SECURITIES AFRICA
RESEARCH & CAPITAL MARKETS

PAN-AFRICA

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

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

AFRICA STOCK EXCHANGE PERFORMANCE

				WTD % Change		31-Dec-14	YTD % Change	
Country	Index	9-Oct-15	16-Oct-15	Local	USD	31-Dec-14	Local	USD
Botswana	DCI	10584.86	10594.35	0.09%	1.42%	9,501.60	11.50%	3.89%
Egypt	CASE 30	7491.67	7594.45	1.37%	0.83%	8,942.65	-15.08%	-22.87%
Ghana	GSE Comp Index	1984.11	1987.85	0.19%	-0.53%	2,287.32	-13.09%	-26.89%
Ivory Coast	BRVM Composite	301.99	303.47	0.49%	2.23%	258.08	17.59%	10.85%
Kenya	NSE 20	4017.34	3901.13	-2.89%	-2.92%	5,112.65	-23.70%	-33.03%
Malawi	Malawi All Share	15344.02	15321.95	-0.14%	1.60%	14,886.12	2.93%	-11.89%
Mauritius	SEMDEX	1896.93	1859.50	-1.97%	-1.11%	2,073.72	-10.33%	-19.71%
	SEM 10	362.48	354.54	-2.19%	-1.33%	385.80	-8.10%	-17.71%
Namibia	Overall Index	1051.29	1020.83	-2.90%	-0.66%	1,098.03	-7.03%	-17.91%
Nigeria	Nigeria All Share	30165.22	29834.21	-1.10%	-1.52%	34,657.15	-13.92%	-21.47%
Swaziland	All Share	311.24	312.38	0.37%	2.68%	298.10	4.79%	-7.48%
Tanzania	TSI	4592.45	4611.29	0.41%	0.23%	4,527.61	1.85%	-18.71%
Tunisia	TunIndex	5208.72	5545.87	6.47%	7.35%	5,089.77	8.96%	4.37%
Zambia	LUSE All Share	5796.72	5789.66	-0.12%	2.27%	6,160.66	-6.02%	-48.66%
Zimbabwe	Industrial Index	131.45	131.08	-0.28%	-0.28%	162.79	-19.48%	-19.48%
	Mining Index	23.57	23.68	0.47%	0.47%	71.71	-66.98%	-66.98%

CURRENCIES

Cur-rency	9-Oct-15 Close	16-Oct-15 Close	WTD % Change	YTD % Change
BWP	10.24	10.11	-1.31	8.75
EGP	7.81	7.85	0.54	9.51
GHS	3.75	3.78	0.73	18.01
CFA	582.37	572.44	-1.70	7.92
KES	101.43	101.46	0.03	13.90
MWK	550.40	540.95	-1.72	18.86
MUR	34.28	33.98	-0.87	12.66
NAD	13.44	13.14	-2.26	15.87
NGN	197.55	198.39	0.43	9.15
SZL	13.44	13.14	-2.26	15.87
TZS	2,127.24	2,131.09	0.18	25.06
TND	1.96	1.94	-0.82	5.26
ZMW	11.90	11.62	-2.33	87.44

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Botswana

Corporate News

Choppies Enterprises Ltd., the Botswana supermarket chain that listed in South Africa in May, plans to open about 30 stores in the year through June and may also expand via acquisitions as the retailer seeks to increase market share in the region. "We will open stores through organic growth in Botswana, South Africa, Zimbabwe and Zambia," Chief Executive Officer Ram Ottapathu said by phone on Thursday. The Gaborone, Botswana-based retailer is also seeking to purchase companies and may enter Tanzania and Kenya, he said. Choppies, which was founded in 1986 and had 129 stores at the end of June, is expanding in sub-Saharan Africa to take advantage of rising household incomes, economic growth, a switch by shoppers to stores from outdoor markets and an increasing demand for fresh food. The company competes with South African retailers such as Shoprite Holdings Ltd., Wal-Mart Stores Inc-owned Massmart Holdings Ltd. and Pick n Pay Stores Ltd., which are also opening stores across the continent. Choppies has no plans to expand beyond sub-Saharan Africa, Ottapathu said. "In South Africa, it's very competitive," he said. "But we have been competing in Botswana with these other chains, so we are used to it." Profit in the year through June rose 21 percent to 202.8 million pula ($19.8 million), Choppies reported on Sept. 22. The stock, which started trading in Johannesburg on May 27, has climbed 16 percent to 5.70 rand, valuing the company at 7.2 billion rand. Choppies trades at 26 times estimated earnings, according to data complied by Bloomberg. That compares with 18 times estimated earnings at Shoprite, South Africa's biggest grocer, which has a market value of 89 billion rand. *(Bloomberg)*

Economic News

Botswana will use some of its $8.5 billion in foreign exchange reserves to stimulate the economy after a drop in diamond prices hit growth in the world's biggest producer, President Ian Khama said on Monday. Botswana in September slashed its 2015 growth forecast from 4.9 percent to 2.6 percent and said the southern African country would post a budget deficit this year and next. Diamonds account for around 75 percent of Botswana's foreign exchange earnings and 30 percent of GDP, but gem demand has slowed since late 2014 as middlemen who buy rough stones struggle with a stronger dollar and liquidity problems. The value of rough diamond exports from Botswana's mines fell 15 percent in the first six months of the year. "We have realised our economy is going to stagnate," Khama said in a televised speech. "The time has come for us to make bold decisions and implement these new projects that will boost our economy. But that doesn't mean we are going to be reckless," Khama added, without giving details on the size of the extra spending. The economic stimulus, which Khama said would be ready in "a few weeks", will target tourism development, agricultural production, construction and manufacturing. Botswana currently has 88 billion pula ($8.5 billion) in foreign currency reserves, with around half held in a sovereign wealth fund. *(Reuters)*

Botswana's consumer inflation inched slower to 2.9 percent year-on-year in September from 3.0 percent in the previous month, data from the statistics office showed on Thursday. On a month-on-month basis, prices also grew at a slower rate, by 0.1 percent in September after quickening by 0.2 percent previously. *(Reuters)*

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Egypt

Corporate News

Egypt's revenue from the Suez Canal rose to $462.1 million in August, from $437.7 million in July, the Suez Canal Authority's website stated on Tuesday. Revenues in June were $431.6 million, it said. The canal is the fastest shipping route between Europe and Asia and is one of the country's main sources of foreign currency. On August 6, President Abdel Fattah al-Sisi launched an $8-billion expansion of the canal that aims to double daily traffic by 2023 and increase annual revenues to more than $13 billion by 2023, from just over $5 billion in 2014. *(Reuters)*

Economic News

Egypt expects to receive $1.5 billion in loans from the World Bank and African Development Bank (AfDB) by the end of 2015, Prime Minister Sherif Ismail said, as part of efforts to boost foreign currency reserves and bolster the economy. Asked by Reuters when the World Bank and AfDB loans would arrive, Ismail said: "it will be before the end of 2015." Egypt has struggled to revive its economy since the 2011 revolt removed Hosni Mubarak from power and ushered in a period of economic and political turmoil. Foreign currency reserves, which stood at about $36 billion before the 2011 uprising, have more than halved and were $16.335 billion at the end of September. *(Reuters)*

Egypt's central bank kept the pound steady at a dollar sale on Sunday, as it sold $37.5 million at a cut-off price of 7.7301 pounds per U.S. currency. Traders also said the pound was relatively unchanged on the parallel market. The official cut-off price was unchanged from Thursday's dollar sale, and two traders said the dollar was changing hands at 8.145/17 to the dollar in the parallel market, relatively unchanged from Thursday's rate of 8.15/17. Egypt has sought to tame a once-thriving currency black market by imposing a cap on dollar-denominated bank deposits among other measures. In January the central bank allowed banks to exchange currency at up to 0.10 pound above or below the official rate, with currency exchange bureaux allowed to trade at 0.15 pound above or below the official rate. The central bank kept the pound at 7.5301 to the dollar for five months until July, when it allowed it to slide to 7.6301. On July 5, the bank let it slip by a further 0.10 pound. Allowing the currency to weaken in a controlled way could boost Egypt's exports and attract further investment, but it would also increase an already large bill for imports of fuel and food staples. *(Reuters)*

Egyptian Investment Minister Ashraf Salman said on Tuesday his country's economy grew by 4.1 percent in the financial year that ended in June and projected it would grow by 5 to 5.2 percent in the year to next June. Salman added in a speech at a lunch banquet sponsored by the American Chamber of Commerce that Egypt is targeting $10 billion in foreign direct investment for the current financial year. The government hopes to cut unemployment from 11.2 percent to 10.6 percent this financial year, Salman said. *(Reuters)*

Egypt will receive a $3 billion loan from the World Bank in installments over the next three years to support the state's budget, the finance minister said on the sidelines of an economic conference on Wednesday. "The government is aware of the economic conditions which we're passing through, and there is a deficit in the budget and we have to handle it gradually," the prime minister said in separate remarks at the same conference. *(Reuters)*

Egypt depreciated the pound for the third time this year after the nation's foreign reserves tumbled and the currency fell to a record in black-market trading. The pound weakened 1.3 percent to 7.9301 per dollar after the country's central bank devalued it by the same margin at a regular dollar sale to local lenders, according to prices compiled by Bloomberg. That takes the currency's decline for the year to 9.8 percent, making it the worst performer in the Middle East behind Algeria's Dinar.

Twelve-month non-deliverable forwards for the pound slumped 3.4 percent, the most on a closing basis in almost two months, to 10.2758 per dollar as of 3:35 p.m. in Cairo. Stocks fell the most this month. Egypt came under increased pressure to cheapen the pound after China's surprise yuan devaluation in August fueled declines across emerging-market currencies as they sought to preserve competitiveness of their exports. Foreign reserves of the most populous Arab state fell the most in almost four years in September, the same month the country announced its current account deficit had ballooned to $12.2 billion, the biggest gap in central bank data going back to 2000. "The adjustment is welcome but only if its the start of a sustained depreciation trend," said London-based Simon Williams, HSBC Holdings Plc's chief economist for central and eastern Europe, the Middle East and North Africa. "The pound needs to be significantly weaker if Egypt's external account position is going to recover and dollar inflows are going to rise." HSBC forecasts the pound will reach 9 per dollar by the end of the second quarter of 2016. Meanwhile, Barclays Bank Plc and Standard Chartered project 8.5 and 8.1 pounds per dollar, respectively, by then. All estimates were published before today's depreciation.

The move comes a day after Finance Minister Hany Kadry announced the government is in talks with the World Bank for $3 billion of loans to support the budget and ease the dollar shortage. Black market currency dealers in Cairo and Alexandria on average were charging 8.204 pounds per dollar today, according to a Bloomberg survey. That reflects the weakest pound since the poll was started in April 2013. Government spending helped boost economic growth to 4.1 percent in the fiscal year that ended in June -- the fastest expansion since 2010. Still, non-oil private business activity contracted in six of the first nine months of 2015, according to the Emirates NBD Purchasing Managers' Devaluation "was becoming more expected given the toll that maintaining an overvalued currency was taking on the economy," said Jason Tuvey, London-based Middle East economist at Capital Economics. "A move closer to the black market rate would, in our view, start to restore Egypt's external competitiveness. But it's difficult to see for how long and how far the central bank will allow the pound to fall."

Egypt can't allow a sudden depreciation of the pound to its fair value because that would have a negative impact on almost 90 percent of Egyptians, Central Bank Governor Hesham Ramez said in an interview published in Al Shorouk newspaper today. Almost half of the population lives below or near the poverty line, according to a World Food Program study. Ramez added that Egypt's government prefers to complete its economic reform program before seeking a loan agreement from the International Monetary Fund. Foreign reserves fell almost 10 percent, the most since January 2012, in September to $16.3 billion. That covers less than three months of imports, compared with almost nine months before the 2011 uprising that drove President Hosni Mubarak from office. The benchmark EGX 30 Index of stocks retreated 1 percent, the most since Sept. 29, with all but four of its members declining. The pound's implied exchange rate, calculated using the differences of home and abroad shares of Egypt's three most traded companies, fell 0.2 percent to 8.6624 per dollar, according to data compiled by Bloomberg. *(Bloomberg)*

Ghana

Corporate News

No Corporate News This Week

Economic News

Ghana may follow up a Eurobond sale by raising as much as an additional $500 million in debt this year as the West African nation still has room under the terms of an International Monetary Fund program, a deputy minister said. Ghana may raise the money from other sources and not necessarily through another Eurobond, Deputy Minister of Finance Mona Quartey said by phone from Accra on Wednesday. "If we decide to do so it would be raised in line with IMF rules," Quartey said. "It could be from any market source," she said, declining to provide details. Ghana raised $1 billion of 15-year Eurobonds on Oct. 8. The IMF lifted Ghana's non-concessional borrowing limit for this year to $2.5 billion in September from $1 billion. Ghana agreed to an almost $1 billion program with Washington-based IMF in April to help narrow its budget gap and arrest slides in the currency. The yield on Ghana's dollar debt maturing in 2023 advanced 3 basis points to 10.7 percent at 1:02 p.m. in Accra. (*Bloomberg)*

Ghana's annual consumer price inflation rose slightly to 17.4 percent in September from 17.3 percent the previous month, the statistics office said on Wednesday. The figure reflects fiscal problems facing the country, which is following a three-year aid programme with the International Monetary Fund aimed at restoring economic stability. *(Reuters)*

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TRADING

Kenya

Corporate News

Kenya's main electricity generator KenGen said on Monday its pretax profit for the full year to June rose 109 percent to 8.69 billion shillings ($84 million), helped by higher electricity sales. KenGen, which is 70 percent state-owned, said in a statement its performance was boosted by increased generation from geothermal and wind power. "Profit before tax increased ... propelled by capacity growth, improved performance and tax credit from capital allowances enjoyed by the company following the commissioning of 280 MW geothermal plants, well heads and Ngong Wind," it said. It said electricity revenue jumped to 25.6 billion shillings from 17.4 billion the year before. Earnings per share rose to 5.24 shillings from 1.29 shillings during the year to June 2014 and it said it would pay a dividend of 0.65 shillings per share, up from 0.40 shillings previously. Operating costs rose to 8.41 billion shillings from 7.02 billion due to operating and maintaining new plants. KenGen said in July it planned to add another 450 megawatts (MW) to the grid from wind and geothermal in the next three years at a cost of at least $710 million. Kenya, which depends heavily on renewables such as geothermal and hydro power, aims to expand installed capacity to about 6,700 MW by 2017, from about 2,500 MW now. It also aims to halve bills from between $0.17 and $0.18 per kWh within three to four years.*(Reuters)*

Kenya's central bank said on Tuesday it was putting Imperial Bank Ltd under management for 12 months after becoming aware of "unsafe or unsound business conditions" at the lender. Privately held Imperial Bank was ranked number 19 out of Kenya's 45 lenders at the end of last year, with assets of 56 billion shillings ($544.22 million). The Central Bank of Kenya said it had appointed the state's Kenya Deposit Insurance Corporation (KDIC) to take over management of the bank "in the interest of its depositors, creditors and members of the public". "The CBK has become aware of unsafe or unsound business conditions at Imperial Bank Ltd," it said, adding that KDIC would advise the central bank of an appropriate "resolution strategy as soon as practicable" but not later than 12 months. It said KDIC was working closely with the board of directors of Imperial Bank. Imperial Bank could not immediately be contacted for comment. *(Reuters)*

Power producer KenGen is targeting a Sh1.8 billion cut in annual debt repayments to the Treasury through a balance sheet restructuring planned for the first three months of next year. The firm has applied to the regulator for approval of a Sh28 billion rights issue in which the government is expected to participate by converting part of its Sh41.2 billion loan to the company into equity. KenGen, which on Monday reported a 307.5 per cent jump in net profit to Sh11.5 billion for the year ended June, is 70 per cent owned by the Treasury — which is not keen on injecting cash into the firm given other pressing national government expenditure. The NSE-listed firm says the rights issue, whose details are currently under review by the regulators, will enable it to reduce its government debt burden and receive a cash injection from minority shareholders. "There are plans for a Sh28 billion rights issue in the first quarter of next year. The government will most likely participate by converting some of its loans into shareholding, not giving us cash," said KenGen's finance director John Mudany at an investor briefing Tuesday. "This will reduce our debt service since we repay them around Sh1.8 billion every year," he added. KenGen's rights issue dates back to December 2013 when the firm received shareholder approval to create 7.78 billion shares of which up to 2.21 billion were to be offered to its owners.

The power generator has appointed Standard Investment Bank, Renaissance Capital, Dyer & Blair and Faida Investment Bank as its transaction advisers. The cash call is meant to boost KenGen's plans to increase installed capacity from the current 1,611 megawatts to 2,122 megawatts by 2018 at a cost of $1.75 billion. These include a 50-megawatt wellhead for leasing, three new 350-megawatt Olkaria geothermal projects, a 400MW wind project in Meru and the rehabilitation of the Olkaria 1 plant. "The funds from the rights issue will give us a boost to fund these projects but we still need to look for other ways to raise off the balance sheet," said Mr. Mudany. These options, he added, include public private partnerships and asset leasing and asset-backed-securities and additional funding from multilateral lenders and commercial banks. KenGen's direct borrowing portfolio stood at Sh39.3 billion at the close of the financial year to June and is set to grow given that it is in talks with the likes of Africa Development Bank and Japan International Cooperation Agency to fund its geothermal projects.

The power company Tuesday announced that it had raised its dividend payout by 62.5 per cent after recording a three-fold jump in net profit, powered by increased sales and a Sh2.8 billion tax credit. Revenue from electricity sales grew 46.9 per cent to Sh25.6 billion in the review period as the near doubling of its geothermal capacity to 509 megawatts paid off. *(Business Daily)*

Centum Investments has pumped Sh1.2 billion in K-Rep Bank. The capital came from Centum's ongoing Sh6 billion rights issue. Centum Group CEO Mr. James Mworia said that the additional income will enable the bank diversify its products as well as support its expansion bid. "This will play a significant role in enhancing customer experience through the revitalization of the channel offering through mobile, internet and agency banking, refurbishment of the brand network and upgrade of the core banking system. Over the next five years, we intend to propel K-Rep Bank into a tier two bank," said Mr. Mworia. K-Rep Bank CEO Mr. Titus Karanja said that following the capital injection, the bank's core capital had now improved from Sh2.6 billion to Sh3.8 billion and is set to close at Sh4.1 billion at the conclusion of the rights issue. "At a core capital of Sh3.8 billion, K-Rep Bank has capital adequacy ratios well in excess of the statutory minimum levels. Our other shareholders, including the K-Rep Group have expressed their commitment to participate in the rights issue to the full extent of their entitlement," he said. Mr. Karanja added that with the enhanced capital, K-Rep Bank was now "strongly positioned to deliver robust and innovative financial services to current and future customers, through execution of our growth strategy." K-Rep Bank received shareholder approval for a rights issue of up to Sh1.6 billion in July 2015. *(Daily Nation)*

Uchumi Supermarkets has exited the Uganda and Tanzania markets in a drastic reorganisation to stop financial bleeding. The retailer's chief executive, Mr. Julius Kipng'etich, said the company's board had decided to close down regional units in order to speed up the process of stabilising its Kenyan operations. "Our outlets in Uganda and Tanzania make up only 4.75 per cent of our operations yet they account for over 25 per cent of our operating costs. The two subsidiaries have not made any profits over the last five years, which means they have been draining the parent operations," said Mr. Kipng'etich. The Uchumi CEO said the retail chain has informed the Capital Markets Authority, the Nairobi Securities Exchange and other key stakeholders of the decision, adding that soon the retailer would seek shareholders' approval to implement the decision. "All stores in both markets are now closed and will be liquidated," Mr. Kipng'etich said. The new CEO took over the helm of the retailer recently following the sacking of former CEO Jonathan Ciano. Uchumi plans to re-enter the markets at an appropriate time in the future once the parent business has stabilised. In the meantime, it will not delist from the regional bourses. "It is important that we get Kenya back to optimal operations and profitability by taking good care of our suppliers and creating value for our shareholders before reconsidering regional expansion," added Mr. Kipng'etich. "We are confident that we can now concentrate on turning around Uchumi by focusing on the 95 per cent of the business that makes money for shareholders and are optimistic that we will achieve this within the shortest time possible," the CEO added.(*Daily Nation)*

Kenya's Java House has 36 coffee houses and restaurants and plans to open outlets across Africa in the next five years to capitalise on rising consumer spending, its chief executive said. Kevin Ashley, who founded Java's first outlet in Nairobi in 1999, said the company would open in Kigali, Dar es Salaam, Lagos, Accra and Lusaka. For now, the firm's only outlets beyond Kenya are in Uganda's capital Kampala. "We see in five years time we are going to be having a major presence in most of the major urban centers of Africa," he told Reuters at his office over one of his Java outlets, which offer coffees, teas and a menu of international food. His ambition reflects the confidence of many African and other firms about rising spending power on a continent that boasts several fast-growing economies, even if a commodity price slide has taken some of the shine off the "Africa Rising" theme. Ashley, who sold 90 percent of the company to Africa-focused Emerging Capital Partners (ECP) for an undisclosed sum in 2012, said there was growing demand for the chain's products, from a cup of coffee worth $1.50 to $10 steaks. "We can't keep up with the growth of our customer base in Africa so we have enough to keep us busy," he said. Annual revenue was more than 3 billion shillings ($29 million) in 2014 and is expected to hit 4 billion shillings next year, Ashley said, adding the firm had been funding growth from its own revenue. With a new store usually costing about 50 million shillings to set up, he said the firm could finance as many as 15 a year but practical considerations limited it to 12. "That is a nice problem to have," Ashley said. ECP plans to sell its Java stake in 2017. Ashley said all options, including an initial public offering, would be considered. In Kenya, most coffee shops are in Nairobi, but the chain has outlets in four other towns and plans to start in three more centres within a year.

It has started the Planet Yoghurt brand, an outlet serving frozen yoghurt, and has one pizzeria outlet, called 360 Degrees, but Ashley said it was keeping its focus on coffee. "We don't want to become the hyena that smells meat in two different corners and then tears himself into two pieces and dies right on the spot because he can't decide which way to go," he said. *(Reuters)*

Engineering company TransCentury Ltd said on Friday it planned a fundraising programme over the next six months after conducting a strategic review. TransCentury, set up in 1997 as an investment club by a group of wealthy Kenyans, mainly focuses on electrical equipment and engineering work. It reported a pretax loss of 2.11 billion shillings ($20.49 million) in 2014. The company did not say how much it planned to raise but did say it aimed to refinance its $56.8 million convertible bond, achieve growth in its power and engineering businesses and boost infrastructure projects across sub-Saharan Africa. Its infrastructure projects would include independent power generation plants, toll roads and oil pipelines, TransCentury said in a statement. The fundraising round needs to be approved by shareholders and regulators, the company said. *(Reuters)*

Financial services group I&M Holdings said on Friday it planned to buy a stake in corporate advisory firm Burbridge Capital Limited for an undisclosed amount. I&M Holdings, which has stakes in banks in Kenya, Tanzania, Rwanda and Mauritius, plans to buy 65 percent of the issued share capital of Burbridge, which has offices in Kenya, Uganda and the United Kingdom. The transaction is subject to approval by the central bank, the Capital Markets Authority, the Competition Authority of Kenya and shareholders, it said. I&M Holdings in September said it would buy a locally-owned Giro Commercial Bank for an undisclosed amount. The Kenyan government has tried to encourage mergers in the finance sector by calling for an increase in the minimum core capital for commercial banks. But parliament rejected that proposal in August, saying it would hurt the banking industry's growth. *(Reuters)*

Safaricom dominates the Kenyan mobile market, sweeping up more than 90 percent of revenues in areas such as voice calls and text messaging, according to regulator data that could further fuel a debate about competition in the industry. Rivals like Bharti Airtel and some officials have complained that Safaricom's dominance stifles competition. France's Orange is seeking to sell its Kenya operation, becoming the second international operator to quit the country after India's Essar Telecoms sold its Yu business last year. The data obtained by Reuters comes as the East African nation is amending the telecom sector's competition law to give the regulator more powers to penalise companies deemed to be abusing dominant positions in the industry, though what would constitute such abuse is as yet unclear. Safaricom, in which Britain's Vodafone has a 40-percent stake, has dismissed accusations it hampers competition, saying it does not abuse its dominance. Safaricom's revenues from calls amounted to a 91.63 percent market share in 2014, while its closest competitor, Airtel, had 8.33 percent, according to the data obtained from the Communications Authority of Kenya (CAK). In text or short messaging services, Safaricom had more than a 90-percent share of total market revenues from that segment, the regulator said.

In mobile data, or internet services, Safaricom's revenues were 85.50 percent of the market share in 2014, while Airtel had 14.43 percent, Orange had 0.01 percent and Equitel, operated by Equity Bank's subsidiary Finserve, 0.06 percent. The figures for Orange are for 2013 as it had not submitted audited accounts for 2014 to the regulator, CAK said. The regulator usually issues quarterly figures for number of subscribers, which give Safaricom a 67 percent share of Kenya's 35 million users in June. It also gives traffic volumes for areas such as calls. Asked about the regulator's revenue breakdown, Safaricom Chief Executive Bob Collymore told Reuters: "We don't recognise that data." He said subscriber numbers and network traffic were a better gauge of how the firm was performing.

The data did not detail revenue from phone financial services, where Safaricom's M-Pesa service is the most popular offering, allowing users to pay bills or send money even using the most simple mobile phone device. Analysts say this service draws customers to use Safaricom's wider telecoms services over its rivals. Eric Musau, analyst at Standard Investment Bank, said the dominance of a single operator was hurting competition by driving out rivals like Essar and Orange. He said, however, that some smaller operators were failing due to inadequate capital, frequent shareholding changes and a lack of a sound strategy for the local market. "I would say one player had a better strategy than the rest," he added. CAK said in August that it was amending the telecom sector's competition law, but said it was not targeting Safaricom or any other company.

It did not aim to penalise any company just for being dominant, but only if there was abuse of its position in the market. The regulator's head, Francis Wangusi, said at the time the new regulations would break down the telecoms sectors into segments including mobile and fixed voice, data, text messaging and mobile money transfer services. "It is too early for us to come up to say 'Safaricom you are dominant', because Safaricom can be dominant in certain markets, but not dominant in others," he said. "In all these markets, we would not apply the same rules," he added. Safaricom has opposed the proposed changes saying they could deter investments by targeting large firms. Airtel Kenya CEO Adil El Youseffi said the current market situation was limiting innovation and consumer choice and driving operators out of the country. "The sector is unable to attract new or incremental investments from other international players," he told Reuters. Orange Kenya gave no specific comment on the figures. *(Reuters)*

Economic News

Kenya's government is in talks with banks for a $750 million syndicated loan, a person familiar with the discussions said after a local newspaper reported on the negotiations. The talks involve three lenders, said the person, who declined to be identified because discussions haven't concluded yet. The Daily Nation, a Nairobi-based publication, reported on Monday that the government is in talks with CfC Stanbic Holdings Ltd., Citigroup Inc. and Standard Chartered Plc and that an agreement is expected to be signed within two weeks. A Treasury spokesman didn't respond to phone calls when Bloomberg sought comment. (*Bloomberg)*

Kenya's central bank said on Monday it planned to mop up 7 billion shillings ($68.03 million) in excess liquidity from the money markets. The bank uses term auction deposits and repurchase agreements to absorb the liquidity, which makes it costly to hold onto dollars, which partly gives the shilling support.*(Reuters)*

Equity Group Ltd., Kenya's biggest lender by market value, led a second day of declines among the country's banking stocks after regulators placed a smaller rival under administration. The stock tumbled 6.3 percent to 40.75 shillings by 10:14 a.m. in the capital, heading for its biggest drop since September 2014. Co-Operative Bank Ltd., the third-largest lender, slid 3.9 percent as Barclays Bank of Kenya Ltd. retreated 2.4 percent and Kenya Commercial Bank Ltd. fell 3 percent. Kenya's central bank announced on Tuesday that Imperial Bank Ltd., a privately held lender, had been placed under statutory management because of "unsafe or unsound business conditions." It's the second bank to be taken over by the regulators since Dubai Bank Kenya Ltd. was seized by the authorities in August. "Perception-wise, it doesn't paint a nice picture, coming as it does so soon after the collapse of Dubai Bank," said Kenneth Minjire, an analyst at Genghis Capital Ltd. in Nairobi. "It doesn't look good to investors who will be watching the sector, especially foreign investors." The Kenya Bankers Association, an industry lobby group, said the closure of Imperial Bank doesn't present any systemic risk to the industry. That echoed a statement by the central bank on Tuesday, which said the industry remains "safe and robust." Imperial Bank had total assets of 70.3 billion shillings ($681 million) at the end of June, according to the company's financial statements. That compares with 566 billion shillings at Kenya Commercial Bank, the largest lender by assets.*(Bloomberg)*

The Kenyan shilling was steady on Wednesday, with weak dollar demand supporting the local currency. At 0706 GMT, commercial banks posted the shilling at 103.15/25 to the dollar, barely changed from Wednesday's close of 103.25/35. "There is very little change overnight ... Wherever demand is coming into market, it is well supported by supply," said a trader at one Nairobi-based commercial bank. "We expect the market to be range bound between 103.10 and 103.60." The shilling, which has lost about 14 percent against the dollar this year, has firmed in the past month due to dollar inflows from offshore investors attracted by the interest rates of more than 20 percent on government Treasury bills. *(Reuters)*

The International Monetary Fund's forecasts for the Kenyan economy are too optimistic for a nation struggling to cope with a weakening currency and rising interest rates, according to a senior official of the main bankers' lobby group. The IMF's assessment "has left many questions in its wake given the increasingly difficult environment that East Africa's largest economy has lately faced," Jared Osoro, director of research and financial markets and policy at the Kenya Bankers Association, wrote in an opinion piece in the Business Daily newspaper on Wednesday. The Washington-based IMF is projecting economic growth of 6.5 percent this year for Kenya, faster than the 5.3 percent achieved in 2014. At the same time, the nation is faced with a widening budget deficit and a currency that's weakened 13 percent against the dollar in 2015. The central bank has raised its benchmark rate by 300 basis points to 11.5 percent this year to bolster the currency and curb inflation expectations. Osoro said economic output would have to increase by 8 percent in each of the two final quarters of this year for the $55 billion economy to realize the IMF's growth projection.

Gross domestic product rose 4.9 percent in the first quarter from a year ago, and 5.5 percent in the second quarter. "The question is, how realistic is such expectation?" he said. "Very unrealistic, in my judgment."Tourism, the nation's second-largest source of foreign-exchange income after agriculture, is struggling to remain afloat following a global slowdown and a series of deadly attacks by Somali militants. In its first review of Kenya's standby loan program in September, the IMF said the economy's performance had remained satisfactory despite risks coming from volatile financial markets and insecurity. "Growth hasn't really suffered that much from what we can see except for tourism," Armando Morales, the IMF's country representative in Kenya, said in a Sept. 10 interview.*(Bloomberg)*

Kenya's Energy Regulatory Commission (ERC) has issued the maximum retail prices of diesel, petrol and kerosene for the next month to Nov. 14. Kenya has set a limit on prices of petrol, diesel and kerosene since 2010 and lists maximum prices for each area of the country at mid-month and they remain valid for a month.*(Reuters)*

The World Bank said on Thursday it had trimmed Kenya's growth forecast for this year and 2016, saying east Africa's biggest economy was facing headwinds from currency volatility and tighter monetary policy. The World Bank put 2015 growth at 5.4 percent, lower than a previous estimate of 6 percent, and forecast the economy would expand 5.7 percent in 2016, down from 6.6 percent. "These estimates ... take into account more recent data on exchange rate, inflation, fiscal consolidation and balance of payments pressures," the bank said in a report. Kenya's shilling has lost 14 percent against the dollar this year and interest rates have climbed by 300 basis points. The World Bank said Kenya's public debt, which went up 0.05 percent to 44.5 percent of gross national production in 2014/2015, remained "sustainable". The World Bank said Kenya remained on course to be one of Africa's fastest growing economies despite a slight slowdown in economic expansion. "We believe that the Kenyan economy remains solid," John Randa, a senior World Bank economist, said in Nairobi. *(Reuters)*

The rate on Kenya's new $750 million two-year syndicated loan was below 6 percent, a treasury official said on Thursday. "The interest rates were quite favourable. It's below 6 percent," Kamau Thugge, principal secretary at the National Treasury, told reporters, without providing the exact rate. Yields on Kenyan Treasury bills have jumped to more than 20 percent in recent weeks after the central bank embarked on a tightening cycle in June following extreme volatility in the exchange rate. The syndicated loan was part of efforts to reduce local borrowing and curb surging interest rates. *(Reuters)*

Malawi

Corporate News

No Corporate News this week

Economic News

No Economic News this week

Mauritius

Corporate News

No Corporate News this week

Economic News

Mauritius plans to launch a trading platform to hedge African currencies against the U.S. dollar, part of a bid to expand its role as a financial hub for the continent, the financial services minister said. The Indian Ocean island is also in talks to boost ties with stock exchanges in Johannesburg and Nairobi to encourage cross-listing of shares and other areas of cooperation, Sudarshan Bhadain told Reuters in an interview. The international financial services sector in Mauritius has relied heavily on dealings with India, helped by a double taxation avoidance treaty that made the island the biggest route for foreign investment into India. But that could be hit if talks with India lead to treaty changes, encouraging a shift in focus to Africa where officials see a chance to offer a broader range of financial services and shake off criticism that Mauritius is little more than a "tax haven". "I do believe that Mauritius cannot remain a tax-centric jurisdiction," the minister said at his office in the island's financial district of Ebene. "Mauritius has to move to the next level which is bringing real investments which are creating jobs in Mauritius ... and for us to be the platform for Africa for the right reasons." He said Mauritius had signed a memorandum of understanding with National Stock Exchange of India, aimed at encouraging cross-listing of Indian firms and helping the island become a route for investment to Africa from India and elsewhere. "One of the aspects is for the creation of a new currency derivatives platform, where African currencies can be hedged against the U.S. dollar," he said, adding that the launch was expected in 2016. He did not give further details.

Mauritius was working with South Africa on encouraging cross-listings and was holding talks on the same issue with Kenya, the minister said. He said he had also signed a memorandum with Dubai financial markets to help develop markets in Mauritius. "In terms of global business, one of the things we are doing is moving more towards front-office activity and regional headquartering," he said, adding that insurance firms were among those interested in using Mauritius as a base. Mauritius had held talks with firms such as Axa and Prudential, he said, adding he wanted companies that would put managers in Mauritius and hire staff there rather than firms simply registering operations and having limited presence. To benefit from the double tax avoidance treaties Mauritius has with African states, companies have to meet a range of requirements, such as having at least two resident directors and using Mauritius accounts for related banking transactions. But critics say such firms, known as Global Business Company 1s (GBC1s), should face tougher demands to benefit from the treaties, so they can show more clearly that they are not using Mauritius solely to avoid higher taxes elsewhere. GBC1s pay a maximum 3 percent corporate tax and no capital gains tax. Bhadain said tax treaties had spurred growth in the global business sector in the past 15 years but it was time for a shift. "That has served Mauritius well, but we don't see that as being the vision for Mauritius for the next 10 to 15 years." Some regulations related to the sector could be changed, possibly by the end of the year, he said, although he added that he was working closely with the 138 or so management firms that handle the roughly 10,000 GBC1s registered on the island. "We see the focus has to change in terms of more tangible, real investments which are taking place in Mauritius," he said.*(Reuters)*

Mauritius will sell two-year Bank of Mauritius notes worth 1 billion rupees ($28.35 million) and a three-year Treasury bond worth 1.5 billion rupees next week, the central bank said on Wednesday. The Bank of Mauritius said it would receive bids on Oct. 19 for the two-year notes and auction them on the same day. The central bank said the coupon rate would be set equal to or higher than the lowest yield at auction. It said it would receive bids for the three-year bond on Oct. 21 and auction it on the same day. The bond would carry a coupon rate of 3.72 percent and will mature on Aug. 21, 2018, the bank said. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Nigeria

Corporate News

Ecobank Nigeria may have unfolded plans to step up its agriculture sector funding, which current loan portfolio stood at N84 billion. The move, according to the bank, is a deliberate effort to significantly impact the sector in the next four years in line with Federal Government policy. The Country Manager, Agriculture and Export Finance, Ecobank Nigeria, Abel Ajala, said the plan was part of the bank's strategic initiative to increase support to the agriculture sector in Nigeria. Ajala said the bank is working closely with Central Bank of Nigeria (CBN) and Bank of Industry (BoI), using intervention funds and other schemes to avail credit facilities at concessionary and single digit interest rates. "Apart from the bank's direct lending to agriculture sector, Ecobank has supported many stakeholders in the sector to obtain BoI's loans and various CBN-support facilities for agriculture such as Commercial Agricultural Credit Scheme (CACS), Nigeria Incentive – based Risk Sharing for Agricultural Lending (NIRSAL) at a single digit interest rate. "Ecobank also plans to grow the BOI/CBN funding portfolio in the bank significantly in the next four years," he said. *(The Guardian)*

As part of effort to strengthen its operations and also entrench operational excellence, Access Bank Plc has upgraded its system with additional securities measures. The bank has also been conferred with the ISO 27001:2013; ISO 22301 and has also upgraded its Payment Card Industry Data Security Standard (PCI- DSS) certification. The Executive Director, Operations and IT, Mrs. Ojini Olaghere, in a keynote address during the presentation of the International Standard Organisation (ISO) certificates to the bank in Lagos at the weekend, said Access Bank would continue to make the protection of confidential and sensitive customer data its priority. Olaghere, who promised stakeholders that the bank will not relent on its determination to develop and carry out its operations in line with the global best practices, also said Access Bank remained committed to continuous review and improvement of its security. "We are not resting on our oars but have developed and implemented an information security and risk management framework that is in line with global best practices. Retaining these global security standards fundamentally requires that we have a process in place that meets the security requirements and we remain compliant by continuously reviewing and improving security of our systems," she added.

Speaking on the bank's commitment to remain a leading force in modern banking system, she said: "Access Bank remains the pacesetter when it comes to speed, service and security, thus, we were the first Nigerian bank to be accredited with the PCI DSS version 2.0 certificate in 2011, which is today being upgraded to PCI DSS version 3.1 with additional security measures and improved processes. And again, the first Nigerian bank to be accredited on version 3.1. "In line with the board and management commitment to ensure continuous improvement and security of the bank's information assets, our accreditation in 2012 with the ISO 27001:2005 certificate is again being upgraded to the most recent ISO 27001:2013 of Information Security Management Systems (ISMS). Also to ensure sustainability and business continuity, our processes have been certified to be compliant with ISO 22301 by British Standard Institute (BSI)." On his part, the Director, Banking and Payment System Department, Central Bank of Nigeria, Mr. Dipo Fatokun, in his speech, congratulated the bank for its proactive steps in getting certified under the new PCI-DSS standard, noting that it was a confirmation that Nigerian banks were committed to ensuring that they are not the weak link in the global electronic payments infrastructure.

Speaking further, Fatokun said given the increasing challenge of safeguarding the nation's payment system from fraudsters, the central bank had fostered a common front for tackling electronic fraud by establishing the Nigeria Electronic Fraud Forum (NeFF). "Cross-border collaboration is essential to the fight against electronic fraud. Perpetrators of the crime are organised within an international network and they share their innovations and exploits, perhaps more freely than payments system participants share information and experiences. It is therefore pertinent that the international banking community collaborate effectively to tackle the challenge head on. "It is therefore expected that all payments system providers in Nigeria will not rest on their oars upon certification but will ensure that the principles, processes and controls become ingrained in the culture of safety within their operations. This will instil confidence in domestic users of the payments system and the international community while fostering electronic commerce and promoting national economic growth," Fatokun added.*(This Day)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

The Managing Director/Chief Executive Officer of Fidelity Bank Plc, Mr. Nnamdi Okonkwo has said the bank has structured and upgraded its processes in order to continue to deliver value to all stakeholders. Speaking at the Nigerian Stock Exchange (NSE) in Lagos on Friday, Okonkwo disclosed assured stakeholders that the bank was well positioned to leverage opportunities that would emerge from the new federal government administration. According to him, Fidelity Bank has consistently paid dividend to shareholders over the years, adding that the dividend paid in the last financial year, amid harsh economic environment attested to the bank's readiness to continually improve in its operations. He also noted that the successful conclusion of the bank's N30 billion local bond issued this year was another evidence of the bank's commitment to continue to enhance profitability. Okonkwo said the bank put various measures in place before unveiling its new identity, among which is strategic focus on balance sheet optimisation. "In May, we came to the floor and celebrated 10 years of listing and it has helped our funding strategies. We have successfully issued 300 million eurob and five year instrument and we have consistently paid dividend to shareholders," he said. He urged investors to invest in the bank for better returns in form of capital appreciation and dividend going forward.

Fidelity Bank Plc recently unveiled its new identity, saying the move was aimed at strengthening is operations in order to deliver superior customer satisfaction. It also explained that the rebranding exercise was to bring about convergence in its services, to suit both the old and new generation customers. Okonkwo had during the launch of the new identity reiterated the financial institution's commitment towards customer service, saying that the bank was also targeting the youth population. While commenting on the new logo of the bank, he explained that the deep blue colour reminds the financial institution of its "rich, solid background as a bank." "It holds there an accommodative path which inspires us to go into the future," he stated, adding that the green colour, stands for fertility, growth and progress to the future, while the white line at the middle stands for safety, purity and a guiding light. According to the bank chief, the new identity took the bank months of strategising, planning and execution, saying that it needed the rebranding exercise to be in touch with the changing realities of the modern time. "In business, there must be a time you need to change. For Fidelity Bank, there are many reasons why we need to change. Historically, we are perceived to be a conservative bank. There is nothing wrong with being conservative; after all, that is how we gained our credibility, but you need to know that the world is changing With advance in technology, with globalisation and change in demographics, we must wake up to the realities of today," Okonkwo said. *(This Day)*

Guaranty Trust Bank Plc (GTBank) said it has gone into partnership with Agence Française de Développement (AFD) to launch a N3 billion Ariz Portfolio Guarantee Scheme, an initiative designed to boost financing for business start-ups and development projects in Nigeria. The partnership with GTBank, which according to a statement from the bank was the first in Anglophone Africa, would support the growth of SMEs by providing a risk sharing mechanism on loan advances. The Ariz Portfolio Guarantee Scheme provides banks, private equity investors and other financial institutions a safer platform to increase participation in SME financing by providing foreign guarantees to local credit facilities advanced to SMEs. Since its inception in 2008, the Ariz Portfolio Guarantee Scheme has expanded to over 20 francophone countries in Africa, and has teamed up with more than 40 partner banks worldwide. The scheme has seen a steady rise in the number and volume of guarantees allocated (up 80% annually over the past 3 years) and an increasing number of companies have been able to develop each year, with thousands of jobs created.

According to the French Ambassador to Nigeria, Ambassador Denys Gauer, "small and medium enterprises have a key role as drivers of economic growth and employment. However, despite the widespread presence of SMEs in Nigeria, the sector faces major obstacles such as the limited access to bank financing, mostly because of the risk factor associated with SMEs. The objective of this scheme is to facilitate SMEs' access to finance by supporting the development of the GTBank portfolio of SME loans." Also, speaking at the launch of the event, the Managing Director/CEO of GTBank,Mr. Segun Agbaje, said: "Empowering small and medium scale enterprises remains pivotal to the sustenance of growth and development in emerging economies across the world. This sector remains crucial to the economic make-up of Nigeria yet contributes little to our national GDP. We are determined to help rewrite this narrative by boosting access to long term financing for the sector." He further stated that, "The partnership with AFD is the first for any Anglophone speaking country and reaffirms the Bank's commitment to building a strong SME sector buoyed by easy access to long term financing. As a Bank, we will continue to provide solutions to help smaller businesses build capacity and improve their knowledge of managing businesses.

Earlier in the year, using our SME MarketHub platform, we organised a training program for small business owners on capacity building, business ethics and global best practices."*(This Day)*

Forte Oil (FO) Plc has partnered First Bank of Nigeria Plc and Interswitch to develop a payment solution in the form of loyalty prepaid card, designed to reward the patronage of the customers of the integrated energy solutions provider. Speaking at the weekend in Lagos during the inauguration of the payment solution tagged: "FO Advantage Card," the Group Chief Executive Officer of Forte Oil Plc, Mr. Akin Akinfemiwa stated that in partnership with First Bank of Nigeria Plc and Interswitch, the card will be issued as part of Forte Oil's nationwide customer loyalty and reward programme. "At FO, we treasure our customers' patronage and our aspiration is to always offer excellent services at all times and it is in pursuit of providing customer-centric service to our discerning customers, that we came up with the initiative to introduce a loyalty prepaid card, designed to reward the patronage of our customers," Akinfemiwa explained. He described the Card as a smart-fuel card, which qualifies as a better alternative to cash transactions and provides a secure mode of payment. "Just as the name implies, the FO Advantage Card offers a customer the opportunity to turn his/her purchases into an advantage!

The FO Advantage card can also be used anywhere the verve card is accepted," he added. Akinfemiwa said the launch of the FO Advantage card wa significant to Forte Oil, adding that just like the theme of this year's customer service week, the company is celebrating "our everyday heroes" by giving them a product that is convenient and secured. "Permit me to say that "we are in business because of our customers and our service mantra is to always meet and surpass their expectations at all times," he said. Akinfemiwa listed some of the key advantages of having the FO Advantage card to include: ensuring that the customers are rewarded as they make their fuel and lubricant purchases at all designated Forte Oil service stations; convenience as there will be no need to carry cash around; and security as the customers' transactions are safe and secure. The rest include: easy management of the customers' budget as the customer controls his or her costs and plan his fuel expenditure; and availability as the card will be available at Forte Oil designated stations throughout Lagos. Akinfemiwa used the opportunity to invite everyone to register for this loyalty scheme to enjoy the countless benefits.*(This Day)*

Deutsche Bank and Ecobank Nigeria Limited have announced the signing of a memorandum of understanding (MoU) to expand their trade finance relationship. Under the terms of the MoU, Deutsche Bank would provide export credit guarantee program GSM-102 to Ecobank Nigeria. "As a leading provider for GSM-102 business in Africa, and in close coordination with the Commodity Credit Corporation and the US Department of Agriculture's Foreign Agricultural Service, Ecobank Nigeria will benefit from Deutsche Bank's strong global and US footprint," Business wire reported. The bank's offering of a GSM-102 program will guarantee credit to encourage financing of commercial exports of US agricultural products, while providing competitive credit terms to buyers. Ecobank Nigeria will use irrevocable US dollar denominated letters of credit for the import of eligible agricultural products from the US. Deutsche Bank will advise, confirm and negotiate these letters of credit as well as provide post-shipment financing in accordance with the GSM-102 program regulations. "We look forward to expanding our relationship with Deutsche Bank with the GSM-102 program," Managing Director at Ecobank Nigeria, Jibril Aku said. He added: "Deutsche Bank's export credit guarantee service will offer a simple and efficient way for our importers to access agricultural products in the US and strengthen economic and trade development in the region."

Also, the Head of Trade Finance Financial Institutions – Western Europe & Africa, Global Transaction Banking, at Deutsche Bank, Ulf-Peter Noetzel, said his firm was pleased to offer the program to Ecobank Nigeria. Furthermore, he said: "As a leading provider for GSM-102 business in Africa, and in close coordination with the Commodity Credit Corporation and the US Department of Agriculture's Foreign Agricultural Service, Ecobank Nigeria will benefit from Deutsche Bank's strong global and US footprint." Ecobank Nigeria is a member of Ecobank, a leading independent pan-African bank. In 2011, Ecobank Nigeria acquired 100% of the shareholding in Oceanic Bank, creating the expanded Ecobank Nigeria Plc and making it one of the five largest banks in Nigeria. On the other hand, Deutsche Bank provides commercial and investment banking, retail banking, transaction banking and asset and wealth management products and services to corporations, governments, institutional investors, small and medium-sized businesses, and private individuals. *(This Day)*

Access Bank Plc said it has selected CR2's BankWorldomnichannel suite to manage its self-service channels including ATM, internet, and mobile. According to a statement, the strategic alliance was celebrated at Access Bank's London headquarters recently. It pointed out that with five million retail customers and over 1,500 ATMs, Access Bank understands the importance of the self-service channels in supporting Nigeria's retail banking growth. "As such, they sought a solution which would allow them to launch the right product, in the right place, at the right time which can only be achieved through a trueomnichannel approach. By selecting Bank World and holding CR2's self-service platform at the core of their strategy, Access Bank now have the tools to stay competitive and highly flexible to market changes as well as personalising each interaction with their customers at every touch point. "With CR2, Access Bank will be empowered to reduce their operational costs by managing all channels from a single point while also having the opportunity to generate revenue through the launch of targeted and personalised services. In addition, Access Bank will also be able to offer a range of innovative and convenient payment facilities new to the Nigerian market," it added.

Commenting on the deal, the Group Managing Director, Access Bank, Herbert Wigwe, said the bank aims to become the leading financial institution in Nigeria and provide new services that will change the way people bank. "Having a best of breed self-service offering, providing convenient banking and managing all our client's relationship from a single place are at the heart of our strategy and we believe that Bank World will help us to achieve our vision," he said. Also, Chief Executive Officer at CR2, Franky Van Damme said: "I welcome Access Bank as a new client of CR2 in Nigeria. We believe that CR2 can help Access Bank in offering their customers innovative and unique services across their entire electronic self-service network. We are committed to innovation and look forward to working with Access Bank to deliver cutting -edge banking and enhanced customer experiences." *(This Day)*

The Executive Director, Stakeholders Relations and Corporation Communications, Dangote Group, Mr. Mansur Ahmed, has said for Nigeria to achieve its long-desired infrastructural development, it must embrace the use of concrete for road construction and other construction works. Speaking at the ongoing 21st Summit of the Nigeri Economic Summit Group (NESG) at the Transcorp Hilton Hotel in Abuja, Ahmed said this was a choice that Nigeria must make. His comment is against the backdrop of the theme of the summit: "Tough Choices: Achieving Competitiveness, Inclusive Growth and Sustainability." Ahmed also moderated the discussion session comprising of the governors of Kaduna, Katsina, Gombe, Bauchi, Benue and Kogi where he urged them to collaborate and provide infrastructure for their people. He said concrete roads make more economic sense for a country like Nigeria, as the use of Asphalt has left the roads in a deplorable condition. He said Asphalt is no longer in vogue in developed climes, stressing that the construction of concrete road is faster and can last for half a century compared to Asphalt, adding that concrete roads are 20 per cent cheaper to build.

According to him, in the construction of concrete roads, the cement raw materials are readily available while Asphalt is imported into the country. It would be recalled that the Chairman of Dangote Cement, Aliko Dangote, recently in Lagos also pleaded with the federal government to urgently consider the use of concrete roads in the country. Concrete roads, according to him, will be to the benefit of Nigerians. Aside from being very affordable, he said concrete roads were more durable and that its maintenance cost is near zero. According to him, "We are pushing for Nigeria to do concrete roads. It is cheaper to do a concrete road that will last 50 years than to do a asphalt and bitumen roads. It will also help in eliminating corruption because if you go and build a bitumen road, it will have to be adequately maintained unlike a concrete road that is very durable." Currently in 15 African countries, the company's current capacity stands at 48mmtpa, out of which Nigeria alone has the largest chunk of 29.3mmtpa. *(This Day)*

FirstBank of Nigeria Limited has expanded its foot print across Africa with the launch of FBNBank Gambia, formerly registered as International Commercial Bank (ICB). This unveiling comes following the agreement reached by FirstBank and International Commercial Bank Financial Group Holdings Ag (ICBFGH) for the acquisition of a 100 per cent equity interest in ICB Gambia. A statement from the bank on Wednesday said the move further consolidated FirstBank's position as one of the largest corporate and retail banking financial institution in sub-Saharan Africa with presence in Ghana, Guinea, Sierra Leone and Senegal as well as presence in the UK and Representative Offices in Johannesburg, Abu Dhabi and Beijing. Furthermore, it stated that the expansion represented FirstBank's strategic objective to maintain significant market share, expand its pan-African footprint and diversify earnings while delivering value to shareholders. "FBNBank Gambia is strategically positioned to foster greater collaboration and provide better service for the country's public and private sector clients, and the general public at large.

The bank leverages FirstBank's international network, business expertise, which is part of the diversified synergies of the FBN Group to offer innovative, convenient and secure banking services to its customers and better seize the emerging opportunities in the local market," it added. Speaking at the launch, FirstBank's Chief Executive Officer, Bisi Onasanya said, "The launch of FBNBank Gambia is yet another milestone achievement in our ambition to steadily broaden and build a more diverse footprint across Africa. We are committed to developing a multi-local business model that broadens our geographic revenue base while providing enhanced service delivery to our new customers and equity participation to local investors." Commenting further, the acting Managing Director, FBNBank Gambia, Uloma Kings-Olikagu said: "Having built value for Nigeria over the last 120 years, FirstBank through FBNBank Gambia is poised to do even more in the Gambian financial market. FBNBank Gambia will provide customers with a bouquet of banking solutions that make their financial lives more convenient and stress-free whilst providing a delightful banking service experience. "Given our heritage and market leadership at FirstBank, we are committed to co-creation; to listen and input feedback received from our customers in the development of products and services that are relevant," Kings-Olikagu added. *(This Day)*

Fidelity Bank Plc said it plans to launch the GreenMall, an online market place with fully integrated e-commerce capabilities for online payment engine, delivery logistics, advertising boards, and business networking opportunities, for SMEs. This was disclosed by the Executive Director, South, Fidelity Bank,Aku Odinkemelu, at the bank's South-East Regional SME conference recently. Odinkemelu, noted that the numbers of SMEs in Nigeria has increased from 17 million in 2011 to 37 million as at 2013. According to her, the sector now employs 60 – 80 per cent of the workforce while contributing over 60 per cent to the country's GDP. She expressed concern that SMEs in Nigeria were faced with key challenges. These challenges, she enumerated to include, low level of business management capacity; inadequate business processes; inadequate research/market information to determine business viability; poor access to market; limited access to the export markets; inadequate record keeping; absence of proper business planning; lack of long term strategy and poor business model; low technology leverage; key man risk, etc. She stated that the Fidelity approach comes handy. According to her, the bank work with a network of pre-qualified SME-friendly professional services firms who provide business management capacity building support and services to our SMEs at discounted rates.

"We have developed a partnership with Sage to develop FSBA+, a product that integrates Sage One Accounting Software to the FSBA to enhance recording for our SMEs," she maintained. Continuing, she explained that funders should allow nil/low-cost of banking transactions to enable MSMEs build up relevant transactions/activity history to position them more strongly for formal lenders (e.g. Fidelity Small Business Account); de-risk the sector by developing and offering customised product paper loans that could take the following forms: Cluster Lending Programmes that identify industry and market peculiarities (Fidelity Aba Leather Cluster Credit Product Paper, Obosi Industrial Cluster Credit Product, Credit Product for Medical Doctors and pharmacists, Fidelity Commercial Support Short Term Loans for identified business cluster, etc), among others.*(This Day)*

Cadbury Nigeria Plc on Wednesday reported a decline of 98 per cent in its profit for the nine months ended September 30,2015. According to the results, Cadbury posted a revenue of N21 billion in 2015, down by 10 per cent compared to the N23.3 billion in the corresponding period of 2014. Cost of sales was flat at N14.6 billion, while sales, marketing distribution/administrative and other expenses remained at N6.4 billion. Other income fell by 63 per cent from N254 million to N93.4 million, while finance income dipped same margin from N308.537 million to N114.2 million. Consequently, profit before tax plunged by 98 per cent from N2.4 billion to N40.789 million. Although taxation was reduced by 98 per cent, profit after tax stood at N28.553 million, showing a decline of 98 per cent as against N1.652 billion recorded in 2014. Cadbury has been experiencing dwindling fortunes due to the challenging operating business environment. However, Chairman, Cadbury Nigeria Plc, Mr. Atedo Peterside, had assured shareholders that the company would focus on four key strategic initiatives to realize its growth ambitions this year, after taking major hits in sales and profit in 2014. According to him, the company would concentrate efforts at increasing its market share in the powdered-drink and candy categories while investing in innovation and enhancement of its product portfolio. He said the company was able to mitigate the impact of the tough operating environment of 2014 by continuing to improve its operational efficiencies.

"One of the major strengths of our company has been operational efficiency, as aligned with global best practices. Constant improvements in operational efficiency helped us to offset difficulties in the operating environment," Peterside said. The company had expressed confidence in Roy Naaman, who resumed as managing director of Cadbury Nigeria on January 1, 2015. He was expected to help consolidate the company's market share and tap into other expanding markets in West Africa. Cadbury Nigeria had stated that Naaman as a highly experienced brand professional would lead the snacks group's expansion in West Africa and deliver consistent and strong profit to shareholders. "In Naaman, we are very pleased to gain a highly experienced leader, with a strong track record in driving sustained and profitable growth. In his previous role, Roy was instrumental in spurring business expansion in southern Africa and the Caucasus. He is a most valuable addition to our company," the company had said. *(This Day)*

United Bank for Africa (UBA) Plc on Thursday reported its financial results for the nine months September 30, 2015, showing a rise of 44 per cent in profit after tax to N48.6 billion. UBA recorded net operating income (NOI) N167.4 billion, while cost to income ratio remained within management's guidance of 65 per cent, compared to 68.7 per cent in the corresponding period of 2014. The financial institution closed the third quarter with total assets of N2.87 trillion, loan book of N1.01 trillion and a deposit base of N2.18 trillion. UBA maintained a non-performing loan ratio of 2.1 per cent and 0.6 per cent cost of risk. The Group Managing Director/CEO of UBA, Mr. Phillips Oduoza attributed the impressive performance to enhanced balance sheet efficiency and improving extraction of value from the Bank's channels. "We have also maintained our discipline on how, where and with whom we do business and I am happy with the results, as reflected in our earnings and asset quality. We have continued to sustain our financial performance in 2015, leveraging our unique pan-African platform and the strength of our committed work force in gaining competitive edge in the market place," he said.

Highlighting some of the significant achievements in the third quarter, Oduoza said that UBA led a consortium of local banks to facilitate a $1.2 billion syndicated facility for the national oil company in Nigeria, NNPC, further reflecting the strength of the bank. Speaking in the same vein, the Group Chief Financial Official, Ugo Nwaghodoh noted that the bank's entrepreneurial persistence continues to yield results as the Group increasingly extracts synergy opportunities across its African network. "Our business in Africa, excluding Nigeria, contributed a quarter of our profit after tax in the period; a resounding benefit of our geographic diversification," Nwaghodoh said. He assured that the bank is encouraged by the improving performance metrics, saying "we will not relent on our commitment to achieving desired scale, size and profitability in all our chosen markets." He explained that the Group's balance sheet remains strong, with a 20% capital adequacy ratio and 49% liquidity ratio, noting that UBA will continue to balance the quest for earnings and growth, with the best sustainability principles. *(This Day)*

Economic News

Nigeria's state oil company recorded a loss of 378 billion naira ($1.9 billion) in the first eight months of this year mainly because of fuel subsidy spending, it said in a publication that seeks to bring transparency to the organization. At least 73 percent of the loss was due to deficit spending by its Pipelines and Products Marketing Co. unit comprising "claimable subsidy" payments, repairs, as well as product losses from ruptured and sabotaged pipelines, the Nigerian National Petroleum Corp. said in a monthly report for August on its website. The publication of the report is one of the initiatives of Group Managing Director Emmanuel Kachikwu to ensure accountable conduct of its business. Kachikwu was appointed in August by President Muhammadu Buhari, who won elections in March after campaigning on a pledge to end corruption in the management of the country's oil accounts. The NNPC has been dogged by allegations of losing billions of dollars of revenue since the 1970s and had the worst disclosure record of 44 energy companies analyzed in a 2011 report by anti-corruption nonprofit organizations Transparency International and the Revenue Watch Institute. Nigeria, Africa's biggest oil producer, pumped 445 million barrels of crude and condensate from January to July, an average of 2.009 million barrels daily, according to the report. *(Bloomberg)*

The Nigerian Stock Exchange has appointed South African bank FirstRand and local investment firm Chapel Hill Denham to advise it on a possible share flotation, it said on Tuesday. The bourse, which has the second biggest weighting on the MSCI frontier market index after

Kuwait, is a major entry point to invest in Africa. The stock exchange said in November that it was considering an initial public offering to attract more foreign investors. As a first step, the stock market plans to change its ownership structure from a mutual company of 240 brokers to add new shareholders. This year, shares in the oil producing-nation have lost around 12.8 percent to add to the 16 percent loss last year. Foreign funds sold shares after the naira lost value due to the slump in the oil price. The exchange, the second-largest African bourse by market value after South Africa, plans to allowing the trading of derivatives such as futures and options in interest rates, currencies and equity indexes by next year, it has said. Nigeria's equities market, was until 2013 one of the world's best performing frontier markets but low liquidity levels and currency restrictions have now deterred foreign investors. *(Reuters)*

Nigeria should split its proposed petroleum industry law into parts to avoid further delays to reforms that have been stuck in parliament for seven years, said the head of the national oil company. "As long as we continue to want to pass a holistic PIB, it's going to be a major challenge," said Emmanuel Kachikwu, managing director of the state-owned Nigerian National Petroleum Corp., on Wednesday. PIB refers to the Petroleum Industry Bill, which aims to consolidate a slew of oil and gas legislation and help make Nigeria's oil industry more transparent. "Once you begin to break it up into critical aspects, you begin to make a faster run to passing the PIB," said Kachikwu. He was speaking at a Senate hearing to vet his suitability for a yet-to-be identified cabinet position he's been nominated for by President Muhammadu Buhari. The proposed petroleum law, first presented in parliament in 2008, has been held up largely by political wrangling and objections by international oil companies, which say the government is demanding too big an increase in its share of the revenue. The delays have caused "a level of uncertainty that no international investor wants to grapple with" and cost the country $15 billion a year in lost investments, said Kachikwu. Despite being Africa's largest oil producer, the country of about 180 million people relies on imports for more than 70 percent of its fuel needs. The state-owned processing plants operate at a fraction of their capacity because of poor maintenance and aging equipment.

Kachikwu said the reorganization of oil taxes should provide scope for giving producers incentives to invest when prices are low and for increasing the rates they pay as prices recover. The tax changes for the oil industry can be incorporated into the national tax code, he said. "The times when oil prices are so low that nobody is willing to invest in your country, you may give some incentives," he said. "At the time when they're so high and people are making outrageous profits, you may increase your taxes." Nigeria depends on crude exports for two-thirds of state revenue and more than 90 percent of export earnings. A halving of crude prices in the past year has put pressure on public finances, while the currency has declined 7.8 percent against the dollar since January. Of four state-owned oil refineries, two units at Port Harcourt with a combined capacity of 210,000 barrels a day are currently producing at 67 percent of their ability, Kachikwu said. The Warri refinery in the south is shut down, while Kaduna, a processing plant in the northern part of the country that also hasn't been operating, will reopen on Thursday after pipeline repairs have been completed, he said. "At the end of December, we would sit down and say which ones have shown the capacity to consistently perform at levels that make optimal sense. Those that are not, we'll have to shut down and do complete maintenance," Kachikwu said. Buhari, who came to power in May, fired the board and management of the NNPC, which has been dogged by allegations of losing billions of dollars of revenue since the 1970s, as part of a wider crack down on corruption in the industry. *(Bloomberg)*

Nigeria's inflation rate climbed to the highest in more than two years in September as food prices surged, exceeding the central bank's target for a fourth month. Inflation in Africa's biggest economy accelerated to 9.4 percent from 9.3 percent in August, the National Bureau of Statistics, based in the capital, Abuja, said in an e-mailed report on Wednesday. The median estimate of 17 economists surveyed by Bloomberg was 9.5 percent. Prices rose 0.6 percent in the month. A slump in crude prices by more than 40 percent in the past year has put pressure on the currency of Africa's biggest oil producer, pushing up consumer prices, and cutting government revenue. Central bank Governor Godwin Emefiele imposed foreign-currency controls this year to stabilize the naira, restricting imports and adding to price pressures. The Central Bank of Nigeria has kept its policy rate unchanged at 13 percent for five consecutive meetings percent even as inflation exceeded the bank's 6 percent to 9 percent target. Emefiele has so far resisted calls to ease the foreign-exchange controls and devalue the naira despite criticism from investors, businesses and fellow members of the Monetary Policy Committee. The naira has averaged 198.99 per dollar since the restrictions were imposed in February.

The core inflation rate, which excludes agricultural products, fell to 8.9 percent in September from 9 percent in August, the statistics office said. Food inflation accelerated to 10.2 percent from 10.1 percent. *(Bloomberg)*

Turkish Ambassador to Nigeria, Hakan Cakil, has said trade volume between both countries has now reached $2.5 billion. The Turkish envoy stated this at a forum organised by the Abuja Chamber of Commerce and Industry (ABUCCIMA) for the visiting Turkish business delegation to Nigeria. Cakil said: "We have strong relationship with Nigeria, we have economic ties in commercial field. We shall do our best to enhance the business opportunity in Nigeria. We are looking at the different sector of the economy for investment. The area include energy, agric construction and others. We have to let the businessmen meet to interact and share ideas . "We have to find business opportunities in two countries. Total trade volume between the two countries as at December 2014 was 2.5 billion dollar; the bilateral trade relationship is in favour of Nigeria because we are importing crude oil and other mining products." He further stated that though there are figures yet for 2015, "Nigeria is the leading or number one business partner of Turkey in the sub Sahara African." "Nigeria has created business environment that encourages Turkey business to grow in the country.

It is one of the most important encouragement too Turkey," Cakil said. The Permanent Secretary, Ministry of Federal Capital Territory (FCT), Mr. John Chukwu, acknowledged the imbalance in trade between Nigeria and Turkey, stating that, efforts are in top gear to increase Nigeria's export to Turkey. "He explained that this, can only feasible by "encouraging adoption of the comparative advantage and technical-know-how principles in showcasing economic strength and identification of areas of collaboration for improved trade relationship." Speaking earlier, ABUCCIMA President, Tony Ejinkeonye said the visit of the Turkish business delegation to Nigeria showed the confidence on the country's business and investment environment. Ejinkeonye stressed that the delegation should explore the vast business opportunities in Nigeria, adding that, "Nigeria is not only a place to buy and sell but to establish partnership for the overall interest of the countries." Leader of the Turkish business delegation, Ahmet Koparan expressed his team optimism in investing in Nigeria, stating that, with the enormous economic potentials, Nigeria has, the aim is to engage in trade that benefits the two countries. Koparan further observed that the interest of the delegation cut across a broad spectrum of the economy, including energy, afro business, construction and infrastructure. *(This Day)*

Nigeria's central bank weakened its exchange rate peg slightly to 197 naira to the dollar on the interbank market on Thursday from 196.98 it set on Monday, traders said. Traders said the regulator sent a message announcing the adjustment which is the ninth since the bank introduced tight currency controls in February. "The central bank sent a broadcast today advising us on its buy and selling rate on the interbank market at its intervention session," one dealer said. The bank has resisted calls to further devalue the naira in the face of a plunge in vital oil revenues. It devalued the currency last November and later pegged the exchange rate in another de facto devaluation. But the bank has continued to intervene at the interbank market periodically to provide forex liquidity support for the local currency. It also sells dollars twice-weekly to the bureau de change operators as part of bids to support the naira and narrow the gap between the official forex and parallel market. The local currency traded at 225 to the dollar on the parallel market on Thursday, slightly weaker than 224 traded on Monday. *(Reuters)*

The federal government has been enjoined to review existing export laws that have continued to limit export, thereby denying Nigeria of foreign exchange. South West Professional Forum (SOWPROF), gave the advice in a statement made available to THISDAY. According to the stakeholders, President Muhammadu Buhari will not achieve his major task of turning around the economy by creating jobs, but by initiating policies that would boost export and move the country towards self-reliance. Speaking on behalf of other members of SOWPROF, a member of Nigerian Indigenous Economic Development Alliance (NIEDA), Dr Akinola Adebosin said critical to the government's effort was its export policy direction. He said: "For instance, the new regulation for exporters is that cash must be sold to banks at the official rate or be used by exporters to fund their imports. This policy was introduced in the dying days of the former regime. The government hopes this will stabilise the forex market. This decision was taken on the heels of the Presidential election when the country was on the edge of the tentacles." He stated that the policy itself was a mismatch adding, "For instance, instead of those who bring their US dollars to their ordinary domiciliary account who can sell their US dollars at transfer market (currently its N237/$1), exporters are forced to sell their inflows with official market which is N199/$1." He argued that exporters should be able to sell their inflows in the free market. This, he said, was the standard practice in most economies that have blossomed. "The basic reason is that their inflows are for the products that they sold based on genuine transactions. The source of others inflows are unknown. If they want to keep record and block money laundering the CBN must make it difficult to use inflows without eligible transactions. Again, there is the issue that genuine exporters are making their transaction while adhering to the letter of the law. "They open their Nigerian export proceeds (NXP) forms and they pay their Nigerian Export Supervision Scheme (NESS) payment which is 0.5 per cent of Free On Board (FOB) value. Government appointed inspection agencies inspect (at same level) and they issue CCI accordingly. They are being charged N5,250 as NXP fee and N5,250 CBN declaration for repatriation. "Yet, they have to repatriate the funds back to the country within 180 days or face sanctions," he said. *(This Day)*

Tanzania

Corporate News

CRDB Bank ability to lend has reached 150bn/- to a single customer thanks to the bank's over 500bn/- capital base. The amount follows a successful rights issue that saw the bank mobilise extra capital after selling its 435 million shares to realise 152bn/-. The Bank's Managing Director, Dr Charles Kimei, said this when winding the customer week that they have a capital of 600bn/- with a balance sheet of slightly above 5tri/-. "We can now give out up to 150bn/- in loan to one client at ago," Dr Kimei said while attributing the ability to successful right issue. With that ability the bank is considering to open subsidiaries in Zambia and in the Democratic Republic of Congo (DRC) next year. Dr Kimei said at the weekend that the bank is currently finalising its feasibility studies before venturing into the two economies. "We are looking at the regulatory environments there (Zambia and DRC) and the type of customers that we should anticipate there," the CRDB Chief said. He told reporters during a special occasion, held at the bank's Oysterbay Branch in the city, where CRDB cut a cake together with some of its clients as one of the many activities undertaken to mark this year's Customer Service Week.

Dr Kimei, who offered a piece of cake to all of CRDB's clients who participated in the occasion, said the bank has grown tremendously in the past few years to the extent that it is now capable of lending for multi-billion shilling project development needs. For instance, the bank is main lender of the 150bn/- National Housing Corporation's Morocco Square where as a main financer, dished out some 100bn/-. He said the bank decided to get even closer to its clients during this year's Customer Service Week so it can get some feedback on their clients' views on CRDB's products and services. He said with a 16 per cent lending rate, CRDB has the best charges in the market where costs on loans go up to 24 per cent. "However, we knew that our clients may still have some more issues to tell us since there is always a room for improvement," he said. During this year's Customer Service Week, CRDB also offered anti-cholera medicines worth 15m/- to Kinondoni Municipality. The bank also donated 200 desks valued 20m/- and another 100 desks at 10m/- to Ilala's Buyuni Primary School and Muleba District Council respectively among others. *(Daily News)*

Economic News

Tanzania has initiated a $1.33 billion project to pipe natural gas to its commercial capital, Dar es Salaam, and help relieve chronic power shortages in the city, the president's office said in a statement on Sunday. The 532 km (330 mile) Mtwara-Dar es Salaam pipeline and gas processing plants, largely financed by a Chinese loan, is part of a plan to add about 2,000 megawatts of new gas-fired electricity generating power by 2018 to increase Tanzania's generating capacity to 10,000 MW by 2025. Most new plants will be gas-fired but Tanzania also wants to use coal reserves and renewable resources such as wind and geothermal. "Tanzanian president Jakaya Kikwete inaugurated the pipeline and gas processing plants ... ensuring availability of gas for electricity generation to power factories and for domestic use," the presidency said in a statement. The expanding capacity will help meet domestic demand as the government connects more people to the national grid beyond the 40 percent who are connected now, and offer the opportunity to export to neighbours. Tanzania estimates it has about 55 trillion cubic feet (tcf) of recoverable natural gas reserves off its southern coastline. Discoveries in Tanzanian and Mozambican waters have led to predictions the region could become the world's third-largest exporter of natural gas. The government said it hopes by switching to gas-fired power plants to save around $1 billion a year in oil imports for electricity generation after the completion of the pipeline. Kikwete also confirmed a project to build a new cement plant owned by Nigerian businessman Aliko Dangote in southern Tanzania close to its natural gas fields. Kikwete said the factory would produce 3 million metric tonnes of cement a year, and cost $600 million to construct. *(Reuters)*

THE Dar es Salaam Stock Exchange, (DSE) is experiencing low turnover from foreign investors as the country is heading towards general election to be held ten days later from Thursday. The trading data from the bourse show that foreign participation on buying side, since the beginning of this month stands at 38.11 per cent or a turnover of 7.81bn/-. This is contrary to the July-September participation margin of 88.46 per cent that contributed to the turnover of 196.6bn/-.

The Tanzania Securities said in its latest weekly report that they expect the market activity for next week to follow the same trends as the previous two weeks—low turnovers. "We anticipate foreign investors' participation to remain low until after elections," it said. However, on the selling side, foreign investors seem to be pulling out ahead of the Election Day as selling activities increased reaching 44.4 per cent since the beginning of October. This is against the July-September when the selling was merely 7.8 per cent. But shilling here might be also the factor of sale-hold. The low turnover from foreign investors had a negative impact as total market capitalization dropped to 20.94tri/- of Tuesday from 22.16tri/- at the end of last month. The same had its toll to domestic market caps after registered a 9.79tri/- as of Tuesday against 9.81tri/- of end of last month. The indices were not spared as both market shares (DSEI) and Tanzania all shares (TSI) fall slightly to 2,390.72 points and 4,623.55 points from 2,531.08 points and 4,631.91 points respectively. This is not the first time DSE trading dipped prior to General Election. Similar trend was observed in 2010 but stock experts ruled out the direct link between election and the bourse trading. *(Daily News)*

Zambia

Corporate News

The chief executive of Vedanta Resources said on Wednesday the mining company had no plans to cut zinc output but could adjust the development of its South African operation depending on prices. Weak commodities prices prompted heavyweight miner and trader Glencore to cut 500,000 tonnes of zinc production, or 4 percent of global supply, a move that sent zinc prices rallying about 10 percent. "Our businesses are fairly low cost so a rational decision would be for us to keep producing as long as these are businesses that can generate a commensurate cash return," Tom Albanese told Reuters on the sidelines of 2015 Joburg Indaba, a mining conference held in the commercial capital Johannesburg. Vedanta's Ireland zinc mine will reach the end of its life in November, while Australia's Century mine, one of the world's biggest sources of zinc, will cease production this year, cutting 5 percent of global output. The London-listed Vedanta plans to invest $782 million over three years to develop the Gamsberg mine in South Africa and its Skorpion zinc refinery in Namibia to produce high-grade zinc. "If prices are lower and stay lower then we will probably rephrase our Gamsberg project in a different way than if prices were high," Albanese said. The Gamsberg project would be developed on a modular basis which will be reviewed every six months depending on market conditions, the chief executive of Vedanta's Zinc unit Deshnee Naidoo said. *(Reuters)*

Economic News

Zambia cut its copper output forecast for this year by as much as 26 percent as prices trade near six-year lows and a power shortage curbs production, Finance Minister Alexander Chikwanda said. Africa's second-biggest producer of the metal is struggling to meet half of peak electricity demand at a time when mines, including Glencore Plc's local unit, have announced the suspension of local operations. Zambia depends on copper exports for 70 percent of its exports, and the kwacha has fallen 46 percent against the dollar this year, the biggest drop among 155 currencies tracked by Bloomberg. The government had forecast 808,000 metric tons in output for 2015. The country produced about 708,000 tons last year. "By the end of the year, I don't think we'll go far beyond, very much beyond 600,000 tons," Chikwanda said in an interview Monday at his office in Lusaka, the capital. "Next year, it will be an easy target to be beat. I'm sure the mining industry will come up." Operators had produced 441,584 tons by the end of August, he said in his budget speech to parliament Oct. 9. Zambia has budgeted for copper prices to average about $5,000 per ton in 2016, he said. "We are not very euphoric about the price of copper." Copper for delivery in three months rose for a fourth day, climbing 0.8 percent to $5,336 a ton by 11:51 a.m. in London. It fell to $4,855 a ton on Aug. 24, the lowest since July 2009. *(Bloomberg)*

Zambia should avoid spending overruns and improve revenue collection as it seeks to almost halve its fiscal deficit next year, a senior International Monetary Fund (IMF) official said on Monday. Economic growth for Africa's No. 2 copper producer is expected to slow 4.6 percent in 2015 from an initial projection of 7 percent because of falling commodity prices and chronic power shortages. IMF Zambia resident representative Tobias Rasmussen told Reuters the southern African state should effectively implement the budget to cut the fiscal deficit to 3.8 percent of gross domestic product (GDP) in 2016 from 6.9 percent in 2015. Zambia reduced allocations for non-core recurrent expenditure by more than 50 percent and had taken measures to enhance domestic revenue collection, which was seen rising to at least 20.4 percent of GDP in 2016 from 18.1 percent in 2015. "This means preventing any spending overruns and making inroads on improving revenue collection," Rasmussen said, adding that more details on new revenue measures were needed. Public finances had lately been under pressure in Zambia, and it was therefore positive that the 2016 budget speech recognized the challenges and the need for fiscal consolidation, he said. "The lower deficit would go a long way towards eliminating what has been a key imbalance in the economy, bringing needed stability and helping reduce high interest rates," he said. Ratings agency Fitch expects Zambia's budget deficit to remain elevated due to a rapidly falling currency, an ongoing energy crisis and falling commodity prices. The ambitious fiscal consolidation plan in Zambia's 2016 budget will prove challenging due to its reliance on raising revenue rather than cutting expenditure, the ratings firm said on Monday. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

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TRADING

Fitch expects Zambia's budget deficit to remain elevated due to a rapidly falling currency, an ongoing energy crisis and falling commodity prices, the ratings firm said on Monday. "The ambitious fiscal consolidation plan in Zambia's 2016 budget will prove challenging due to its reliance on raising revenue rather than cutting expenditure," Fitch said. Zambia's finance ministry said on Friday it saw the fiscal deficit to narrowing to 3.8 percent of GDP in 2016, from a projected 6.9 percent in 2015, but Fitch said this was unlikely. *(Reuters)*

ZAMBIA has been ranked among the top 10 most competitive economies in sub-Saharan Africa, according to the latest edition of the global competitiveness report by the World Economic Forum (WEF). And Government has welcomed the development while cautioning against complacency about the positioning. The Global Competitiveness Report 2015-2016, which assesses the competitiveness of 140 world economies, has placed Zambia at 7 in Africa, with Tourism said to be a key boost. Using a mixture of quantitative and survey data, it ranks countries overall by combining 113 indicators grouped under 12 pillars of competitiveness. These include institutions, infrastructure, macro-economic environment, health and primary education, higher education and training. Other indicators are goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation. And Minister of Commerce, Trade and Industry Margaret Mwanakatwe has welcomed the development but cautioned against complacency. Mrs. Mwanakatwe also described the grading as a "good ranking" for Zambia because the country is ahead of other sub-Sahara African countries and among some big economic giants on the continent. She said in an interview yesterday that the development is an opportunity to improve Zambia's competitiveness as there is room to do so both at regional and continental levels. "We just don't have to be complacent; we have room to improve because we are also taking better positions in different regions like Southern African Development Community and Common Market for Eastern and Southern Africa. We hope we don't drop any point but keep improving," Mrs. Mwankatwe said. The Global Competitiveness Report's competitiveness ranking is based on the Global Competitiveness Index (GCI), which was introduced by the World Economic Forum in 2004. Defining competitiveness as a set of institutions, policies and factors that determine the level of productivity of a country, GCI scores are calculated by drawing together country-level data covering 12 categories. *(Daily Mail)*

Zambia is expected to produce 600,000 tonnes of copper this year, down 15 percent from 708,000 tonnes in 2014, a government official said on Wednesday. Copper output in Africa's second largest producer should recover to 700,000 tonnes in 2016, permanent secretary for economic and budget affairs Pamela Kabamba told reporters. *(Reuters)*

Zambia has awarded government workers salary increases of between 9 and 29 percent for 2016, ending a two-year freeze on wage rises, state radio said on Wednesday quoting a senior government official and union leaders. Velepi Mtonga, public service management division permanent secretary, said the agreements were signed with the Civil Servants and Allied Workers Union, the National Union of Public Service Workers and two health sector unions, ZNBC radio said. Zambia did not give government workers salary increases in 2014 and 2015 following a budget overrun in 2013. The lead government negotiator was not available for comment. Economist Trevor Simumba of the local Sub-Saharan Consulting Group said although the pay rise was budgeted for, it would make it hard for Zambia to cut its fiscal deficit by almost half. Zambia plans to slash the budget deficit to 3.8 percent of Gross Domestic Product (GDP) next year from 6.9 percent and limit domestic borrowing to 1.2 percent. Finance Minister Alexander Chikwanda said in his budget speech the state had reduced allocations for non-core recurrent expenditure by more than 50 percent and taken measures to enhance domestic revenue collection, which was seen rising to at least 20.4 percent of GDP in 2016 from 18.1 percent in 2015. "It is definitely going to baloon the budget deficit because 65 to 70 percent of government revenue currently goes to paying of government salaries," Simumba told Reuters. "The government was obviously under pressure because of the two-year wage freeze but this is the type of expenditure that one would have expected the finance minister to cut." The wage increase would heighten demands for salary hikes in the private sector and derail plans by the government to limit inflation to 7.7 percent by the end of 2016, he said. *(Reuters)*

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Zimbabwe

Corporate News

Zimbabwean fast food group Innscor Africa will separately list its restaurants unit on Nov. 6, allowing it to pursue mergers and acquisitions of companies operating similar businesses, the company said on Monday. Innscor, the third biggest firm on the local bourse, runs in-house brands Chicken Inn and Pizza Inn and the Nandos and Steers franchises. In a circular to shareholders, Innscor said the restaurants arm had 388 restaurants in 11 African countries and would be listed under a new company, Simbisa Brands Ltd. Under the transaction, shareholders would receive one Simbisa share for every Innscor share and would be asked to approve the deal at an extraordinary meeting on Nov. 2. Innscor said the restaurant division posted a profit of $7.5 million in the year to June, up from $6.1 million previously. Former chief executive of South Africa's Ellerine Holdings, Tony Fourie, is the leading the restructuring of Innscor, which also runs the Zimbabwe arm of supermarket Spar.*(Reuters)*

Zimbabwe's second largest mobile phone company NetOne has posted a $5,8 million loss in the six months to June 2015 compared to a $7,5 million profit in June last year citing the cost of investments required under the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset) blueprint. The telco, wholly-owned by the government, said its capital investment in the half year was $5,59 million and showed an increase of over 66 percent compared with the previous period. "The company will continue to invest in capital projects in order to improve on market efficiencies," NetOne said in a statement accompanying its financial results. Revenue in the period under review increased by 14 percent to $57,8 million while earnings before interest, taxes, depreciation and amortisation was $10,39 million compared to $9,6 million registered last year. "The introduction of the five percent excise duty in the fourth quarter of 2014, the tariff reduction of 35 percent in January 2015 and the introduction of customs duty on mobile devices all worked to suppress the revenue generating capacity of the company," said NetOne. "Despite these setbacks, the company grew in terms of subscriber numbers and top line revenue." The mobile telco's customer base increased by 28 percent from 2,771,420 in June last year to 3,556,688 in June 2015, making it the second largest after Econet which has 9,5 million subscribers. Telecel Zimbabwe has 3,4 million subscribers according to latest figures from the Postal and Regulatory Authority of Zimbabwe. In the period under review, NetOne embarked on a massive upgrade of its infrastructure, courtesy of a $218 million loan from the Chinese government as part of the ZimAsset programme, which gives it the platform to grow its subscriber base to eight million. "This upgrade and the National Mobile Broadband (NMBB) will give NetOne the capacity to grow its user base to over eight million subscribers, with an ability to quickly ramp this up, should the need arise," the company said.*(The Source)*

SABMiller, which owns Zimbabwe's largest listed company Delta Corporation, on Tuesday agreed to sell itself to its bigger rival Anheuser-Busch InBev for $104 billion in one of the largest corporate deals in history. Delta, which is 38 percent owned by SABMiller, will become part of a brewing empire that will make about one-third of the world's beer as the Belgian headquartered AB InBev is already the world's biggest brewer with SABMiller is its closest rival. On the Zimbabwe Stock Exchange, Delta closed 0.07 percent lower at 81,50 cents on Tuesday, valuing the company at just over $1 billion. Its share price has fallen by 20 percent year-on-year while it has struggled over the last two years as Zimbabwe's economy tanked and consumer spending waned. Local executives declined to comment on the developments, but the takeover will give AB InBev a footprint in Zimbabwe and expand its reach into the rest of Africa, which is expected to see a sharp increase in the legal drinking age population as well as increased beer consumption among its fast-growing middle class. Locally, Delta comprises of the wholly owned Kwekwe Maltings, Schweppes Zimbabwe and Food and Industrial Processors in which it holds a 49 percent shareholding as well as African Distillers (31 percent) and Nampak Zimbabwe (21,4 percent). SABMiller, which is primarily listed in London with a secondary listing in Johannesburg, said AB InBev is proposing to pay $66,94 (GBP44) per share in cash with a partial share alternative available for approximately 41 percent of the SABMiller shares which valued the group at GBP 68 billion. The all-cash offer represents a premium of about 50 percent to SABMiller's closing share price of $ 44.63 (GBP29.34) on 14 September 2015, the last business day prior to renewed speculation of an approach from AB InBev. Prior to accepting AB InBev's offer on Tuesday, SABMiller had previously rejected five approaches, including one made on Monday.*(The Source)*

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This Week's Leading Headlines Across the African Capital Markets

TRADING

Atlas Mara, owners of Pan-African banking group BancABC say they are looking to expand into seven more countries in sub-Saharan Africa through acquisitions, taking advantage of opportunities offered by weaker local currencies against the dominant United States dollar. Atlas Mara, which combines Diamond's Atlas Merchant Capital LLC and African entrepreneur Ashish Thakkar's Mara Group Holdings Limited, made a splash in Zimbabwe last year by buying ABC Holdings — which owns BancABC and has presence in Botswana, Mozambique, Tanzania, Zambia and Zimbabwe. It also held a 10 percent stake in emerging Zimbabwean private equity firm Brainworks Capital, which it sold for $8,72 million in June this year. Chief executive John Vitalo told the Financial Times owned This Is Africa on the sidelines at the World Bank/International Monetary Fund annual meetings in Peru at the weekend that the group already had a footprint in seven African countries and has targetted seven more, although he declined to name them. "As you know sub-Saharan Africa is a big place so we have a very specific target of 14 countries where we aim to have our footprint. We are in seven today so that leaves seven. Unfortunately we haven't publicly disclosed what the other seven are," he said.

The weakening local currencies against the USD made acquisitions easier as the buy-outs are priced in domestic currencies, Vitalo said. "This environment is actually good for us because we are looking for acquisitions to establish Atlas Mara's footprint in sub-Saharan Africa….and it makes our dollars go further when we are looking for acquisitions and pricing the acquisitions in domestic African currency," he said. He added: "Our banks are managed in such a way that we are not lending hard currency to people who are not earning in hard currency so we are not concerned by the risk management impact or anything like that." Vitalo noted that while Africa was not immune to the economic challenges the rest of the world is facing but said that "does not take away from the underlying thesis on which Atlas Mara is build on, the trends are not going away and these are decade long trends and Africa will continue to be one of the economic bright spots nonetheless."

Atlas Mara registered $4,1 million after tax profit in the half-year to June compared to a loss of $3,2 million reported for the prior year period. In the full year to December 2014, the group made a $63,1 million. Thakkar said Atlas Mara was looking at Africa in the long-term, noting that its fundamentals were among the best in developing regions. "Atlas Mara never had a short-term vision, we always had a long-term vision and our vision has been pretty bold from the beginning, which is we want to become Africa's premier financial institution. By that we don't mean the biggest, we mean the best so our fundamentals remain solid so does our strategy," he said. "We are not immune but however there is still growth across the continent versus a lot of other emerging markets and developing markets so I think Africa's fundamentals are still right and the people have a long-term perspective as we do, I think is people there are huge opportunities." The group already has a presence in the Southern Africa Development Community (Sadc), the East African Community and Nigeria, with a target to enter into the rest of the Economic Community Of West African States (Ecowas) "Naturally we have always seen it as a regional strategy. Intra Africa trade is still 12 percent whereas in Europe is about 70 percent so when you think about the blocs there is great potential. We have created a strong presence already in the SADC region, we created a foothold in the East African Community and Ecowas is obviously very important so we are very excited about all three in their own ways," said Thakkar. "Naturally the Ecowas region and Nigeria specifically, the East African region have huge growth potential and they have been very quick with their integration programmes and SADC, especially with the recent findings of so many different natural resources and peaceful transitions in governments just shows you there is a lot of scope for growth opportunities." *(The Source)*

OLD Mutual Zimbabwe reported a revenue of US$126 million for the six months to June 30 2015, a four percent increase from US$121 million in prior year, driven by growth in banking and insurance business. In a statement accompanying the group's financial results released on Wednesday, the group said it had remained robust in a challenging economic environment characterised by a shrinking revenue base, declining aggregate demand, company closures and low property occupancy levels among other factors. "The Life business premiums grew by three percent due to a sustainable retention strategy and increased distribution network," said Old Mutual Zimbabwe. Equity and investment property losses have seen the adjusted operating profit (AOP) and International Financial Reporting Standards (IFRS) profit in the Life business decline by 11 percent to US$14,2 million and 10 percent to US$7 million respectively. "The banking business registered an increase of 24 percent on its surplus to US$8,9 million. Loans and advances, interest income and deposits also registered significant increases above 35 percent," Old Mutual said.

The non-performing loans ratio went down from 10,3 percent to 6,9 percent after strengthening the credit approval process. Premium income in the short-term insurance business rose by 17 percent on the back of increases in banc assurance income. Fee income and AOP in the Investment Services business went down due to depressed market performance. "Through disciplined execution, we remain focused on maintaining a strong governance and risk culture, riding on our operational efficiencies and sound skills whilst committed to creating shareholder and client value," said Old Mutual. *(Financial Gazette)*

Revenue for the period under review closed at $323 million, a 17.7% decline from prior year. Overlay services revenue, however, grew by 29.1%. Earnings Before Interest, Taxation, Depreciation and Amortisation (Ebitda) decreased from $155.0 million to $122.5 million, a decrease of 21%. The Ebitda margin declined by 1.6% to close at 37.9%. The Group has continued making debt repayments, and to accumulate profits from trading, as a result of which its debt to equity ratio has improved from 35.1 % to 33.2%. Of note is Steward Bank's turnaround from a negative Ebitda of $ 3.9 million in the prior year to the current positive Ebitda of $3.2 million. Its profit after taxation for the period amounted to $1.9 million compared to a loss after taxation of $3.7 million for the prior period. This turnaround in the bank's performance is mainly as a result of maximising synergies as well as the cost reduction initiatives.

To cater for growing data demands in line with global developments, Econet indicated that it is constantly modernising and improving its technical infrastructure. Its network modernisation program aims to create a full Internet Protocol core network and an agile radio network that can support further expansion of our existing 2G, 3G and 4G/LTE capability whilst laying a solid foundation for future technologies such as 5G and Internet of Things. A simplified network architecture will reduce capital expenditure and generate operating expenditure efficiencies. With a subscriber base that has grown to 4.9 million and over 21 000 registered agents over a 4 year period since its introduction on 28 September 2011, EcoCash is now amongst the leading mobile money service providers on the continent. To further strengthen its innovative footprint in the mobile money transfer sector, EcoCash has, through its remittance partners, opened up a wide network of international remittance channels. It is now possible for the diaspora community in South Africa to send money directly from their host country mobile phones to mobile phones in Zimbabwe. These innovations help to harness capital flows into the country. *(Bulawayo24)*

Economic News

Government is seeking technical assistance from the International Monetary Fund (IMF) in coming up with a tax regime that is business friendly. In a letter of intent to IMF managing director, Christine Lagarde, Zimbabwe said it was working on reviewing the tax system. The letter is dated September 30, 2015 and jointly signed by Finance minister Patrick Chinamasa and Reserve Bank of Zimbabwe (RBZ) governor John Mangudya. "We also plan to review the design of our tax system with a view to making it more business friendly and to halt the recent slide in tax collection as a percentage of GDP. For this purpose, we intend to request fund technical assistance," the government wrote. It said it was taking action to strengthen revenue collection and enforcing tax payments by agreeing with clients on repayment schedules to eliminate their overdue tax obligations. "We are strengthening revenue administration, in collaboration with our international partners. Moreover, we plan to implement the recommendations of the recently completed Afritac South technical assistance mission focusing on improving risk mitigation techniques in customs. Going forward, we plan to rationalise the tax expenditure regime," it said. Zimbabwe is under a 15 months economic supervised reform programme by the IMF. The plan, Staff Monitored Programme (SMP) will end in December. Zimbabwe passed with flying colours in the first and second reviews after meeting the majority of the structural benchmarks. Government said Cabinet has agreed on the principles of the fiscal regime for the mining sector, which aim at generating additional revenue without undermining investors' incentives. "With the support of our international partners, we have started working on the specific proposals for mining taxation. We will seek fund technical assistance to help prepare the mining taxation proposals," it said. "We developed a fiscal model for mining sector revenue monitoring and projections and, in collaboration with the mining companies, we are working towards implementing it. The amendments to the Mines and Minerals Act (MMA), together with the new mining fiscal regime, will be submitted to Cabinet once stakeholder consultations have been completed." *(News Day)*

WEEKLY AFRICAN FOOTPRINT

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A TEAM from the European Investment Bank (EIB) is expected into the country in the next few weeks for an update on the assessment of the financial sector. European Union press and information officer, Dorothe Grebe told NewsDay yesterday that the EIB will also evaluate the possibility of extending credit lines to some domestic banks for on-lending to small-to-medium enterprises. "If the financial sector assessment update and the due diligence of the domestic banks through which the credit lines would be extended for on-lending to SMEs is positive, the EIB hopes to be able to go to its board by the first quarter of 2016,"she said. EIB is headquartered in Luxembourg and funds its operations by borrowing on the capital markets rather than drawing on the EU budget. It is owned by the EU's 28 member states. EIB has in the past worked with Zimbabwe in 30 different operations that include power and water. Zimbabwe owes EIB $300 million. It also owes other multilateral financial institutions such as the International Monetary Fund, World Bank and the African Development Bank. An EIB delegation came to Zimbabwe last year, where it discussed the arrears with the government.

The country at the moment is facing liquidity challenges, with the banking sector having taken a conservative approach to lending to reduce non-performing loans that weighed down the sector. In his mid-term Monetary Policy statement, Reserve Bank governor John Mangudya said the banking sector remained profitable with an aggregate net profit of $43,01 million [excluding Tetrad Investment Bank – under provisional judicial management] for the half-year-ended June 30, 2015, up from $26,53 million during the corresponding period in 2014. A total of 14 out of 18 operating banking institutions recorded profits during the period. Losses were mainly attributed to increased levels of provisions. These provisions have been narrowing over the period under review. The sector's aggregate core capital base increased significantly by 19% to $899,10 million from $753,3 million. Growth in the aggregate core capital position was largely underpinned by increased retained earnings. As at June 30, 2015, all operating banking institutions were in compliance with the prescribed minimum capital requirements.*(News Day)*

The Zimbabwe Stock Exchange's downward trend continues after it registered a decline for the seventh consecutive month in September, with market capitalization falling 3,10 percent to close at $3,63 billion, a securities firm has said. In its monthly update, IH Securities noted that ZSE's benchmark industrial index fell 2,58 percent to 131,93 following significant losses in heavyweight counters. Zimbabwe's largest company by market capitalisation, Delta Corporation, lost 2,34 percent in the period under review while mobile giant Econet went down 4,64 percent and Innscor shed 0,84 percent. Mid-cap counters also found it tough in September with Zimplow registering a 33,33 percent decline while African Sun, Radar and Meikles all fell 20,80 percent, 17,33 and 16,67 percent respectively. "The Mining Index lost a significant 31,07 percent, weighed down by a 50 percent loss in Bindura Nickel Corporation," IH Securities said. However, it wasn't all gloomy on the local bourse as top gainers for the month included Falcon Gold, which went up 25 percent, while Fidelity Life gained 15,38 percent and CFI Holdings edged up 13 percent. Construction implements maker Turnall saw its share prices jumping 11,11 percent and Dairibord Zimbabwe Limited Holdings was up 10,93 percent. IH Securities said activity improved in September with turnover rising 13,04 percent month-on-month to $17,37 million "Average daily trades in September came in lower at $0,79 million however, due to less trading days in August," the equities firm said. Heavyweights made the biggest contribution to total value traded, with Delta and Econet contributing 33,87 percent and 25,72 percent respectively. "Mid-caps weighed in with CBZ and National Foods contributing 10,85 percent and 5,85 percent. Total volume traded rose 37,26 percent to 104,68 million shares," said IH Securities.*(The Source)*

Zimbabwe has asked two ferrochrome producers, including a unit of China's Sinosteel Corp Ltd, who own 80 percent of all chrome mining claims to release some ground for distribution to new investors, the mines minister said on Wednesday. Zimbabwe holds the world's second largest deposits of chrome, which is smelted to produce ferrochrome, a raw material used in the making of stainless steel. Walter Chidhakwa said Zimbabwe had more than 950 million in chrome reserves, most of which are held by Sinosteel's Zimasco, and Zimbabwe Alloys, which Anglo American sold to local businessmen in 2006. Chidhakwa said just as the government had forced Zimbabwe's biggest platinum producer Zimplats to release ground with 36 million ounces worth of resource in 2006, the two ferrochrome producers had been asked to do the same. "What we are saying is that we want to have more players in the chrome sector," Chidhakwa told a mining conference. "We are in discussions with the companies and the expectation is that we will come up with a new structure which will enable us to also begin then to allocate chrome claims to others who also want to go into the claim sector," he said.

Chidhakwa said the two companies would be left with enough mining claims that would meet their production targets. In 2014 Zimbabwe produced 260,000 tonnes of high-carbon ferrochrome, which was 2.3 percent of global output. Zimasco produced 68 percent of Zimbabwe's ferrochrome in 2014. Chidhakwa in June temporarily lifted a ban on raw chrome exports introduced four years ago and scrapped a 20 percent export tax on the metal, as the government aims to boost earnings from a struggling sector. *(The Source)*

Zimbabwe will produce over 18 tonnes of gold this year, its highest output in 11 years and a fifth more than last year but diamond production is seen falling nearly a third to 3,360 million carats, a consequence of poor prices and power shortages in the country, the Chamber of Mines said on Wednesday. Toindepi Muganyi, the chamber's president told a mining conference that gold output is expected at 18,4 tones, up from 15,3 tonnes last year. In the eight months to August, Zimbabwe had produced 12,324 tonnes, he said. Its previous high since 2000 is 21,3 tonnes in 2004 while its all time peak is 29 tonnes in 1999 before plunging to three tonnes in 2008 at the height of an economic and political crisis. But platinum output is expected lower at 11,8 tonnes from the 12,5 tonnes last year while nickel is projected to fall 7,4 percent to 16,6 tonnes, Muganyi said. Chrome is seen recording the biggest drop at nearly 50 percent to 210 tonnes from 408 tonnes last year with 140 tonnes produced in the period from January to August. Coal, at 3,9 million tonnes, is 38 percent lower than the 6,354 million tonnes produced last year. Zimbabwe last week said it will as large mining companies to cut power consumption by up to 25 percent as part of measures to ease crippling shortages. *(The Source)*

Zimbabwe's consumer prices fell 3.11 percent in September compared to a 2.77 percent decline in August, statistical agency Zimstats said on Thursday. On a month-on-month basis, prices declined by 0.36 percent in September, following a 0.31 percent fall in August. *(Reuters)*

Zimbabwe will seek fresh loans from the World Bank, IMF and African Development Bank (AfDB) as it struggles with slowing growth, subdued commodity prices and high unemployment, Finance Minister Patrick Chinamasa said on Thursday. President Robert Mugabe's government started defaulting on its debt to the IMF, World Bank, African Development Bank and several Western lenders in 1999 and is struggling to emerge from a catastrophic recession that ran for a decade until 2008. Without any balance of payment support and starved of foreign credit, Zimbabwe is running its budget hand-to-mouth, leaving it with virtually no money for infrastructure. "What we agreed with the three multilateral institutions, is that we start now a country financing programme," Chinamasa said, without giving details on the amount of funding Zimbabwe was seeking. Chinamasa said it would first be borrowing to help pay the $1.86 billion in arrears it owes the three multilateral institutions, which would help reduce interest costs and avoid default penalties.
Zimbabwe will use drawing rights it has with the IMF to clear the $110 million in arrears it owes the fund, while loans from the African Export-Import bank would be used to clear $601 million in arrears with the AfDB. The southern African country will raise cheaper loan capital to clear $1.15 billion in arrears to the World Bank. "You are substituting one debt with another but with a different time frame and a different interest rate and then you don't suffer the penalties," Chinamasa told reporters. "Much of the debt that we have accumulated with our creditors is arising from default." *(Reuters)*

British firm Sunbird Bioenergy has partnered government to set up a $150 million ethanol operation in Zimbabwe next year, an official has said. The deal will see the establishment of an ethanol plant with capacity to produce up to 120 million litres of ethanol annually and generate 33 megawatts of electricity from biomass. Zimbabwe will hold a 10 percent stake in the operation which will progressively be increased to 51 percent over 10 years. Speaking after signing a Memorandum of Understanding with government officials on Thursday, Sunbird Bio Energy chief executive Richard Bennet said $60 million would go towards plant construction while $90 million would finance an agriculture development programme. Bennet said the ethanol would be extracted from cassava. "We intend to put 40,000 hectares under cultivation and half of that will be set aside for out-growers. We will encourage small scale farmers to grow cassava. Our ambition is to have 20,000 small-scale farmers involved," he said. Agriculture secretary Ringson Chitsiko said Zimbabwe had a desperate need for power and that ethanol production would go a long way in reducing fuel costs as well as giving income to small-scale farmers in the rural areas. In 2013, Zimbabwe's government introduced mandatory blending in a bid to contain the country's ballooning fuel bill and increased the blending threshold to E15 from E10 early last year. Currently, Green Fuel, a joint venture between the government's Agricultural and Rural Development Authority (Arda) and businessman Billy Rautenbach's Macdom and Rating Investments, is the country's sole producer of ethanol for blending purposes and has in several instances failed to meet demand. It has instead, undertaken to set up a $500 million ethanol producing plant in Zambia. Sugar processor Hippo Valley has made known its intentions to enter the ethanol producing industry and is currently engaged with Zimbabwe's energy regulator to acquire the relevant licences. *(The Source)*

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