenue, exceeded the receipts in the preceding month and the corresponding period of 2011 by 10.6 and 38.4%, respectively. The increase in oil receipts relative to the preceding month was also attributed, largely, to the 18.7 and 22.7% rise in receipts from domestic crude oil and gas sales and crude oil and gas export, respectively.

“Non-oil receipts (gross), at NGN 205.66bn or 20.4% of the total revenue was 16.6 and 35.9% higher than the receipts in the preceding month and the corresponding period of 2011, respectively. The development reflected, largely, the increase in corporate tax, Federal Government independent revenue and customs special levies,” the report explained.

The banking sector regulator also declared that at NGN 12.664.8tn, aggregate banking system credit (net) to the domestic economy rose by 2.1% on month-on-month basis, compared with 10.5% growth recorded at the end of the preceding month. The development, according to the report, also reflected largely, the 3.5% increase in claims on the private sector.

“On year-on-year basis, aggregate banking system credit (net) to the domestic economy, however, declined by 4.2%. Banking system’s credit (net) to the FG, on month-on-month basis, declined by 37.1% to negative NGN 728.4bn, in contrast to the growth of 52.7 and 34.8% at the end of preceding month and corresponding period of 2011, respectively.

“The development reflected largely, the significant decline in banking system’s holdings of government securities. Federal government, however, remained a net lender to the banking system at the end of the review month. “The banking system’s credit to the private sector, on month-on-month basis, rose by 3.5% to NGN 13.393tn over the preceding month’s level, in contrast to a decline of 4.2% at end of the corresponding month of 2011.

“Similarly, banking system’s claims on the core private sector rose by 3.8% to NGN 12.899tn over the level in the preceding month, compared with 3.4% at the end of the preceding month,” the CBN revealed. Continuing, the CBN stated that at NGN 7.427tn, foreign assets (net) of the banking system, on month-on-month basis, rose by 3.4%, compared with 8.4% in the preceding month. It further attributed this development largely, to the 12.6 and 1.4% increase in deposit money banks’ and CBN’s holdings of foreign assets, respectively.

“At NGN 1.475tn currency-in-circulations fell by 5.8% in the review month, compared with the decline of 2.7% at the end of corresponding period of 2011. The development reflected the 12.2% decline in currency outside banks during the review month,” it added. *(This Day)*

Plans for power supply in the country received a boost yesterday as the Minister of Petroleum Resources, Mrs. Diezani Alison-Madueke, released the schedule for gas supply for additional 500m metric cubic feet daily (mmcf/d) for the generation of additional 2,000mega watts in the next one year. The minister, who had last Wednesday announced a 12 –month emergency plan to address the challenge of gas supply which has recently had a negative impact on power generation, yesterday gave reporters in Abuja additional overview of the planned interventions during the emergency period.

Her words: "In the next 12 months, we will be adding 500mmcf/d (equivalent to 2000mw) to the grid. This will have a direct major impact on the overall power situation in the country." She noted that since 2005, when the National Independent Power Projects (NIPP) kicked off, there had been no alignment between the planned NIPP's and the necessary gas supply to power them. The minister said about 180mmcf/d (about 700mw) of this additional 500mmcf/d is due within a few week, by June.

In the breakdown, she said the 700mw will come from Escravos, Utorogo, Ughelli and Oredo, adding that ongoing activities, such as the laying of the Olorunshogo pipeline, the completion of the ELPS A pipeline and the completion of NIPP pipeline around Oredo are key elements of this addition. *(Nation)*

The Central Bank of Nigeria (CBN) paid out N90.5bn as subsidy to oil marketers between February 10 and March 6, this year. Documents obtained by The Nation from the office of the Accountant-General of the Federation (AGF), which were placed before members of the Federation Account Allocation Committee (FAAC) last month, showed that on the February 10, the apex bank paid out N48.665bn to 23 oil marketers under "direct payment to independent oil marketers by CBN being redemption of Sovereign Debit Notes Under petroleum Support Scheme.

Eleven days later, the apex bank again paid another NGN 26.618bn to 20 oil marketers under batch Z/11B payment programme. Also in February, NGN 49bn was transferred to the domestic excess crude naira account for subsidy in favour of independent marketing companies responsible for the importation of petroleum products fixed at NGN 155.70/USD 1. According to the schedule of payment, on March 6, the NGN 15. 219bn was paid to 13 oil marketers under the batch B/12 payment plan of the subsidy arrangements.

These payments brought the total amount paid out in 25 days to 56 oil marketers to NGN 90.5bn. The Federal Government has set aside NGN 656bn for petroleum subsidy this year. As a result of the partial removal of subsidy, the Federal Government budgeted NGN 888bn to finance petroleum subsidy, with NGN 232bn earmarked for last year's outstanding payments.

Given the rate deductions for payments to oil marketers are made, state governments recently complained to the Federal Government, lamenting the massive payments, saying the payment is denying them funds that they could deploy to provide basic infrastructure for their people.

Officials of the Ministry of Finance and the Office of the Accountant-General of the Federation declined to speak on how or when the government would settle what is outstanding to the oil marketers. *(Nation)*

President Goodluck Jonathan has stated that the key objective of his administration's reform agenda in the oil and gas industry is to expand the crude oil reserve base to about 40bn barrels, and increase the country's daily production to about fourm barrels per day. Jonathan, who made the remark while inaugurating the giant Usan field built by Total Exploration and

Production Nigeria last week, further noted that he has instructed the Minister of Petroleum Resources to ensure the acceleration of all on-going upstream oil and gas development projects.

According to him, “The objective is to ensure that Nigeria attains the set targets of crude oil reserve of 40bn barrels and the production of 4m barrels per day within the decade. It is gratifying to note that substantial progress is made is being made in this direction.” The President observed that the Usan field, a major deepwater development with over 500m barrels of oil in place, is definitely one of such projects aimed at achieving the targets.

He also praised the high level of Nigerian content in the areas of man-hours of engineering, training, fabrication and installation, adding that the realization of the Usan project further attests to the fact that Nigeria presents a conducive environment for business and a favoured destination for investment.

The ceremony at the Usan field, which lies around 100 kilometers off the South East Nigerian coast, was also attended by the Minister of Petroleum Mrs Diezani Allison-Madueke, Chairman and CEO of Total, Mr. Christophe de Margerie, President of Exploration & Production at Total, Yves-Louis Darricarrère, and partners of the Usan project.

“We are delighted to inaugurate Usan today together with our concession holder, the Nigerian National Petroleum Corporation (NNPC) and our partners. The realization of the Usan Project has served as an eloquent metaphor for our business model in Nigeria: we are proud of the exceptional contribution Usan has made to the growth of local capacity and the high level of Nigerian Content in the Project,” Christophe de Margerie stated during the ceremony.

He noted that production commenced in the field on February 24, 2012 and it marked a milestone in the company’s activities in Nigeria. “At plateau, USAN will add another 180,000 barrels of oil per day to Nigeria’s production. For us in Total, we are proud of this achievement. “The success of this endeavour further illustrates Total’s expertise in the deepwater exploration and continuing deployment of technological innovations in deepwater production. The USAN Field is Total’s second major deepwater development in Nigeria after Akpo and sixth in Africa, after Girassol, Dalia, Pazflor fields in Angola and Moho Bilondo in Congo.”

De Magerie observed that Total’s upstream operations in Nigeria, which started in 1962, have continuously embraced new frontiers and overcome new challenges to make Total Nigeria a very active multinational oil and gas company with the most rapid portfolio, reserves and production growth. Total Upstream will be 50 years in Nigeria, this May.

He noted that, “From the Onshore to the classical offshore and now to deep offshore, Total has made significant successes, adding to Nigeria’s reserves base and production capacity. But beyond geographical and geological frontiers, Total has also embraced new concepts and business models, making it one of the pioneers in the monetization of gas by our early investment in the NLNG, to be followed by the Brass LNG.

“To develop Usan Total as operator has introduced a number of technological innovations, among which is a solution that drastically reduces gas flaring and thus minimizes the environmental impact of the Project." Total E&P Nigeria Ltd., a wholly owned subsidiary of Total, operates OML 138 with a 20% interest, while Nigerian National Petroleum Corporation (NNPC) is the concession holder. Total's partners are Chevron Petroleum Nigeria Ltd. (30%), Esso E&P Nigeria (Offshore East) Ltd. (30%) and Nexen Petroleum Nigeria Ltd. (20%).

USAN, a new benchmark for Nigerian content Discovered in 2002, the Usan field lies in water depths ranging from 750 to 850 meters. The Usan development comprises a spread moored Floating Production, Storage and Offloading (FPSO) vessel designed to process 180,000 barrels per day and with a crude storage capacity of 2m barrels.

Its dimensions, 320 meters long and 61 meters wide, make it one of the largest vessels of this type in the world. The development involves 42 wells connected to the FPSO by a 70 kilometers long subsea network. The Usan project has involved an unprecedented level of Nigerian local content, with over 500,000 engineering man-hours and 14m construction and installation man-hours performed in Nigeria.

FPSO construction included an offshore integration of 3,500 tons of locally fabricated structures. In addition, large-scale training and capacity building programs were put in place, raising the skills of the local workforce to the benefit of future projects. *(Vanguard)*

The Nigerian Stock Exchange (NSE) has commended 13 quoted companies for good corporate governance. The NSE in a statement posted on its website said the companies were given the commendation for exceeding the minimum post-listing standards prescribed for financial disclosure by filling their audited accounts for the year ended December 31, 2011, ahead of time.

"The exchange is pleased to recognise quoted companies who exceeded the minimum post-listing standards prescribed for financial disclosure by filing their audited accounts for the year end December 31, 2011 ahead of time," the statement said. According to the NSE, under the post-listing rules, companies are expected to file their audited accounts within three months after the year-end and for companies in the December category the scheduled filing date is March 31.

"We recognise the efforts as well as the good corporate governance standards adopted by these companies who took appropriate steps to ensure that their financial statements were filed ahead of time," the NSE said. The 11 companies on the list of good corporate commendation of the NSE include, Courteville Business Solutions Plc, Nestle Nigeria Plc, Nigerian Breweries Plc, Zenith Bank Plc, GlaxoSmithKline Consumer Nigeria Plc, Okomu Oil Palm Plc, Access Bank Plc and Guaranty Trust Bank Plc. *(Daily Trust)*

Nigeria's Stock Exchange (NSE) signed a deal to adopt the Nasdaq X-Stream trading platform on Tuesday, and said it would aim to go live with it by the second quarter of 2013, part of a string of reforms to overhaul the bourse. "To grow our market, we have to make it more efficient and transparent to build confidence in investors," Ade Bajomo, the exchange's executive director of market operations and technology, said at a signing ceremony with Lars Ottersgard, Nasdaq senior vice president and head of technology.

"We will work aggressively to go live with the Nasdaq platform by the second quarter of 2013, but this will depend largely on the need to carry along other market operators." The adoption of the Nasdaq system is part of plethora of reforms, including relaxing restrictions on price swings, adopting the Nasdaq platform, opening into U.S. trading hours and allowing short selling.

Africa's second-biggest bourse is automated, but the technology is old and price- rather than quote-driven. The new system is supposed to make the market more efficient, liquid and easier for traders to use. After roaring growth earlier last decade, a banking crisis caused stocks to drop by around 60% in 2008. Recovery hit a stumbling block in 2011, with a 16.3% fall on concerns over writedowns of bad debts.

Analysts expect 2012 to end the year on a gain, and stock exchange officials hope the new system will restore confidence in the transparency of the market in future years. Officials said the Nasdaq technology would also reduce transaction times, but did not say by how much.

"The new platform will allow automatic integration of dealers with the exchange system, customers should be able to use their smart phones to access their accounts," Oscar Onyeama, NSE chief executive said at the ceremony. *(Reuters)*

The London Stock Exchange (LSE) has said it would support companies operating in the power and other infrastructural sectors of the Nigerian economy with the provision of funds needed to successfully executive such projects. This was stated by Mr. Richard Webster-Smith, who is responsible for the LSE's Primary Markets business development activities in the Americas, South Asia, Middle East and Africa, in an interview with THISDAY in Lagos.

The Federal Government's efforts in transforming the power and energy sectors of the economy is expected to lead to the establishment of many companies in the generation, distribution and transmission of electricity power. Considering the huge capital requirements there are apprehensions that companies wishing to play in the sectors may face the challenge of funding. But speaking with THISDAY, Webster-Smith said the LSE would be an ideal place for such companies to raise the required funds.

According to him, the London markets have been used to raise sizeable amounts of investment funds for developing power generation projects in emerging markets. "The example of India highlights how, with the right regulatory framework in place, investors in London have an appetite for direct investment in the power sector in high growth economies. We believe with recent regulatory developments here in Nigeria, the sector is becoming more appealing to international investors and international equity financing could be a key part of meeting Nigeria's power requirements," he said.

Webster-Smith, who was in Nigeria to discuss prospects of firms operating in the country to list on the LSE, said that London was unmatched in terms of the availability of international capital to fund the needs of companies from all round the world. "International equity funds under management in London alone are estimated at USD 1.3 trillion. Hence the LSE is the most international of all the world's stock exchanges, with around 3,000 companies from over 70 countries admitted to trading on its markets," he said.

As part of efforts to assist Nigerian firms access funds on the international capital markets, he said the LSE had established a d working relationship with the Nigerian Stock Exchange (NSE) and Securities and Exchange Commission (SEC) in terms of sharing information and experiences. He added that they all also work jointly to promote the development of the Nigerian capital market through the annual Nigeria Capital Markets Forum in partnership with NSE, JP Morgan and Thomson Reuters.

On the prospects of Nigerian firms successfully raising funds on the LSE, Webster-Smith said many African firms including those from Nigeria had successfully accessed the international capital markets via their LSE. According to him, since 2008, Africa-focused companies listed on the LSE have raised over £4.18bn in new and further issues in the market. In 2011(alone), a total of 11 Africa-focused companies joined the LSE, raising a total of £272.65m on admission. *(This Day)*

The size of Nigeria's economy will shoot up by some 40% in the second quarter this year, placing Africa's second-biggest economy on the list of middle income countries and bringing it closer to rival South Africa, a source close to the matter said. The makeover may give the country financial bragging rights, but will change little for thems trapped in poverty.

From around July or August this year, Nigeria will change the base year for its GDP calculation to 2009, from its current 1990, the source told Reuters on Wednesday, applying the new base from Q2 onwards. Analysts said a recalculation along those lines would bring Nigeria's economy up from a current IMF estimate of USD 270bn for 2012 to about USD 375bn - just behind South Africa's, expected to be around USD 390bn by the end of 2012.

The source said the calculations had "taken into consideration fluctuations, availability and consistency in the data in choosing the new base year, which will be 2009," and that it will be applied from the second quarter of 2012. Most governments overhaul gross domestic product calculations every few years to reflect changes in output and consumption, such as mobile phones and the Internet. Since Nigeria has not done so since 1990, analysts had expected a large jump. Nobody had put a number on it until now.

Nigeria's markets were largely unmoved on Wednesday, with the stock exchange index trading marginally up 0.34%. The move was flagged late last year. With growth 7% a year, compared with 3% in South Africa, Nigeria looks set to overtake its rival to seize the top spot, an event that would most likely boost interest in local consumer goods companies seeking to unlock the potential of Africa's most populous country and its 160m consumers.

"Perhaps the upside for Nigeria is that it will become too important to ignore as a frontier market and investment destination," said Standard Bank's Samir Gadio, but he added that the change was largely "a symbolic turnaround" that will have little impact on Nigeria's actual diplomatic clout. Nigeria's GDP may be roaring ahead, but a glance look at its huge and fast growing population and poor record on governance makes them look less impressive, analysts said.

Poverty in Africa's top oil producer is rising. A decade of breakneck economic growth has failed to lift 100m people living on less than USD 1 a day out of dire poverty. The%age of Nigerians living in absolute poverty - those who can afford only the bare essentials of food, shelter and clothing - has risen to around 60%, thanks largely to kleptocratic governance hampering basic services. "Nigeria remains significantly underdeveloped in terms of basic infrastructure (electricity, roads, etc) and faces high income inequality. Output per capita in Nigeria will continue to trail that of South Africa over the next decades," said Gadio.

The rebasing will also improve Nigeria's debt to GDP ratio, currently at around 16%. But Alan Cameron, an economist at Nigerian stock broker CSL questioned whether that would make a difference to its debt position - especially with its poor record on saving money despite high world oil prices.

"While certain debt ratios will be flattered by the revision, to us the question of debt sustainability has always been about the government's servicing capacity rather than the ratio of debt to GDP," he said. Nigeria's tax revenues, seen as woeful for a country of this size, will look even smaller. Nigeria does not publish tax revenue figures but they are suspected to be extremely low, with 95% of government revenues coming from oil output.

Even as a consumer market, South Africa with its rising middle class and good infrastructure is likely to dwarf Nigeria for some time to come. "Look at any metric estimating the size of the consumer market in South Africa...and look for the comparable figure in Nigeria...and the difference is far greater than 10%," said Razia Khan, head of Africa research at Standard Chartered. *(Reuters)*

Nigeria's consumer inflation rose to 12.1% year-on-year in March, compared with 11.9% year-on-year in February, driven by higher food prices, the National Bureau of Statistics said on Wednesday. "The increase in the headline index, composed of the core and food indices, partially was due to the planting season which increased the price of food products in the market, and an increase in prices in the economy," an NBS document said.

Food inflation, the largest component in the headline figure, rose to 11.8% year-on-year in March, compared with a revised figure of 9.7% in February. The bureau said the rise in consumer inflation could have been more severe but for a delay in sharing out oil revenues between different tiers of government, which eased liquidity.

The delay in passing Nigeria's budget has also eased pressure on prices because capital spending allowances have yet to be distributed to the ministries. Nigeria's central bank kept its base rate on hold at 12% for the third time in a row last month, saying that while it was concerned about inflationary pressures, the government had taken positive steps on tighten fiscal policy.

Central Bank Governor Lamido Sanusi said he expected inflation to rise to around 14-15% by the middle of this year, due to the partial removal of fuel subsidies in January. Although this has pushed up the cost of motor fuel and associated products it has also reduced the spending power of ordinary Nigerians, which has tempered the inflationary impact, economists say. *(Reuters)*

Banking sector credit to the private sector increased significantly by 11.3% to NGN 14.207tn as at March this year, as against the NGN 12.762tn

it was the previous month, data obtained by THSIDAY has shown. The latest money and credit statistics obtained from the Central Bank Nigeria (CBN) indicated that the private sector grew by N1.445tn in the month in March.

Credit to the private sector had declined to NGN 12.762tn in February 2012, from the N13.348tn the preceding month. The CBN's economic indicator also showed that broad money (M2), which generally is made up of demand deposits at commercial banks and monies held in easily accessible accounts, stood at NGN 13.225tn in the month under review.

Annual private sector credit growth remained robust at 50.7% year-on-year in March, from 53.3% year-on-year in February and 55.9% year-on-year in January. Commenting on the development, Emerging Markets Strategist, Standard Bank Plc, London, Samir Gadio, argued that "given the low base effects in the private sector credit time series in first quarter last year, (as those reduced sizeably when the Asset Management Corporation of Nigeria acquired the banks' non-performing loan), it is only statistically normal that the annual growth rate in private credit extension has surged to new highs in first quarter 2012."

AMCON had last year, purchased banks' NPL, which to a lot of industry watchers, contributed to the significant credit growth figures. Continuing, Gadio who made these remarks in response to an interview with THISDAY conducted via the e-mail said: "However, we also note that the historical private sector credit aggregates were significantly revised upwards this month, which will probably require further official clarification.

"These figures probably still highlight to some extent the banks' reluctance to lend to non-Tier I names at affordable rates. As we have often indicated, the limited actual access to credit in the overall economy is primarily a structural issue in a developing country rather than a function of policy interest rates given the weak financial intermediation, macroeconomic distortions and perceived risk profile of borrowers.

"As such, the potential medium-term shift to a more accommodative monetary policy stance is only likely to have a modest positive impact on the credit market." Credit to private sector had recorded a significant year-on-year growth to 41.7% in January, 33.3% as December, 15.5% in November and a 15.9% year-on-year growth in October.. *(This Day)*

Nigeria sold NGN 90bn (USD 572.70m) worth of debt paper maturing in 2014, 2017 and 2022 at its regular auction on Wednesday, with mixed returns on the bonds, the Debt Management Office (DMO), said yesterday. DMO, said it sold N20bn in the bond due to mature in March 2014, and NGN 35bn each, in paper due to mature in April, 2017 and 2022 respectively.

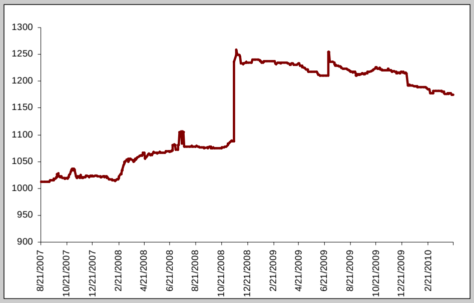
The 2017 bond, which was a fresh issue, has a coupon of 15.10%, while the 2017 and 2022 paper pay a rate of 14.94 and 15.47% respectively. Two of the instruments are re-opening of previous issues, while the 2017 bond was a fresh offer. The 2014 note had attracted a coupon of 15.50% at the last time it was issued in October 2011; the 2022 one attracted 15.41% at the previous auction.

"The original coupon rates of 10.50% and 16.39% for the March, 2014 and January, 2022 respectively will be maintained, while the coupon rate for the

April 2017 is set at 15.10%," the DMO stated. *(Nation)*

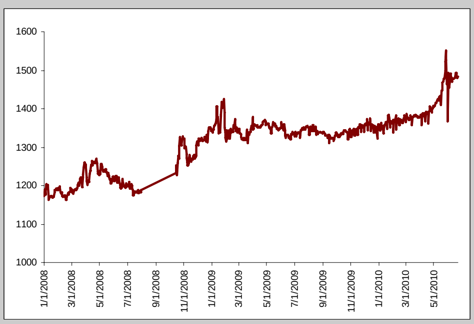
Tanzania

Dar-es Salaam Stock Exchange



Source: Reuters

TZS/USD



Source:SAR

Economic indicators

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

Source: World Development Indicator

CPI Inflation

Stock Exchange News

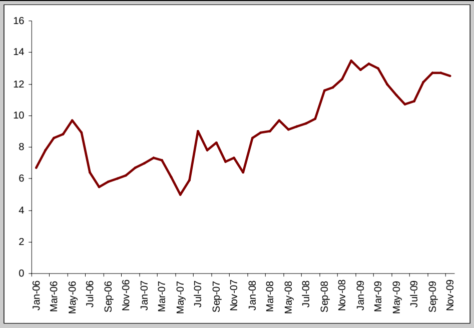
The DSEI a marginal -0.05% to close at 1,326.75 points. TTP was the only mover after gaining +14.04% to TZS 325.00 while CRBD was the only shaker after losing -1.79% to TZS 137.50. All the other counters remained unchanged.

Corporate News

No Corporate News this week

Economic News

No Economic News this week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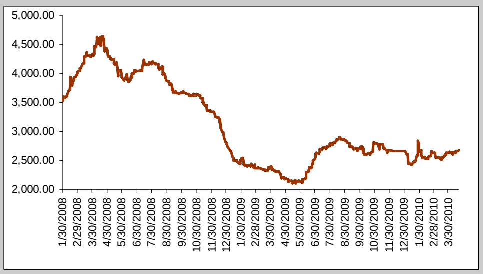
Source: SAR

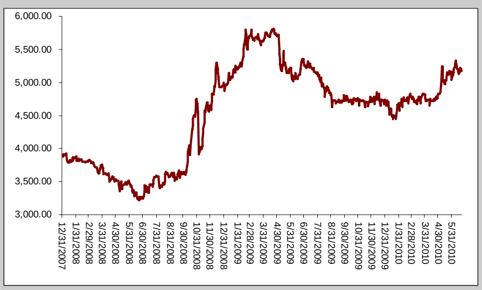
Zambia

Zambia Stock Exchange



Source: Reuters

ZMK/USD



Source:SAR

Economic indicators

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

Source: World Development Indicators

CPI Inflation

Stock Exchange News

The LuSE index lost a marginal -0.51% to close at 3,921.79 points. CEC was the only gainer after adding ZMK 8.00 to close at ZMK 649 while Zanaco was the only shaker, shedding -5.88% to ZMK 1,200.00. Total turnover for the week amounted to USD 1.22m with Zambeef and Zanaco dominating trades.

Corporate News

Glencore International's Mopani Copper Mines has resumed production at its Zambian copper treatment plant, which was shut in March for pollution violations, it said on Saturday. "It is with great delight that stakeholders have managed to reach an amicable resolution of the situation, leading to the resumption of operations," Mopani said in a statement.

Zambia's environmental management agency, which closed the plant, separately said Mopani was allowed to re-open the plant on Thursday after it met the conditions set. The agency last month ordered Mopani to shut down its Mufulira heap leaching plant due to excessive emissions of the pollutant acid mist. *(Reuters)*

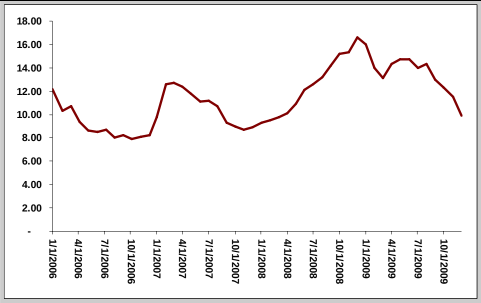
Economic News

Zambia has issued requests for proposals to 11 international banks seeking to act as book runners for its debut USD 500m Eurobond, a government agency official said on Monday. Goldman Sachs, BNP Paribas, Standard Chartered and Deutsche Bank were among the banks short-listed from an initial 16 that submitted expressions of interest, an official at the Zambia Public Procurement Authority, who asked not to be named, told Reuters.

There has been strong appetite for African debt and the last such issue from the region - a debut USD 500m, 10-year Eurobond from Namibia launched in October - was heavily oversubscribed with an initial coupon of 5.5%. It is now yielding 4.95%. The limited supply from African sovereigns has ensured that debut issues are eagerly anticipated, with Nigeria's USD 500m 10-year Eurobond last year attracting heavy demand.

The tender closes on April 27 and it would take a minimum of three weeks to evaluate the bids, the official said. So far, eight banks had confirmed their participation. "Last week, we had eight confirmations from the short-listed bidders that they will take part in the tender," he said. The agency has also issued requests for proposals to two law firms, Clifford Chance and White & Case, seeking a role as legal advisers, he added.

The government of Africa's number one copper producer announced plans to issue a Eurobond in November when it unveiled its first budget after an upset



Source: SAR

election victory two months earlier. In February, tenders were invited for two book runners to act as joint lead managers, to assist in determining the size and pricing of the issue and coordinate road shows. The official said the size of the issue had been confirmed at USD 500m.

The other short-listed banks were Citigroup, Absa Capital/Barclays Capital, UBS, HSBC, JP Morgan, Standard Bank and Credit Suisse. Proceeds from the Eurobond are earmarked for upgrading Zambia's dilapidated infrastructure - spending that will create jobs and go down well in rural areas where President Michael Sata is seeking to boost his support.

However, investors may be wary after rating agency Fitch said in early March that it was revising the country's rating outlook to negative from stable, citing concerns about the direction of economic policy in the southern African state. It said Zambia's recent decision to reverse a privatisation deal could undermine property rights, while planned reforms of the mining and banking sectors could negatively impact investment and consequently macro-economic stability.

Alarm bells were subsequently raised by the suspension of the political party status of the main opposition party because it had not been paying its annual registration fees. "Even if the decision is overturned by the courts, Fitch highlights again the risks associated with sending a negative message on matters relating to economic policy, property rights and respect for the rule of law," Fitch said. *(Reuters)*

Zambia's kwacha currency will strengthen modestly over the coming year as copper prices stay strong despite disappointing Chinese economic growth, a Reuters poll showed on Monday. Africa's top copper producer, like other commodity exporters, could be hurt by weak metal prices as demand slows from China, the world's second-biggest economy. But analysts say the kwacha may still gain ground.

"Copper prices could prove to be supportive of Zambia's exchange rate up to year-end," said Thea Fourie, economist at IHS Global Insight. "Once calm returns to the copper market after disappointing Chinese growth numbers and euro zone sovereign risk fears, the copper market will refocus on fundamentals, which suggests a bump in pricing this summer," Fourie added.

Benchmark copper prices in London have made steady gains since the start of the year and remain high compared with October's year-lows. Copper prices may be soft this year due to doubts over the global economy and sporadic demand from China, though analysts in a separate Reuters poll were slightly more optimistic than they were earlier this year.

The euro zone debt crisis could also weigh on the currency. This month the International Monetary Fund told commodity exporters to brace for the possibility of lower prices given the weak global economy and lower demand. A survey of 10 analysts polled by Reuters in the past week showed they expect the kwacha, currently trading around 5,232 per dollar, to have gained less than a% by the time the new government completes its first year in charge in September.

They see it at 5,233 at the end of June, 5,088 at the end of December and 5,018 by the end of March 2013, indicating a gain of 4% from its current levels by that time. The landlocked nation was praised for a peaceful election that paved the way for a new administration, although the kwacha has lost around 8% since President Michael Sata was voted into government, amid fears his administration will make life harder for foreign investors.

Zambia plans to double the contribution of the mining sector to its gross domestic product to 20%. Foreign mining companies operating in Zambia include Canada's First Quantum Minerals, London-listed Vedanta Resources Plc, Glencore International Plc, Barrick Gold and Metorex of South Africa. The government still plans to issue a USD 500-700m Eurobond.

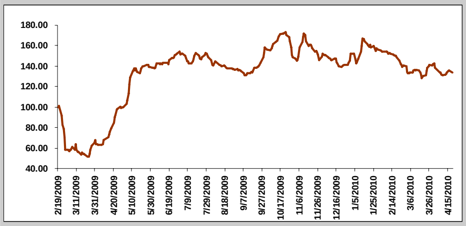
But just last month, Fitch cut Zambia's rating outlook to negative from stable, citing concerns about the government's actions. "The kwacha should start to appreciate as political uncertainty eases," said Gerald Ndhlovu of FNB Zambia. The scrapping of privatisation of Zambian entities by foreign firms and the planned introduction of a windfall tax on miners have been a cause of concern for investors. The last African issue - a debut USD 500m, 10-year Eurobond from Namibia launched in October - was heavily oversubscribed with an initial coupon of 5.5% and now yielding 4.959%.

Zambia plans to spend the proceeds of its Eurobond offering on upgrading dilapidated infrastructure, which should create jobs and go down well in rural areas where Sata is seeking to boost his support. In neighbouring South Africa, the region's biggest economy, the rand currency is set to trade in a narrow band over the next 12 months. *(Reuters)*

Zambia's inflation quickened to 6.5% year-on-year in April from 6.4% in March, the Central Statistics Office said on Thursday. "The increase is attributed to increases in the prices of non-food products," the central statistical office said in a statement. *(Reuters)*

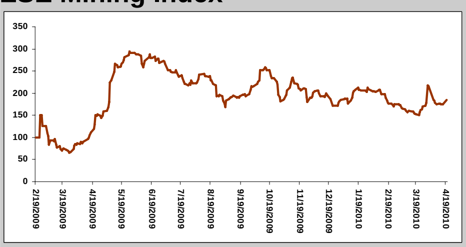
Zimbabwe

ZSE Industrial Index



Source: Reuters

ZSE Mining Index



Source: Reuters

Economic indicators

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

Source: World Development Indicators

Stock Exchange News

The market closed the week on a mixed note with Industrial Index losing -2.94% to 129.90 while Mining Index rose +11.60% to 98.31 points. Bindura and Celsys led the movers after gaining +47.00% and 40.00% to close the week at USD 0.0441 and USD 0.0007 respectively. Other gains were recorded in Afre up +19.76% to USD 0.06 and Hwange which put on +13.21% to USD 0.30. Interfresh and Pioneer led the losers after shedding -40.00% and -28.57% to USD 0.0015 and USD 0.025 respectively. Other notable losses were recorded in Interfin (-20.00%) and Zimpapers (-19.05%)

Corporate News

Dairibord Holdings Limited recorded a 19% increase in revenue to USD 24m in the first quarter of this year. Speaking at the companys annual general meeting on Friday, group chief executive, Anthony Mandiwanza, said volumes for the group stood at 16,2m, while raw milk intake was 6,8m 8% above last years figures.

He said milks were the major contributors to the groups revenue at 34% followed by beverages at 33%, foods 32% and solids 1% while volume contributions were 48%, 36%, 16% beverages, milks and foods respectively. Mandiwanza said supply of water had been a nightmare and has been disrupting production, citing March and April as the worst period.

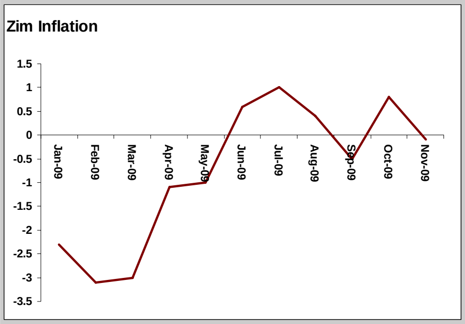
Topline performance for the first quarter was slightly below budget due to challenges related to water, electricity, liquidity and increasing costs of materials against inflexibility to adjust consumer prices, Mandiwanza said. During the period under review, the company faced sugar price movements, which is a major ingredient in its production processes.

He said the company had sunk boreholes at its Harare depot to counter water problems and also secured standby generators to ease power cuts. Mandiwanza said the issue of liquidity was still a challenge on the market as major outlets were not able to settle their accounts on time. The company has secured a USD 4m five-year loan from PTA bank to mitigate liquidity challenges on the market.

Meanwhile, the company has budgeted USD 2m for the procurement of heifers to revive dairy cooperatives in the country. Raw milk supply needs urgent attention and the initiatives are in place. We have identified cooperatives and will be sending cows to these cooperatives on a Built Own-Transfer basis. The project will run between three to five years, he said.

Mandiwanza said the company was unsure about how political uncertainties in Malawi would affect the companys operations in that country. Fundamentally, we dont see negative developments in Malawi. The Cabinet has not been

CPI Inflation



Source: SAR

announced, we are still waiting for the funeral to end, he said. *(News Day)*

MURRAY & Roberts is close to sealing a deal in which it is selling its stake in M&R Zimbabwe to a consortium of locals and foreigners. The deal is a golden opportunity for the consortium, rumoured to be headed by M&R Zim chairman and politician Mr Paddy Zhanda, because M&R is selling its stake at a huge loss, sources said last Friday. The size of the stake being disposed of will add up to 46% as a related firm to M&R International, Trinvest, is also disposing its 3% stake. It is understood that the Exchange Control approvals have been obtained.

“They (the consortium) are getting it very cheap,” said a source. “The deal is at a huge discount, about 60% less market value of the company. Maybe that was a way of making the deal attractive.” “Exchange Control approvals have been obtained and both parties are not too far from sealing the transaction,” another source said. M&R was valued at USUSD 20,3m on Friday at US9,5c per share.

Mr Zhanda said he was aware that there were ongoing discussions between the major shareholder and a potential buyer through a published cautionary statement. But he denied being part of the consortium. “At the moment, I am aware out of the published cautionary statement that there are the negotiations of that nature but I am not in the picture of how far they have gone,” said Mr Zhanda in an interview.

Analysts who previously commented on the deal expressed mixed reactions. “The expert component (of M&R International) will be diluted and this may worry some foreigners who had bought shares in the company,” said one stockbroker. Some have questioned the timing of the transaction, saying it came at a time when the construction business in Zimbabwe was showing signs of recovery. “I am not sure why M&R would pull out of Zimbabwe just as the construction sector is picking up,” said a fund manager with Invictus Securities.

Murray & Roberts has been listed as a public company on the Zimbabwe Stock Exchange since 1974. The group has two operating divisions contracting and manufacturing. The contracting division comprises Murray & Roberts Construction Zimbabwe and Proplastics. The manufacturing division produces and distributes a wide range of plastic piping systems for different market niches, locally and regionally.

The group’s contracting operations form a portfolio of complementary competencies, allowing it to undertake turnkey contracting activities. Murray & Roberts also optimises the synergies and relationships between its portfolio of investments and those of its major shareholder, Murray & Roberts Holdings Limited of South Africa. *(Herald)*

Shareholders of mining conglomerate Mwana Africa have approved a share sale in a bid to revive the Trojan Nickel Mine. The share sale is anticipated to raise around USUSD 35m, part of which will be used to fund the restart of the nickel project. A recent Extraordinary General Meeting resolved the placement and subscription of 383 042 447 new ordinary shares in the company.

“The company is pleased to announce that all the resolutions proposed at the Extraordinary General Meeting of the company held earlier today to approve, inter alia, the placing and subscription of 383 042 447 new ordinary shares in the company were duly passed," said Mwana in a statement. According to Mwana, the placing comprises the conditional placing by Liberum Capital Limited to institutional and other investors of 140 618 165 new ordinary shares and the subscription comprises the conditional subscription by China International Mining Group Corporation (CIMGC) of 242 424 282 new ordinary shares.

Mwana said the placing and subscription of shares would be issued and admitted to trading on the AIM Market of the London Stock Exchange yesterday. The share sale approval is in line with indications earlier this month that CIMGC would buy USUSD 21,2m worth of new shares at 5,5 pence per share, while institutional investors will buy the remaining shares through a placing at the same place.

Mwana has since said that once financing had been secured, it expects BNC to restart mining at Trojan with an initial rate of 10 000tpm ramping up to 70 000tpm over 12 months, and eventually 870 000 tonnes of ore, once steady state is achieved. While largely targeted at the restart of the Trojan nickel project, the share sale may also restart Mwana's Zani Kodo gold project in which it has an 80% joint venture interest, and its 100%-owned Semkhat copper-gold project located in the Democratic Republic of Congo. *(Herald)*

Three Zimbabwe Stock Exchange (ZSE) listed companies Gulliver, Interfin and Zeco Holdings risking suspension for late release of their financial results have sought audience with authorities at the local bourse. This is the second time Gulliver Consolidated and Zeco Holdings have delayed releasing their financials on time.

ZSE chief executive officer Emmanuel Munyukwi yesterday confirmed there had been meetings with the struggling firms. They are in communication and they will not be suspended at this stage as they are negotiating with us, said Munyukwi. I cannot disclose what we discussed, but they had good reasons for the late release of the financial results.

In 2010, Gulliver recorded a sluggish growth in revenue as a result of lack of long-term funding for new investments. The firm posted a USD 4,7m pre-tax loss. According to its last published results, Zeco recorded a bottom line loss of USD 951 184 compared to USD 858 049 the previous year as expenses exceeded revenues. The companies have, however, not yet indicated when they were likely to release results.

ZSE listing rules state that companies which fail to release results within three months after the end of the trading year should be suspended from trading. As a result of the breach of trading rules, the Securities Commission of Zimbabwe (SECZ) wrote to the local bourse inquiring about the development.

SECZ chief executive officer Tafadzwa Chinamo confirmed the commission had written to the ZSE, but was still waiting for a response. We wrote a letter to ZSE and we are waiting for the response. I am still checking on what transpired last week as I was out of office, he said.

Pioneer Holdings had missed the deadline too, but eventually submitted its financials. Companies are required to publish December 31 2011 financial results before March 31 2012. *(News Day)*

Old Mutual Life Assurance is set to up its stake in Rio Zim following its agreement with GEM Management to sub-underwrite the mining concerns rights issue. Some 10m rights offer shares were recently offered to shareholders, but just above 6m were taken up. Before the underwriting the rights offer Old Mutual held a 19,5% stake.

Shareholders are advised that subsequent to the opening of the rights offer, and under the provisions of clause 3,7 of the underwriting agreement, GEM Management Limited entered into a sub-underwriting agreement with Old Mutual Life Assurance Company Zimbabwe Limited, Rio Zim said in a statement announcing results.

The remaining rights offer shares not subscribed for have been taken up by the sub-underwriter, Old Mutual Life Assurance Company Zimbabwe Limited. The subscription price was USD 0,50 per ordinary share on the basis of 33,35 ordinary shares for every 100 shares already held. The shares from the rights issue were traded on the Zimbabwe Stock Exchange yesterday.

An extra-ordinary general meeting last month approved several capital raising initiatives. Shareholders also approved the capital raising initiative of USD 10m through private placement, USD 5m through a rights issue and USD 45m through convertible debentures to GEM Raintree. The company has been trying to raise capital for the group since 2009, but failed to obtain a suitable underwriter.

Rio Zim has appointed Ashton Ndlovu as chief executive officer to replace long-serving managing director Josphat Sachikonye, who stepped down last year. Ndlovu joins RioZim at a time the mining company owes local banks over USD 50m and seeking ways to recapitalise the business. Financial institutions owed by the firm include the Infrastructure Development Bank of Zimbabwe, Tetrad, ZB Bank, Metropolitan Bank and others. *(News Day)*

Dairibord Holdings Limited (DZHL) has completed disposal of its 40% stake in loss making Charhons Private Limited (Charhons) to Cairns Holdings (Cairns), chief executive Anthony Mandiwanza has said. "The Charhons programme was completed, we sold to Cairns at a price of USD 1m," he said at the side-lines of the company's annual general meeting on Friday," he said.

"It's a signed deal, it's closed and we are out," said Mandiwanza. The development follows a March directors' resolution to dispose of the company's entire interests in the underperforming sweets and biscuits manufacturer, to protect the group's investment from being weighed down by the loss making associate.

According to the company's financial results, Charhons contributed losses of USD 512 000 to DZHL in the full year to December 2011 and USD 200 503 in 2010. "It doesn't mean we do not like sweets and biscuits, they are still under food business," DZHL group finance director Mercy Ndoro said in March. DZHL disposed of the stake on the basis it had no control over "undercapitalised" Charhons 60% owned by ME Charhons.

DZHL is also concluding disposal of Mulanje Peak Foods, a 100% subsidiary of Dairibord Malawi Limited in which DZH has a 68% stake-due to difficulty in realising real growth and profitability.

Mandiwanza said disposal of Mulanje Peak was still work in progress. “We had identified two potential business people to buy the plant. Our management is going through a due diligence process so we can seal the deal, (but) some are having problems raising the necessary deposits.” *(Daily News)*

Unki Platinum’s 46% increase in concentrator recoveries and improved head grade has contributed to a 12% rise in Anglo Platinum (Amplats) own mines production. “This was due to a 10% increase in square metres mined which resulted in a 12% increase in tons milled from underground ore sources, a 3.0% improvement in head grade and increases in concentrator recoveries at Mogalakwena Mine and Unki Mine of 24% and 46% respectively,” the global miner said in its quarterly report for the period January to March 31, 2012.

“Increased production from Unki, Mogalakwena, Khuseleka, Khomanani, Siphumelele, Bathopele, Thembelani, Dishaba and Union South mines contributed to the higher production, offset by lower volumes at Tumela and Union North mines.” Amplats said refined platinum production at its joint ventures mines, inclusive of both mined and purchased production net of concentrate sold, was down seven% year-on-year at 169 000 oz.

“This was largely as a result of lower production at Modikwa, Kroondal and BRPM mines. Production at Modikwa and BRPM mines was negatively impacted by safety stoppages as a consequence of fatal accidents during the quarter,” the miner said. Amplats said refined platinum production from its operations decreased by 24% year-on-year to 403 000oz from 533 000oz, despite higher output from mining operations.

“This was due to planned annual maintenance at the converting plant in Rustenburg, which was completed by the end of March 2012. We expect the delayed equivalent refined production to be processed by the end of June 2012 as the converting plant reached steady state operating level shortly after the completion of maintenance,” the report said. Amplats said Mogalakwena and Unki had also contributed to improved grade output for the group.

“The overall 4E built-up head grade for the first quarter of 2012 was 3.20g/t compared to 3.14g/t in the same period in 2011, underpinned by higher head grade from platreef (Mogalakwena mine) and main sulphide zone (Unki Mine) operations,” the quarterly report said.

Amplats, the world’s leading platinum producer precious metal stuck to its 2012 production target of between 2.5 and 2.6m oz. Amplats, majority-owned by Anglo American, said refined platinum production was 403 000 ounces in the quarter.

In its outlook of the platinum market, the group said “Depressed automotive demand growth in Europe continues in line with economic concerns; however primary supply side challenges were heightened during the quarter.”

Unki ,a 100% owned Amplats platinum mining operation based in Shurugwi, recently had its indigenisation plan approved by the Zimbabwean Indigenisation ministry. The miner followed Zimbabwe Platinum Mines an 87% owned unit of Impala Platinum which ceded a controlling 51% stake to locals. The mine is expected to meet its full capacity target of 120 000 tonnes per month in 2013.

(Daily News)

Zimbabwe’s biggest telecommunications firm Econet Wireless reported a 20% jump in full-year earnings, driven by subscriber growth following a USD 184m investment to expand its mobile phone network. Chief executive Douglas Mboweni said on Tuesday Econet was in negotiations with international banks for a USD 307m loan to further expand the network, a sum that would also include the rolling over of some current credit lines.

He did not give details, citing discussions with the financiers. Econet's basic earnings per share rose to USD 1 in the year-ended February, from USD 0.83 the previous year. Subscriber numbers grew 16% to 6.4m in the year, driving revenue up to USD 611m from USD 493.5m previously. After-tax profit was USD 165.7m, up from USD 141m for 2011.

Mboweni told an analysts' briefing the firm had invested USD 184m on expanding the network, bringing the total investment to USD 614m in the three years since Zimbabwe dumped a local unit ravaged by hyperinflation for foreign currencies, mostly the U.S dollar. The use of foreign currencies under a unity government set up by President Robert Mugabe and his rival, Prime Minister Morgan Tsvangirai, three years ago after disputed 2008 polls has stabilised the economy and helped lift some companies.

Mboweni said while there was still strong demand for voice and data offerings in Zimbabwe, Econet had diversified its revenue streams by introducing a mobile money transfer service which mainly targets people with no access to banking services. Econet controls 70% of Zimbabwe's mobile phone market and is in competition with VimpelCom's local unit Telecel and state-owned NetOne. *(New Zimbabwe)*

Africa First ReNaissance Corporation Limited (Afre) plans to attract the unbanked sector by offering low-cost insurance products. Group chief executive officer Douglas Hoto said the groups Life and Health insurance scheme will look at the uninsured in society and find ways of covering them. An estimated USD 2bn is circulating outside the countrys banking system as the economy has largely remained informal despite three successive years of economic recovery.

Most of our people are not insured, Hoto said. We are, however, saying we can have insurance products that can start from USD 5 or up to 10% of ones income. Afre subsidiary FMRE Life and Health registered a decline of 37% in gross premium written for the year ended December 31 2011. This was attributed to the effect of clients retaining a higher percentage of the business and low capital levels in the company, he said on Monday.

In 2011, the Life and Health subsidiary underwrote USD 54 000 premiums from the regional market. It (Life and Health) needs to be recapitalised and by the end of July we would have recapitalised it, Hoto said. Meanwhile, Hoto said the group planned to launch a product along the lines of Ecolife with various telecommunications companies.

Afre subsidiary FML was in partnership with Econet and Namibia-based Trustco during the Ecolife lifespan. Its a pity that Ecolife has been stopped, he said. We will be replacing Ecolife, but we will not restrict it to one mobile player, but all players in the country. We dont know yet what will be the cost as that will depend on the cost of the product. Hoto said they would use the same model as the one they launched with Econet and Trust Co, but the technical partner would be a local company.

He said the company will be embarking on a recapitalisation programme next month seeking to raise USD 10m. Hoto said they wanted to raise USD 15m last year and failed due to corporate governance issues. Afre has budgeted USD 6,6m for capital expenditure. *(News Day)*

GLOBAL cotton giant Olam's plans to acquire a 49% stake in AICO Africa Limited subsidiary Cottco could have hit a snag, as negotiations have been suspended. AICO, Cottco's parent company, said in a statement yesterday negotiations were put on hold after directors failed to secure an agreement on the transaction. "The directors (of AICO) could not secure an agreement on the proposed transaction and consequently the negotiations have been suspended," said AICO.

The announcement came as a surprise following recent media reports suggesting negotiations were progressing well and a deal was imminent. Earlier, sources from both companies had claimed there was a mutual understanding for the transaction to materialise, considering the benefits to both parties. Had an agreement been reached, Olam would have acquired a 49% stake in Cottco, a subsidiary of Zimbabwe Stock Exchange-listed AICO, which has interests in cotton growing and ginning, seed production, the FMCG and horticulture industries.

Moreover, had the deal succeeded Olam would have integrated its ginneries across the country in a move designed to prevent competition with Cottco. Initially, AICO directors had proposed to raise USD 50m by way of a rights offer, but this was rejected by shareholders. The group was hoping to recapitalise the business with proceeds from the sale of its unprofitable subsidiaries. In addition to the USD 50m, a further USD 8m was expected to come from the sale of the underperforming subsidiaries, Exhort and Scottco.

AICO Africa Limited, incorporated in Zimbabwe in July 2008, was formed and subsequently listed on the ZSE when the shareholders of Cotton Company of Zimbabwe Limited exchanged their shareholding in Cottco for a shareholding in AICO, the holding group. This merger also involved transferring the assets of Cottco to AICO and AICO replacing Cottco's listing on the ZSE.

No official comment could be obtained from both AICO and Olam at the time of going to print yesterday. Olam International Limited is a Singapore-based commodities supplier with interests in a number of countries. *(Herald)*

The National Social Security Authority (Nssa) has threatened to crack the whip on companies that have failed to contribute positively to its bottom-line. Nssa chairman, Innocent Chagonda said the authority would soon be engaging the companies' management over its concerns. "We happen to have investments in various sectors and it's sad we have not received any joy from some of them. In due course our management would be addressing that," Chagonda said during a presentation of a dividend cheque by FBC Holdings (FBCH). "We are not happy."

The Nssa chairman however did not specify action to be taken by the cash rich social security authority. “We will meet the boards and management of these companies to act. We will spur them into action,” Chagonda said. He said Nssa would continue to scout for opportunities that offer value to its investment so as to increase its revenue streams. “People say Nssa has a lot of money but they forget we are a small pension fund that is trying to grow,” Chagonda said.

He said the authority had started to take action on increasing contribution streams to sustain the fund. “We are warned from time to time through our actuarial reports that out fund might go bust. We have taken measures but some have faced resistance. We have had to cancel as you might know the statutory instrument to increase monthly contributions,” the chairman said.

Meanwhile, FBCH yesterday paid a USD 609 600 dividend to Nssa for the 2011 financial year. FBCH group chief executive John Mushayavanhu said the payment brought its total dividend payment to over USD 1m for the year. “It’s coming from the USD 2,5m declared by group as dividend for the year,” he said. Mushayavanhu said the group continued to trade profitably with a 600% increase in after tax profit for the 2011 financial year.

“Whatever business we invested in has to perform,” the FBCH boss said. He said despite challenges post dollarisation, the company had managed to turnaround. “About two years ago we had nothing, had our Zimbabwe dollar assets completely whipped out and had to start from scratch,” he said. “Now we have total assets of USD 280m up from 236m in 2010,” Mushayavanhu said.

He said the company share currently trading at six cents on the Zimbabwe Stock Exchange (ZSE) remained undervalued. “It has great potential to grow with a net asset value of 12 cents,” the banking executive said.

Mushayavanhu however said depressed trade on the ZSE was negatively affecting its stock broking unit. “The stock broking unit is not performing to capacity as we all know the state of the ZSE at the moment,” he said. Nssa holds a 25,6% stake in FBCH. *(Daily News)*

Interfin Financial Services (IFS) and Interfin Bank are engaged in negotiations with as yet to be identified investors that will lead to the injection of fresh capital and change in shareholding. The development comes at a time when Interfin Bank, like other financial institutions and companies, has been facing liquidity challenges, which in some instances, has seen it failing to honour deposits on time.

Interfin is also one of three companies listed on the Zimbabwe Stock Exchange (ZSE) that have engaged officials at the local bourse over late release of financial results. The other two are Gulliver and Zeco. ZSE listing rules state that companies, which fail to release results within three months after the end of the trading year, should be suspended from trading.

In a cautionary statement to shareholders yesterday, IFS board secretary Patrician Muchengwa said the institution “was working on various strategic initiatives as well as engaging in negotiations for a series of proposed transactions”. He said the proposed initiatives and transactions were being considered by regulatory authorities.

"These proposed initiatives and transactions, if implemented successfully are likely to result in a significant change in the bank's capital structure and its shareholding," he said. In yesterday's trade on the ZSE, Interfin was one of the top losers of the day after it shed 20% to 2c. Since dollarisation in 2009 indigenous-owned financial institutions have been struggling to meet set capital requirements and the sector has been hit by a crisis of depositor confidence.

Early this month Reserve Bank of Zimbabwe governor Gideon Gono expressed satisfaction at recapitalisation plans by the Zimbabwe Allied Banking Group (ZABG) and Royal Bank. ZABG and Royal had a negative capital of USD 15,35m and USD 3,42m respectively as at March 1 against the minimum requirement of USD 12,5m.

A local company, Trebo and Khays, owned by Mines and Mining Development minister Obert Mpofu, was set to inject fresh capital in ZABG while Royal was in talks with Kenya-based Commercial Bank of Africa. Genesis Merchant, with a negative capital of USD 3,2m, was yet to find potential partners. *(News Day)*

Grain and food processor, National Foods (Natfoods) has reopened its Bulawayo stock feeds plant placed under care and maintenance two years ago due to raw material shortages. The listed company said resumption of operations will allow for better pricing of stock feeds for its Matabeleland and Midlands customers. "Since the plant was closed some years ago, stock feeds have had to be transported from Harare, which has increased their cost for customers in Bulawayo and Matabeleland," the company said.

Officiating at the event, Bulawayo governor Cain Mathema said the reopening was a sign of confidence by Natfoods on the city which has faced massive company closures. "We all understand the reasons behind the closing of your manufacturing plants in Bulawayo. The period of severe economic recession the country went through as a result of sanctions, the absence of foreign currency in our banks and the collapse in the value of our local currency necessitated cut backs in production by almost every manufacturer in the country," he said.

"That is why it is particularly pleasing to see one of our major local companies increasing production and being able to reopen some of the production plants that it had closed down." He said companies needed to take advantage of opportunities presented in the country's second largest city. "Too many companies spend a great deal of time lamenting the difficulties they face rather than seeing these difficulties as challenges to be overcome," Mathema said.

Since the plant was closed some years ago, stock feeds have had to be transported from Harare, which has increased their cost for customers in Bulawayo and Matabeleland. The Bulawayo plant will supply a full range of products to depots and agents in Gwanda, Zvishavane, Beitbridge, Plumtree, Hwange, Victoria Falls, Binga Gweru and Shurugwi. The full range includes feeds for both dairy and beef cows, chickens, pigs, horses, game animals, sheep, goats, dogs, rabbits and ostriches.

The company last year also reopened its Bulawayo flour mill which had been closed since 2009. Natfoods' last year commissioned a rice-packaging plant in Mutare and a depot in Beitbridge. Natfoods' milling division has five mills in the major cities of Harare, Bulawayo, Gweru, Masvingo and Mutare, processing around 60 000 tonnes a month, with a storage capacity of 17 000 tonnes. *(Daily News)*

Mwana Africa Plc will underwrite Bindura Nickel Corporation's rights issue to raise funding needed to finance the re-opening of Trojan Nickel mine, businessdigest has established. BNC MD David Murangari confirmed his company was mulling a rights issue but would not be drawn to give figures, saying plans were still at a tentative stage.

BNC's key asset Trojan Nickel mine has been under "care and maintenance" since 2008. Although it remained unclear how much BNC needed to raise for Trojan, a report compiled by SRK Consulting of UK concluded that BNC required USD 26m to restart operations. The firm suspended production in 2008 at the height of Zimbabwe's economic crisis, and put the mine under "care and maintenance". Its fortunes were also affected by a plunge in global metal prices.

Efforts to raise offshore funding by Mwana had been tumultuous after Zimbabwe announced indigenisation plans compelling foreign-owned mining companies with a net asset value of a USD 1 dollar to dispose of a controlling stake to indigenous Zimbabweans. Mwana Africa this month said it would commence a share sale to raise USD 35m in a bid to fund the re-start of Trojan Nickel mine.

The company said China International Mining Group Corporation (CIMGC) would buy USD 21,2m of new shares at 5,5 pence per share, while institutional investors would buy the remaining shares through a private placement. Mwana is listed on the London Alternative Investments market.

The share sale may also re-start Mwana's Zani Kodo gold project, in which it has an 80% joint-venture interest, and its 100% owned Semkhat copper-gold project located in the Democratic Republic of Congo. Mwana Africa CEO Kalaa Mpinga said, "I am delighted to welcome CIMGC's substantial investment into Mwana Africa, which, allied with the additional money we are looking to raise today, should enable us to re-start our nickel mine in Zimbabwe, and to fund our Zani Kodo and SEMKHAT projects respectively in the DRC."

"Furthermore, we will be able to leverage CIMGC's extensive contacts in China and interests in the DRC to the mutual benefit of both companies. This is a transformational transaction for Mwana and I am excited about the Company's prospects as we continue our journey," he added. The Zani Kodo gold project will receive about USD 12m for exploration activities and a pre-feasibility study, while USD 6m is expected to fund Semkhat's exploration activities and a scoping study for a 10 000 tonnes –per- annum copper operation on the Kibolwe prospect.

The BNC Smelter at Trojan mine can treat 1,1m tonnes of nickel a year. Bindura Nickel Corporation (BNC) recorded a USD 5,8m loss for the half year to September 30 2011. The company had an operating loss of USD 6,2m and a turnover of USD 307 702. The company attributed its financial position to the placement of its mining operations under care and maintenance.

BNC said its working capital was currently funding the cost of maintaining the mining operation. The AIM-listed company owns 52,9% shareholding in BNC. BNC's shareholders last year approved a USD 10m convertible loan from Mwana Africa to finance the care and maintenance exercise at Trojan. *(The*

Independent)

Economic News

The Infrastructure Development Bank of Zimbabwe (IDBZ) disbursed close to USD 70m to fund 32 infrastructure projects in the first three months of the year. The bulk of the projects were in the water and sanitation sector as well as the transport sector. In emailed responses to NewsDay, IDBZ public relations executive Priscillah Mapuranga said the first quarter performed 20% better than the first quarter of 2011 due to increased non-funded income and improved cost control.

IDBZ said operating income was at par with the forecasts. Lending during the first quarter has slowed down due to delays in the draw-downs on lines of credit secured by the bank amounting to USD 40m, said IDBZ. Customer and market deposits grew by 84% in the first quarter from 2011. IDBZ said government injected USD 9m, following a rights issue conducted last year to capitalise the bank to carry out its infrastructure mandate.

IDBZ was launched by the Zimbabwe Government as a vehicle for the mobilisation of infrastructure development, with finance from both domestic and international sources. The Banks mandate is to mobilize financial and technical resources of appropriate duration and cost for public and private institutions involved in infrastructure development and to facilitate investment in infrastructure.

In March, IDBZ and the Development Bank of Southern Africa inked a USD 1m deal for feasibility studies into the construction of the Harare-Beitbridge road. Last year, IDBZ set up a USD 30m credit facility mainly for the construction industry. Analysts say rehabilitation and development of the countrys infrastructure remains an essential priority for supporting economic activity, thereby consolidating the socio-economic recovery and growth agenda.

Given that the economy is still in recovery mode, emphasis will be on rehabilitation, with capacity-expansion restricted to selected and well prioritised projects in line with resource and capacity availability, said Finance minister Tendai Biti in his 2012 National Budget statement. *(News Day)*

Tobacco worth USD 236m has been sold to date since the beginning of the selling season, Tobacco Industry Marketing Board (TIMB) says. The industry regulator said 62,2m kilogrammes had been sold compared to 51,3m kg last year a 21,16% increase. The average price for this year’s crop to date increased by 31,63% to USD 3,79 according to TIMB figures. The industry board said 809 345 bales had been laid at the auctions compared to 689 388 prior year while 33 934 bales had been rejected.

Tobacco sales Floor continues to lead the auctions with 9,1m kg having passed through its floors followed by Boka Sales Floors with 8,8m kg. The industry regulators has already warned that it might be forced to revise its tobacco targets for the 2011/12 due to an erratic and dry start to the rainy season. The TIMB however, remained optimistic with current sales being ahead of last year’s figures.

The country has forecasted a figure of 150m kg for the current season up from 131m kg prior year. TIMB says a decline in tobacco production by other leading producing nations would have a positive effect on prices offered at the auctions. Farmers are expected to benefit from a flood-destroyed crop in Brazil were production is expected to decline by 150m kg.

Brazil is one of the world's leading tobacco producing nations at 750m kg annually. Local farmers are also expected to get a boost from a 50m kg slowdown in United States tobacco production, where yields are usually between 200 and 300m kg per year. The TIMB says 57 000 growers have registered to sell their crop during the current marketing season from an initial 15 000 when the season began.

It revealed 4 000 growers had so far registered for the 2012/13 season. Zimbabwe's tobacco production remains on a recovery following a decline to 48m kg in 2008, from a peak of 236m kg in 2000. The country has projected earnings of USD 300m from the current selling season which ends in September. *(Daily News)*

Notes

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