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:

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

AFRICA STOCK EXCHANGE PERFORMANCE

Country	Index	12-Jul-13	19-Jul-13	WTD % Change Local	WTD % Change USD	YTD % Change Local	YTD % Change USD
Botswana	DCI	8,664.65	8,667.21	0.03%	11.82%	15.41%	16.96%
Egypt	CASE 30	5,308.85	5,419.17	2.08%	17.84%	-0.79%	-0.74%
Ghana	GSE Comp Index	1,910.98	1,908.21	-0.14%	3.36%	59.05%	56.10%
Ivory Coast	BRVM Composite	208.16	207.55	-0.29%	-5.51%	24.59%	16.08%
Kenya	NSE 20	4720.53	4807.53	1.84%	5.51%	16.32%	20.65%
Malawi	Malawi All Share	7,087.12	7,125.40	0.54%	20.87%	18.45%	42.06%
Mauritius	SEMDEX	1,870.96	1,862.20	-0.47%	-2.10%	7.51%	7.69%
	SEM 7	364.28	364.30	0.01%	-1.64%	8.01%	8.19%
Namibia	Overall Index	893.00	895.00	0.22%	19.67%	-9.25%	-6.48%
Nigeria	Nigeria All Share	37,382.49	38,328.29	2.53%	3.85%	36.50%	36.33%
Swaziland	All Share	289.42	289.32	-0.03%	20.26%	1.28%	4.68%
Tanzania	TSI	1,889.01	1,915.34	1.39%	2.97%	28.92%	31.43%
Tunisia	TunIndex	4,604.85	4,614.74	0.21%	2.72%	0.76%	-3.12%
Zambia	LUSE All Share	4,553.96	4,651.87	2.15%	13.08%	24.87%	32.54%
Zimbabwe	Industrial Index	223.89	227.03	1.40%	1.40%	48.97%	48.97%
	Mining Index	66.94	66.93	-0.01%	-0.01%	2.78%	2.78%

CURRENCIES

Cur-rency	12-Jul-13 Close	19-Jul-13 Close	WTD % Change	YTD % Change
BWP	8.44	8.44 -	0.01	10.29
EGP	6.98	6.98 -	0.01	15.37
GHS	1.87	2.06	2.48	8.09
CFA	503.87	500.22 -	0.72	0.98
KES	85.49	85.56	0.07 -	0.05
MWK	321.78	318.58 -	0.99 -	0.75
MUR	30.00	29.97 -	0.11 -	1.91
NAD	9.82	9.77 -	0.50	15.28
NGN	158.31	159.83	0.96	2.39
SZL	9.84	159.83 -	0.53	15.77
TZS	1,569.00	1,585.46	1.05	0.66
TND	1.65	1.66	0.25	6.87
ZMW	5.41	5.45	0.83	5.17

Botswana

Corporate News

No Corporate News This Week

Economic News

No Economic News This Week

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Egypt

Corporate News

No Corporate News This Week

Economic News

Aid from Arab states will carry Egypt through its transition period, and it does not need to restart negotiations with the IMF now, the man named planning minister in the interim government said on Monday. Ashraf al-Arabi, a U.S.-educated economist who served in the same post under deposed President Mohamed Mursi until May, joins a government led by liberal economist Hazem el-Beblawi. Beblawi has named economists to several senior posts so far. "The time is not appropriate to begin new negotiations with the IMF," Arabi told reporters, announcing that he had accepted the post of minister of planning. "Arab aid will enable Egypt to get through the transitional stage in a good way." The army deposed President Mohamed Mursi on July 3 and has laid out a roadmap for an interim period leading to parliamentary elections in about six months. Since Mursi was toppled, Saudi Arabia, the United Arab Emirates and Kuwait have offered Egypt $12 billion in cash, loans and fuel aid. Egypt was negotiating with the IMF last year for a $4.8 billion loan programme, but did not reach agreement despite months of negotiations. The Egyptian economy has been hit hard by street violence and political turmoil since a 2011 uprising against former leader Hosni Mubarak. Arabi spent most of his career at Egypt's National Planning Institute. *(Reuters)*

Egypt's new military-backed administration has pleased investors by appointing experienced economic policy makers to a cabinet whose cohesion will be sorely tested in the coming months. Over the past few days, trained economists and technocrats have been given key ministerial posts in the government that is replacing the administration of president Mohamed Mursi, deposed nearly two weeks ago in a move that polarised Egyptian society. Taken together, they appear to form the country's most high-powered economic team since its February 2011 revolution ushered in a series of unstable cabinets which were chosen as much for ideology and political expediency as for expertise. The new cabinet's credentials will not alone ensure that Egypt can overcome problems such as crumbling state finances, a big trade deficit and rising inflation - but the team's very existence may go some way to restoring business confidence. "I think they are smart enough to deal with the new outcomes on the ground," Mohamed Kotub, director of asset management at Naeem Financial Investments in Cairo, said of the new ministers. He predicted the cabinet would focus on restoring public security, boosting tourism and luring foreign investment back to Egypt - key demands of the business community which many felt were ignored by Mursi's government. The range of views it contains is aimed at allaying anger over the overthrow of the democratically elected Mursi, but could store up trouble as it considers how to tackle crippling subsidies and currency woes.

Mursi's cabinet was short of relevant experience. Two of his finance ministers, for example, had academic backgrounds studying Islamic economics - of limited immediate use in an economy where Islamic banking plays only a tiny role, and which is facing a balance of payments crisis. Mursi's last finance minister, Fayyad Abdel Moneim, made his academic name researching subjects including "economic functionaries in the Islamic state at the time of the Prophet and the Righteous Caliphs". Also, post-revolution governments in Egypt had trouble attracting experienced technocrats because they feared being tainted by an unpopular ruling military council or by the Islamist ideology of the Muslim Brotherhood. The new cabinet appears to have overcome this, including ministers who can speak the language of investors, foreign and local. Some also have administrative experience needed to push economic policies through a sluggish state bureaucracy. New Prime Minister Hazem el-Beblawi, who is to steer Egypt until parliamentary elections planned in about six months, ran Egypt's Export Development Bank for 12 years and went on to work at regional economic agencies in the Middle East. Ahmed Galal, managing director of the Cairo-based Economic Research Forum since 2007 and for 18 years a researcher at the World Bank, was appointed finance minister on Sunday. Ziad Bahaa El-Din, who is a member of the leftist Egyptian Social Democratic Party, will be deputy prime minister; he has a doctorate in banking law from the London School of Economics and ran Egypt's investment authority between 2004 and 2007. Egypt's interim authorities have not been able to ignore ideology and horse-trading in choosing their economic team. In an effort to reduce political tensions, they have had to take care to appear inclusive of a range of opinion. Ashraf al-Arabi, a U.S.-educated economist who served as planning minister under Mursi, handling unsuccessful negotiations on a $4.8 billion loan from the International Monetary Fund, was given the same post in the new government. "As individuals I believe the interim government can handle the priorities, but the biggest challenge is how they will deal with the challenges as a team," said Kotub at Naeem Financial.

Within minutes of his appointment on Monday, Arabi appeared to raise the possibility of disagreement within the cabinet by telling reporters that the time was not right to reopen talks with the IMF, because $12 billion in aid pledged by Egypt's Gulf allies would carry it through coming months. It was not clear whether Arabi was speaking on behalf of the entire cabinet or simply giving his own opinion; Beblawi has not said publicly whether he wants a quick IMF deal, which could help to attract foreign investors back to Egypt. Many economists think an IMF loan is in any case unlikely before the next parliamentary elections, because it would come with politically explosive commitments to economic reform that an interim government would struggle to provide. "It would have been extremely difficult anyway to achieve an IMF agreement soon," said William Jackson, emerging markets economist at Capital Economics in London. Arabi's comments were "just a realistic assessment", he added. The new cabinet will grapple with other tough policy decisions in the next few months. One is how to begin reforming Egypt's wasteful system of fuel and food subsidies, which is undermining state finances; Egypt needs to find a way to cut overall spending without hurting the poorest people. Another dilemma is currency policy, which the cabinet is expected to discuss with the central bank. After depreciating nearly 15 percent against the dollar to around 7.0 in the past 18 months, the Egyptian pound has strengthened slightly since last week as the new government has been formed. With Gulf aid flowing in, authorities may be tempted to spend some of the money to halt further depreciation, to limit inflation and try to restore investor confidence by creating a contrast with the pound's performance under the Mursi regime. But such a policy would risk draining Egypt's foreign reserves, and could hurt the economy by keeping the pound overvalued. Capital Economics estimated a fair value for the pound, which would help Egyptian exports recover, of about 7.50. For now, however, many businessmen seem willing to give the new cabinet the benefit of the doubt. "We're bullish on the new cabinet, especially because most of them come from a strong economic background," said Ashraf Akhnoukh, a senior trader at CIBC brokerage in Cairo. "The main problem is building consensus about policies and showing some sort of results to the public. They don't have the luxury of taking their time - Egypt needs short-term results and long-term goals." *(Reuters)*

Egypt's newly appointed finance minister said on Wednesday that an IMF loan was only "part of the solution" to the country's problems and the new transitional government would have to draw up a plan that would start to fix the troubled economy. Egypt's previous government had been negotiating a $4.8 billion loan from the International Monetary Fund to help it get the country's deteriorating finances under control, but had baulked at taking unpopular austerity measures. "We need time to read and study the issues and files on the ground to come up with sound and well thought out decisions that will pave the way and build the future for governments to come," Ahmed Galal said in a statement released by the ministry. Galal was sworn in on Tuesday as part of an interim government appointed after the army removed Islamist President Mohamed Mursi from power on July 3. It was important to manage public spending to bring the growing public debt and budget deficit under control. "This is a reason for rising prices and the wave of inflation, which increases the burden on citizens," he said. Egypt's budget deficit mushroomed in the first five months of 2013 as government labour costs and interest expenses rose while tax revenue remained weak. Some economists estimate the deficit over the last 12 months was equivalent to 15 percent of gross domestic product. It was important to avoid undesirable deflationary policies with their negative effects on the labor market, Galal said. His main objectives would be, "fiscal discipline, macroeconomic balance, stimulating the economy to create jobs and achieve social justice, and efforts to have the fruits of growth reach all segments of society, especially those with low incomes." He had asked finance ministry officials to prepare proposals and innovative solutions to increase state revenue, manage spending and find new forms of financing to reduce the burden of financing state debt, he said. *(Reuters)*

Leaders of the U.S. House of Representatives panel in charge of foreign aid proposed on Thursday that military aid for Egypt be kept at $1.3 billion (853.5 million pounds) next year, one of few programs left unscathed in a bill seeking steep cuts in international spending.

The draft spending bill from Republican leaders of the House Appropriations committee puts conditions on the military aid, including that the government in Cairo plans and holds elections and honours its 1979 peace treaty with Israel. Reflecting Washington's struggle to respond to the upheaval in Egypt, the legislation does not include the annual $250 million in economic assistance that has been appropriated for the most populous Arab nation in recent years. That money was not included for fiscal 2014, which starts on October 1, but has not been specifically prohibited, an aide said. Overall, the proposed State and Foreign Operations Appropriations bill totals $34.1 billion, which is $8 billion - or 19 percent - below last year's level. It is even $6 billion below the current level of spending, reflecting the steep government spending cuts, with contributions to some international programs, such as the U.K. Population Fund, eliminated completely.
The House state and foreign operations subcommittee begins debate on the bill on Friday, clearing the way for its consideration by the full committee next week, before eventually making its way for a vote by the full House.

An appropriations subcommittee in the Democratic-controlled Senate is due to begin debate on its version of the measure later this month. The House and Senate bills would have to be reconciled before going to Obama for his signature. Washington has been grappling with the thorny question of how to handle the aid it sends to Egypt since the military ousted elected Isla mist President Mohammed Music this month. U.S. law bars aid to countries where there has been a military coup, a determination that must be made by President Barack Obama's administration, not Congress. But many U.S. officials want to preserve ties to Egypt's military and do not want to risk contributing to further upheaval. The proposed House bill requires that Egypt "demonstrate a commitment to a pluralistic and inclusive democracy," including planning and conducting free and fair elections and protecting freedom of expression, assembly and religion. The White House has made clear it is in no hurry to cut off aid to Egypt. Its options range from putting off the decision on whether there was a military coup, to finding that a coup took place but winning authority from Congress to keep the money flowing. Washington still plans to deliver four F-16 fighter jets to Egypt in the coming weeks despite Music's ouster.

Other countries have pledged large amounts of aid for Cairo. Kuwait, Saudi Arabia and the United Arab Emirates have each promised $4 billion. Cuts in the overall spending bill include slashing funding for operational costs of the State Department and related agencies to $14.6 billion from $17 billion last year. However, the bill fully funds the Obama administration's request for $4.8 billion for embassy security, to help avert more attacks like the one in Ben ghazi on September 11, 2012, which killed the U.S. ambassador and three other Americans. House Republicans were criticized in the wake of the attack for having proposed diplomatic security cuts. The bill would slash bilateral foreign assistance by $5.8 billion to $17.3 billion. Multilateral foreign assistance is cut by 61 percent to $1.2 billion from $3 billion last year.
A State Department spokeswoman said the proposed cuts would cause harm around the world, including dramatically reducing assistance to countries like Afghanistan, Somalia and Burma. "These proposed cuts, which would be devastating if put into effect, would hurt our ability to stand up for American interests and values around the world. The U.S. can't lead if we retreat in this way," said deputy spokeswoman Marie Harf. *(Reuters)*

The United Arab Emirates has transferred $3 billion (1.97 billion pounds) in promised aid to Egypt and another $2 billion from Saudi Arabia will arrive shortly, Egypt's central bank governor told the state newspaper al-Ahram on Thursday. Gulf Arab oil producers have promised aid packages worth $12 billion to Egypt since the overthrow of President Mohamed Mursi, throwing a lifeline to the most populous Arab nation. Egypt has struggled to pay for imports since the 2011 uprising that pushed Hosni Mubarak out of the presidency drove away tourists and foreign investors, two of its main sources of foreign currency. Since then it has run through more than $20 billion in reserves, borrowed billions from abroad and delayed payments to oil companies. Hisham Ramez also said promised fuel aid from the Gulf Arab oil producers would reduce pressure on Egypt's foreign exchange reserves by up to $650 million a month. Ramez said the planned aid would lift Egypt's battered foreign exchange reserves to more than $20 billion after falling by around $1 billion to $14.92 billion in June. There was no date yet for the promised $4 billion in aid from Kuwait, he added. The first $2 billion from Saudi Arabia, which has promised a $5 billion aid package including energy products, would be a 5-year interest-free deposit, he said.

Last week, the United Arab Emirates said it would will provide a $1 billion grant to Egypt and a $2 billion loan as an interest-free central bank deposit. The rise of Mohamed Mursi's Muslim Brotherhood in Egypt since 2011 has unsettled most Gulf Arab states, including the UAE, which feared it would embolden Islamists at home. Economists warn that the aid will be of only short-term value if Egypt does not use it to overhaul its finances. The country's budget deficit has also widened dangerously over the last few months, prompting Mursi's government to take the risky measure of ramping up its direct borrowing from the central bank. In the first five months of 2013 alone, the deficit nearly doubled from the previous year to 113.4 billion Egyptian pounds ($16.2 billion). *(Reuters)*

Ghana

Corporate News

No Corporate News This Week

Economic News

No Economic News This Week

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Kenya

Corporate News

British American Tobacco Kenya posted a 11 percent jump in first half pretax profit to 2.2 billion shillings due to higher sales and prices. The region's biggest cigarette maker maintained its interim dividend at 3.50 shillings per share compared to the same period last year, it said in a statement seen by Reuters on Sunday. BAT Kenya, a unit of London-listed British American Tobacco, reported a rise of 4 percent in revenue for the six months to June, which countered lower semi-processed leaf sales. Net revenue was flat at 9 billion shillings, offset by excise duty and value added tax. Cost controls in the manufacturing process had buoyed the earnings, BAT said. "Profits continue to be positively impacted by the underlying savings on the cost of Kenya's central bank held its main lending rate at 8.5 percent on Tuesday, saying it needed to allow previous rate cuts to filter through. The benchmark rate was unchanged at 18 percent for the first half of last year. BAT said it was, together with authorities, fighting counterfeit cigarettes in the region, to help shore up revenue. *(Reuters)*

The National Social Security Fund did not meet its target of Sh8.5 billion at the end of the financial year on June 30, a senior manager at the fund has said. The disclosure comes in the wake of claims the multibillion fund is grappling with an all-time low morale among workers and interference of state contributory scheme by external forces and other influential people. Speaking in Nakuru, the fund's general manager in charge of social security and strategy, Mr Joseph Kimote told the workers to tighten their belts as the target for the financial year 2013/2014 has already been increased by nearly Sh2billion. "Last financial year which ended on June 30, we were supposed to collect Sh8.5 billion but unfortunately we did not meet our target as we missed it by nearly 10 per cent," said Mr Kimote. The workers umbrella union, Cotu, has raised the red flag over plans by the Kenya Revenue Authority to collect taxes from NSSF and have vowed to resist the move. This financial year, NSSF has set a target of Sh10 billion and it remains to be seen whether the workers will meet the new targets given that more than 500 of them have been sent home. "Some of the workers laid off were skilled debt collectors with vast experience and this may have contributed to the fund not meeting its target," said a former senior manager at the fund. Addressing workers during the Rift Valley Region awards ceremony, Kimonye said the fund has to meet its new target. "Even as we celebrate your achievements, it is paramount to note that our core duty is to make sure we meet our target and surpass it. This year we have a higher hurdle to clear as our target is Sh10 billion, which calls for every worker to tighten his or her belt in order to achieve it," said Mr Kimote. The NSSF boss said NSSF plans to partner with the 47 county governments to increase its revenue. *(Daily Nation)*

Home Afrika Ltd., Kenya's only publicly traded real-estate developer, more than doubled in its debut on the Nairobi Securities Exchange after it announced expansion plans. The stock, the first listing on the Growth Enterprise Market Segment, was trading at 25 shillings at 2 p.m. in the capital, Nairobi, after starting trade at 12 shillings. "Through the company's 'Go Africa' strategy, Home Afrika will be seeking to take advantage of the regional economic growth by expanding into Tanzania, Uganda, South Sudan, Ethiopia and Rwanda," Chairman Lee Karuri said. The property developer, which has listed 405.3 million shares, plans to build one million homes in the next 10 years across Africa in partnership with Shelter Afrique, Karuri said. The company was started as an investment club in 2008, he said. *(Bloomberg)*

Kenya Airways is lobbying the legislature to make changes to the proposed Value Added Tax Bill claiming that the proposed law in its current form would cripple the aviation industry. The national carrier Tuesday told the National Assembly's Committee on Finance, Planning and Trade that passing the VAT Bill as it is would lead to unsustainably high levels of taxation on companies in the aviation industry. KQ said it would pay Sh8.3 billion in VAT on aircraft leasing and purchase as well as direct costs of operations in 2013/2014. In the next ten years, the company would pay Sh194.4 billion if the VAT Bill is passed in its current form. "We cannot afford and will not be able to continue as an airline if the VAT Bill as proposed is passed," said KQ finance director, Mr Alex Mbugua. In the financial year 2012/2013, Kenya Airways reported a Sh7 billion loss and requires cash flow to achieve an ambitious expansion plan under its project Mawingu that would see it increase its fleet from 41 aircraft to 103 in 10 years. The company asked the committee to reinstate tax exemptions and zero-rating on various goods and services in the aviation sector. The VAT Bill introduces tax on jet fuel, on the purchase and lease of aircraft and helicopters which were all previously tax exempt. Kenya Airways called on the government to reinstate tax exemptions on the supply of these goods and services. The company also wants the air craft parts and repair equipment to be zero-rates. The proposed VAT regime, Kenya Airways said, will make the sector uncompetitive and give undue advantage to other aviation hubs in Africa. The carrier also expressed misgivings over a 1.5 per cent levy that will be placed on all imports to fund the construction of a standard gauge railway. The company said that the levy will inflate the cost of purchasing aircraft by Sh2 billion. *(Daily Nation)*

President Uhuru Kenyatta has signed a deal with Nigeria that will allow Kenya Airways to fly direct to Abuja, deepening the carrier's drive to connect more cities in Africa to Asia and Europe. The review of bilateral air services between the two countries is expected to boost trade and tourism by easing movement. Kenya Airways already serves Lagos, Nigeria's capital city, with daily flights and now it has rights to start flights to Abuja, the commercial capital. West Africa, especially Nigeria, has proved to be a marketable destination for the airline where it connects passengers, mainly traders, through Nairobi to other destinations especially China and Dubai. The airline has been investing in the underserved West African market as part of its growth plan in Africa. The continent accounts for 51 per cent of KQ's revenue and remained buoyant during the last financial year when the airline saw passenger numbers from other markets drop, leading to a Sh7.8 billion loss. The carrier's growth strategy hinges on connecting African cities to Europe and Asia through its Nairobi hub. However, Kenya Airways has not indicated plans to start flights to Abuja soon, according to the airline's 10-year strategic plan, Project Mawingu. The two governments also signed a memorandum of understanding that will see them work together in tourism promotion. The agreements were signed when President Kenyatta meet his counterpart President Goodluck Jonathan at State House Abuja. "Nigeria has a large middle class population, which would enjoy the numerous tourist attractions in Kenya. We want to see Nigerians stopping in Kenya for business and tourism not just transiting through Nairobi," said Mr. Kenyatta. "Whereas I am encouraged by the growth of trade between our two countries, the potential for investment and trade is still largely under exploited," he said. *(Business Daily)*

Economic News

Kenya's energy regulator raised retail fuel prices for petrol and diesel on Sunday due to rising global oil prices and a weaker local currency, while decreasing the price of kerosene. Fuel prices have a big impact on the rate of inflation in the east African economy. The rate rose to 4.91 percent in June from 4.05 percent a month earlier. The economy heavily depends on diesel for transport, power generation and agriculture. Kerosene is used in many households for lighting and cooking. The Energy Regulatory Commission (ERC) reviews domestic energy prices every month, with adjustments made depending on fluctuations in international energy prices and foreign exchange fluctuations. The cost of importing super petrol and diesel in June rose, while that of kerosene fell, while at the same time the Kenyan shilling weakened to 85.65 per dollar from 84.30 per dollar in the previous month the ERC said in a statement. The regulator raised the maximum price of a litre of super petrol in Nairobi by 1.34 shillings to 109.52 shillings, and increased the price of diesel by 3.70 shillings to 102.86 shillings per litre. The price of kerosene will fall by 2.03 shillings to 79.49 shillings, the commission said. The new prices will take effect on July 15, and will be in force for a month. *(Reuters)*

The Kenyan shilling was steady on Monday, with traders expecting it to ease back on demand for dollars from importers and watching for possible intervention in its favour by the central bank. At 0731 GMT, commercial banks quoted the shilling at 87.15/35, barely changed from Friday's close of 87.25/35. "We're in mid-month when we expect a bit of (dollar) demand to come in from energy and manufacturing guys," said John Muli, a trader at African Banking Corporation. "We might see it gradually weaken to 87.80 this week." The shilling has lost 1.5 percent against the dollar since July 3 and traders said they were watching out for possible intervention from the central bank. The bank sold an unspecified amount of dollars on May 29 after the shilling dropped 1.7 percent over five sessions. It has also actively mopped up shilling liquidity on money markets. The shilling initially slid with other emerging market currencies when the U.S. Federal Reserve signalled it would soon unwind its massive stimulus programme. It now faces pressure from unrest in Egypt, the biggest buyer of Kenyan tea. Tea is Kenya's top foreign currency earner. "If the central bank keeps staying out then the shilling could depreciate further," said a trader at one commercial bank. *(Reuters)*

Kenya targets increasing state revenue by 22 percent to 975 billion shillings ($11.2 billion) in 2013-14 on improved tax collection, John Njiraini, commissioner-general of the Kenya Revenue Authority, said. The tax agency collected 800 billion shillings in the year ending June 30, Njiraini told reporters today in Nairobi. That surpassed its 746-billion-shilling target which had been lowered after legislators in December failed to approve a law removing value-added tax exemptions from food and other goods. The authority plans to implement a mobile-phone payments service this month and encourage taxpayers to file electronically to help strengthen collections, Njiraini said. East Africa's largest economy aims to introduce a series of new tax measures this fiscal year to help raise revenue and plug its fiscal deficit. The government is considering reinstating a capital gains tax and it plans to reintroduce legislation in parliament to revise the VAT Bill, which will scrap exemptions of the 16 percent levy on some items including processed food with the exception of bread and corn flour. The country on July 1 started charging a 1.5 percent tax on imported goods to fund railway construction. The government forecasts the economy will expand 5.8 percent this year from 4.6 percent in 2012. *(Bloomberg)*

Kenya will lean on increased taxation of items under the value added category, to attain its 2013/14 (July-June) revenue target, after it fell short of its initial target during the last fiscal year, tax officials said on Wednesday. The Kenya Revenue Authority (KRA) said collections would grow by 21.6 percent to 973.5 billion shilling. Officials have in the past failed to meet their collection targets, forcing the Treasury to revise them downwards at times, mainly due to complex rules that grant too many exemptions, as well as giving rise to a low rate of compliance. John Njiraini, KRA's commissioner general, said the achievement of this year's target depends on the passage of a new law governing the collection of Value Added Tax (VAT). "We are concerned by the delayed implementation of the VAT Bill, but parliament is fast-tracking it and within the next few weeks they will enact it," he told a news conference. The government plans to charge VAT on more goods and services, to shore up revenue in the face of a 7.9 percent budget deficit for this fiscal year. Njiraini said the collection of VAT had been complicated by too many exemptions, transferring the burden of indirectly subsidising excluded goods and services to the government. The VAT bill is now set to be passed after parliament exempted staples maize and bread from the tax. The proposal to include food in the tax fanned widespread anger. "If we really want to improve Kenya competitiveness we have to address the fundamental problems that make tax so onerous to comply with and therefore a threat to our investment climate," Njiraini said. *(Reuters)*

The government Tuesday took over the management of the Nairobi Coffee Exchange as investigations began on officers of the Kenya Coffee Producers and Traders Association who have been running the auction. The move follows the appointment of the transition exchange committee by Agriculture Cabinet secretary, Mr Felix Kosgei, that will run the auction for the next three months as preparations for elections by the stakeholders are concluded. The criminal investigations officers camped for several hours at the association's offices waiting for the management to open them. Mr Silveste K'okoth, who introduced himself as head of communications at KCPTA, declined to sign court documents. "We have court orders to search for documents both in hard and soft copies over alleged forgery of documents, misuse of funds and abuse of office," said corporal Gideon Omwocha. He said they were investigating economic crimes alleged to have been committed by the KCPTA officials during the period they were managing the auction. The regulator, Coffee Board of Kenya officials, led by managing director, Ms Loise Njeru had earlier tried to access the auction floor but found it locked. They were forced to hold a meeting at the KCPTA offices housed at Wakulima Building, which is owned by the Kenya Planters' Co-operative Union, currently under receivership. "KCPTA had no linkage to the Coffee Act and I consider it a runaway entity controlling an important aspect of coffee sector. This was a discrepancy in law. The Ministry of Agriculture gazetted the rules to guide trading at the auction and we needed to secure the coffee trading," Ms Njeru said. She said a legal notice by the Ministry of Agriculture removed KCPTA from managing coffee auction.

The takeover comes against the backdrop of reports that farmers could have lost billions of money over the years through collusion by the major multinational buyers at the auction. Ms Njeru, however, denied that farmers had lost money, adding that such claims were based on wrong accounts. She, however, said some of the practices like marketing agents taking away coffee samples, which are not paid for had caused farmers to lose millions of kilos to some briefcase buyers who did not participate in the market. There are deeply entrenched interests in coffee marketing involving a few multinational companies that have dominated the auction market over the years. Amendments to the Coffee Act in 2007 introduced severe conflicts of interest with dealers undertaking activities in the whole chain from the farm to the market by having multiple licences. The amendments allowed dealers and millers to also acquire marketers licences, which have raised concerns over possible manipulation of prices. The second window for direct sales has not taken-off as less than 5 per cent of the coffee is sold this way. The coffee societies have not been able to increase production to sustainably supply their identified markets. Coffee production has reduced from the 1980s highs of 130,000 metric tonnes. According to the 2013 Economic Survey, coffee registered 35 per cent growth in production from 36,000 metric tonnes in 2011 to 49,000 tonnes in 2012. Kenyan coffee is classified among the Colombian milds and fetches higher prices as it is used to blend other coffees to give them taste and aroma. Coffee prices were high in 2010 and 2011 with some of the societies paying farmers more than Sh100 per kilo of cherry delivered, but the prices have come down to an average of Sh50. *(Daily Nation)*

The Kenyan shilling weakened on Thursday as importers bought dollars, taking advantage of the local currency's gains after the central bank intervened to support it earlier this week. By 0708 GMT, commercial banks quoted the shilling at 86.95/87.15 per dollar, easing from Wednesday's close of 86.75/95. The shilling strengthened 1 percent after the central bank sold an unspecified amount of dollars on Monday and Tuesday to prop up the local currency after it had hit a five-month low of 87.55/75. The bank did not sell any dollars on Wednesday. "There is a bit of repositioning and some corporate dollar demand kicking in again," said Duncan Kinuthia, head of trading at Commercial Bank of Africa. "The shilling will lose ground again, but it remains to be seen whether they (central bank) will come in or not." The shilling lost 2 percent in the first half of July, hit by low yields at home and unrest in Egypt, one of the biggest buyers of Kenyan tea. Technical analysis of the shilling's 21-day and 50-day weighted moving averages show the shilling is expected to stay on a weakening path against the dollar in the near term. *(Reuters)*

Malawi

Corporate News

No Corporate News this week

Economic News

Malawi's headline consumer inflation slowed to 27.9 percent year-on-year in June, compared with 31 percent in May, the National Statistical Office (NSO) said on Tuesday. In a statement posted on its website, the NSO said lower prices for fuel, household electrical appliances and personal care had driven non-food inflation lower in the month. *(Reuters)*

Mauritius

Corporate News

No Corporate News this week

Economic News

No Economic News This Week

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Nigeria

Corporate News

Shell Nigeria shut its Trans Niger pipeline on Thursday after a leak was detected, barely a week after the company re-opened the pipeline following the repair of some crude theft points. "Details of this latest incident, including cause and size of spill, are unclear at the moment, but the TNP has been variously targeted by crude oil thieves in recent months and shut down several times to enable the removal of theft points," Shell Nigeria spokesman Tony Okonedo said in a statement. "A total of about 150,000 barrels per day of oil have been deferred."
Shell said on Friday that it had re-opened the Trans Niger Pipeline (TNP), running through Nigeria's oil-producing Niger Delta region, after repairing a valve point and removing oil theft connections. But Okonedo said by telephone that a new leak on a different section of the pipeline meant it had to be shut down again, adding that some oil had been spilt. His statement said the Shell Petroleum Development Corporation, a The last time the TNP was shut, a local environmental NGO estimated 6,000 barrels of oil had been spilt. The area that the TNP crosses, Ogoniland, has been devastated by repeated oil spills. Environmental groups argue that Shell's 50-year-old infrastructure in the area is decrepit and must be shut down or replaced. Shell rejects that, arguing that the spills are caused by thieves hacking into pipelines, a major criminal enterprise with collusion from security forces that the company cannot prevent. Shell has been pushing the government to make greater efforts to combat oil theft, known locally as bunkering, which it blames for the loss of an estimated 150,000 bpd across the industry in Nigeria and for repeated oil spills and fires. *(Reuters)*

Fidelity Bank Plc said its total portfolio in the Nigerian transport sector in has risen to about N17 billion. Executive Director, Corporate Banking, Fidelity Bank, Mr. John Obi, who disclosed this in a chat with journalists at the end of the: "Fidelity Transport Customers' Forum," in Lagos at the weekend, argued that the bank now controls 10 per cent of the market share of the road transport business. According to Obi, the transport sector is a very critical part of any economy. "For goods and services to be moved across the country, it is necessary to develop the sector. Goods cannot be manufactured and kept in a warehouse, it is only when they are delivered to consumers that the goals can be said to be achieved. That is why we are investing in that sector of the economy. "We decided to bring our customers together to share experiences, know their perceptions of our services and for us to communicate to them about their performances in return. The forum is planned to be two-way affair. This is necessary because it is one of our ways of keeping abreast with what our customers are doing," the Fidelity Bank official explained. On his part, the Managing Director/Chief Executive Officer, ABC Transport Plc, Mr. Frank Nnaji, who said the forum was of immense benefits to operators, disclosed that his firm had been transacting business with Fidelity Bank for about 15 years. Nnaji added: "Even though banks run general business, transport is a specific business, with a desk in the bank. Of course, there are peculiarities in this business. "So it makes sense that the bank got people together who are directly involved in this business to talk about their specific problems, while the bank in turn will say what their plans are going forward. Bringing everybody together to share experience, learn from the bank and what other plans they have is very valuable and commendable." Also, the Chairman/ Chief Executive Officer, GPC Energy and Logistics Limited, Mr. Elvis Okonji noted that the transport sector was yet to realise its potentials in the country. We are still in a very low level. The rails system is just coming up, even though we are not so sure. Maybe, in the next five to 10 years or more, it might pick up. "For today, we are only trying to define what transport means. I just hoped that government will look at the rail system and ensure that their acclaimed proposals will be implemented, then we are getting there. Currently, there are moves towards improving the road network in the geopolitical zones," he declared. *(This Day)*

Investors swooped on the shares of Guaranty Trust Bank, GTB, last week after the bank said that its Board of Directors will be meeting this week to consider the possibility of paying an interim dividend. GTB had in a notice mid-week to the Nigerian Stock Exchange, NSE, said that the Board would meet to consider among others, the audited financial statement for the half year ended 30th June, 2013, as well as issues relating to interim dividend. Though the amount likely to be paid was not disclosed, investors' increased patronage for the shares of the bank resulted in 2.83 percent rise within two days. Following the announcement, the share price rose by 1.53 percent or N0.39 from

N25.45 to N25.84 on Wednesday, a day after. On Thursday, the share price again rose by 1.22 percent or N0.33 from N25.84 to N26.17, thereby bringing the total percentage gains to 2.63 percent, also making the stock the highest priced in the banking sector. Operators said that increase seen in the bank was as a result of excitement by investors over the intended dividend. They added there is also the expectation that the dividend for 2013 will surpass that of the previous year as income rises from expansion. GTB had in 2012 paid gross dividend of N45.62 billion, which amounted to N1.30 per share. This, along with N0.25 paid in the first half of the year brought the total dividend to N1.55 per share. "We have declared the best results in the industry in the last few years and provided shareholders the best return on equity for any financial institution in Africa. "We intend to continuously reward our shareholders for the confidence they have in us and remain committed to teamwork, integrity and customer satisfaction as a bank, assured Mr. Segun Agbaje, Managing Director, GTB, at the last yearly meeting in Lagos" Agbaje further stated that the bank intends to consolidate its position in 2013 by pioneering service innovations, developing alternate banking channels, promoting excellence and creating role models for society. The Group's financials for the 2012 financial year showed gross earnings of N221.9 billion and a profit before tax of N103 billion. Total assets and contingents increased by six percent to N2.26 trillion in December 31, 2012 from N2.14 trillion in the previous year, while it closed the year with an On-balance sheet of N1.73 trillion. *(Vanguard)*

THE Board of Directors of the African Development Bank (AfDB), yesterday, approved $75-million facility for Fidelity Bank Plc. The facility is made up of a $75-million medium-term Line of Credit (LoC) to the bank to fund selected projects in sectors that are critical to Nigeria's transformation agenda and economic growth such as infrastructure, manufacturing and Small and Medium Enterprises (SMEs). Another AfDB arranged-syndicated financing of US $75 million on a best-effort basis will complement the line of credit. The LoC will complement Fidelity Bank's other fund raising efforts through deposit mobilisation and financing lines from Development Finance Institutions (DFIs), commercial banks and proceeds from its recent bond issuance. The AfDB's LoC will contribute to bridging the Nigerian bank's financing gap by providing much-needed longer-term liquidity to meet its pipeline demands against the background of a financial market that has hitherto slanted towards short-term liquidity inhibiting access to medium- to long-term lending. This financing, according to a statement from AfDB, will allow Fidelity Bank to fund its clients, increase the tenors of loans to sub-projects and expand its loan portfolio, particularly in the manufacturing and infrastructure sectors. 20 per cent of the LoC proceeds will be dedicated to SMEs. This LoC may have sent strong signals that Nigeria's financial sector has stabilized and confirms a return of confidence to the Nigerian banking sector. It is also symbolic of AfDB partnership role in supporting the private sector to play its rightful and important part in building the Nigerian economy. Moreover, it also highlights the AfDB's commitment to supporting its regional member countries and their governments in strengthening in their financial markets, diversifying their economies and revamping their infrastructure to facilitate stronger private sector participation and contribution to the economy. This transaction may also contribute to improved and longer term liquidity in the banking sector, increase government revenues, import substitution and job creation. *(Guardian)*

Unilever Nigeria said on Thursday its half-year pretax profit grew 3.78 percent to 3.96 billion naira from 3.82 billion naira in the same period a year ago. Turnover at the Nigerian unit of London-listed Unilever rose to 29.67 billion naira in the six months to June 30, up 10.2 percent from 26.92 billion naira in the same period last year, the consumer goods firm said. *(Reuters)*

Guaranty Trust Bank Plc (GTBank) Thursday said it had reached an agreement to acquire a 70 per cent stake in Kenya's Fina Bank Limited for $100 million. However, the agreement is subject to customary regulatory approvals in Kenya, Nigeria, Rwanda and Uganda. Headquartered in Kenya, Fina Bank also operate in Rwanda through its 92 per cent owned subsidiary Fina Bank Rwanda Limited and in Uganda through its fully owned subsidiary Fina Bank (Uganda) Limited. Based on its unaudited consolidated financials as of March 31, 2013, Fina Bank had total assets of $338 million, gross customer loans of $184 million and customer deposits of $285 million. The Group currently operates through 38 branches and employs 550 people across the three countries. A document obtained by THISDAY last night said GTBank would acquire the 70 per cent shareholding in the bank "through a combination of capital injection in Fina Bank, and an acquisition of shares from the current shareholders. The total consideration to be paid by GTBank is estimated at around $100 million and is subject to closing adjustments and exchange rate movements." The statement said: "Furthermore, GTBank and the remaining shareholders of Fina Bank will enter into a shareholders' agreement to ensure a smooth transition of the governance and operations of the bank, with the possibility of acquiring further shares in due course. The remaining shareholders of Fina Bank include its founder and current Chairman, Mr. Dhanu Chandaria.

"The parties will enter into this agreement in the spirit of a close partnership, as they share common objectives, and see significant benefits and synergies for both institutions and their respective stakeholders resulting from the transaction." The statement added that customers and employees of Fina Bank and its subsidiaries would benefit from the extensive and successful expertise of GTBank, especially in business and corporate banking, enhancing the range of products and services on offer as well as the skills and know-how of the employees. "GTBank will enter East Africa through a multi-country and scalable platform, thus expanding its international presence in Sub-Saharan Africa. This transaction is being pursued consistently with GTBank's disciplined and profitable track-record in its external growth strategy, with the ultimate objective of creating value for its shareholders via synergies and sharing of best-in class expertise," it assured customers. The shares and GDRs of GTBank are listed on the Nigerian Stock Exchange and on the London Stock Exchange, respectively. GTBank shares, which had gained 13 per cent since this year, inched up 1.66 per cent to N26.40 per share on yesterday, as it total market capitalisation stood at N776.983 billion. *(This Day)*

Economic News

The federal government has attracted over $25 billion in investment, including the $20 billion Memorandum of Understanding (MoU) signed between Power China and the Ministry of Power to generate for Nigeria 20,000 megawatts of electricity, following President Goodluck Jonathan's trade mission to China last week. According to Minister of Industry, Trade and Investment, Mr. Olusegun Aganga, during the visit, Bauchi State signed MoU with China Machinery Engineering Corporation (CMEC) for the provision of 120 megawatts of electricity at an estimated cost of $260 million. However, Aganga, at the weekend, in China, described the deal with Power China as most ambitious, noting that it was the highest power agreement the federal government signed with any international firms, adding that government had earlier had similar deals with General Electric, Electrobras of Brazil and Siemens. "If you compare that (to earlier agreements) that is the biggest MoU we have signed on power. And I must say that Power China is the largest power company in China and a major player in the power sector. If you look at that and complement it with the fact that we signed a 10,000 megawatts agreement with General Electric; with Electrobras in Brazil and with Siemens, you can see that the future...it won't take too long for us to address the issue of power," he said. During the visit, First Bank of Nigeria Plc also signed an agreement with China Development Bank for the provision of $100 million facility meant to be dispensed as loans to Small and Medium Scale Enterprises (SMEs) in Nigeria. Aganga described the loan as very important because SMEs is the powerhouse of any economy, including that of Nigeria. "SME is a major economic drive, especially in a developing country like Nigeria. Today we have about 17 million SMEs in our country, employing close to 32 million people. So when we talk about job creation, the real sector to focus on is SME. That $100 million is made available through First Bank," he added. Other MoU signed include those between Ladol and China Offshore Oil Engineering Corporation (COOEC) to develop a dry dock facility in Lagos and Bayelsa States and between China Great Wall and a Nigerian company for the manufacturing of transformers in Nigeria in addition to the agreement signed between the Ministry of Aviation with China Civil Engineering Construction Corporation (CCECC) for the construction of four international terminals at the four major airports in Nigeria. Besides these agreements, Aganga said there were other discussions that the federal government had with investors that did not lead to the signing of MoU, adding:

"But there was a clear understanding and MoU will be signed very soon. One of such is with Seco and Pacific Energy. Pacific Energy is the largest in terms of coal to power and you would know that in China most of the sources of their power is coal. "They are also committed to working with us to generate power from coal and their commitment is to generate 5,000 megawatts of power at the cost of, in today's terms, about N5 billion. They are also planning to set up their regional office in Abuja." The minister explained that the mission to China accomplished things for Nigeria in three areas: politics, diplomacy and economic. "There is the political angle; there is the diplomatic angle and the economic angle, which is about investment. The engagement was at the highest level. It is very, very important that the engagement was at the presidential level. Of course, the first major item was the bilateral discussion and the signing of about five agreements with the

Chinese government. The bilateral discussion covered a lot of diplomatic, economic and political issues," he added. Aganga described the China mission as the most successful because of the large turnout of investors who were willing to come and do business in Nigeria, adding that Chinese companies already doing business in Nigeria travelled to China to meet with Jonathan, including CCECC which already has 10 projects in Nigeria worth $10 billion. Meanwhile, the Conference of Nigerian Political Parties (CNPP) has advised the federal government against being unduly hasty or desperate in the country's rapprochement with China. The group in a statement by its National Publicity Secretary, Mr Osita Okecukwu, said although it welcomed Jonathan's increased drive to partner China, adequate caution should be exercised to checkmate the Chinese quest for neo-colonialism in Africa. "It is the candid view of the CNPP that the history of colonialism has not changed and that every colonial master whether British, American or Chinese attach strings to aids and hence fuel her domestic economic growth. "Accordingly, President Jonathan should be cautious, less hasty or desperate in the rapprochement with the Chinese; especially now that President Barak Obama seems to have not extended olive branch to his regime, " it said. CNPP added that it was pertinent that Nigeria's foreign policy objective should be structured for the long-term and not short-term goals, while the nation remains introspective in the utilisation of its natural resources. *(This Day)*

The continued dominance of Nigeria's total exports by petroleum products, will make the country remain highly exposed to the risks in global oil market, a report has warned. The report also insisted that the development in the United States' shale oil and gas industry would in the long-run lead to deterioration in the country's earnings from crude oil. The Ecobank Group stated this in a report titled: 'Nigeria – Our Insight', obtained by THISDAY at the weekend. It therefore urged the federal government to diversify the economy and to adopt fiscal discipline. The report argued that in the short-term, Nigeria's outlook would be subject to a number of risks despite the federal government's recent plans to accelerate its reform programme. Although the non-oil economy has posted strong growth in recent years, it maintained that the oil sector would continue to dominate government revenues and foreign exchange earnings in the short term, "leaving the country vulnerable to oil price shocks and volatility." "Moreover, external demand for Nigeria's crude oil will be undermined by a combination of factors, notably the US sequestration automatic spending cuts, China's economic rebalancing policy (which should drive domestic growth via consumption rather than investment and exports), and the US' shale oil and gas revolution. "Already, increased US hydrocarbons self-sufficiency has led to Nigeria's crude oil exports to the US dropping to 34 per cent of total exports from 45 per cent in 2006. While we do not expect this development to lead to the collapse of Nigeria's oil sector, the country's long-term oil export prospects will become increasingly undermined as US shale oil and gas production gain momentum," it warned. However, the report declared that although encouragingly, the government had increased its efforts to seek other export markets (particularly Asia), there is also a need for it to maintain fiscal discipline to safeguard macroeconomic stability, diversify the economy, improve public financial management, and increase foreign reserves. Additionally, it stated that in the domestic front, the key risks stemmed from the country's high security threat, which it argued had hampered investment expansion, continued power outages, "which remain a major constraint to doing business in the country, and from ongoing investor uncertainty associated with the review of the upstream fiscal regime under the Petroleum Industry Bill." It added: "The country also faces huge infrastructure deficits. While progress is likely in some areas, overall, these challenges will continue to be the main difficulties that the economy will face over the short to medium term. "However, Nigeria's debt situation will remain vulnerable to any unexpected large drop in oil prices or other macroeconomic shock to the economy; this could lead to renewed debt distress. This factor will continue to weigh on the country's sovereign credit rating. Amid this and other factors, Nigeria's sovereign foreign currency long-term credit ratings remain below investment grade, albeit with a stable outlook. The outlook for Nigeria's ratings compares more favourably than that of South Africa, which has a negative outlook." Commenting on the outlook for the naira, the report stressed that the downward pressure would remain on the naira. *(This Day)*

Nigerian businessman Tony Elumelu is negotiating with several oil majors to buy two onshore oil and gas assets he will use to fire power plants that are part of his $2.5 billion investment pledge to U.S. President Barack Obama's Africa Power initiative. "I just came back from Europe yesterday and we are talking very seriously with all of the oil majors to buy two big oil fields," Elumelu said in an interview at his office in Lagos. Several oil majors, including Chevron, Royal Dutch Shell, Petrobras and ConocoPhillips are expected to this year divest multiple assets onshore or in the shallow waters of the Niger Delta, continuing a trend that started two years ago. Elumelu, a former banker credited with transforming United Bank for Africa from an ailing local lender into a pan-African behemoth, is building, buying or renovating up to five power plants in Nigeria, through investment fund Heirs Holdings. His plans are a key part of the government's move to get its decrepit power sector into private hands and end chronic power shortages seen as the main break on Africa's second biggest economy. But investors are wary of potential problems such as the reliability of gas, the transmission of what they produce - which will remain in state hands - and ensuring payment for the power, as well as disruptive unions. Elumelu already counts two oil blocks among his interests. "Our two oil blocks have huge gas supply, which we intend to use to produce power. We have more than enough to supply our current plans," he said, but added that seeking a further two would enable him to have even more. When Obama unveiled a $7 billion Africa Power initiative this month, private sector leaders matched it with $9 billion of commitments. Elumelu pledged $2.5 billion. Despite being the continent's top oil producer and holding the world's ninth largest gas reserves, Nigeria's power output is a tenth of South Africa's for a population triple the size. "It's the one sector where demand is certainly assured. Everything you produce ... will be taken off you," he said, estimating it at 70,000 - 100,000 megawatts, against the 4,000 mw currently produced. "The beauty of the privatisation is that once the private sector mentality is in the value chain, they will put pressure on the government to make sure it works," he said. Heirs Holdings has about $300 million invested in Nigeria's power sector through its Transnational Corporation of Nigeria (Transcorp). Earlier this year it bought a Nigerian power plant and it is aiming to raise its output to 1,000 megawatts. Elumelu said he was also planning to spend $700 million in refurbishing another power plant, and was bidding for at least one of 10 new gas fired plants that the government put up for auction last month. Though most of his power investments would be in Nigeria, Elumelu said he was also looking at Tanzania, where he has already bought farmland, as a possible site for power projects. *(Reuters)*

The World Bank has faulted the Federal Government's management of oil revenues, and also warned that the country faces serious challenges in sustaining the momentum of its fiscal consolidation and reserves growth. The bank's warning comes ahead of a predicted slowdown in the growth of oil export in the years ahead. A World Bank's Nigeria Economic Report for May 2013, noted that Nigeria has made significant progress in the effective management of its oil wealth during the last decade. It however maintained that institutional weaknesses need to be addressed, saying: "Nigeria made a giant step forward during the 2004-2009 through the establishment of the Excess Crude Account, ECA, fiscal reserve that successfully insulated the country from the sharp swings in oil prices during this period. "But the year 2010 revealed remaining weaknesses in the institutional framework for macroeconomic management. Despite the recovery in oil prices, Nigeria expanded its fiscal stimulus significantly, increasing consolidated spending by an estimated 2.5 per cent of Gross Domestic Product, GDP, and drawing down the remaining balance of the ECA at the same time that many other oil exporters were building back their reserves. "Under this fiscal expansion, the balance of payments remained in deficit, the naira came under pressure, and investor sentiment toward Nigeria became more cautious." For the country to be able to shore up its ECA to the pre-global financial crisis levels of $22 billion, the World Bank said Nigeria will have to limit Federation Account distribution of oil revenues to zero real growth up till 2015." However, one month after the release of the World Bank report, the Federal Government of Nigeria is yet to come up with any policy to address this concern, instead, it is currently battling the National Assembly for an appropriation to the 2013 budget. Mr. Goodie Ibru, President, Lagos Chamber of Commerce and Industry, expressed concern on the extreme dependence of government finances and external trade balances on proceeds from the oil sector, saying this exposes the nation to significant risks from oil price and production shocks. He said, "The unfolding global oil market scenario and the shortfalls in domestic oil output pose a major threat to the 2013 budget. At an output level of 1.85 million against the budgeted 2.54 million barrels, Nigeria currently records an estimated shortfall of N10.7 billion ($69 million) daily due to oil theft, bunkering, illegal refineries and rising spate of insecurity. "The domestic and international issues facing the oil and gas sector pose both risks and opportunities for the Nigerian economy. The greatest risk is the potential shock to fiscal sustainability if the global oil price slumps at a time when Nigeria's oil output is declining. "The permanent hedge against the impending oil market glut is a substantial diversification of the economy from oil to non-oil activities. In the short term however, enacting a competitive, inward looking Petroleum Sector Act – the PIB is germane. "While we note that the passage and implementation of the PIB will not entirely eliminate the problem, it would expand investment in the sector. Curbing corruption and other forms of fiscal leakages would further stabilize the economy." According to analysts at FBN Capital, several pressure points have developed in the Nigerian economy over the last couple of months and all expose the Achilles heel in Nigeria's credit story, namely its vulnerability to a sharp and sustained decline in oil revenues. They said, "The figures for reserves include the excess crude account (ECA) and the Sovereign Wealth Fund (SWF). Because of a shortfall in oil revenues in the federation account, the FGN has authorized withdrawals from the Excess Crude Account for distribution between the tiers of government. The balance has decreased by more than US$4bn this year, to US$5.3bn at end-May, although some payouts have been driven by political expediency." The analysts expressed concern over the crisis between the executive and the legislature on the benchmark price for crude oil.

"The legislature can argue that a higher threshold makes for a lower deficit. This argument only holds, of course, if interested parties resist the temptation to push up spending. A higher threshold automatically reduces the transfers to the ECA and/or the sovereign wealth fund (SWF). "Given the porous nature of the account and the many obstacles to the expansion of the fund, there are legitimate concerns about the defences against an external shock. The FGN has steadily built up the balance in the ECA this year to above US$9bn, and official reserves now cover more than six months imports of goods and services. "These gains are fragile, however. The accumulation in the ECA can be reversed by political intervention, which we recall from 2010, and in the reserves more generally by a sustained fall in the oil price." Continuing, the World Bank further stated that the dependency of budgets on oil revenues is likely to create pressures in the near future, saying that, "With oil accounting for 95 per cent of exports and 75 per cent of consolidated budgetary revenues in Nigeria, the potential for radical swings in the Nigerian economic picture is particularly high." The World Bank projected a continuous decline in the share of oil revenues in the GDP, driven by a slow expected expansion in oil output in the short term, together with GDP growth, and expected real appreciation of the naira. "Thus, maintaining sizable distributions of oil revenues to budget and building up a fiscal reserve to protect the country from oil price volatility will likely become even more of a challenge. "The opportunity cost of the fuel subsidy is likely to increase in that regard, particularly is oil prices remain strong," the World Bank stated. It, however, advised that for the Federal Government to maintain stability in the realization of its major objectives in public investments and service delivery, it should establish a mechanism that can effectively de-link government expenditures from oil prices. Continuing, the World Bank report said, "If the government would limit the size of distributions of oil revenue to budgets, the scope for accumulation of the fiscal reserve would increase. "The current balance of the Excess Crude Account may only be sufficient to pull Nigeria through one year following a sharp decline in oil prices. Thus, unless Nigeria can manage to accumulate a stronger fiscal reserve, macroeconomic stability faces major external risks. "The world economic situation is still highly volatile, and an associated macroeconomic crisis would imply high inflation, currency depreciation, and increased hardship for a large part of the population."*(Vanguard)*

Nigeria has been rated by the United Nations Conference on Trade and Development, UNCTAD, as the biggest beneficiary of foreign direct investment in Africa with over $7billion worth of foreign investments inflow in 2012. The country was also adjudged by the world body as the best destination for foreign investments in the continent. Minister of State for Trade and Investment, Dr. Samuel Ortom, who disclosed this in an interview in Makurdi, noted that the country had in the last two years led other African countries in the UNCTAD rating in the inflow of investments in all sectors of the nation's economy. According to the minister, "Foreign investors are becoming even more interested in investing in the Nigerian economy, which undoubtedly is a function of President Jonathan's commitment to the transformation agenda, which he has executed with all diligence." The president has seized the initiative to take this country to the next level of development; we must all key into that vision and support the initiative. "Because the presidential initiative has already started paying off, according to UNCTAD, for the second year running, Nigeria is leading other African countries in the inflow of foreign direct investment, which as at the end of 2012, was put at over $7billion. "It is a clear indication that Nigeria's economy has picked up. Government on its part has also put in place a strategic plan of action known as the Nigeria Industrial Development Plan. "This plan would anchor the totality of the country's industrial development in the next four years and by so doing; go a long way in shaping and directing the industrialisation of the country. We're making great progress, I can assure you." *(Vanguard)*

Nigeria's consumer inflation rate fell to a five-year low of 8.4 percent year-on-year in June, from 9 percent the previous month, as the prices of non-food items rose more slowly, the National Bureau of Statistics (NBS) said on Tuesday. Food inflation was up slightly to 9.6 percent year-on-year, from 9.3 percent, the bureau's report said. "Food prices increased at a faster rate compared to May as the country is deep into the planting season," it added. "Food supplies continue to be tight as inventories decline, creating upward pressure on prices." The rate, the lowest since the 8.1 percent recorded in April 2008, was comfortably within the central bank's single-digit inflation target. The bank's monetary policy committee will meet on Monday and Tuesday of next week to decide on the base interest rate, which has been kept

at 12 percent for the past 10 meetings. Despite the fall in inflation this year, central bank governor Lamido Sanusi has resisted calls to cut interest rates to improve lending to businesses, arguing that the current hard-won economic stability cannot be taken for granted.
Most analysts expect rates to be held steady again next week. *(Reuters)*

Nigeria's Consumer Price Index (CPI), which measures the level of inflation in the country dropped to 8.4 percent in June, compared to the 9 per cent it attained in May, figures from the National Bureau of Statistics (NBS) showed Tuesday. NBS explained core and food indices in June averaged 8.9 percent and eight percent respectively, compared to the 12.5per cent and 14.1 per cent recorded respectively in the previous months. The NBS attributed the drop in inflation in inflation rate to "slower rises in all Classification of Individual Consumption According to Purpose (COICOP) classes, except the food and non-alcoholic beverages class." Although this resulted into the muted rise in the core sub index, food prices, however, increased at a faster rate compared to May, as the country went deep into the planting season. "Food supplies continue to be tight as inventories decline, creating upward pressure on prices," it added. On a month-on-month basis, the headline index increased by 0.59 per cent in June, from 0.67 percent in May. Year-on-year, urban inflation fell to 8.4 percent in the period under review, compared to the 9.4 percent recorded in May. The NBS report further stated that the composite food index increased year-on-year to 9.6 percent from 9.3 percent in May while on month-month basis, the food sub-index increased by 0.7 percent between May and June. "Food prices continued to gain upward momentum as the country is deep into the planting season. Markets are facing tight supplies of farm produce as inventory levels continue to dwindle creating upward pressure on prices," it stated. It also showed that the 'All Items less Farm produce,' or core index which excludes the prices of volatile agricultural products also increased by 5.5 per cent year-on-year. According to the report, the core inflation continued to exhibit muted year-on- year changes, largely due to base effects as the core sub-index also showed relative moderation increasing 0.3 percent in June from 0.5 percent in May. "Significant price increases were observed in the actual and imputed rental prices, clothing materials and accessories, liquid and solid fuel classes," it noted. *(This Day)*

Unlike in the past when most Nigerian banks were aggressively expanding their operations beyond the shores of the country, the financial institutions are currently focused on growing their domestic market and strengthening their market share. Director, Banking and Capital Markets, EY (formerly Ernst & Young), Mr. Steven Lewis, stated this while presenting a survey titled: "Banking in Emerging Markets - Seizing Opportunities, Overcoming Challenges - Country reports," in Lagos Tuesday. Lewis argued it was not as if Nigerian banks were no longer aspiring to expand to other countries, but just that they are now more concerned on strengthening their domestic position. According to the EY survey, all our interviewees surveyed expected their banks' performance to improve over the next year due to the banking reform carried out few years ago. It also stressed respondents were positive about the outlook for almost all business lines, adding the "exception being investment banking advisory and issuance, which is not unexpected given Nigeria's emergent capital markets." However, the report pointed out the immediate threats to banks' performance from non-performing loans were once more emerging, adding that banks will be increasingly focused on credit risk over the next year, despite expectations of continued lending growth. The EY report added: "Optimism about bank performance stems from positive expectations for the economy. The majority of respondents expect the economy to continue improving, which in turn has fed expectations of increased demand across a range of retail and corporate banking products. "However, it is not all good news. Having witnessed a recent resurgence in kidnappings and pipeline vandalism by extremists, interviewees are worried about threats to the economy from a lack of security, as well as a lack of adequate infrastructure. "While the majority of interviewees expect provisions for loan losses to fall next year, they do not want to be caught out by rapid credit growth and declining asset quality." Furthermore, it urged banks to focus on improving efficiency, saying that interviewees thought improving efficiency, cutting costs and streamlining processes would be very important over the next year. "Deposit growth key to retail banking Nigerian per capita GDP was estimated at $1,653 in 2012. By 2016 and 2017, per capita GDP will have reached about $2,000, the point at which transactional accounts typically become common. It is therefore unsurprising that interviewees were optimistic about the prospects for retail banking. "All expect the outlook for retail deposits to be good, and most feel similarly about lending as Nigeria continues on its growth trajectory. To meet this retail demand, all banks are planning to expand their distribution channels and services across the country. A number of banks are also planning to expand their branch networks and recruit additional staff as well. "The majority of respondents were acutely aware of the risks of an emerging war for talent, highlighting how challenging it can be to recruit high-quality staff in rapidly expanding markets and the importance of retaining the staff they already have," it added. *(This Day)*

President Uhuru Kenyatta of Kenya has unveiled plans to make Nairobi an international financial centre and had called on the United Bank for Africa Plc (UBA) to play a pivotal role in seeing to the actualisation of the plan. Speaking in Abuja at a luncheon organised in his honor on Monday by UBA, Kenyatta said the bank, as African financial services institution was in position to bring its financial know-how to make this happen. He lamented Africans had traditionally looked outside for development partners. He commended UBA for its continental expansion in general and the establishment of the Kenyan office in particular stating that the bank's African outlook was noteworthy. "We look at you as partners who will oil the wheel of progress, helping to create the kind of investments that will grow our economies and create jobs" he stated. According to the Kenyan President who addressed the gathering of senior UBA executives and top Nigerian businessmen, Africa is a continent of great potentials, particularly in human resources and therefore the need for banks and financial institution like UBA to support the entrepreneurial aspirations of the people. Speaking earlier the Deputy Managing Director of UBA Plc, Mr. Kennedy Uzoka, assured the visiting president that UBA would remain committed to its afro centric vision. He said the expansion to Africa by the bank was well thought out and was propelled by the vision to be a role model institution with African origins that will last for perpetuity. He reiterated UBA would continue to partner with governments and other institutions to develop and grow the economies of countries where the bank has presence. "As the only African bank with presence in 19 African countries and three global financial centers such as New York, London and Paris, we have created a platform for Africa and African related businesses. We urge Your Excellency and indeed other African Presidents to continue to provide the enabling environments for businesses to thrive" said Uzoka. *(This Day)*

Nigeria plans to sell 114.8 billion naira in treasury bills with maturities ranging from three months to one year at its twice-monthly auction on July 25, the central bank said on Wednesday. The regulator said it will auction 24.8 billion naira in 91-day bills, 30 billion naira in 182-day notes and 60 billion naira in 364-day paper, using the Dutch auction system. Yields at the short-end of the T-bill curve have been rising as bank try to attract offshore and local funds. *(Reuters)*

Nigeria should revoke oil rights for which Royal Dutch Shell Plc (RDSA) and Eni SpA (ENI) paid $1.1 billion, a parliamentary committee said, alleging that the acquisition process was "highly flawed." Shell and Eni jointly bought Oil Prospecting License 245 from Malabu Oil & Gas Ltd., controlled by Dan Etete, a former oil minister, in 2011. Located in the deep offshore waters of the Gulf of Guinea, it is estimated to hold at least 9 billion barrels of crude reserves worth $1 trillion, according to a probe report by a House of Representatives committee filed as a public record and provided to Bloomberg yesterday. "Unfortunately our national interest, knowingly or unknowingly, was ceded away to the two oil majors," the committee said. The sale violates a law to promote increased Nigerian ownership of oil assets by giving foreign companies 100 percent ownership as well as the country's tax regulations, the report said, alleging a "lack of transparency and full disclosure" by Shell in acquiring the license. Nigeria is Africa's largest oil producer, with Shell, Exxon Mobil Corp. (XOM), Chevron Corp. (CVX), Total SA (FP) and Eni running joint ventures with state-owned Nigerian National Petroleum Corp. that pump more than 90 percent of the country's oil. The West African nation produced 1.83 million barrels a day of oil in June, according to data compiled by Bloomberg. "Shell companies have acted at all times in accordance with both Nigerian law and the terms of the OPL 245 resolution agreement," Precious Okolobo, a Lagos-based spokesman, said yesterday in an e-mailed response to questions. Eni, based in Rome, didn't immediately respond to an e-mail requesting comment. Malabu was awarded the rights to OPL 245 in 1998 by former military dictator Sani Abacha, whose son, Mohammed Abacha, got a 50 percent stake while 30 percent went to Etete, his oil minister. The company then formed a technical partnership with Shell. President Olusegun Obasanjo, elected a year after Abacha died in 1998, canceled the license in 2001 without giving any reason and awarded it to Shell a year later. Malabu challenged the decision in court, saying the government revoked its license unfairly, leading to the agreement to sell its interests to Shell and Eni, now holding 50 percent each. President Goodluck Jonathan's government resolved the dispute over the license in a "satisfactory and holistic manner" after it considered a 2006 settlement reached by Malabu Oil and Shell, the government's indigenous policy and the fact that Shell has "substantially de-risked" the oil license, Justice Minister Mohammed Adoke said yesterday in an e-mailed response. Calls to Malabu Oil on numbers listed for its Lagos office didn't go through. "Our findings could not indicate anywhere Malabu Oil willingly inclined to relinquish the oil block," the parliamentary report said. "Where such inclination is presumed, they were rather forced on the company." *(Bloomberg)*

The House of Representatives Thursday reviewed its position not to further consider debate on the 2013 Appropriation Act Amendment Bill as it recalled the bill and passed it through second reading after a short debate. House Speaker, Hon. Aminu Tambuwal, while acknowledging the earlier opposition some lawmakers mounted against considering the amendment bill, pleaded that it should be allowed to pass to the next stage. In moments such as this, Tambuwal said, legislators must place national interest above vested ones. After passing through the second reading, the House referred the bill to the Committee on Appropriation for further legislative work. The reconsideration of the bill came two days after the Coordinating Minister for the Economy and Minister of Finance, Dr. Ngozi Okonjo-Iweala, met with the House Committee on Appropriation and Legislative Compliance and explained the rationale for the budget amendment bill. Okonjo-Iweala on Tuesday, had told the lawmakers that the amendment was needed to ensure that the executive had the required funds to implement many ongoing projects contained in the main budget, which was signed into law last February. President Goodluck Jonathan forwarded the amendment bill to the National Assembly on March 14. The bill passed the first reading stage and was subsequently scheduled for second reading on June 5 when the debate and consideration of the general principles of the bill were stalled following a constitutional point of order raised by a House member. In a motion, the attention of the House was drawn to section 81(1), (2) and (4) of the 1999 Constitution wherein it was argued that a budget amendment bill was alien to the constitution and therefore unconstitutional. The matter was referred to the House Committees on Rules and Business, Justice and Judiciary for further examination. After about four months of delay, the House received and adopted the report of the committee, which upheld the constitutional point of order.

In throwing out the bill, the House argued that Section 81 (1), (2) and (4) of the 1999 Constitution did not envisage an amendment to an Appropriation Act except by way of a Supplementary Appropriation. Barely 24 hours after the House rejected the 2013 Appropriation Act Amendment Bill for alleged conflict with the constitution, Jonathan transmitted a new version of the bill to the National Assembly. In a June 26 letter, Jonathan said he was sending a fresh version of the bill in which he indicated the details of changes proposed across the expenditure categories. He also sought the restoration of allocations to specific projects whose allocations were earlier slashed by the parliament. In specific terms, the bill seeks the restoration of the allocations due to some projects in the Ministry of Works. These include the following: Abuja/Lokoja Road reduced by N4 billion; Kano-Maiduguri Road reduced by N3.5 billion; dualisation of Ibadan-llorin Section 2 reduced by N5.5 billion; rehabilitation of Jebba Bridge reduced by N1.25 billion and the rehabilitation of the Marine and Iddo bridges, whose earlier fund proposal was reduced by N1 billion. Others include special intervention fund for emergency roads and bridges washout across the country reduced by N6.28 billion and the dualisation of Obajana Junction to Benin reduced by N4 billion. Under the Ministry of Health, the bill also seeks to restore the allocations due to projects including: MDG/HIV/AIDS/ ARV drugs allocation reduced by Nl billion; routine immunisation vaccines reduced by N1.75 billion; malaria programme procurement and distribution of insecticides reduced by N0.8 billion; payment of pledge for Onchocerciasis recertification cut by N0.12 billion and National Trauma Centre, Abuja reduced by N0.1 billion, among others. The executive also demanded the restoration of several sums of money proposed for key projects in the power sector. According to the bill, a total of N16.3 billion was cut from various power projects, including the 215MW Kaduna dual fired power plant, which was reduced by N2.25 billion; second Kaduna-Kano 33KV DC lines reduced by N1.5 billion; Gombe-Yola-Jalingo 330KV SC line reduced by N0.6 billion; Maiduguri 330/132KV sub-station reduced by N0.3 billion; Kaduna-Jos 330KV DC line reduced by N0.5 billion as well as the Omotosho-Epe-Ajah 330KV DC line reduced by NO.8 billion. *(This Day)*

Tanzania

Corporate News

No Corporate News This Week

Economic News

No Economic News This Week

Zambia

Corporate News

Zambia may lift an environmental order at First Quantum Minerals Ltd. (FM)'s $1.7 billion Sentinel copper project this week, the southern African nation's mines minister said. Government ministries in Africa's biggest copper producer are three-quarters through with talks and will conclude them this week and announce a decision, Christopher Yaluma told reporters today in Lusaka, the capital. "We are very much concerned as government to ensure that this heavy investment continues," he said. "We are deliberating to get a better solution to lift that ban." The Zambia Environmental Management Authority in May ordered First Quantum to halt work at the Chisolo dam at Sentinel, citing alleged irregularities in how the company gained land rights. First Quantum continued building the mine, and it won't be able to produce without water from the dam. The order risked delaying first production at Sentinel by as much as a year, Vancouver-based First Quantum said July 1. Output is due to start in the third quarter of 2014, ramping up to 300,000 metric tons yearly of copper. First Quantum in April acquired Inmet Mining Corp. for C$5 billion ($4.8 billion) to become the world's fifth-largest producer of the red metal used in plumbing and electrical wiring. The company held "helpful" talks over the permitting delay with the finance and mines ministries last month, John Gladston, resource optimization manager for First Quantum's Trident project, which includes Sentinel, said July 1. *(Bloomberg)*

ZAMEFA Plc has proposed to consolidate its authorised and issued share capital to 72.2 million shares and 27.1 million shares effective August 13, 2013. The consolidation is being made to address the change in nominal value of the share capital of the company due to the rebasing of the local currency by a factor of 1,000. According to a circular issued in Lusaka yesterday by Stockbroker Zambia Limited and transfer secretary, Share Track Zambia said that the firm will implement the consolidation subject to passing the requisite and ordinary resolutions at Patent and Companies Registration Authorities (PACRA). The consolidation is also subject to the fulfillment of the condition precedent that the special resolutions relating to the consolidation of the share capital of Zamefa, contained in the notice of the extra ordinary general meeting, is duly passed and that the resolutions are registered with PACRA. The circular says the consolidation will be on the basis of one new Zamefa consolidated share of ZMW 0.01 par value each for every 10 Zamefa ordinary shares of ZMW 0.001 par value each. The shares are held as at the record date by the consolidation of every 10 ordinary shares of par value of ZMW 0.001 each into one new Zamefa ordinary share with a par value of ZMW 0.001 each. The circular, however, says the proposed consolidation will not dilute shareholders economic interest in the company as the value of the company will not change. Meanwhile, fractional shares will not be issued and paid out to shareholders in accordance with articles of association of Zamefa and listing requirements of LuSE. The circular says all shareholders of consolidated shares will be rounded up to the nearest whole number of consolidated shares. "The price per share on LuSE will be increased by factor of 10 immediately after the consolidation. Therefore the price per share of Zamefa on LuSE will be adjusted upwards by multiplying the closing price on the last day to trade by 10. The authorised share capital after consolidation will stand at approximately 27,200,000 shares of ZMW 0.01 each from 272 million. The issued share capital of Zamefa after consolidation will reduce to 27.1 million of ZMW 0.01 each from 270.9 million shares. *(Daily Mail)*

Konkola Copper Mines Plc, Vedanta Resources Plc (VED)'s Zambian unit, said it's exploring for coal and may build a power plant in Africa's biggest copper producer to reduce electricity costs. KCM, which started exploration at the prospect in the Sinazongwe district of Zambia's Southern Province this year, may build a power station to generate as much as 300 megawatts, provided it finds enough coal with the necessary energy levels, said Strategy and Business Development Director Brad Gnanasivam. "It's an option that we are trying to develop for ourselves so that we're not stranded," he said in an interview today in Lusaka, the capital. "If power rates continue going where they are going, at some point it will become very unsustainable, especially at the kind of power that we consume." Konkola Copper Mines is the biggest power consumer in Zambia, using as much as 250 megawatts, or about 13 percent of the country's total generation capacity. Zesco Ltd., Zambia's state-owned power producer, applied for a 26 percent average price increase last year, and the regulator is yet to decide on the request. KCM halted plans to fire 2,000 workers in June in favor of reducing production costs. One megawatt is enough to power about 500 to 1,000 U.S. homes. KCM would want to have its own power station producing by 2020, when an electricity supply contract with

Copperbelt Energy Corp. expires, Gnanasivam said. Maamba Collieries, a unit of Nava Bharat Singapore Pte Ltd., is building a 300-megawatt coal power plant in Sinazongwe district, while EMCO Energy Zambia plans to build a thermal power plant twice that size in the same area. Power prices in Zambia may need to double by 2015 to make it viable to build new generation capacity and end a supply shortag e, CEC Energy said last year. *(Bloomberg)*

Economic News

Zambia plans to build a $410 million oil refinery as the inefficiency of the only existing facility curbs growth in the econo my of Africa's biggest copper producer, Mines and Energy Minister Christopher Yaluma said. The state-owned Indeni refinery in Ndola, built in 1973 and operating at about half its designed capacity of 1.1 million metric tons a year, is "done away with, it's finished," he said in an interview yesterday in Lusaka, the capital. Fuel prices in Zambia are among the highest in sub-Saharan Africa, according to the Energy Regulation Board. Investing in refineries will help lower the cost of fuel, the regulator said in a report last year. Zambian consumer p rices accelerated to a six-month high in June after the government removed fuel subsidies. A liter of gasoline sells for 9.91 kwacha ($1.81). The gov ernment would be "negligent" if it delayed building a new refinery, Yaluma said. "We will look at all possible financing models" for the refinery, including public-private partnerships, he said. *(Bloomberg)*

THE Kwacha has fluctuated to around K5.50 level in the last three weeks, but is in the near-term expected to rebound as corporates release United States dollars to meet their tax obligation, financial analysts say. Zanaco Bank says the local unit is expected to stabilise and will trade between K5.45 and K5.53 against the US dollar in the near term. On Monday morning, the Kwacha fell to trade at K5. 48 and K5.50, four ngwee weaker from a two week high of K5.45 and K4.47 set on July 12. "It traded flat thereafter maintaining the currency's stickiness around the K5.50 mark," Zanaco says in its daily market treasury. Similarly, BancABC says the Kwacha is anticipated to reboun d as corporates off-load the greenback (dollar) to meet tax obligations due on July 21. "We expect the local unit to retreat in view of conversi ons for corporate tax due on July 21," the bank says in its market watch. BancABC says the local unit has remained relatively weak wi th the Kwacha opening the week at around K5.48. "Despite demand having eased off in July, supply has not been forth-coming as well, making the market a little stuck in the same range," the bank says. Meanwhile, Standard Chartered Bank anticipates the Kwacha o trade between K5. 43 and K5.53 this week. "The local unit seems to be range bound and is still expected to trade between K5.43 and K5.53 this week," t he bank says in its daily update. *(Daily Mail)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zimbabwe

Corporate News

ZIMPLOW Ltd has completed the disposal of Puzey & Payne to its management for an undisclosed amount. "The directors of Zimplow Holdings Ltd are pleased to announce the disposal of Puzey & Payne Ltd effective June 1, 2013 to its management who are supported by a strategic partner," said Zimplow in a note to shareholders. "The disposal will allow Zimplow Holdings Limited to streamline its operations and focus on its key strategic objectives. The directors obtained an independent opinion from advisors that the terms of the transaction are fair and reasonable to the company shareholders." Puzey & Payne has been crippled by the influx of cheap second-hand vehicles, imported mostly from Japan. The business is essentially a motor vehicle, spares and generators dealer which is also involved in servicing vehicles. The company is one of the holders of a Peugeot dealership in the country. The viability of new vehicles market has in the recent past been compromised by the influx of used vehicles mostly from Japan that land on the domestic market at hugely discounted prices compared to those of new cars. Coupled with lack of flexible credit terms and stringent conditions for obtain bank loans buying a new vehicle is extremely difficult for the majority of Zimbabweans even those with modest incomes. Last month, Quest Motors said the resuscitation the Mutare motor assembly plant was being hampered by the slow uptake of its new range of Chinese vehicle models. The company unveiled the Chery, Foton and JMC vehicle models following a US$2,5 million investment that went towards the manufacture of jigs used to assemble the bodies for these respective cars. *(Herald)*

Bindura Nickel Corporation is seeking short-term bridging finance to cover the funding shortfall as it continues to focus on the preservation and integrity of the business and its assets. The company pointed out that it will continue to focus on the preservation and integrity of the business and assets, but warned shareholders to exercise caution when dealing in its shares until it has resolved the funding constraints. The update follows a recent announcement by parent company Mwana Africa that its local subsidiary had failed to raise the funding required for the next phase of the Trojan Mine restart programme. Trojan Mine resumed operations late last year after BNC raised the US$23 million Trojan Mine required for recapitalisation, having put all operations under care and maintenance at the height of Zimbabwe's economic downturn in 2008. BNC management then indicated last year that after the recapitalisation, an additional US$10 million was required to attain a positive cash generation and annual production of 7 000 tonnes of nickel concentrate. "Further to the announcement on June 25, 2013, shareholders are advised that management of BNC are examining alternative mining plans with the objective of improving the short-term cash flow of the company and reducing the funding requirement," the company said in a statement. BNC recently said despite making significant progress over the past year, including the completion of the financial restructuring in September 2012 and also delivering its first nickel concentrate in April 2013, it had been unable to raise additional funding through debt to finance for phase two of the restart of Trojan Mine, as had been anticipated at the time of the September 2012 rights offer and private placement when it managed to raise the US$23 million. It said this was attributable to negative market sentiment associated with falling nickel prices coupled with challenging capital markets, which has created a funding shortfall at the Zimbabwe Stock Exchange-listed miner. BNC added that while Freda Rebecca Gold Mine, which is owned by BNC, remains cash generative, its cash contribution to the group in recent months has fallen in light of lower gold prices. The Mwana Africa board said it had therefore embarked on a significant cost-cutting exercise targeting annualised savings from budgeted corporate costs of about US$5 million. London Alternative Investment Market listed Mwana Africa raised its shareholding in BNC from 52,9 to 76,5 percent after underwriting the company's US$21 million rights offer. Last year, the company restructured through reducing its head count while at the same time it reached a payment plan with creditors in an effort to significant improve cash flows. *(Herald)*

AIM-listed African Consolidated Resources (AFCR) requires $15,7 million to fund the introduction of a four-month preproduction ore stockpile, for the Pickstone Peerless gold project in Zimbabwe as it moves to improve the grade of ore directed to the processing plant, the company has announced. ACR said the source of funding to minimise recourse to shareholders were at an advanced stage. The search for funding comes as the company announced this week that it had completed a Definitive Feasibility Study (DFS) on the first phase of development at the 3,2 million ounce Pickstone Peerless gold project in Zimbabwe. AFCR chief executive officer Craig Hutton said the completion of the feasibility study on time and on budget represented a significant achievement in the transformation of AFCR from an exploration company to a mining company. "I should like to emphasise that the DFS relates to the oxide cap only, just one component of the much larger Pickstone Peerless gold project, and will support the funding of the much larger and higher grade sulphide ore (Phase 2) outlined in the Preliminary Economic Assessment (PEA). Restricting Phase 1 to the oxide cap reduces the Capex (capital expenditure) that would otherwise be necessary and enables us to use plant facilities already in place," Hutton said. "We have increased the funding requirement for phase one principally to stockpile ore for four months to maximise early grade." Hutton said the scheduling for implementation of Phase 1 remained on track for first production of gold in June 2014. "Meanwhile, work on the prefeasibility study for Phase 2 is in progress. This study is expected to be completed in September/October 2013 and as a result of this we are targeting a reserve of 1 000 000 ounces at that time," Hutton said. The Pickstone Peerless feasibility study showed a maiden reserve estimate of 136 000 ounces at 2,06g per tonne. It is based on a gold price of $1 500 per ounce and a cut-off grade of 0,4g per tonne. The maiden reserve represents only 17% of the mining inventory reported in the Preliminary Economic Assessment in December 2012. *(Newsday)*

THE Zimbabwe Stock Exchange (ZSE) has with immediate effect delisted food processing company Cairns and industrial concern Apex Corporation, ZSE chief executive officer Alban Chirume has said. This leaves 63 counters actively trading on the exchange. Chirume told NewsDay yesterday that Cairns, which could soon court a new investor, had voluntarily delisted. The food manufacturer was in December last year suspended from the local bourse after being placed under judicial management. Reggie Saruchera of Grant Thornton Camelsa was appointed judicial manager on November 28 2012. "Apex and Cairns have been delisted. The delisting is effective as of today (yesterday). Apex delisting has to do with breaching continual obligations (ZSE listing rules) and Cairns have requested to be delisted because there are going to restructure outside the country, so basically they don't require listing at the moment," said Chirume. The near collapse of Cairns last year signalled far-reaching turmoil in the country's manufacturing sector. Apex, which last month requested to be suspended from the ZSE, lurched into a going concern crisis after the introduction of multiple currencies in 2009. The company was also struggling to publish financial results, raising suspicions that it was facing a viability crisis. The ZSE interim board then resolved to suspend the company's securities from being traded with effect from June 11 2013 for an initial period of 30 days, after which the suspension would be reviewed. Capacity utilisation in Zimbabwe's manufacturing sector has plunged to 44,2% from 57,2% recorded last year amid warnings by industry that a fresh crisis triggered by capital constraints was looming. Official statistics show that nearly 75% of local manufacturing companies need new equipment and technology to operate efficiently. *(Newsday)*

FARM implements manufacturer, Zimplow Holdings, says it was on course to achieve US$100 million turnover by 2015 from US$35 million during the year ended December 31, 2012, despite disposing of Puzey & Payne. The company has, since the beginning of the year, been realigning its units with several restructuring programmes being implemented in a bid to improve efficiencies and bolster profitability.
"The directors of Zimplow Holdings Ltd are pleased to announce the disposal of Puzey & Payne Ltd effective June 1, 2013 to its management who are supported by a strategic partner," said Zimplow in a note to shareholders. "The disposal will allow Zimplow Holdings Limited to streamline its operations and focus on its key strategic objectives. The directors obtained an independent opinion from advisors that the terms of the transaction are fair and reasonable to the company shareholders." Puzey & Payne had been crippled by the influx of cheap second-hand vehicles, imported mostly from Japan. The business is essentially a motor vehicle, spares and generators dealer which is also involved in servicing vehicles. The company is also one of the holders of a Peugeot dealership in the country. The viability of new vehicles market has, in the recent past, been compromised by the influx of used vehicles mostly from Japan that land on the domestic market at hugely discounted prices compared to those of new cars. Coupled with lack of flexible credit terms and stringent conditions for obtaining bank loans, buying a new vehicle is extremely difficult for the majority of Zimbabweans even those with modest incomes. In March, Zimplow chief executive officer (CEO), Zondi Kumwenda said the company would pull out of some of its investments but did not disclose which units were on sale. He said negotiations with financiers to provide tractors and other implements on an asset-based finance scheme were also underway. The Zimplow CEO said the company's exposure to agriculture and mining at a much bigger scale would present avenues for product diversification to achieve the turnover target. The group's revenue for the year to December 31, 2012 was at US$35,6 million,

against US$15,5 million recorded in the prior year. It was boosted mainly by strong results from Tractive Power Holdings, which was taken over by Zimplow last year. Profit before tax was down 127 percent and this was mainly due to restructuring expenses of US$1,9 million. Finance director, Francis Rwakonda, said revenue for Zimplow was down 13 percent and profit before tax also declined by 96 percent. "This was mainly due to the interest cost of US$297 851, acquisition and restructuring expenses of US$1,045 million," he said. Kumwenda noted that Zimbabwe's sovereign risk was high and international investors were thus limiting their exposure to the country with the "hope that this would end in a few years to come". "These factors present significant risk for the group going forward. The group will, however, be better placed to absorb such risks should they arise owing to a better-diversified revenue stream," he added. Impending elections scheduled had seen some customers deferring capital expenditure to post-election period, thereby negatively impacting on the group's tractor and earth moving equipment business. Low liquidity levels have also resulted in a number of customers delaying settlement of their accounts thereby inhibiting sales and restocking programmes. At the group's annual general meeting last month, Zimplow said revenues for the first quarter were at the same levels as prior year. *(New Zimbabwe)*

OLAM International Limited, a global commodity trader, plans to sell its cotton assets in Zimbabwe as part of the group's restructuring, sources familiar with the transaction have said. The Singapore-based company, with various operations around the world, has engaged a South African research and advisory firm to identify a buyer, most preferably a private equity company. "There is ongoing restructuring at a global level which involves the disposal of some of the assets in Africa, Zimbabwe included," said a source who spoke on condition of anonymity because the matter is private. "That is the thinking of the management and a consultant has been engaged." Olam International is a leading global integrated supply chain manager and processor of agricultural products and food ingredients, supplying various products across 16 platforms to over 12 300 customers worldwide. From a direct presence in more than 65 countries with sourcing and processing in most major producing countries, Olam has built a global leadership position in many of its businesses, including cashew, spices and dehydrates, cocoa, coffee, rice, cotton and wood products. The firm currently ranks among the top 50 largest listed companies in Singapore in terms of value. It owns 100 percent shareholding in the local operations. Olam Cotton (Zimbabwe) managing director Mr. Aranyak Sanya could neither confirm nor deny when contacted for a comment recently. "While we would not like to comment on speculation, it is important to note that our current focus is on the 2012-13 harvest which we are buying from farmers we supported and shall be subsequently ginning the same and marketing the lint and the seed," he said in a written response to this paper. Olam's operations in Zimbabwe began in 2005 and the company is currently running an integrated cotton ginning model that provides inputs under the contract scheme. Currently, Olam supports about 26 000 farmers through a countrywide network of 14 depots, according to its official website. It is the third largest cotton firm after The Cotton Company of Zimbabwe and Grafax Cotton in terms of market share, according to Cotton Ginners Association, a local grouping of cotton merchants. Apart from Zimbabwe, Olam International has operations in South Africa, Zambia and Mozambique. *(Herald)*

ZIMBABWE Stock Exchange-listed agri-industrial firm Aico Africa Ltd is set to dispose of a 20 percent shareholding in Seed Co to a United Kingdom seed company, Limagrain, sources familiar with the matter have said. The shares will be offloaded in two blocks, beginning with 10 percent stake, a senior Aico official confirmed yesterday. The money realised from the transactions would be used to finance some of the group's operations. Aico owns 50 percent shareholding in Seed Co, 100 percent in the Cotton Company of Zimbabwe and 49 percent in Olivine Industries. "Limagrain wanted some presence in Africa and they are coming in as partners . . . they don't need any control," said the Aico official who requested anonymity because the matter "is private and confidential". "The money realised from the sale of the shareholding would obviously be spent on some operations within the group." Debt remains the greatest threat to the group and the planned unbundling exercise when it gets off the ground may be Aico's last survival chance, analysts say. Cottco is operationally profitable, but just needs to retire legacy debts while there is a view that Olivine needs the right amount of working capital. Aico chief executive Mr Pat Devenish said discussions were at a "delicate" stage and could not say much. Seed Co group chief executive Mr Morgan Nzwere could not be reached for a comment as he was said to be in Malawi. But about three weeks ago, Seed Co published a cautionary statement advising shareholders that it was involved in a transaction that could have a material impact on the value of the shares. "Seed Co Limited advises its shareholders that the company is engaged in negotiations which, if concluded successfully, will have a significant impact on its operations and share price. Shareholders are accordingly advised to exercise caution when dealing in the company's securities until further announcement is made," the company said on June 27. Limagrain UK is the local agricultural seeds operating company of Group Limagrain, the largest plant breeder and seed development company in Europe, according the company's official website. The company breeds and markets agricultural seeds and amenity grass seeds for the UK market under the established brand LG. Offering the UK's strongest and widest offer of agricultural and amenity seeds, Limagrain has extensive portfolios of varieties and seeds in cereals, oilseeds, beans and peas (including vining peas), sugar beet, seed potatoes, maize, agricultural and amenity grasses and fodder crop seeds. These products are available widely from seed merchants operating throughout the UK and Europe. *(Herald)*

TELECEL Zimbabwe has started regularising its lopsided shareholding, a precondition for the renewal of its expired mobile licence, after emissaries of its shareholders met Government officials two days ago. The mobile telecommunications company's shareholders jetted in on Tuesday to spell out how they will reduce their shareholding from 60 percent to about 40 percent in line with terms outlined in the cellular licence issued in 1998. Original terms of the operator's licence stated that Telecel Zimbabwe would dispose of 20 percent of its stake to indigenous shareholders since the licence was originally meant for empowerment of indigenous people. To that end, Transport, Communications and Infrastructural Development Minister Nicholas Goche recently said Telecel Zimbabwe's cellular licence would not be renewed until the firm addressed its skewed shareholding. Telecel Zimbabwe's licence expired last month and needed to address its shareholding anomaly first before coughing up US$137 million to get a new 20-year licence. Telecel International managing director Mr John Swaim and Orascom Telecom Holdings legal adviser Mr David Dobbie are in the country to discuss the issue. Details of their discussions remained under wraps until late yesterday, but the two executives are said to have held two meetings with officials from the Ministry of Transport, Communications and Infrastructural Development. Telecel International holds 60 percent stake in the local entity with the balance of 40 percent held by Empowerment Corporation. Telecel International is a subsidiary of Egyptian telecoms giant, Orascom Holdings. But Russian telecommunications giant Vimpelcom now indirectly controls Telecel International and its Zimbabwe subsidiary after acquiring majority shareholding in Telecel International's parent firm, Orascom. Telecel Zimbabwe communications and branding director Mr Obert Mandimika confirmed Messrs Swaim and Dobbies met Government officials, but could not shed light on what was discussed and who else the two had met. "The two (Swaim and Dobbie) held meetings yesterday (Wednesday) and today (Thursday). They were scheduled to meet officials from our parent ministry," he said. Because of the lopsided structure of Telecel Zimbabwe's shareholding, skewed in favour of Telecel International, Telecel Zimbabwe has been associated with limitless controversies involving operations and staff issues. Among the topical issues that have rocked the company in recent years are issues regarding perceived preference for foreigners in strategic positions to ensure transfer pricing in procurement and ill-treatment of local workers. Recently, the alleged preference for foreign executives in strategic positions was seemingly confirmed by the resignation of chief executive Mr Francis Mawindi allegedly elbowed out for refusing to take orders from Cairo. The skewed shareholding has also been cited for the failure by the company to declare a dividend since its inception. Telecel Zimbabwe is the country's second biggest mobile phone operator after the Strive Masiyiwa owned Econet Wireless. The country's oldest but now smallest by subscriber numbers, NetOne, is Zimbabwe's third mobile phone operator. *(Herald)*

Economic News

THE Zimbabwe Stock Exchange will be fully automated by end of the first quarter next year as part of efforts at modernising the bourse so that it catches up with other exchanges, says chief executive Mr Alban Chirume. "There is progress on that front," said Mr Chirume in an e-mailed response to questions from Herald Business. "We are currently recruiting a consultant and other specialist resources to assist us in this very complex and delicate change. The progress will be a lot more visible in the second half of this year and for now I can only say we are eyeing first quarter of 2014 for completion. In the short to medium term, the ZSE will go through a period of rapid modernisation that will see it catch up and eventually overtake all the exchanges in the Sadc region except the Johannesburg Stock Exchange. "Modernisation will be achieved through the implementation of critical automation projects and manpower development initiatives." The ZSE is yet to digitalise its trading platform, some years after the idea was first mooted. Some analysts say the continued use of manual trading system has partly contributed to subdued market turnover. The manual trading system has also compromised the viability of stockbrokers who are getting low commission. "I believe automating trading is going to reduce the cost of doing business," said Mr Chirume. "This will come through reduction of transaction costs and reduction in redundancy systems. From experience from other countries that have automated, volumes of trading more than triple when the stock exchange automates. "Since the correlation of turnover to income of stockbrokers is nearly one, this will see the income of stockbrokers increasing in tandem with turnover," he added. Mr Chirume, who assumed the hot seat at the Zimbabwe Stock Exchange about two months ago, said his vision was to see the ZSE being ranked in the top 10 bourses in terms of market capitalisation in Africa. He said the ZSE was working on four major projects which are automation, demutualisation, review of listings rules and the second-tier exchange. Mr Chirume said the demutualisation process should be complete or near completion before end of the year while consultations with stakeholders on listings rules have already started. The first draft is expected to be available to the stakeholders in the next few weeks, he said. "With regard to the second-tier exchange, I believe we should have conducted a stakeholders' meeting to galvanise the thinking and agree on all the parameters (including the rules)," Mr Chirume said. *(Herald)*

Zimbabwe's year-on-year inflation rate for the month of June 2013 as measured by the all items Consumer Price Index stood at 1,87 percent shedding 0,33 percentage points on the May 2013 rate of 2,2 percent, the Zimbabwe National Statistics Agency has said. This means prices as measured by the all-items consumer price index increased by an average of 1,87 percentage points between June 2012 and June 2013. "The year-on-year inflation rate is given by the percentage change in the index of the relevant month of the current year, compared with the index of the same month in the previous year," said ZimStat. "The year-on-year food and non-alcoholic beverages inflation prone to transitory shocks stood at 2,9 percent while the non-food inflation rate stood at 1,35percent." The month-on-month inflation rate in June 2013 was -0,13 percent gaining 0,08 percentage points on the May's figure of -0,21 percent. Monthly food and beverages rate of inflation for February 2013 stood at -0,33 percent, shedding 0,05 percentage points on the May 2013 rate of 0, 32 percent. Month-on-month non-food inflation stood at 0,72 percent gaining 0, 78 percentage points on the January rate of -0,06 percent. The Consumer Price Index for the month ending June 2013 stood at 100, 81 compared to 100,94 in May 2013 and 98, 97 in June 2012. *(Herald)*

ZIMBABWE'S platinum output is expected to rise this year on the back of increased production at the country's platinum mines. According to Platinum 2013, a report by Johnson Mathey PLC, Zimbabwe would benefit from reduced production in South Africa."There is no sign of any intent by the mines' South African parent companies to alter their production plans in this relatively low-cost mining area," the company said. The challenges within South Africa's platinum industry has seen production going down and this could present Zimbabwe with an opportunity to export more platinum. "The year 2012 saw an exceptional disruption to platinum mining in South Africa. At least 750 000 ounces of production was lost to strikes, safety stoppages and mine closures," the report said. According to the report, Zimbabwe produced 340 000 ounces of platinum last year but production at the three platinum mines has since increased and Zimplats' Ngezi mine's plan to increase platinum production to 270 000 ounces annually by 2015 is on schedule. Improvements in capacity utilisation at Mimosa last year enabled the mine to achieve 108 000 ounces of platinum concentrate. The mine is now operating at full capacity and production is expected to be flat this year. "Anglo American's Unki Mine has recorded a swift ramp-up to full production levels. In 2012, the mill processed 1,54 million tonnes of ore, up 20 percent compared to the previous year," the report said. Output at the mine is expected to increase again this year. Statistics from the Chamber of Mines show that platinum output is expected grow to 12 500kg from 10 525kg as the three major companies - Zimplats, Unki Mine and Mimosa - are investing millions of dollars in expanding operations. The firms which have complied with the economic empowerment regulations by disposing of 51 percent stake in their operations to locals, have pledged to restore mining industry growth.

In the four months to April 2013, platinum production was at 4 727kg and the mineral dominated Zimbabwe's mineral exports with US$210 million followed by gold at US$124 million and diamonds fetching US$113,7 million. Global demand for platinum has been robust in the past decade, driven by the rapid expansion of Chinese automobile industries which consume the bulk of the metal. And Zimbabwe, which has the world's second largest platinum resources after South Africa, is set to benefit from the boom. Despite rising production costs arising from a 60 percent increase in electricity charges, a 100 percent rise in royalty fees and a more than 1 000 percent increase in ground rental fees, the platinum mining sector in May last year accounted for 30 percent of the US$1,5 billion in export receipts after gold which contributed 55 percent. The Chamber of Mines says by the end of 2012, mineral exports accounted for more than 50 percent of annual exports in Zimbabwe. Platinum, together with gold and diamonds, accounted for over 90 percent of the value of minerals exported during the period.

The share of the mining industry to the country's Gross Domestic Product has increased from an average of 10,2 percent in the 1990s to above 15 percent in 2012, overtaking agriculture, which was once the backbone of Zimbabwe's economy. The mining sector continues to lead the country's economic recovery since 2009, with an average annual growth of about 30 percent. The sector is forecast to grow 17,1 percent this year from the 10,1 percent achieved last year. However, analysts say the mining sector might not meet the 17 percent growth target projected by Government due to softer international commodity prices and local systemic factors such as inadequate energy and sub-optimal cost structures.*(Herald)*

THE Zimbabwe Stock Exchange main industrial index defied analysts' predictions that it will trade sideways ahead of harmonised elections due later this month after posting its sixth straight gain yesterday. While investors tend to get less active ahead of a national election, resulting in cautious trading and positions that weigh down on stocks, the prevailing tranquillity seems to have helped their appetite. With only two weeks before the watershed polls, Zimbabwe has remained generally peaceful with no incidences of political violence, creating a peaceful environment expected by investors worldwide. Directionless trading on the domestic bourse was expected ahead of a major election due to the often cautious foreign investors who dominate trading on the ZSE as local investors were constrained by tight liquidity pervading the entire economy. Yesterday the industrial index surged 0,4 percent to close the week's opening trading session stronger at 224,9 points - its highest tally since dollarisation - after gains in NTS, Astra, ZHL and Edgars. NTS was the biggest gainer of the day, jumping 13,6 percent to close at US2,50c while Starafrica rose 9,1 percent to US1,20c, ZHL moved 7,7 percent to US1,40c and Edgars pushed 7,1 percent to US15c. These gains had enough weight to counter the weigh down effect of losses in CFI, ZPI, RTG and Zimplow. CFI shed 14,3 percent to US6c as ZPI lost 11,5 percent to US1,15c, RTG was 6,2 percent weaker at 1,10c and Zimplow softened 2 percent to close at US5c. However, the mining index lost 3,2 percent to start the week softer at 69,1 points after being weighed down by a 3,9 percent loss in nickel producer Bindura. This was despite a big gain in coal miner Hwange, which added a significant 16,7 percent at US17,5c. Bindura was traded at US2,5c while RioZim and its fellow gold producer Falgold were unchanged at previous price of US40c and US12c, respectively. While the volume of shares traded on ZSE was 12 percent higher at 7,7 million, the value declined by 42,3 percent from last Friday's levels to just US$1,355 million. Beverages maker Delta dominated the value after US$337 851 of its shares exchanged hands, followed by Innscor at US$234 263, Hippo US$229 204, OK US$157 820 and CBZ US$154 791. The value of shares traded in June plunged 35 percent to US$25,6 million while volumes that changed hands also nosedived 33,5 percent to 100 billion shares. Analysts cited the forthcoming harmonised election scheduled for the end of this month as influencing, mostly, the foreign investors' activities.*(Herald)*

A UNIT of Australia Stock Exchange listed Prospect Resources has invested in Zimbabwe's gold mining sector after the Zimbabwe Investment Authority approved the acquisition of a majority shareholding of local exploration company. The company yesterday announced that it had acquired a 70% stake in a gold exploration company which owns 100% of Bushtick Gold project of Esigodini and has the right to explore and mine at Penhalonga Gold Project amid plans to raise A$4,5m from a strategic investor. The deal, the company announced, complies with indigenisation and empowerment regulations compelling foreign-owned companies operating in Zimbabwe to sell 51% stakes to locals. Prospect also announced that it has also received strong support from strategic investors, including Blumont of Singapore. "Mineral explorer Prospect Resources Limited (ASX: PSC) (Prospect or the Company) is pleased to announce that its 100% owned UK subsidiary (Prospect UK) has subscribed for new shares to the value of US$50 000 representing 70% of Hawkmoth Mining and Exploration (Pvt) Limited (HME)," the company announced. "HME has entered into a senior exploration and mining agreement, providing HME the right to explore and mine the historic Bushtick Gold Mine and surrounding acreage including tailings dumps. "The right to explore outside of the tailings dumps is subject to receipt of a special mining grant (special mining grant has been lodged for approval by the relevant government department). In consideration for these rights, HME has agreed to pay an upfront fee of $50 000, and a 5% royalty of net gold revenues. HME must fund a feasibility study and reach a decision to mine within five years and pay an annual prospecting fee of $50 000 until royalties become payable." The two Zimbabwe gold projects, the company said, were historical producers of high-grade gold. Statistics show that Bushtick produced approximately 470 000oz gold at 5,4g/t cut-off until closure in 1950 while Penhalonga produced approximately 185 000oz of gold at 11g/t cut-off until closure in 1943. "HME has also acquired 100% of the share capital of Coldawn Investments (Pvt) Limited (Coldawn), which owns 100% of the tenements comprising the Penhalonga Gold Project, in consideration for US$20 000 and a commitment (up to five years) to fund exploration up to completion of a feasibility study to produce 25,000 oz of gold per annum for a period of 10 years," further reads statement. "(The) 70% ownership structure is approved by the Zimbabwe Investment Authority and is compliant with Zimbabwe indigenisation legislation. Financing brings key strategic relationships, including Blumont of Singapore, while subscription agreements signed to raise A$4,5million, conditional on shareholder approval." The mining sector is Zimbabwe's largest foreign currency earner with platinum and gold driving the sector. Experts say small scale gold miners have been in recent years critical in driving bullion output although major mining companies continue to account for the bulk of the output.*(News Day)*

Zimbabwe's year-on-year inflation rate for the month of June 2013 as measured by the all items Consumer Price Index stood at 1,87 percent shedding 0,33 percentage points on the May 2013 rate of 2,2 percent, the Zimbabwe National Statistics Agency has said. This means prices as measured by the all-items consumer price index increased by an average of 1,87 percentage points between June 2012 and June 2013. "The year-on-year inflation rate is given by the percentage change in the index of the relevant month of the current year, compared with the index of the same month in the previous year," said ZimStat. "The year-on-year food and non-alcoholic beverages inflation prone to transitory shocks stood at 2,9 percent while the non-food inflation rate stood at 1,35percent." The month-on-month inflation rate in June 2013 was -0,13 percent gaining 0,08 percentage points on the May's figure of -0,21 percent. Monthly food and beverages rate of inflation for February 2013 stood at -0,33 percent, shedding 0,05 percentage points on the May 2013 rate of 0, 32 percent. Month-on-month non-food inflation stood at 0,72 percent gaining 0, 78 percentage points on the January rate of -0,06 percent. The Consumer Price Index for the month ending June 2013 stood at 100, 81 compared to 100,94 in May 2013 and 98, 97 in June 2012. *(Herald)*

ZIMBABWE'S platinum output is expected to rise this year on the back of increased production at the country's platinum mines. According to Platinum 2013, a report by Johnson Mathey PLC, Zimbabwe would benefit from reduced production in South Africa."There is no sign of any intent by the mines' South African parent companies to alter their production plans in this relatively low-cost mining area," the company said. The challenges within South Africa's platinum industry has seen production going down and this could present Zimbabwe with an opportunity to export more platinum. "The year 2012 saw an exceptional disruption to platinum mining in South Africa. At least 750 000 ounces of production was lost to strikes, safety stoppages and mine closures," the report said. According to the report, Zimbabwe produced 340 000 ounces of platinum last year but production at the three platinum mines has since increased and Zimplats' Ngezi mine's plan to increase platinum production to 270 000 ounces annually by 2015 is on schedule. Improvements in capacity utilisation at Mimosa last year enabled the mine to achieve 108 000 ounces of platinum concentrate. The mine is now operating at full capacity and production is expected to be flat this year. "Anglo American's Unki Mine has recorded a swift ramp-up to full production levels. In 2012, the mill processed 1,54 million tonnes of ore, up 20 percent compared to the previous year," the report said. Output at the mine is expected to increase again this year. Statistics from the Chamber of Mines show that platinum output is expected grow to 12 500kg from 10 525kg as the three major companies - Zimplats, Unki Mine and Mimosa - are investing millions of dollars in expanding operations. The firms which have complied with the economic empowerment regulations by disposing of 51 percent stake in their operations to locals, have pledged to restore mining industry growth.

In the four months to April 2013, platinum production was at 4 727kg and the mineral dominated Zimbabwe's mineral exports with US$210 million followed by gold at US$124 million and diamonds fetching US$113,7 million. Global demand for platinum has been robust in the past decade, driven by the rapid expansion of Chinese automobile industries which consume the bulk of the metal. And Zimbabwe, which has the world's second largest platinum resources after South Africa, is set to benefit from the boom. Despite rising production costs arising from a 60 percent increase in electricity charges, a 100 percent rise in royalty fees and a more than 1 000 percent increase in ground rental fees, the platinum mining sector in May last year accounted for 30 percent of the US$1,5 billion in export receipts after gold which contributed 55 percent. The Chamber of Mines says by the end of 2012, mineral exports accounted for more than 50 percent of annual exports in Zimbabwe. Platinum, together with gold and diamonds, accounted for over 90 percent of the value of minerals exported during the period. The share of the mining industry to the country's Gross Domestic Product has increased from an average of 10,2 percent in the 1990s to above 15 percent in 2012, overtaking agriculture, which was once the backbone of Zimbabwe's economy. The mining sector continues to lead the country's economic recovery since 2009, with an average annual growth of about 30 percent. The sector is forecast to grow 17,1 percent this year from the 10,1 percent achieved last year. However, analysts say the mining sector might not meet the 17 percent growth target projected by Government due to softer international commodity prices and local systemic factors such as inadequate energy and sub-optimal cost structures.*(Herald)*

THE Zimbabwe Stock Exchange main industrial index defied analysts' predictions that it will trade sideways ahead of harmonised elections due later this month after posting its sixth straight gain yesterday. While investors tend to get less active ahead of a national election, resulting in cautious trading and positions that weigh down on stocks, the prevailing tranquillity seems to have helped their appetite. With only two weeks before the watershed polls, Zimbabwe has remained generally peaceful with no incidences of political violence, creating a peaceful environment expected by investors worldwide. Directionless trading on the domestic bourse was expected ahead of a major election due to the often cautious foreign investors who dominate trading on the ZSE as local investors were constrained by tight liquidity pervading the entire economy. Yesterday the industrial index surged 0,4 percent to close the week's opening trading session stronger at 224,9 points - its highest tally since dollarisation - after gains in NTS, Astra, ZHL and Edgars. NTS was the biggest gainer of the day, jumping 13,6 percent to close at US2,50c while Starafrica rose 9,1 percent to US1,20c, ZHL moved 7,7 percent to US1,40c and Edgars pushed 7,1 percent to US15c. These gains had enough weight to counter the weigh down effect of losses in CFI, ZPI, RTG and Zimplow. CFI shed 14,3 percent to US6c as ZPI lost 11,5 percent to US1,15c, RTG was 6,2 percent weaker at 1,10c and Zimplow softened 2 percent to close at US5c. However, the mining index lost 3,2 percent to start the week softer at 69,1 points after being weighed down by a 3,9 percent loss in nickel producer Bindura. This was despite a big gain in coal miner Hwange, which added a significant 16,7 percent at US17,5c. Bindura was traded at US2,5c while RioZim and its fellow gold producer Falgold were unchanged at previous price of US40c and US12c, respectively. While the volume of shares traded on ZSE was 12 percent higher at 7,7 million, the value declined by 42,3 percent from last Friday's levels to just US$1,355 million. Beverages maker Delta dominated the value after US$337 851 of its shares exchanged hands, followed by Innscor at US$234 263, Hippo US$229 204, OK US$157 820 and CBZ US$154 791. The value of shares traded in June plunged 35 percent to US$25,6 million while volumes that changed hands also nosedived 33,5 percent to 100 billion shares. Analysts cited the forthcoming harmonised election scheduled for the end of this month as influencing, mostly, the foreign investors' activities.*(Herald)*

A UNIT of Australia Stock Exchange listed Prospect Resources has invested in Zimbabwe's gold mining sector after the Zimbabwe Investment Authority approved the acquisition of a majority shareholding of local exploration company. The company yesterday announced that it had acquired a 70% stake in a gold exploration company which owns 100% of Bushtick Gold project of Esigodini and has the right to explore and mine at Penhalonga Gold Project amid plans to raise A$4,5m from a strategic investor. The deal, the company announced, complies with indigenisation and empowerment regulations compelling foreign-owned companies operating in Zimbabwe to sell 51% stakes to locals. Prospect also announced that it has also received strong support from strategic investors, including Blumont of Singapore. "Mineral explorer Prospect Resources Limited (ASX: PSC) (Prospect or the Company) is pleased to announce that its 100% owned UK subsidiary (Prospect UK) has subscribed for new shares to the value of US$50 000 representing 70% of Hawkmoth Mining and Exploration (Pvt) Limited (HME)," the company announced. "HME has entered into a senior exploration and mining agreement, providing HME the right to explore and mine the historic Bushtick Gold Mine and surrounding acreage including tailings dumps. "The right to explore outside of the tailings dumps is subject to receipt of a special mining grant (special mining grant has been lodged for approval by the relevant government department). In consideration for these rights, HME has agreed to pay an upfront fee of $50 000, and a 5% royalty of net gold revenues. HME must fund a feasibility study and reach a decision to mine within five years and pay an annual prospecting fee of $50 000 until royalties become payable." The two Zimbabwe gold projects, the company said, were historical producers of high-grade gold. Statistics show that Bushtick produced approximately 470 000oz gold at 5,4g/t cut-off until closure in 1950 while Penhalonga produced approximately 185 000oz of gold at 11g/t cut-off until closure in 1943. "HME has also acquired 100% of the share capital of Coldawn Investments (Pvt) Limited (Coldawn), which owns 100% of the tenements comprising the Penhalonga Gold Project, in consideration for US$20 000 and a commitment (up to five years) to fund exploration up to completion of a feasibility study to produce 25,000 oz of gold per annum for a period of 10 years," further reads statement. "(The) 70% ownership structure is approved by the Zimbabwe Investment Authority and is compliant with Zimbabwe indigenisation legislation. Financing brings key strategic relationships, including Blumont of Singapore, while subscription agreements signed to raise A$4,5million, conditional on shareholder approval." The mining sector is Zimbabwe's largest foreign currency earner with platinum and gold driving the sector. Experts say small scale gold miners have been in recent years critical in driving bullion output although major mining companies continue to account for the bulk of the output.*(News Day)*

THE rebound of the tobacco industry in recent years has ignited debate on the future of the cash crop as the state of the entire agricultural sector, once the mainstay of the economy, remains dire. The tobacco industry is now the country's second largest foreign currency earner after mining with more subsistent farmers switching to the crop to eke out a living. Critics blame the chaotic land reform carried at the turn of the millennium for triggering the collapse of the agricultural sector. The growth of the tobacco sector may threaten food security. Nearly 91 280 farmers registered to grow tobacco in 2013 with 55 802 registering for the next season. Of these, 17 003 will be growing the crop for the first time. The poor performance of the agricultural sector, experts say, has also had ripple effects on downstream industries such as the manufacturing sector, which is confronted by massive company closures. The tobacco marketing season closed early this month, generating $590 million from the sale of 160 million kg against a target of 170 million kg. Despite slightly missing the set target, farmer organisations believe that the sector may continue to trend upwards driven by conducive environment and strong demand from Asia. Official statistics show that although South Africa has overtaken China as the country's main importer of the golden leaf, the world's second largest economy bought the crop at an average of $8,13 per kg compared with South Africa's $2,96. The golden leaf was being sold at an average of $3,70 per kg at the three tobacco auction floors in the country, Tobacco Sales Floor, Boka Auction Floors and Premier Auction Floors. The Zimbabwe Commercial Farmers' Union (ZCFU), an organisation mainly representing farmers resettled under the agrarian reform, says the high cost of production, lack of irrigation infrastructure and climate change may in future affect tobacco output although the organisation remains optimistic that the upward trend will continue.

Turning to the World Health Organisation Framework Convention on Tobacco Control (FCTC) which could result in a cut in tobacco output, the ZCFU said there was no immediate threat to the local industry. "Tobbacco has improved livelihoods of farmers. As farmers, we will lobby against any ban that threatens the sector. The future of tobacco farming in Zimbabwe is great and we will continue to outstrip the current output," ZCFU president Wonder Chabikwa said. He said in the absence of long-term financing in the economy, government, should subsidise the sector. The Zimbabwe Tobacco Association — another farmer organisation representing white commercial farmers who lost vast tracts of land during the land reform programme, contends that strong demand from China may continue to drive the sector. "With Zimbabwe the strong demand from Asian markets, particularly China, there will be very little impact of the current FCTC anti-tobacco legislations. However, we need to ensure that our growers, value addition industries, products and key markets are protected hence our need to be a participating party at future FCTC conventions," said ZTA president Rodney Ambrose. "Zimbabwe is a primary producer and much-sought-after source of flavour tobacco and with the projected increased demand in tobacco products outside European markets, the future is very bright. Our objective is to achieve 200 million kilogrammes of flavour, bodied tobacco for key international markets in the next two to three seasons." He said the new government which comes after the July 31 election should ensure that land becomes a bankable security for all farmers. Tobacco Industry Marketing Board chief executive officer Andrew Matibiri says future growth of the industry needed to be anchored on the availability of capital. "More and more farmers are taking an interest in growing the crop, or increasing their production scales because of the straightforward marketing systems that have been developed for tobacco. Most growers are fully aware of the growing requirements for tobacco, but are unable to fully meet the crop's exacting demands," said Matibiri.*(News Day)*

THE Confederation of Zimbabwe Industries has forecast a further decline in capacity utilisation this year, as manufacturing companies remain under pressure from tight liquidity and competition from low-priced imports. Last year, the industrial lobby group reported capacity utilisation for manufacturers declined from 57 percent in 2011 to 44 percent, the first time since the country adopted the multi-currency system is 2009. "We are conducting a survey to measure and assess capacity utilisation for 2013 and we think that it will have declined even further," said CZI president Mr Charles Msipa in an interview with Star FM. "The issues pertaining to this are to do with lack of access to capital, that has been one issue that has affected a lot of industries and I should stress that it is not a consistent picture throughout. "There are many industries that have suffered a very low capacity utilisation because they have not been able to access capital for their raw materials for one reason or the other but there are some, particularly in food and beverages sector that have also been able to access capital and that have increased their capacity utilisation. But broadly I would say that, yes, capital has been a major challenge for the past four years since the introduction of trading in multiple currencies." The manufacturing production is only 60 percent of its 1980 levels while the output is lower than in the late 1960s, economists say. The country is now importing the bulk of basic commodities because local companies cannot meet demand. "Zimbabwe is a serial over-consumer and demand spills over into imports. It has become a high-cost, low-productivity economy that attracts imports and undermines export competitiveness," one economist said. Poor performance of the agricultural sector has also led to a stagnant growth in the manufacturing sector. This is particularly so because almost 70 percent of industrial raw materials come from the agricultural sector. Since 2009, investment into the manufacturing sector has remained subdued, with only 17 percent of local companies managing to secure investments, the Finance Ministry said last year. According to the CZI, about US$2 billion is needed to revive industry. Between 60 and 70 percent will be required for new equipment while the remainder would be for working capital, Mr Msipa said. Low capacity utilisation has also massive triggered retrenchment. "Since I don't have the exact figures of the numbers of people who have been retrenched in the last four years I think there is a Retrenchment Board in the Ministry of Labour that may have more reliable statistics, but I would say that . . . an estimated 30 percent have been retrenched in the past year," said Mr Msipa. *(Herald)*

ZIMBABWE'S interest rates are expected to rise this year driven by a widening balance of payment deficit as the economy continues to underperform, University of Zimbabwe (UZ) Graduate School of Management Professor Tony Hawkins has said. Plagued by liquidity constraints due to low foreign direct investments and a huge trade deficit, official figures show that credit remains very expensive in Zimbabwe with corporates being charged an annual interest of 10%, while 14,5% annualised interest is charged individuals. The current interest rates regime came after the Reserve Bank of Zimbabwe and the Bankers Association of Zimbabwe signed a memorandum of understanding to lower bank charges and interest rates. Official figures show that exports account for a third of Gross Domestic Product (GDP) compared to imports which account for 52% of GDP. According to a paper presented at the IHS Africa Outlook Conference in Sandton, South Africa, Hawkins this week said the outcome of the forthcoming elections would drive short term economic performance. He cited three scenarios that could emerge from the polls. Hawkins said a worst case scenario resulting from a widely contested election would trigger political wrangling and deepening policy uncertainty. A base scenario—a Zanu PF victory recognised both in the region and the international community would result in intra-party fighting and intensify the indigenisation and empowerment regulations compelling foreign owned companies operating in the country to dispose of 51% to locals. The UZ lecturer said while an MDC victory, which he described as the "Best Case" scenario would ignite economic growth, driven by closer engagement with the international community and greater economic policy rationality. "A key concern is the widening gap between a stable US dollar and a falling rand. Over the last year the dollar has gained 3%, while the rand is down 15% — an 18 percentage point gap. If South African exporters pass on their devaluation gains in the form of lower import prices to Zimbabwe, the country would benefit. But because Zimbabwe is a captive market there is really no reason why they should," Hawkins said. "Interest rates are more likely to go up than down, reflecting the tight liquidity situation — itself a function of a huge BOP deficit. There has been no deposit growth in 2013 and banks are fully loaned up (81% of their deposits)." Hawkins warned that a Zanu PF government would likely disregard economic measures prescribed by the International Monetary Fund after the fund agreed on Zimbabwe's Staff Monitored Programme (SMP) which seeks to assist the country in settling its $10,7 billion debt. "The recently-signed SMP is a first step towards that goal, but it is one that could be derailed by either a Zanu PF election victory or another electoral stalemate. Zimbabwe cannot go on borrowing at such a rate, and must negotiate a debt-relief agreement with creditors sooner rather than later," Hawkins said. "Last year the IMF estimated that the US dollar was 15% overvalued (in Zimbabwe), thereby making the economy highly uncompetitive. Foreigners are not going to supply the requisite capital so long as economic and resource nationalism dominate the policy agenda and there is no debt-restructuring agreement. FDI is more closely correlated with growth, but Zimbabwe's current hostile stance towards FDI limits such inflows." *(Newsday)*

Disclosures Appendix

This Publication is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of any jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or would subject Securities Africa Limited, or its subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction. Neither this Publication nor any copy of it may be distributed in any jurisdiction where its distribution may be restricted by law and any persons into whose possession this Publication comes should inform themselves about, and observe, any such restrictions.

The information contained in this Publication or on which this Publication is based has been derived from sources believed to be reliable and accurate however no representation or warranty, express or implied, is made as to the fairness, completeness, accuracy, timeliness or otherwise of the information or opinions contained in this Publication and no reliance should be placed on such information or opinions. The information contained in this Publication has not been independently verified by Securities Africa Limited. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted as to or in relation to the fairness, completeness, accuracy or timeliness or otherwise of this Publication or as to the reasonableness of any assumption contained, nor for errors of fact or omission or for any opinion expressed in this Publication.

Past performance should not be taken as an indication of future performance, and no representation of any kind is made as to future performance. The information, opinions and estimates contained in this Publication are provided as at the date of this Publication and are subject to change without notice. Distribution of this Publication does not constitute a representation, express or implied, by Securities Africa Limited, or its advisers, affiliates, officials, directors, employees or representatives (the "Parties") that the information contained in the Publication will be updated at any time after the date of the Publication. The Parties expressly do not undertake to advise you of any information coming to any or all of their attention.

Any opinions expressed in this Publication may differ or be contrary to opinions expressed by other business areas or groups of Securities Africa Limited as a result of using different assumptions and criteria. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results.

All projections and forecasts in this Publication are illustrative only. The actual results may be materially affected by changes in economic or other circumstances, which cannot be foreseen. No representation or warranty is made by any of the Parties as to the achievability or reasonableness of any projection or forecast contained in this Publication.

This publication is provided to you for information purposes only on the understanding that Securities Africa Limited is not acting in a fiduciary capacity. It does not address specific investment objectives or financial situations, and any investments discussed may not be suitable for all investors. Prospective investors must make their own examination and evaluation of the merits and risks involved in the securities set out in this Publication including any legal, taxation, financial and other consequences of investment and should not treat the contents as advice relating to legal, taxation or other matters. This report is not to be relied upon in the substitution of independent judgment with respect to any investment decision. Investors should consider this Publication as only a single factor in making their investment decision, and as such, the Publication should not be viewed as identifying all risks, direct or indirect, that may be associated with any investment decision.

Foreign currency-denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk.

Securities Africa Limited conducts designated investment business only with eligible counterparties and professional clients. To the extent permitted by law and regulation, Securities Africa Limited accepts no liability whatsoever for any loss howsoever arising, directly or indirectly, from any use of this Publication or its contents or otherwise arising in connection with that. This Publication is not intended for distribution to retail clients.

By receiving this Publication, the recipient agrees to keep confidential the information contained in this Publication together with any additional information made available following further inquiries. None of the material, nor its content, nor any copy of it, may be altered in any way, disclosed, published, reproduced or distributed to any other party, in whole or in part, at any time, without the prior written permission of Securities Africa Limited.

Nothing in this Publication constitutes or forms part of, and should not be construed as, an offer for sale or subscription of, or solicitation of any offer to buy, sell or subscribe for, the securities of the Company, nor should it or any part of, form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

Securities Africa Limited and/or its associates and/or any of their respective clients may have acted upon the information or opinions in this Publication prior to your receipt of it. Securities Africa Limited and/or its associates may provide investment banking services to the Company and in that capacity may have received confidential information relevant to the securities mentioned in this Publication which is not known to the researchers who have compiled this Publication.

Securities Africa Limited and/or its associates and/or their officers, directors, employees or representatives may from time to time purchase, subscribe for, add to, dispose of or have positions or options in or warrants in or rights to or interests in the securities of the Company or any of its associated companies mentioned in this Publication (or may have done so before publication of this Publication) or may make a market or act as principal or agent in any transactions in such securities.

This report may not have been distributed to all recipients at the same time. This report is issued only for the information of and may only be distributed to professional investors (or, in the case of the United States, major US institutional investors as defined in Rule 15a-6 of the US Securities Exchange Act of 1934) and dealers in securities and must not be copied, published or reproduced or redistributed (in whole or in part) by any recipient for any purpose.

English law governs the issue, publication and terms of this Publication and any disputes arising in relation to any of them will be subject to the exclusive jurisdiction of the English courts.

By accepting this Publication, you agree to be bound by the foregoing limitations. No part of this material may be (i) copied, photocopied or duplicated in any form by any means or (ii) redistributed without the prior written consent of Securities Africa Limited.

SECURITIES AFRICA®