SECURITIES AFRICA
RESEARCH & CAPITAL MARKETS

PAN-AFRICA

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

TRADING

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

AFRICA STOCK EXCHANGE PERFORMANCE

				WTD % Change		YTD % Change	
Country	Index	30-May-14	6-Jun-14	Local	USD	Local	USD
Botswana	DCI	9096.73	9114.93	0.20%	-1.11%	0.68%	-0.67%
Egypt	CASE 30	8242.94	8498.65	3.10%	3.05%	25.30%	21.45%
Ghana	GSE Comp Index	2319.12	2343.98	1.07%	1.07%	9.27%	-13.61%
Ivory Coast	BRVM Composite	230.61	238.49	3.42%	173.78%	2.79%	169.04%
Kenya	NSE 20	4881.56	4847.80	-0.69%	-0.33%	-1.61%	-2.65%
Malawi	Malawi All Share	13233.53	13237.97	0.03%	-0.61%	5.64%	12.76%
Mauritius	SEMDEX	2077.87	2091.96	0.68%	0.76%	-0.18%	-0.61%
	SEM 7	405.98	406.45	0.12%	0.19%	0.70%	0.26%
Namibia	Overall Index	1094.17	1105.80	1.06%	-1.60%	10.91%	8.51%
Nigeria	Nigeria All Share	41474.40	41602.09	0.31%	0.20%	0.66%	-0.48%
Swaziland	All Share	284.32	284.32	0.00%	-2.63%	-0.47%	-2.63%
Tanzania	TSI	3206.25	3212.71	0.20%	-0.73%	12.98%	7.11%
Tunisia	TunIndex	4537.54	4528.48	-0.20%	-0.38%	3.36%	3.81%
Zambia	LUSE All Share	6027.98	6033.80	0.10%	2.80%	12.81%	-7.52%
Zimbabwe	Industrial Index	174.89	178.58	2.11%	2.11%	-11.65%	-11.65%
	Mining Index	35.44	38.69	9.17%	9.17%	-15.51%	-15.51%

CURRENCIES

Cur-rency	30-May-14 Close	6-Jun-14 Close	WTD % Change	YTD % Change
BWP	8.65	8.76	1.32	1.36
EGP	7.13	7.13	0.05	3.17
GHS	1.87	2.98	-	26.48
CFA	482.10	182.11	-62.23	-61.79
KES	86.31	86.00	-0.36	1.07
MWK	384.10	386.56	0.64	-6.31
MUR	29.17	29.15	-0.08	0.44
NAD	10.44	10.72	2.70	2.21
NGN	161.19	161.36	0.11	1.14
SZL	10.44	161.36	2.70	2.22
TZS	1,626.90	1,642.11	0.93	5.49
TND	1.63	1.63	0.18	-0.44
ZMW	6.89	6.70	-2.63	21.99

Botswana

Corporate News

No Corporate News This Week

Economic News

No Economic News This Week

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Egypt

Corporate News

Dubai-based construction firm Arabtec Holding aims to float half of its Egyptian unit on the Cairo stock exchange in 2016 or 2017 in an initial public offer that would value the unit at around $10 billion, the firm said on Monday. In response to questions from Reuters, Arabtec also said it planned to invest about $60 billion in Egypt over the next three years in sectors such as real estate development, infrastructure, trains, airports, and oil and gas. The company did not give details of its plans, which will depend heavily on factors outside its control, such as Egypt's political and economic stability in the wake of its 2011 revolution. Nor did it specify how it would finance such huge investments, which could strain its finances at the company's current size. Arabtec's revenues rose 30 percent to 7.4 billion dirhams ($2.0 billion) last year. But the announcement underlined how Egypt, which is trying to rebuild its economy after three years of political turmoil, can hope for substantial support from state-backed companies in the wealthy Gulf countries. The United Arab Emirates, Saudi Arabia and Kuwait applauded the ouster of Egypt's Islamist president Mohamed Mursi last year and have given Egypt billions of dollars of aid since then to help prevent any resurgence of the Muslim Brotherhood. Arabtec, whose largest shareholder is Abu Dhabi state fund Aabar with a 22 percent stake, has emerged as a major channel for the UAE's economic diplomacy. The company said in March that it would help to ease Egypt's politically sensitive housing shortage by launching a $40 billion project to build one million homes by 2020 on land provided free by Egypt's armed forces. In its statement on Monday, Arabtec linked its planned investments in Egypt to last week's presidential election victory by former army chief Abdel Fattah al-Sisi, the favourite of the Gulf states. "The political stability which will be witnessed in Egypt following the victory of Field Marshal Abdel Fattah al-Sisi in the presidential election will boost the company's investment plans in Egypt," the company said. *(Reuters)*

Economic News

The Suez Canal brought in $442.4 million in April, up almost 9 percent from the same month last year. Egypt's Suez Canal revenues rose 8.9 percent to $442.4 million in April as compared to the same month a year earlier when the canal collected $406.1 million in revenues, according to a government website for state information. Last week, head of the Suez Canal Mohab Mamesh announced that a new record had been set regarding the size of transported cargo, with 59 ships carrying 3.7 million tons of cargo in a single day. The world's largest container ship, carrying 200,000 tons, passed through the canal on Saturday from Morocco on its way to Malaysia, added Mamesh. The Suez Canal is one of Egypt's main sources of foreign currency.(*Ahram)*

Business activity in Egypt shrank for the third month in a row in May, a poll showed on Tuesday, in a sign the economy remains fragile as former army chief Abdel Fattah al-Sisi is set to become the country's next president. Egypt's economy has been hit by more than three years of political and economic turmoil after the 2011 uprising against veteran autocrat Hosni Mubarak. The government is walking a fine line in an attempt to boost revenues and cut a high deficit at the same time as luring investors into the country. The HSBC Egypt Purchasing Managers Index (PMI) for the non-oil private sector stood at 48.7 points in May, down from 49.5 in April. Readings above 50 indicate expansion, while those below 50 point to contraction. The index had been below 50 for 13 months through October."It's another disappointing number and contains no signs that the economy is starting to recover - output is weak, new orders are falling and employment is contracting," said Simon Williams, Chief Economist for the Middle East at HSBC.

"This is the eighteenth time in the past 20 months that the PMI has printed below 50 - a protracted and deep slump in activity that underscores the scale of the challenges the new regime faces as it seeks to revive the country's economic fortunes."Economic plans announced so far have not spelled out many details of how Sisi intends to boost growth. Egypt's economy is set to grow only about 2 percent this fiscal year through to end-June, with a budget deficit of around 11-12 percent of gross domestic product forecast for this and the next fiscal year. The PMI survey of around 350 private-sector firms showed output contracting for the second time since January, with the related subindex falling to 47.5 points in May from 49.8 a month earlier. The subindex for new orders edged further into contraction territory at 48.5 points, down from 49.3 points in April. New export orders fell at a slower rate, with the subindex at 47 points compared with April's 46.5 points.

Egypt's central bank had allowed the Egyptian pound to weaken against the dollar in May, narrowing the gap between official and black market rates at a time when businesses want clarity on the direction of the currency. Businesses cut staff in May at a faster pace than in April. Output prices fell with that subindex at 49.3 points after stagnating in April. Input prices rose again, squeezing company margins, albeit more slowly than in April. Egypt's annual core inflation rate, which strips out subsidised goods and volatile items including fruit and vegetables, slowed to 9.11 percent in April from 9.9 percent in March, the central bank said last month. *(Reuters)*

Egypt's foreign reserves fell to $17.284 billion at the end of May from $17.489 billion in April, the central bank said on Thursday. Reserves fell sharply after a 2011 uprising that ousted President Hosni Mubarak but were lifted last year when Gulf Arab states gave billions of dollars in aid to Egypt after the army deposed elected Islamist President Mohamed Mursi following protests against his rule. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

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Ghana

Corporate News

TECNO Mobile, the leading dual Simmobile phone manufacturer, last Saturday May 31, 2014 swept the two awards for the mobile handheld device categories at this year's edition of the prestigious Ghana Telecom Awards. TECNO's flagship phone, Phantom, won Smartphone of the Year award, while its distributing outlet Mobile Zone, won Distributor of the Year award for the third straight year. The win consolidates TECNO's ever-growing popularity in the Smartphone market locally as well as in and across Africa. Already the fastest growing mobile phone brand in Africa, the award reaffirms TECNO Mobile's strong hold on the market, which it has impressively led over the years. In line with its leadership status, TECNO Mobile has introduced the first 1.5 GHz 6 Core Processor hand held device, the TECNO R7, onto the Ghanaian market."We are excited about this. My team have worked hard to make this happen," Maxwell Techie, CEO of TECNO Ghana said. Mr. Maxwell Techie, whose incredibly brilliant business acumen has led to the company's growth over the years, has succeeded in making a stronger case for indigenous local business. He adds: "This would encourage us to do more. Our recent successes in Africa are ample proof of how serious we take what we do."Officials of TECNO were on hand to receive all two awards at the event, which saw Ghana's finest heads in telecommunications attending. *(GhanaWeb)*

Gold Fields Ghana, the country's largest gold producer with mines in Tarkwa and Damang in the Western Region, was presented with a platinum award at the 10th Anniversary of the Ghana-Africa Business Awards, organised under the auspices of the Ministry of Foreign Affairs and Regional Integration. The awards recognise the contributions businesses make towards Ghana's development through the promotion of trade, investment, and other economic relations between Ghana and sister African countries. The company was honoured for its investment promotion in the mining sector, having spent over US$2.4 billion in direct investments since it started operations. This is apart from the over US$26 million that the company has spent on the socio-economic development of its stakeholder communities. Gold Fields Ghana's award was received by the Executive Vice President and Head of West Africa, Mr. Alfred Baku. Mr. Baku said, "even in such a tough economic and fiscal environment, the company is still pumping over US$180 million this year into its operations in both Tarkwa and Damang.

In 2013, we paid almost US$218 million in taxes and royalties to the government of Ghana. We continue to honour our legal obligations to government, and social commitment to our stakeholder communities." Gold Fields Ghana established a Foundation in 2004, the first to be set up by a mining company in Ghana, to serve as a vehicle for its social investment in stakeholder communities, focusing mainly on education, agriculture, health, water and sanitation, and infrastructure. For every ounce of gold produced, Gold Fields Ghana donates a dollar to the Foundation, and tops it up with an additional 0.5% of the company's pre-tax profit. To ensure that community development does not terminate when the mine eventually closes, the Foundation, since 2008, has been depositing 10% of its annual allocation into a posterity account, the Legacy Account. This 10% is invested in financial instruments, and is meant to be used to continue community development, only after the life of the mine. *(Ghana Web)*

Economic News

A study conducted by the Friedrich Ebert-Stiftung Foundation to assess the effects of oil production in Ghana has recorded an increase in the cost of livelihood over the last three years. Results of the survey revealed that since the start of oil production in 2009, there has been a rapid increase in costs of living in most parts of Ghana, however, slower in the North than in the rest of the country. Out of the 3000 respondents sampled in all 10 regions of the country, 79.6 percent who answered questions on "Changes in cost of Living" believe that the cost of living has soared in the last few years. Only 14.7 percent of the respondents stated that the living costs did not change, while 5.7

percent believe that the costs even decreased. The answers according to the regions vary compared to the national average result, the report said. "The results from the regions with the highest population in Ghana (Greater Accra 80.6 %, Ashanti Region 83.2 %) are above the nationwide average." This can be explained by the economic importance of these regions, the study further analyzed.

Furthermore, "the living costs in the Northern Regions have increased as well, but compared to the rest of Ghana it is evident that the results from Upper East (67.8 %) and Upper West (71.4 %) are below the national average." This, the report said, could be an indicator that despite the increasing cost of living in some regions, they are increasing slower in the North than in the rest of the country. For respondents with families, the report also noted that "an overwhelmingly 87.9 percent of respondents who have no children are complaining about higher costs of living. They even surpassed those with children." The hypothesis was that the percentages of the respondents would increase proportionally to the increasing number of children. Also, 82.5 percent of the respondents working in the public sector stated that the cost of living has increased. The study titled, "Oil Production and its Impact on the Livelihood of Communities in Ghana" was conducted by Friedrich Ebert Stiftung (Ghana Office), a political foundation that seeks to promote security, social democracy and economic development in connection with You-net.(*GhanaWeb)*

The Ministry of Employment and Labour Relations (MELR) will soon establish a Maritime Labour Unit at the Ministry which would work in close collaboration with the Ghana Maritime Authority to promote maritime labour in the country. The Unit, when established, would also ensure the implementation of the Maritime Labour Convention, 2006 of the International Labour Organization (ILO) which Ghana has ratified. The Minister of Employment and Labour Relations, Nii Armah Ashietey made the statement when he addressed staff and management of the Ethiopian Shipping and Logistics Services Enterprise (ESLSE) in Addis Ababa recently. The Minister, Nii Armah Ashietey, who is also a renowned Maritime expert, was invited by the Ethiopian Government under the auspices of the ESLSE to the closing ceremony of the Golden Jubilee celebrations of the Company. According to the minister, the envisaged Maritime Labour Unit under MELR would also examine a Report on Youth Employment in the Maritime Industry which was prepared a few years ago by the Ministry with UNDP support.

The Report contains useful recommendations related to youth employment in the maritime industry, he added. The minister commended the performance of the Ethiopian Shipping Line for its contribution of eight billion Birr (about $400 million.) to the Ethiopian economy in 2013 and with an expectation to increase this to ten billion Birr (about $500million) in 2015. He expressed optimism that Ghana would reactivate its shipping line under a Public Private Partnership to boost the maritime industry to contribute more meaningfully to the country's GDP. He also envisaged that a maritime youth employment module would be developed under the Ghana Youth Employment and Entrepreneurial Agency (GYEEDA) when the programme is reformed and restructured to implement the recommendations of the UNDP Report . Nii Armah Ashietey paid a courtesy call on Ghana's Ambassador to Ethiopia, Mr. Albert Yankey, taking advantage to hold brief meetings with the staff and the Defense Advisor. He advised the Mission Staff to work hard and to lift high the flag of Ghana in all that they do. The Ambassador, the Defense Advisor and staff all had a common message for the Minister i.e. appealing to the Government of Ghana as a matter of urgency, to construct a new Embassy building for the Mission to replace the existing one, which does not befit the status of Ghana as far as its role in the African unity discourse is concerned. The minister was accompanied by R.S. KUUZEGH, the Director of Finance and Administration at the Ministry (F&A). *(GhanaWeb)*

Government is targeting between $3-5 billion in annual foreign direct investments (FDI) between now and 2018 to improve the macro-economy and boost growth, Haruna Iddrisu, Trade and Industry Minister, has said. Ghana is among the top-three destinations for foreign direct investment in Africa, according to the United Nations Conference on Trade and Development (UNCTAD) which publishes an annual global investment report. Despite significant macro-economic challenges and a new investment law that sets fresh conditions for FDI in certain sectors of the economy, foreign investors have largely kept faith with the country. Last year, $3.9 billion worth FDI projects were registered with the Ghana Investment Promotion Centre (GIPC), and $88 million of initial capital transformed within the year. Inaugurating a new 10-member board of the GIPC in Accra, Mr. Iddrisu tasked the centre to work aggressively toward achieving the government's FDI target. "You will be the most attractive magnet in terms of getting foreign investments into our country. We should be looking at $3 billion to $5 billion between now and 2018 to improve the macroeconomic environment," he said. He also directed the board to establish within 45 days a one- stop shop for investment information, advisory services and registration. This follows recommendations from an open forum held in Accra earlier this year to discuss the GIPC law that was enacted in 2013. Panellists at the forum - including Ishmael Yamson, a former chairman of the GIPC, and Robert Ahomka-Lindsay, a former chief executive -- criticised the law for its failure to reduce bureaucracy through creating a one-stop shop. Mr. Iddrisu said the country's investment landscape remains favourable due to its political stability and requested the board to increase participation by locals in FDI projects, and to provide advice on incentives needed to boost domestic competitiveness.

He also charged the board with designing strategic tax incentives that will attract FDI to other regions apart from Greater Accra, which receives more than 80 percent of FDI projects. Dr. Michael Agyekum Addo, the respected entrepreneur and boss of the Kama Group of Companies with interests in health services and commercial real-estate, is the chairman of the new board. Other directors include Nii Lante Vanderpuye, the Deputy Trade Minister; Millison Narh, a Deputy Governor of the central bank; Mawuena Trebarh, GIPC's chief executive; and Nana Osei Bonsu, chief executive of the Private Enterprise Federation (PEF). Dr. Addo said the board will streamline the investment registration process and ensure that it protects the country's interests in investment negotiations. "We hope to reduce bureaucracy and create an atmosphere of trust among business clients, as well as advocate strongly for domestic capital mobilisation and a long-term development plan." Among the country's top sources of FDI are the United States, Britain, China and India. *(Ghana Web)*

The Minister of Trade and Industry, Haruna Iddrisu, has tasked the newly inaugurated Board of Directors of the Ghana Investment Promotion Centre (GIPC) to work at removing bureaucracy and bottlenecks in the investment sector of the country. The10-member board, chaired by the Chief Executive Officer (CEO) of KAMA Group of Companies Limited, Dr Michael Agyekum Addo, has, thus, been given 45 days to establish a one-stop administrative centre where investors can have their businesses registered and all their investment needs catered for within a short period. The minister said "investors should be able to do business at ease," and assured them of the government's support in their quest. Mr Iddrisu also called on the board to work at ensuring that the domestic sector was not neglected. He called on them to work at promoting both local and foreign investment in the country, as well as fine-tuning the issue of local content in foreign investment in the country to ensure that it did not become a disincentive to foreign investors. The chairman of the board, in a response, assured the minister of the commitment of the members of the board to help improve the investment portfolio of the country. He said the board would advocate a long-term development plan to ensure that they met the needs of the investor community. Dr Agyekum Addo said as a board, they would work at protecting the country's interest in all investments. The board would also work at encouraging investment in deprived regions to help create job opportunities for the indigenes, he emphasised. *(Ghana Web)*

Kenya

Corporate News

KCB Group plans to increase its customer number by two-thirds to five million by next year as it seeks to accelerate growth. The bank's customers currently stand at three million, having already doubled in the 18 months to March this year. At the end of 2012, KCB had 1.28 million deposit accounts or 8.1 per cent of the market at a time its closest rival Equity Bank had more than seven million or 44 per cent of the market. Group CEO Joshua Oigara said last Friday that the bank held 15 per cent of the market in terms of customers as at the end of March this year. "We are now at the fourth position in the industry in terms of market share for customers, having doubled in the past 18 months. We are targeting five million by next year," he said. KCB's attainment of three million customers or 15 per cent of the market shows its growth has been faster than the sector average. Equity Bank announced in April that it closed the first quarter of the year with 8.7 million customers. The total industry deposit accounts stood at 21.12 million at the end of last September, an increase of 2.15 million from the previous quarter, partly due to the launch of mobile banking product M-Shwari by Commercial Bank of Africa and Safaricom.

The CBK is yet to release customer figures for the end of 2013 and first quarter of this year. Mr. Oigara said the lender viewed its youthful workforce as a major positive driver of growth, noting that 60 per cent of staff are aged below 35 years. He said the company is concentrating on consolidating its position in branches and will not open any new branches this year but in the future it would consider such countries as Ethiopia and the Democratic Republic of Congo. KCB operates in Uganda, Tanzania, Burundi, Rwanda and South Sudan. The institution targets to improve on customer satisfaction from 82 per cent a year ago. "We intend to increase the customer experience to 90 per cent or more. Among the initiatives we are taking towards this end is introducing Wi-Fi for internet connection in some branches," said Mr. Oigara. He said the non-performing loans had fallen over the years, even though a few large customers owing billions of shillings had experienced difficulties repaying loans as they awaited payments for the government-funded projects they were undertaking. The CEO refuted claims that banks were charging more than was reasonable in terms of lending rates saying the accusation did not take into account cost of funds. "The cost of providing power and security at the branches is very high. If I were to remove the guards, that alone would cut the bank's costs by one per cent. There is also the level of savings and inflation that affect the cost of funds," said Mr. Oigara. *(Business Daily)*

Nation Media Group (NMG) will install a Sh1.5 billion state-of-the-art printing press mid next year to improve the quality of newspapers and increase pagination. It will replace the current one at Nairobi's Mombasa Road printing plant that has been in use for the past 17 years. The capital expenditure plan was revealed at NMG's annual general meeting in Nairobi on Friday by group chairman Wilfred Kiboro. "We expect to commission the new press mid next year," said Mr. Kiboro, adding that NMG has already ordered the modern printer. The new press is part of the company's ongoing investments in operations and distribution meant to boost sales and efficiency. Mr. Kiboro said the company will this year focus on consolidating its subsidiaries and will temporarily suspend its regional expansion plans owing to increased risks. He cited political instability, terrorism, hostile media laws and regulations as some of the factors that have depressed investor confidence in eastern Africa. He said the company is ready to resume its outward expansion once the outlook has improved. NMG has over the past five years invested billions of shillings in acquisitions and greenfield ventures in print, digital and broadcast media in Uganda, Rwanda and Tanzania. Subsidiaries in these markets have contributed positively to the group's earnings, helping to diversify from the Kenyan market and offering potential for future growth.

The company had cash and cash equivalents amounting to Sh4 billion as of December, having climbed from Sh3.9 billion in the year ended 2012. Mr. Kiboro said the growing cash pile is critical in funding NMG's future growth and maintaining its financial strength. The cash reserves also earn hundreds of millions of shillings in interest, boosting the group's overall performance. While the company has adopted a wait-and-see stance to regional expansion, it will continue to invest in digital platforms that are growing fast. "We continue to invest in digital platforms knowing full well that this is the future of media," said Linus Gitahi, NMG's chief executive officer. Mr. Gitahi noted that the company's digital media, comprising online news websites and SMS-based subscription services, grew by double digits in the year ended December. He added that the investment in digital platforms puts the company in good stead to carry over its dominance in print media. Shareholders approved the payout of a total dividend of Sh10 per share for the year ended December, when the firm's pre-tax profit grew 2.4 per cent to Sh3.6 billion. NMG's share price closed at Sh314 on Friday, gaining Sh2 from the previous day's price of Sh312.*(Business Daily)*

Co-operative Bank is seeking to enter the Ethiopian market through a joint venture. The bank's chief executive, Gideon Muriuki, said on Friday the Ethiopia entry will be in addition to the planned venture into Tanzania and Uganda, which he estimates will cost Sh1.8 billion ($20 million). "Just like in Uganda where we are planning to establish our presence through joint ventures, the same model will apply in Ethiopia,'' said Mr. Muriuki. Co-operative Bank already has a presence in South Sudan where it entered through joint ventures with the local co-operative movement. Its bid to enter Ethiopia, which frowns upon foreign investment in its financial sector, will be helped by a special agreement former president Mwai Kibaki signed with Ethiopia's Prime Minister Hailemariam Desalegn allowing Kenyan lenders to establish offices in the country. Ethiopia restricts foreign investors from venturing into its telecommunications, banking, media, retail, insurance, and electricity sectors, only allowing selective participation. The restriction has slowed the expansion agenda of Kenyan banks, which have opened subsidiaries in the region to cut reliance on the local market. Lenders like Equity Bank had outlined ambitions of opening shop in Addis Ababa in the hope that Ethiopia would open its financial services sector to foreign investors.*(Business Daily)*

Equity Bank is set to give loans to its customers for purchase of 10 million smartphones over the next four years to support the lender's switch to mobile banking. The bank's chief executive James Mwangi said in an interview that customers will be given loans and repay the smartphones in instalments. "The smartphones acquired will be used as guarantee, for those who fail to honour the contract we will simply disable their handsets," said Mr. Mwangi. Equity Bank announced on Monday last week that it will be launching its mobile money services next month, which will also come with voice and data services. The lender acquired a Mobile Virtual Network Operator (MVNO) licence from the communications regulator to give it more control of its mobile banking strategy. Besides potentially raising uptake of its mobile banking service, Equity's move is set to provide a new revenue stream from the loans advanced on handsets. "We will charge a two per cent interest rate (per month) on the phone loans, we cannot charge an interest higher than what we charge for our other banking products," said Mr. Mwangi. Compared to basic handsets that retail from as low as Sh1,500, smartphones with the capability of handling data-hungry services sell from about Sh7,000, indicating a likely lucrative lending opportunity for Equity, whose total loan book stands at about Sh200 billion. Customers will choose their favourite mobile handsets under the scheme, similar to a laptop loans deal dubbed "Laptop ni Lazima" that targeted students.

Equity's subsidiary for mobile services, Finserve, is among three firms that the Communication Authority of Kenya (CAK) licensed as Mobile Virtual Network Operators in April. The MVNO licence enables an entity to offer services such as customer registration, SIM card issuance, billing and customer care to end users without holding a spectrum licence. Other than Finserve, other providers that were licensed include Mobile Pay Limited, owned by Tangaza Money and ZionCell. Currently there are only slightly over 4.5 million smartphone handsets and tablets connected to the four mobile providers; Safaricom, Airtel, Orange and yuMobile; against a mobile subscriber base of 31.3 million. This means that most mobile subscribers have basic phones which are not capable of accessing faster internet services such as 3G, leaving a huge unutilised investment by the mobile firms. According to latest statistics from the industry regulator, the number internet subscriptions rose to 13.1 million from 11.6 million. According to latest statistics from the industry regulator, the number internet subscriptions rose to 13.1 million from 11.6 million. *(Business Daily)*

KCB Group is set to upgrade its ICT system this year at a cost of Sh2.2 billion ($25 million), CEO Joshua Oigara has said. The system, called T24, is expected to integrate eight other separate systems that the bank uses currently. Some of the systems are used in agency banking while others run its mobile banking service, but these will now be integrated under the new banking platform."We are acquiring the system which should come with software and hardware that will help cut operational costs and improve the way we deliver our services to customers," said Mr. Oigara at a media briefing on Friday.

KCB's cost-to-income ratio (CIR) at the end of March stood at 49 per cent, down from 51 per cent last December and 64 per cent two years ago. Mr. Oigara said the plan was to bring the costs down to 52 per cent by next year, but this had already been attained by last December. "Cost containment is one area we can say we have managed to deal with ahead of schedule. It was a herculean task because two years ago it stood at 64 per cent," said Mr. Oigara. The KCB chief executive said he sees possibility of increased convergence between the telecoms and banking sectors. KCB, which already offers mobile banking products under the M-Benki platform, has plans to put more services on the mobile phone."What we are seeing is convergence between the mobile and banking businesses. We are looking at technology as a way of delivering and increasing the number of our products and services," said Mr. Oigara. The intended launch next month of Equity Bank's mobile virtual network operator (MVNO) has raised the bar in the sector in as far as mobile banking goes. Equity Bank had launched a similar mobile phone-based technology (M-Kesho) a few years ago, which, however, did not gain traction with users.*(Business Daily)*

Economic News

Rising food and electricity prices pushed inflation to a six-month high in May, raising the prospect of interest rates increase in July. Inflation stood at 7.30 per cent, up from 6.41 per cent in April — making it the third increase in a row. The Kenya National Bureau of Statistics (KNBS) attributes the jump to the sharp rise in electricity prices and double-digit increase in a number of food items like milk, sukuma wiki and onions. Analysts say the jump, which is the biggest since the introduction of VAT on a number of items in September, could see the Central Bank of Kenya increase rates to control the cost of living measure. "The May inflation print most likely signals the start of a new interest rate cycle in Kenya, although we do not expect interest rates to rise anywhere near as much as they did in the last tightening cycle," said Razia Khan, head of Africa research at Standard Chartered bank. "Narrowing the spread with the Central Bank Rate, as well as nervousness around the softer shilling seen in recent days, should see the CBK resume a modest tightening cycle from July," she added. Kenya has left its key lending rate at 8.5 percent since May last year.

The Central Bank of Kenya said in April that its policy stance was delivering stability. But in the past month, the shilling has faced sustained pressure, forcing the central bank to intervene. Kenya's shilling this month hit a 30-month low, due in part to market nerves following bombings in Nairobi and Mombasa, the east African economy's main port city. The repatriation of dividends by multinational firms also put pressure on the local currency. But the shilling is now trading below the Sh88 per dollar level after the central bank signalled its intent to stem volatility. Electricity prices increased the most after the power regulator raised the fuel surcharge to Sh7.22 from Sh5.19 on heavy use of diesel-powered generators to produce electricity. The cost of 50 kilowatts of power stood at Sh625 in May compared to Sh513 in April. At 7.30 per cent for the year to May, the inflation rate is just below the upper limit of the central bank's target of 7.5 per cent. Official have set at 5 per cent with a margin of 2.5 per cent on either side.*(Business Daily)*

Kenyan companies will be seeking to raise more than Sh50 billion in the next six months, signalling a build-up of business confidence from last year's relative inactivity caused by election fears. More than 10 local businesses, including banks, have announced plans to raise billions of shillings in pursuit of growth plans that were frozen during 2013's highly charged elections – offering investors a wide range of options. Mortgage lender, Housing Finance, tops the list of companies that are hungry for cash with a Sh20 billion bond plan while electricity producer KenGen, National Bank, Diamond Trust Bank(DTB) and Uchumi have announced plans to ask current owners for money through rights issues. Some companies have also recapitalised their retained earnings by issuing shareholders with bonus shares. Last week Co-op Bank received its owners' approval to recapitalise Sh700 million by issuing them with an additional share for each six held by them. NIC recapitalised Sh270 through a bonus of one for every 10. Others that have made bonus issues are CIC Insurance and South African Liberty Holdings. Some market watchers have expressed concern that the multi-billion-shilling fundraisers may stretch Kenya's capital markets to the limit, leading to failure to meet targets.

But analysts like Burbidge Capital's Vimal Parmar reckon there is enough cash in the economy to support the demand if well-priced for investors. "The fundraisers are a show of confidence among these firms that the government will somewhat continue growing the economy. If the pricing is right, the liquidity is there to meet the demand," he said. The bullish business outlook should be an encouragement to President Uhuru Kenyatta's government, which is facing the challenge of poor performance in key segments of the economy such as tourism and agriculture. Tourism has been hugely affected by the persistent wave of insecurity while agriculture is being rocked by poor weather. The expansion plans indicate growing consumer demand in spite of the continued rise in the cost of goods that pushed inflation above seven per cent last month. Data from the Central Bank of Kenya shows that credit uptake grew at a faster pace than that targeted by the regulator, underlining investor appetite for cash. Mr. Parmar said that the high stock prices at the bourse signal that it is the right time for listed companies to make cash calls as they could raise higher amounts while still offering discounted prices that are attractive to investors. KenGen is expected to be the first in the market next month with a Sh15 billion cash call through a rights issue. The fundraiser, initially scheduled for May, was pushed back to give the company's management time to negotiate with the government, its majority shareholder, to participate. In the banking sector, National Bank, also a State-owned firm, is expected first in the market with a Sh10 billion cash call that its shareholders approved last Friday. The lender plans to use money raised from the issue to buy out expensive preference shares held by the Treasury and the National Social Security Fund (NSSF) as well as finance a planned branch expansion.

Redemption of the preference shares is viewed as crucial to attracting investors who have in the past been crowded out in dividend sharing. CIC Insurance is also expected in the market in the second half of the year with a Sh3 billion cash call that mixes equity and debt. The funds are earmarked for regional expansion and to finance the underwriter's huge real estate projects in the pipeline. Uchumi and DTB are yet to disclose the size of their rights issue though DTB is expected to have completed its issue by July. Details of Uchumi's cash call remain scanty because the management has so far only made public the lead arrangers without the timelines. The issue is estimated to be more than Sh2 billion having risen from the initial expectation of a Sh1.5 billion call. In the debt market, main issuers will be Housing Finance which is yet to declare how many tranches it will divide the targeted Sh20 billion. Frank Ireri, the bank's chief executive, said it was waiting for the government to issue its much-publicised sovereign bond before approaching the market.

The sovereign bond is expected to push local interest rates down by reducing government participation in the securities market. ABC Capital's corporate finance and advisory manager, Johnson Nderi, however, warns that there is no certainty that the Eurobond will pull down interest rates as the government's appetite for cash may remain high. "There are a lot of government projects waiting for cash, so it [the Sh132 billion sovereign bond] may be swallowed up very quickly," said Mr. Nderi. The list of companies eyeing the debt market includes I&M, which plans to raise Sh3 billion through the second tranche of a Sh10 billion bond. NIC Bank is also weighing its options for fresh cash injection with a bond or subordinated debt on the table. Non-listed companies that are looking for funds include Family Bank, which is said to be mulling over a rights issue — its second in three years following a successful one in 2012. Islamic-based lender First Community and government-owned Consolidated Bank are currently in breach of statutory regulations and are expected to hit the markets for funds to boost their capital levels or curtail their business activity to return to compliance. Consolidated Bank is yet to issue the second tranche of its Sh4 billion corporate bond it rolled out last year. In the first half of the year, the list of companies that have raised capital includes Bank of Africa, which concluded a Sh1.7 billion rights issue in April, and manufacturing firm, Bidco, which received Sh1.7 billion from the World Bank's investment arm, IFC.*(Business Daily)*

Kenya has paid local banks Sh1.2 billion as interest and extension fees on a $600 million syndicated loan. According to the Controller of Budget Agnes Odhiambo, the loan was to be paid in May 2014 but Treasury could not pay because they had not yet issued a sovereign bond which would have raised the amount. The Government sought extension to August, incurring the Sh1.2 billion additional cost on the loan due the extended repayment period and interest. Kenya is set to issue Sh132 billion Eurobond offer later this month to refinance debt and fund infrastructure. The funds raised will be used to retire the $600 million syndicated loan. The government had said it would repay the syndicated loan using foreign reserves if it did not issue a bond. *(Daily Nation)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Kenya will introduce a new formula for banks to use in pricing loans, seeking to bring down high interest rates that have stifled lending to businesses and home buyers, the Finance Ministry said on Wednesday. Commercial lending rates in the east African nation stand at 21 percent on average, while deposit rates average under 10 percent, angering consumers who accuse banks of taking too much profit. Customers in other African markets make similar complaints. Kenyan banks say their operating costs are higher than those in more advanced markets and that they lack a developed credit rating system for screening customers. Under the new system, the Treasury, or finance ministry, said bank lending rates would be linked to the Kenya Banks' Reference Rate (KBBR), which is based on averages of the monetary policy rate and the 91-day Treasury bill yield over six months. They would be allowed to add a premium based on business costs, such as electricity, and the borrower's credit profile, the ministry said in a statement, adding the system was based on proposals by a committee appointed by the presidency.

Kenya has been slowly improving its credit rating system. The Treasury did not specify by how much this would lower lending rates on average but said the aim was to lower commercial borrowing costs. New loans issued from next month would be priced using the formula while banks would have a year to recalculate the interest on existing loans, the Treasury said. There was no immediate comment from bankers, who said they still wanted to see the KBBR level before reacting. "It is a very good move by the Treasury," said Wilfred Onono, the managing consultant at Interest Rates Advisory Centre (IRAC), an organisation that works with distressed borrowers. "The Central Bank Rate (CBR) is supposed to influence lending rates but it has been largely ignored in the past. Now when the KBBR is issued, they will have to make reference to this rate," he added. The committee also made several other recommendations including increasing the efficiency at the *(Reuters)*

The government will today start marketing the Sh135 billion bond to American and European investors ahead of its issuance in Ireland. State officials will brief institutional investors and high net-worth individuals in San Francisco, Los Angeles, Boston, New York & London led by National Treasury Cabinet Secretary Henry Rotich. This is one of the final steps before Kenya finally issues the Eurobond valued at $1.5 billion. Treasury will list the bond on the Irish Stock Exchange. Documents seen by the Daily Nation indicate that there are plans for a secondary listing on the Nairobi Securities Exchange following closure in Ireland. Kenya's issuance of the Eurobond has been delayed repeatedly by international market volatility as well as legal hurdles. Among the obstacles was payment of Sh1.4 billion debt owed to companies associated with the Anglo-Leasing contracts. Failure to pay the money, Treasury had argued, would have depicted Kenya as a bad debtor. Mr Rotich is expected to complete the tour in time to read Kenya's 2014/2015 budget next week on Thursday.

Treasury plans to use the proceeds to finance infrastructure construction and repay a Sh52.5 billion ($600 million) debt owed to a syndicate of commercial banks. In a recent statement, the Central Bank said the funds would improve the country's foreign reserve standing. "The Central Bank will be in a better position to intervene should the shilling come under increased pressure. There will be more dollars coming in and this will stabilise the currency, if not strengthen it," said Commercial Bank of Africa head of trading Duncan Kinuthia. These, in turn, will have a positive impact on the cost of living. In May, inflation rose to a six-month high of 7.30 per cent due to rising food and electricity prices. *(Daily Nation)*

Kenya's economic growth will rise to 6.4 percent in 2015 from a forecast 5.8 percent this year while inflation in 2014 will be around 7.5 percent, according to a preliminary prospectus for Kenya's debut Eurobond. "Inflation will remain in the upper limit target of 7.5 percent in 2014," said the prospectus, seen by Reuters on Thursday. Kenyan inflation increased to 7.30 percent in the year to May from 6.41 percent a month earlier. The preliminary prospectus did not give the size, tenor or other details about the Eurobond, which is expected to raise up to $2 billion and for which an investor roadshow began on Thursday. Yerlan Syzdykov, head of emerging markets, bond and high yield at Pioneer Investments, said investors are likely to be willing to overlook political risks associated with east Africa's largest economy if the yield on the bond is appealing. "We will be assessing the creditworthiness of the country, but given how tight this market is, very much driven by lack of growth stories or yield stories, Kenya will be popular if it is priced reasonably," Syzdykov told a briefing this week. The Eurobond document said Kenya's cabinet approved the 2014/2015 budget on April 28, allocating 116.7 billion shillings ($1.33 billion) for on-going and new road projects and 43.6 billion to energy-related initiatives. The budget also estimated the net public debt to GDP ratio will decline from

52.1 percent at the end of this month to 49.8 in 2016/2017. The government will formally unveil details of the next fiscal year's budget next Thursday. *(Reuters)*

The top price of the benchmark Kenyan coffee grade eased to $328 per 50 kg bag at this week's auction from $385 last week, the Nairobi Coffee Exchange said. Kenya is a relatively small producer of coffee but its beans are much sought after by roasters to blend with those of lower quality from other producing countries. The benchmark grade AA sold at $121-$328 per bag, compared with $181-$385 last week, NCE said after the auction on Wednesday. Grade AB coffee fetched $107-$263 per bag compared with last week's $125-$283. The average price for all the 23,164 bags of coffee offered was $181.87 per bag, compared with $237.33 per bag for the 4,842 bags offered last week. *(Reuters)*

Malawi

Corporate News

No Corporate News this week

Economic News

No Economic News this week

Mauritius

Corporate News

No Corporate News this week

Economic News

Mauritius's year-on-year inflation rate fell to 3.40 percent in the year to May from 4.20 percent a month earlier, the statistics office said on Friday. The annual average inflation rate was unchanged at 4 percent compared with the month before. *(Reuters)*

Nigeria

Corporate News

FBN Holding Plc said its subsidiary, First Bank of Nigeria Limited, has completed the acquisition of ICB Financial Group. This followed the acquisition of ICB Senegal. First Bank began the acquisition last year by acquiring 100 per cent stake in ICB Ghana, ICB Sierra Leone, ICB Gambia and ICB Guinea from ICB Financial Group Holdings (ICBFGH) through the completion of a Conditional Sale and Purchase Agreement with the group. However, FBN Holding notified the Nigerian Stock Exchange (NSE) that First Bank of Nigeria Limited had now completed the acquisition of ICB Senegal, which represents the last jurisdiction of the West African assets of ICB Financial Group. According to the bank, the completion meeting to conclude the transaction was held last Thursday. "By this acquisition, First Bank has now completed its acquisition of ICB West Africa comprising operations in Gambia, Ghana, Guinea, Sierra Leone and Senegal," the bank said. Speaking after the first stage of the acquisition, Chief Executive Officer of First Bank, Bisi Onasanya, had said "the acquisition of ICBGFH assets in Ghana, Guinea, Gambia and Sierra Leone fulfils the first stage of the bank's ambitions to steadily build a broader and more diverse footprint across Africa. We are committed to developing a multi-local business model that broadens our geographic revenue base while providing enhanced service delivery to our new customers."

According to him, the acquisition was expected to consolidate First Bank's position as one of the largest corporate and retail banking financial institutions in sub-Saharan Africa with the exception of South Africa. "The transaction delivers against First Bank's stated ambition to win significant market share, expand its pan-African footprint and diversify earnings while delivering value to shareholders," he said. Shareholders of FBN Holding, which is the holding company of First Bank and other subsidiaries, recently approved the N35.895 billion dividend recommended by the directors for the year ended December 31, 2013. The dividend, which translates into N1.10 per share, is 10 per cent higher than the N1.00 per share the previous year. FBN Holdings posted gross earnings of N395.9 billion, showing an increase of seven per cent compared to N370.2 billion posted in 2012. It ended the year with a profit after tax of N70.6 billion as against N76.8 billion in 2012 on high impairment charge of N20.3 billion.*(This Day)*

Access Bank Plc is currently working on modalities to list its shares on the London Stock Exchange (LSE) in the next 12 months as it seeks to raise fresh capital. Shareholders of Access Bank had two months ago approved plans by the bank to raise $1 billion to enhance its operations. The bank had explained that the fund would be raised in tranches and at a time to be determined by its directors, through the issuance of a Medium Term Note Programme. The fresh capital, according to Access Bank, would support its objective of being ranked as one of the top three banks in the industry. In addition, following its designation as one of the Significantly Important Financial Institutions by the Central Bank of Nigeria (CBN), Access Bank is expected to have an additional one per cent buffer of tier-1 capital. Access Bank's market capitalisation on the Nigerian Stock Exchange (NSE) stood at N231, 117,489,699.94 as at Friday. The bank has 348 branches across Nigeria and in some other African countries. British-based newspaper, Sunday Express, also quoted a source to have said: "The bank hired a new chief executive last year and he is very qualified to lead Access through an Initial Public Offering (IPO) process in the United Kingdom." In 2013, the bank appointed Herbert Wigwe, a former PWC (PricewaterhouseCoopers) accountant and seasoned banker, as its chief executive officer.

Speaking at the bank's 2013 annual general meeting held in Lagos recently, Wigwe had assured shareholders that the capital raising would not destroy the value of their investment. He however declined to comment on when the capital would be raised. Wigwe had explained: "The most important thing is that should we need more money in the future, in a timely manner, it would be easier to access the market. "The business of banking is fundamentally about managing risk and managing risk requires some form of capital. So we are raising this money so that we can basically leverage on it to lend customers." The bank's chairman, Mr. Gbenga Oyebode, had also said the board of directors had considered a variety of available capital raising options and came to the conclusion that having the option of raising additional financing of up to $1 billion or its equivalent in local currency would be the most cost-efficient option to meet its capital adequacy objectives. Furthermore, Oyebode had pointed out that the injection of fresh capital into the bank's operations would accelerate the

attainment of its aspiration of becoming the "World's Most Respected African Bank".
"Enhancement of the bank's capital base is a key imperative for the realisation of its developmental goals and commitment to society," he had said. The bank's UK operations, headed by former RBS Executive, Jamie Simmonds, focuses on asset and wealth management and trade finance. The bank's recently released unaudited results for the first quarter ended 31 March 2014 showed that its gross earnings for the period climbed by nine per cent to N57 billion, up from the corresponding period in 2013. Similarly, its operating income increased by 19 per cent to N42 billion. This was supported by a 12 per cent increase in its non-interest income during the period. The bank's profit before tax also climbed by 20 per cent to N13.4 billion from N11.1 billion, in the first quarter of 2013.(*This Day)*

In line with its commitment to poverty alleviation in Africa, Ecobank said it has gone into partnership with the federal government and Akwa Ibom state on the disbursement of the Millenium Development Goals (MDGs) family life Conditional Cash Transfer (CCT) Scheme. According to a statement from the bank, total sum of N375 million has been disbursed to 2,275 beneficiaries Uyo. The statement quoted the Managing Director of Ecobank Nigeria Limited, Mr. Jibril Aku as saying that the bank was poised to consolidate its existing partnership with the federal and state governments in all parts of the country. He added that partnership is with a view to ensuring that all beneficiaries of the MDGs - CCT scheme have equal opportunity to financial services such as micro-savings and micro-loans. Aku, who was represented by the Executive Director, South South/South East, at the disbursement ceremony, Mr. Kingsley Umadia further stated that "the partnership is clearly in line with our mission to provide customers with financial products and services that are convenient, reliable and accessible." He explained that the programme is on the Ecobank MobileMoney platform, noting that wallets have been created for the beneficiaries and disbursement of funds into their wallets monthly on instructions from the office of the Senior Special Assistant to the President on MDGs.

Also speaking, Deputy Governor, Akwa Ibom State, Valerie Ebe, said the participation of the state in the MDGs - CCT scheme was targeted at eradicating poverty in the state. She restated the state government's commitment and determination to improving maternal health and reducing child mortality in the nooks and crannies of the state. On her part, the Senior Special Assistant to the President on MDGs, Dr. Precious Gbeneol, explained that the scheme is a component of the social safety net of the federal government aimed at improving the lives of the extreme poor in the country. According to her, "it is a community driven development approach designed to reduce poverty and vulnerability. "It entails providing a monthly stipend of N5, 000 to the extreme poor households on the condition that children of basic school age in those households attend school, while pregnant women in the households attend hospital for full antenatal care." She emphasised that the objectives of the scheme in Akwa Ibom State are in tandem with the vision of the Family Life Enhancement Initiative of the wife of the governor.(*This Day)*

Guaranty Trust Bank Plc (GTBank) has launched an e-commerce portal for small and medium scale enterprises (SMEs) in the country. The portal tagged "The SME MarketHub" was unveiled in Lagos at the weekend. The e-commerce and business directory portal is part of GTBank's strategy to empower and support Nigerian SMEs and also contribute to the growth and development of the Nigerian economy. The portal is designed to enable Nigerian entrepreneurs migrate their businesses online and take advantage of the vast international and local sales opportunities within this space. SME owners would also have access to a wide variety of business tools that will enhance profitability as well as a community that will allow them forge relationships with other business owners. Commenting on the innovation, Managing Director of GTBank, Segun Agbaje said: "There is no getting away from the fact that economic conditions remain challenging for small and medium scale enterprises (SMEs) in Nigeria. "It is, however, vital that this integral sector of the economy gets all the support it needs to drive growth and development." E-commerce is widely acknowledged as a powerful tool for fully enhancing business possibilities as it opens up a world of businesses to customers and a world of customers to businesses.

The speed, efficiency and convenience with which transactions can be completed are distinct advantages that e-commerce has over traditional means of transacting business. "With the introduction of the SME Market Hub, the bank said it has provided SME operators a platform that allows small and medium business owners create and maintain online presence and expand their business frontiers to new markets and millions of buyers that are online," he said. Agbaje added that a percentage of every transaction carried out on the SME

MarketHub would be committed to the bank's "Autism Fund" dedicated to the building of an "Autism Resource Centre."
The centre would make it easier for parents, educators, therapists and caretakers to have access to information that will augment and supplement their efforts in providing quality care to individuals with Autism and special disorders. "About five years ago one of the big criticisms of GTBank was that it was not a retail bank. We had 250,000 customers and today we have 5.5 million retail customers. "So when we choose to do something, we really sink our teeth in it. We believe again that the next frontier for us is the SME space again I'm going to start with the criticism of banks towards SME," Agbaje said further. *(This Day)*

Skye Bank Plc has paid the sum of N3.96 billion as dividend to its shareholders, translating to 30 kobo per share for the year ended December 31, 2013. The chairman of the bank, Mr. Olatunde Ayeni, disclosed this recently at the bank's 8th annual general meeting of the bank held in Lagos. He said the dividend payout was in tandem with bank's commitment of delivering value to the shareholder in appreciation of their support at all times. The bank chairman assured the shareholders that the bank would not misplace the confidence they reposed in the board and management, saying the bank would continue to add value and make their investment in the bank worthwhile. "In 2014, the board assures shareholders that all efforts would continue toward implementing the bank's plans in the medium term and well into the future. The quest to provide the most efficient customer service, as espoused in the service charter, remains unchanged", he said. The Managing Director/Chief Executive Officer designate of the bank, Mr. Timothy Oguntayo, told shareholders that the bank's capital raising exercise had started to gather momentum and is expected to continue in 2014 to enhance the sustained growth of the bank. He expressed optimism about the bank's appreciable growth in the current year as the bank continued with the implementation of its strategy while increasing its customer base and market share. Skye Bank recorded a profit before tax of N17.136 billion for the financial year ended December 31,2013, representing an increase of 3.79 per cent over the N16.510 billion recorded during the corresponding period in 2012. According to the International Financial Reporting System's (IFRS) compliant result submitted to the Nigeria Stock Exchange recently, the bank's profit after tax rose significantly to N16.023 billion compared with N12.644 billion posted in the previous year , showing an improvement of 26.7 per cent *(This Day)*

Dangote Sugar Refinery Plc (DSR) has boosted the distribution of its products to help sustain a wide reach of its products and prompt delivery to customers. In this regard, the company has added 380 new trucks to its existing fleet. Also the company successfully attained food safety management certification during the year, which enhanced its quality management system(QMS) in all it processes. The Group Managing Director of DSR, Mr. Graham Clark, made these disclosures at the company's annual general meeting (AGM)held in Lagos recently. The QMS, he said, positioned the company to better serve its corporate industrial customers notably food and beverage manufacturers during the year. He added that in 2013, also, the company commenced its consolidation with the launch of its campaign to become a fully integrated sugar production company. "Our objective is deliver our strategic sugar target , which is to produce 1.5 to 2. 0million tonnes of sugar per annum from locally grown sugar cane with the next five to 10 years," he said. Clark noted that the company's master plan is being developed against the Nigerian Sugar Master Plan, which is a corner stone of the Federal Government policy. "We have restructured our sugar operations with greater focus on backward integration project. The targeted selection and acquisition of some 200,000 hectares of land across various states in Nigeria for the development of sugar cane plantations and construction of modern sugar processing factories has begun," he said. Clark said the sustainability model of the company is targeted at empowering local communities and will be implemented across all project sites, starting with Savannah Sugar Company Limited. "Our targets are clear and a robust framework supported by key performance deliverables will enable us to deliver the expected results in the next five to 10 years with enhanced benefits to all our stakeholders," the MD declared.

Shareholders of DSR commended the board and management for the positive performance recorded in the 2013 and the dividend of N7.2 billion recommended for year. DSR recorded a turnover of N102.467 billion in 2013 as against N106.868 billion in 2012. However, profit before tax rose from N16.331 billion in 2012 to N20.099 billion in 2013, while profit after tax grew from N10.796 billion to N13.537 billion. The directors recommended a dividend of N7.2 billion, which translated to 60 kobo per share. The shareholders unanimously approved the dividend. Addressing the shareholders at the AGM, Chairman of the DSR, Alhaji Aliko Dangote, said the 2013 financial year was impacted by variable market conditions, ranging from volatile world market sugar prices to consumer sensitivity. "I am happy to report, however, that by adapting to the needs of our customers , we sustained our leadership position in the market and grew our profits during the period under review. According to him, pursuant to the introduction of the federal Government's National Sugar Master Plan in Nigeria, DSR has begun its own development plan. He explained that the company has taken great care in the preparation of this sugar development plan with their operations being structures to include an increased focused on the company's backward integration project. Looking ahead, Dangote said DSR has a robust growth agenda driven by the backward integration development plans. "As we commence this journey our priority remains to consolidate our clear leadership of the sugar industry in Nigeria. We will work to ensure ongoing operational efficiency to drive continued growth across our markets," Dangote assured.*(This Day)*

As part of its avowed promise to cushion huge housing defects in the Nigeria, Lafarge Cement WAPCO Nigeria, the second largest cement maker in the country, has committed N1.3 billion to ensure that low income earners around the country have affordable housing. Temitope Oguntokun, corporate brand manager, Lafarge Nigeria, said 650 people had already benefitted from the scheme, stressing that plans were on the pipeline to ensure that 30,000 Nigerians eventually derive benefits from it. ''We are working to ensure that Nigerians get affordable housing. You know there is housing deficit in the country, so Lafarge is working to provide as much assistance as possible,'' she said. The World Bank estimates that the cost of bridging Nigeria's 17 million housing deficit is N59.5 trillion. This is close to the estimates of the Federal Mortgage Bank of Nigeria (FMBN) which earlier put it at about N56 trillion.

Gimba Ya'u Kumo, managing director, FMBN said the figure was based on a conservative cost of construction at N3.5million per unit. Lafarge WAPCO and other major cement makers are key players in the built sector. The firm has 19,055 employees in the Middle-East and Africa. Thirty-four percent of sales in the company happened in both regions, BusinessDay has learnt. Lanre Opankunle, general manager, industrial performance, said the company is currently expanding and is planning new plants in subsidiaries of Ashaka Cement and United Cement Company of Nigeria (UniCem). *(Business Day)*

Investment Partners LLP, a private-equity firm that focuses on Africa, has invested about $50 million (N8 billion) in the acquisition of a minority stake in a Nigeria firm, ARM Pension Managers PFA Limited. Mr. Tope Lawani, co-founder of Helios Investment, who disclosed this in an interview, said the acquisition is targeted at aimed at tapping into the opportunities in Nigeria pension market. "We believe, conservatively, that aggregate defined contribution pension assets in Nigeria will exceed $150 billion within the next 10 years, representing a sevenfold increase," Tope Lawani, the former TPG Capital executive who co-founded Helios in 2004 said. Bank of America Merrill Lynch analysts, including Wesley Fogel, had stated that Nigeria's mandatory defined-contribution pension plan should double registrations to 13 million by 2020. "This is a new industry which has grown from nothing in 2004 when the pension legislation was approved," Mr. Fogel told The Wall Street Journal. Helios's previous investments include Nigerian payment processing company Interswitch and Kenya's Flamingo Holdings, which grows cut flowers and fresh vegetables. Nigeria's pension market has grown by 30 per cent a year since 2006, when a pension law requiring mandatory contributions was implemented, according to Helios. ARM manages about $2.1 billion. *(Reuters)*

Lafarge SA, the French cement maker plans to merge with Holcim Limited of Switzerland to become the world's biggest producer of the building material. The company will combine its Nigerian and South African assets to form a new company to compete with Africa market leader, Dangote Cement Plc. The entity would be known as Lafarge Africa Plc and be listed on the Nigerian Stock Exchange, Bloomberg quoted the Paris-based company to have said in a statement. The business will have cement production capacity of 12 million metric tons and had combined revenue of $1.25 billion in 2013. The deal "is aimed at responding to its more aggressive rival, Dangote Cement, and to consolidate its positioning as a leading cement firm," an analyst at Lagos-based FBN Capital, Tunde Abidoye said. While synergies may be modest, the company will gain production capacity and market share in the continent's two biggest economies, he said. The transaction to create Lafarge Africa will include a cash payment of $200 million and the issue of 1.4 million shares to the parent company Lafarge, which has operations in 64 countries, has been adding capacity in Africa to take advantage of the need for new infrastructure in developing economies and to offset a construction slump in Europe. The company is competing against Lagos-based Dangote, which is expanding across the continent, as well as Johannesburg-based PPC Limited, which is also trying to boost revenue outside its domestic market. "It will boost their profile, strengthen their capacity and pricing on the Nigeria market, unlike when it was like a fringe player in different African markets," an analyst at Lagos-based Greenwich Trust Group Limited, Mike Nwanolue said.

"Dangote cement got a lot of attention in the continent with acquisitions, which enabled it to source funds and build capacity. Some of that attention will now be shifted to Lafarge Africa and competition deepened." Dangote Cement, controlled by Africa's richest man Aliko Dangote, plans to have capacity of more than 60 million tons in 2016. PPC plans to boost production to 14 million tons by the end of 2017. Lafarge is at loggerheads with Nigerian regulators after its preferred 32.5 grade cement was deemed unsafe for anything other than plastering.Only 42.5 grade cement -- a market controlled by Dangote -- may be used for columns and slabs, the Standards Organisation of Nigeria had said last month. There are several impending court actions challenging the ruling, Lafarge said June 2. *(This day)*

Shareholders of UACN Property Development Company (UPDC) yesterday smiled home from the company's annual general meeting (AGM) as they received dividend of 70kobo per share and a bonus of one new share for every four shares already held. Addressing the shareholders at the AGM in Lagos, the Chairman of UPDC, Mr. Larry Ettah said the company gave cash dividend and bonus share due to the impressive performance the company posted for the year ended December 31, 2013. According to him, despite the challenging operating environment, the company posted revenue of N11.29 billion against N12.04 billion in 2012. Profit before tax, he said rose from N2.45 billion to N3.71 billion, while profit after taxation hit N3.16 billion. He said in the in the light of the performance, the Board of Directors recommended a dividend of N962.5 million (70 kobo per share) and bonus issue of 1 for 4 shares to shareholders. Ettah, who explained that UPDC's growth momentum has increased and reinforced its standing as a market leader, said: "We successfully completed the floatation of the UPDC Real Estate Investment Trust (REIT) in 2013 on a capital value of N26.7 billion, of which UPDC currently holds 62.2 per cent. The REIT was listed on the Nigerian Stock Exchange (NSE) on July 1, 2013. It is our plan to reduce our holding to 40 per cent in line with our strategy." Reviewing the performance of the company, Ettah said "In the luxury residential category, we completed and delivered to buyers the prestigious 32-unit 'Cameron Green' Ikoyi. Phase 1 of Metro City, Abuja comprising of 88 units of mixed residential apartments was also completed and is being gradually handed to buyers, while construction work on Phase 2 has commenced. We also took advantage of the lack of a formal retail channel in the Festac axis of Lagos State by undertaking the ongoing Festival Mall development, which is expected to open to customers by end of 2014."

He added that the hotel arm of the business, Golden Tulip Festac, also performed well in 2013, with room occupancy averaging 44 per cent, an increase of 91 per cent over 2012. "With five international airlines currently utilising the hotel's facilities and continuing upward trend in residential conferences by blue chip corporate customers, the hotel is set for improved performance from 2014. We plan to develop the adjoining Block B of the hotel into residential apartments in 2014," he added. Speaking on the outlook for the real estate sector, Ettah said: "For real estate development, it is expected that the revised guidelines for Primary Mortgage Banks (PMBs) and a fully operational National Mortgage Refinance Company will provide a wider scope of activities and opportunities for estate developers and ultimately result in affordable mortgages and increased home ownership for middle and lower income earners." *(This Day)*

Determined to support the cashless initiative of the Central Bank of Nigeria (CBN) to a successful end, Skye Bank has introduced a new banking solution that will give customers easy access to all its operations. The direct banking solution is called 'SkyePLus' and was unveiled during the bank's 8th Annual General Meeting held in Lagos recently. The solution allows customers to carry out a wide range of banking services in the most secured and faster means. Giving reasons for introducing the new solution, Chairman of the bank, Mr. Olatunde Ayeni, said the bank had remained ahead in the area of deploying the right technology for its customers, and would continue to do so in order to address customers' needs. "Technology is driving banking activities worldwide and Skye Bank will continue to come up with new technologies that will enhance customer experience. It is our desire to deploy new technology solutions that will give customers easy access to our banking operations and at the same time, grow the Nigerian economy," Ayeni said. He explained that the bank had been consistent in its vision to deploy new solutions that will make banking activities a lot more easier for its customers, noting that it took the bank about 18 months to develop and complete SkyePlus. "We will continue to make our customers enjoy the best form of banking activities through our innovative technology that is geared towards convenience and efficiency," he said. Also speaking about the product, Chief Executive Officer designate of Skye Bank, Mr. Thymothy Oguntayo, said the deployment of the new banking solution was informed by the need to assure customers of flexible and more convenient banking solutions, through the use of Short Message Service (SMS), Internet banking and mobile applications. Listing the features and services of SkyePlus, Oguntayo said the new banking solution would allow customers to check their balance and manage their account, set up standing order instructions and direct debits, transfer money, pay bills to people instantly, request for a new checkbook, use Automated Teller Machine (ATM) card or bank draft, stop lost or stolen cheque, as well as switching on text alerts to keep track of their accounts while on the move. He explained that in terms of security, the bank has deployed top security measured called 'SkyeSecure' to enhance the security of the platform. "We are fully aware of the fears which most bank customers have today, especially with the growing rate of cyber crimes and all forms of online frauds. This is why we have partnered a global security firm to deploy SkyeSecure on our banking platform," Oguntayo said. He added that the bank has commenced the compliance process of attaining the PCIDSS global security standard, in conformity with the directive of CBN that all banks must be PCIDSS complaint. *(This Day)*

Diamond Bank has announced the upgrade of its mobile-based banking application, the Diamond Mobile app, in a bid to provide cutting edge banking services to its customers. The bank also introduced a cash back reward of one N1,000 to customers on the first use of the mobile app. The upgrade, according to the bank, would allow subscribers to the mobile app carry out more banking transactions beyond funds transfers and bills payment in a secured environment at any time of the day. Some of the unique features recently added to the App are flight bookings, credit card repayments, account statement generation and debit card activation or deactivation. These are in addition to previously available services like funds transfer to Diamond and non-Diamond Bank accounts, payment for BlackBerry Internet Services (BIS), bills payment, airtime purchase, among others. Speaking on the features of the app, Divisional Head, Corporate Communications at the bank, Mrs. Ayona Trimnell, said: "We are delighted to introduce additional benefits to the Diamond Mobile App and a one N1,000 cash back reward on its first use. What we have done with the upgrade is to expand the bouquet of offerings on the app to include a host of new services that will help make banking with Diamond a convenient and interesting experience." According to her, Diamond Bank customers can book local and international flights, fund their credit cards, maintain beneficiaries, and generate their account statements, all on the palm of their hands through the mobile app. She said the app can be downloaded free of charge via the Google Play Store, the BlackBerry app World, the Apple Store and the Samsung Store for android, BlackBerry, Apple and Samsung devices respectively. "Diamond Bank staff members will demonstrate the world of possibilities available with the Diamond Mobile app at the Co-Creation Hub (CC HUB), Yaba, Lagos later this month and the bank has invited Information Technology (IT) professionals as well as members of the general public to be part of the product demonstration. Our staff members will be on hand to show the various exciting features of the app as well as assist with the installation of the app on the devices of the guests," Trimnell said. *(This Day)*

In furtherance of its campaign to educate Nigerians on the benefits of responsible drinking, Guinness Nigeria Plc in partnership with the Lagos State Ministry of Health has taken its "Drink Responsibly" message to the CMS Motor Park, Lagos Island, Lagos. The programme harped on the importance of responsible drinking and the need for regular medical checkups among commercial drivers to ensure optimal safety and wellbeing. The event had in attendance representatives from the Lagos state Transport Authority (LASTMA) and the Lagos State Ministry of Transportation's Directorate of Vehicles Inspection Services (MOT/DVIS) as well as Guinness Nigeria representatives. Speaking on behalf of the Head, Sustainability and Responsibility, Mrs Nkiruka Ogboruche, Community Investment Manager, Guinness Nigeria Plc, noted that the objectives of the programme were in line with the company's corporate philosophy. She added that sensitising commercial vehicle drivers on wellness and road safety habits was a further affirmation of the company's investments in the good of the society in which it operates. "Guinness Nigeria is committed to responsible drinking and it is important for us that people enjoy our products responsibly, which is why we are partnering the Lagos State Ministry of Health to bring this awareness to you. "The information cards we handed over to you contain information on responsible ways of enjoying our products. We would like you to leave this place with an added knowledge and consciousness of safety and responsible drinking." Ogboruche stated.

Addressing the audience, Head, Public Education and Enlightenment Department, LASTMA, Mr. Adele Joan, commended Guinness Nigeria Plc for supporting the campaign, noting that road safety impacts directly on the advancement of every society. He stated that Lagos State

Transport Management Authority (LASTMA) as the leading state agency on road safety management in conjunction with Lagos State Ministry of Health are committed to ensuring that drivers know their health status and the need for them to drive safely on the road. "There are many incidents that occur on our roads that could be very easily avoided by proper education and enlightenment and that is why we commend Guinness Nigeria for the constant collaboration with us to sensitise drivers on how to be safe on the roads. "It is wrong to abuse alcohol and it is heartening to see an alcohol beverage manufacturer taking the initiative to inform people on the proper use and enjoyment of their products," Joan said. *(This Day)*

Economic News

The naira appreciated slightly against the United States dollar Monday as a result of dollar sales by local units of four multinational oil companies. Reuters quoted dealers to have revealed this. The nation's currency closed at N162.40 to a dollar, compared to last Friday's close of N162.80 to a dollar. Dealers said the local units of Chevron sold $55.6 million, ExxonMobil $50 million, Eni $20 million and Addax sold $10 million to some lenders, increasing dollar liquidity. The naira has been hovering around N162 to a dollar level for the past two weeks, supported by dollar flows from oil firms buying the local currency to meet domestic obligations and offshore investors buying local debt. Dealers said the naira might continue to strengthen if additional dollar sales expected from the Nigerian National Petroleum Corporation (NNPC) this week materialise or from foreign investors participating in local debt. The acting Central Bank of Nigeria (CBN) Governor, Dr. Sarah Alade, who was the acting Governor of the Central Bank of Nigeria until today, had noted that the global economic growth has improved albeit with some downside risks.

According to her, outlook to global growth has turned positive on the recovery from the advanced countries led by United States, United Kingdom and Germany. Headline inflation had increased to 7.9 per cent in April compared to 7.8 percent recorded in March 2014, suggesting that inflation may be expected to stay elevated in the coming months, as local food supply dwindle at the start of the planting season. "Aside from the seasonal factors, there is still fiscal risk as a result of pre-election and increased security spending. "Based on this, monetary policy should remain restrictive to forestall the anticipated impact of fiscal risks and food supply seasonality. Stability has returned to the domestic market," she had added. Nigeria's Excess Crude Account (ECA) had increased to $4.1 billion as at May 16, 2014 from $2.5 billion at the end of 2013, as government intensifies effort at rebuilding the fiscal buffers to forestall the downside risk to the domestic economy through foreign reserve depletion. The projection is that reserves build-up in the coming months would be sustained if prices stay steady on the back of high production and stable prices.

"Proper coordination between the fiscal and monetary authority have helped to stir the economy safely out of the temporary macroeconomic shock it experienced earlier on the year. "The forecast for 2014 GDP growth ranged from 6.75 per cent to 7.41 per cent but there are risk to this projection. "While the rebased GDP suggest that the economy is now more diversified and broad-based, sustaining the momentum and creating inclusive growth is the task all policy makers should take seriously," Alade had added. *(This Day)*

Akwa Ibom State is soon to be launched into export business and revolution as many investors across the globe have reportedly signified interest to partner the state in the development of the Ibaka deep sea port in Mbo local government of the state..The state's Commissioner for Commerce and Industries, Elder Ufot Toby Nkangude, dropped the hint weekend saying that the federal government has already given the green light for the partnership toward the development the sea port designated as export free zone. The commissioner spoke at a one-day training workshop on export skills acquisition organised by the Nigerian Export Promotion Council (NEPC) for industrialists and members of the Manufacturers of Nigeria (MAN) in the state.

He said the state government has created a conducive atmosphere by the provision of necessary incentives and infrastructure like power, gas plant, good road network, airport etc. for the expected industrialization in the state."All these things are put in place for industrial revolution. So this seminar is a wake-up call for investors in the state. People are clamoring that government should established industries; by international standard government ought not to establish industry."It is the duty of the private sector to establish industries because government does not make profit; government only intervene when it is highly capital intensive like on road, seaport, airport and power," he said. Presently, Nkangude said the state has developed a master plan for the development of industrial villages or parks across the three senatorial districts of the state with the design and feasibility of the industrial parks completed. Calling on the NEPC to key into various industrial policies of the state government, the Commerce and Industries Commissioner said the workshop for members of MAN was apt and timely pledging government support for continuous training of manufacturers in the state."At the Ibaka deep sea port, a lot of companies will come in because it is an export free zone, a lot of activities and manufacturing will happen. You need to be properly trained in a seminar like this because it will affect you in one way or the other," he added.

Also speaking, the Zonal Controller, Uyo Office, NEPC, Barr. George Enyiekpon urged the participants to avail themselves of the services of the NEPC and other agencies such as the NEXIM bank and Shippers Council of Nigeria to grow their businesses in order to contribute to the growth of the economy of the nation. Enyiekpon said the workshop was to develop and expose would be exporters for training and capacity building needed for export business and competitively in global market; stressing that adequate knowledge of the export trend beginning from the choice of export goods, packaging, transportation, export laws of both Nigeria and countries of export were necessary in the success of export market. The Director multinational and bilateral relations, NEPC, Alhaji Abdullahi Sidi Aliyu noted that the theme of the seminar, "enhancing exporters' capacity through training," would avoid the participant platform to improve on their export business.*(This Day)*

Nigeria's new central bank chief Godwin Emefiele took office on Tuesday with the immediate task of protecting a weak naira. With government spending also expected to rise ahead of next year's presidential election, the new governor will have no room to let up on monetary policy and will have to raise interest rates at some point over the next year, analysts say. Emefiele's appointment follows the departure of governor Lamido Sanusi, a vocal critic of the government's record on tackling corruption, who was suspended by President Goodluck Jonathan in February. His removal raised concerns about the bank's independence and Emefiele will be closely watched by markets fearful of government interference at the bank. The government accused Sanusi of irregularities in his handling of the central bank's budget and President Jonathan has said the bank's independence will remain sacrosant. Africa's biggest economy, which imports around 80 percent of what it consumes, is struggling with a weaker currency, down 3 percent against the dollar this year, and dwindling foreign reserves.

Political risk over February 2015 elections and a violent Islamist insurgency that has killed hundreds this year are also clouding Nigeria's outlook, with the abduction of more than 200 school girls by Boko Haram making world headlines recently. "The governor resumed today and we are just done with the official handing over," said central bank spokesman Isaac Okorafor. Emefiele, who took over from acting governor Sarah Alade for a five-year term, will give a press conference on Thursday at 10 a.m. (0900 GMT), he said. At 52 Emefiele is the same age as Sanusi and has more than 20 years' experience in banking. He was managing director of Zenith Bank, Nigeria's second biggest, where he built a well-capitalised institution, banking sources say. His biggest challenge will be the naira, under pressure over the past year on concerns that reduced U.S. monetary stimulus will crimp fund inflows to emerging markets. It is currently trading at around 162 to the dollar, outside the bank's preferred 150-160/dollar range. The new governor will also have to keep inflation within the bank's single-digit target, despite looser fiscal policy as polls approach. Repeated intervention by the central bank to keep the naira within the band has run down foreign exchange reserves, and liquid reserves have declined by about $6.53 billion or 18.2 percent from $42.46 billion at the start of 2014. That is a burn rate of about $44 million a day and raises the prospect that interest rates, which have been on hold at 12 percent since October 2011, may have to rise at some point. Analysts expect Emefiele to be more discreet than Sanusi, who was often criticised by government officials for going far beyond his remit with his criticisms of government spending. Banking sources describe Emefiele as a conservative figure who appears confident in public but gives little away. Monetary policy choices may be limited. He could raise the policy rate, which would prop up the naira and attract investors to domestic debt but hurt lending, or devalue the naira band. Devaluation, however, would put pressure on the country's banks as it would lift principal and interest payments on Nigerian government and corporate Eurobonds. *(Reuters)*

The Nigerian insurance sector has always been considered as the weaker sibling of the banking sector in the financial industry unlike in advanced climes where insurance companies own banks. With the rebasing of the Gross Domestic Product, GDP, recently, the position of the insurance sector in the economy dipped further as the sector's contribution to GDP dropped to 0.6 per cent from 0.7 per cent. Where some operators believe that the true position of the insurance sector was not well captured, others are of the view that it is a challenge for the sector to up its ante. Invariable, in the light of the disheartening ranking, a challenge has been thrown to insurance operators to realign their operations and services in order to achieve better performance, which will ultimately enhance the sector's position in the financial scene going forward. Commissioner for Insurance, Mr. Fola Daniel said that the recently rebased economy has challenged insurance companies to perform better, in term of claims settlement and products deliveries. According to Daniel, to live up to expectation, there was the need for more dynamic strategies to enable insurance industry make meaningful contribution to the GDP. Daniel said "The rebased economy should challenge underwriting companies to be on their toes going forward." However, operators on the other side of the divide are of the opinion that insurers' inability to articulate and provide adequate data of their operations may be responsible for the drop in the sector's contributions to the GDP. The operators noted that the industry's contributions were underestimated, adding that the industry has in recent times made significant progress. Meanwhile, Daniel said that the National Insurance Commission, NAICOM, will consolidate on the gains made so far and ensure proper implementation of the compulsory insurance products to enhance the industry contribution to the GDP.

NAICOM, he said, incepted the Market Development and Restructuring Initiative (MDRI) in 2009, to enforce compulsory insurances and eradicate fake insurances in the country. The initiative, he added, has been vigorously pursued by the Commission across the six geo-political zones of the country. "From 2008 to the end of 2012, the volume of premium written by the industry on the classes of compulsory insurance business increased by 92 per cent from N14 billion in 2009 to N28.68 billion in 2012,' he stated. Daniel equally noted that, the number of insurance policies written under the compulsory insurance by underwriting firms in the last three years also appreciated sharply by 111 per cent from 72,180 in 2009 to 152,181 at the end of 2012. He maintained that the industry in the last three years has had some geometric projections, adding that, the market will achieve well over 100 per cent at the time the performance of 2013 is added to the figures available. Though the Commission was unable to attain the N1trillion mark it planned to achieve through the MDRI in 2009, he said the performance so far shows that industry players are voluntarily meeting up to their obligation without the Commission getting involved, adding that they are also meeting up to their responsibility of claims payment.

He noted that the various state governments have continued to show interest in insurance business, adding that a group of underwriters have come together to enforce the motor vehicle third party liability insurance in Imo state in collaboration with the state government and the scheme is working very well. He said that another group of 19 underwriters are enforcing the Occupiers Liability Insurance in Enugu State, in partnership with the State Government. "The Commission is working to get more states to embrace these models," Daniel said. Aligning with the Commissioner for Insurance, some operators have stressed the need to go back to the drawing board to correct all abnormality by doing the needful. They called for proper documentation of the industry's data, which will bring about proper valuation of the progress made in the sector. *(Vanguard)*

Nigeria's new central bank governor said on Thursday he would seek to gradually lower interest rates for the first time in over two years, abandoning the hawkish monetary policy of his ousted predecessor that cut inflation to single digits. Godwin Emefiele said he aimed to make it cheaper to borrow to invest but this would have to wait until conditions allowed, he said, and did not offer a specific timeframe. Interest rates have been stuck at 12 percent since late 2011, and liquidity tightening measures are credited with lowering inflation from 15 percent in 2010 to 7.9 percent currently. But businesses say lending rates remain punitive."There is no doubt that reducing interest rates and maintaining exchange rates are very daunting twin goals," Emefiele told his first news conference."However the central bank will work assiduously to ... ensure that these goals are mutually achieved," he added. Analysts said reducing interest rates too quickly could hurt the naira and stoke inflation. Jonathan removed the previous governor Lamido Sanusi in February, after the staunch anti-corruption campaigner presented parliament with evidence that the state oil firm had failed to pay $20 billion into federal coffers, citing corruption. Jonathan's administration denied any link between Sanusi's removal and his graft allegations but foreign investors are concerned about presidential interference in the bank's affairs. Sanusi was often accused by ruling party officials of exceeding his remit when publicly chastising the government over graft. Emefiele hinted he was unlikely to follow suit, saying his role was "apolitical". During his tenure, Sanusi often suggested he had to maintain high interest rates because of reckless government spending, especially during election cycles. Emefiele said for now the bank would "maintain a monetary policy stance reflecting liquidity conditions...as well as the potential fiscal expansion in the run-up to the 2015...(presidential and parliamentary) elections."

That suggests Emefiele will also have to take into account the level of government spending and revenue losses due to corruption before moving to lower rates, analysts say. Nigerian treasury bill yields fell 20 basis points across the board on Thursday to an average of 11.3 percent after his remarks, as buyers snapped up short dated debt in anticipation of lower yields down the line. Nigeria's benchmark 10-year bond yield was trading flat on Thursday at 12.52 percent, after initially falling 7 basis points on the new central bank governor's Emefiele's remarks on interest rates. The 3-year bond yield was down 16 basis points to 11.71 percent. Emefiele said Nigeria's high yielding public debt "creates a perverse incentive for commercial banks to simply buy risk-free government bonds rather than lending to the real sector". The naira hit a one-month low on Emefiele's remarks, easing 0.69 percent to 163.85 to the dollar and remaining outside the bank's preferred 150-160 band that it has spent billions of dollars of forex reserves this year trying but failing to keep. "Although Emefiele's comments were qualified with the statement that it is a 'daunting' task ... the very fact that lower interest rates were mentioned sends a strong signal to the markets," said Standard Chartered's Razia Khan. Emefiele promised zero tolerance of practices that undermine financial stability, but gave few details. A 2008 financial crisis pushed nine Nigerian banks to the brink of collapse until Sanusi orchestrated a bail-out and had chief executives sacked. (Reporting by Camillus Eboh; Additional reporting by Chijioke Ohuocha; Writing by Tim Cocks; Editing by Chijioke Ohuocha and Jon Boyle) *(Reuters)*

Tanzania

Corporate News

Tigo Tanzania, a unit of emerging markets telecom group Millicom Cellular International, said it had added 1 million mobile money service users over the past year and now wants to expand further in the fast-growing market. Mobile money transfers, pioneered by Vodafone's Kenyan unit Safaricom, have grown rapidly in east Africa, offering companies an easy way to tap a market where many people do not have bank accounts. Users can use such services to pay for goods, pay bills, make deposits and withdraw cash from authorised agents using their phone. Tigo, the No. 3 mobile phone operator in Tanzania, has over 6.2 million out of the total 27 million mobile phone subscribers in the nation of 45 million people. Diego Gutierrez, Tigo Tanzania's general manager, told Reuters the company's mobile money transfer service, Tigo Pesa, was a key growth area which already accounted for a significant share of the company's total revenue. He did not specify what the share was. "Mobile money is a very important part of our business and it is growing at a very accelerated rate," Gutierrez said, adding that Tigo Pesa now has 3.4 million users. Tigo announced on Wednesday a deal with two other mobile phone operators in Tanzania - Bharti Airtel and Zantel, a subsidiary of Etisalat - that would allow customers of the three telecom firms to conduct mobile money transfers across their networks.

Gutierrez said the mobile money transfer agreement, the first of its kind in Africa, would further expand the use of mobile money transfers in east Africa's second-biggest economy. He said there was still plenty of growth in Tanzania's competitive telecom sector, helped by favourable demographics which boast a young population "This young population is starting to enter into the economy so I think that the perspectives of growth for Tanzania are quite interesting," he said. Tigo launched a mobile money transfer service between Tanzania and Rwanda in February, opening a potentially lucrative market in cross-border mobile transfers. Vodacom Tanzania, an arm of leading South African mobile operator Vodacom, is Tanzania's No. 1 mobile phone firm with 10.3 million subscribers, followed by Bharti Airtel, which has 9 million customers. *(Reuters)*

Economic News

No Economic News This Week

Zambia

Corporate News

No Corporate News This Week

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WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zimbabwe

Corporate News

Zimplats will start refurbishing its base metals refinery at a cost of $100 million in July after completing a preliminary plant assessment. Addressing delegates during a tour of Zimplats' operations on Friday last week, chief operating officer Mr. Stanley Segula said refurbishment would be completed in two years. "Zimplats made a decision to go ahead and establish a refinery. Phase one will be the refurbishment of the existing base metals refinery," Mr. Segula told delegates on tour. He said a team of experts was in the country to assess what needs to be done. Segula said the refinery would process more than 7 000 tonnes of platinum matte being produced from the existing smelter to produce the base metals. Chamber of Mines president Mr. Alex Mhembere told the mines body annual general meeting and conference in Victoria Falls last week that platinum producers had pooled $100 million to set up beneficiation facilities in the country. This comes as Government upped the tempo for beneficiation of minerals to ensure that the country derives maximum benefits from the exploitation of its natural resources. Beneficiation and value addition is one of the four main clusters under the Zimbabwe Agenda for Sustainable Socio-Economic Transformation, Government's foremost medium term economic blueprint covering the period 2014 to 2018. While the investment forms the bedrock of the beneficiation and value addition agenda of the country, more than $3 billion would be required to complete a fully fledged strategic and critical precious metals refinery for Zimbabwe.

A base metal refinery may process platinum up to 60 percent of PGMs, which will be further processed by a precious metal refinery. Zimplats' BMR is located in Selous, about 80km west of Harare. It separates minerals such as nickel, chrome and copper from platinum group metals, but outdated technology made the facility prohibitively expensive to operate. Zimplats currently sends platinum concentrate to South Africa for processing, a development economic experts argue has prejudiced the country of potential revenue and jobs. The country exports raw platinum despite the fact that it has the second biggest platinum reserves after South Africa, which processes the precious metal produced in Zimbabwe. Currently, Zimbabwe has three producing platinum mines namely Implats' subsidiary Zimplats, Aquarius and Implats' 50-50 joint venture Mimosa and Anglo-American's Unki Mines. The Zimplats COO said the base metals refinery would, however, only take material from Zimplats. Phase two of the project would involve upgrading of the refinery to process ore from Zimplats and other local platinum producers. Zimplats is currently producing 240 000 tonnes of ore and shipping 7 000t of matte to South Africa for refining annually. The cost for the second phase has not been finalised. According to the Chamber of Mines the country, which currently produces about 430 000t of platinum annually would need to ramp up production to above 500 000t to ensure that a precious metals refinery in the country runs viably. *(Herald)*

ZIMBABWE'S largest beverages producer Delta Corporation Limited, has announced plans to upgrade its plant and machinery at a cost of $54 million in a programme expected to run until next March. Company secretary Alex Makamure told journalists during a tour of the beverage maker's Harare factory last week that several projects were currently at various stages of completion. "Delta plans to spend about $54 million during the year to March 2015. This will cover projects on new plant in all our beverages categories, containers, coolers and distribution fleet. These projects are at various levels of execution," Makamure said. He, however, said the business trends were soft in line with the weak aggregate demand. "You will be aware that we are currently running the Coca-Cola Samba Soccer World Cup promotion that is indicating positive results," he said. In the financial year for the company's full year results, the group, however, expressed concern over decline in consumer's buying power over the last quarter. Revenue declined by 1% to $625,5 million and this was against volume losses in the higher margin lager beer and soft drinks mitigated by improved value capture in sorghum beer and alternative beverages. Sparkling beverages during the period under review were also down 2% to $225 million, a scenario attributed to an out-of-stock situation occasioned by extended water supply disruption at the main factory in Harare and softening demand. However, Chibuku sales went up by 24% to $146 million as more consumers turned to cheaper and affordable sorghum beer. Chibuku Super contributed 10% of the sorghum line volume growth. The group said the commissioning of the second Chibuku Super line was on schedule to be in full production in the first quarter of the new financial year. Earnings Before Interest Taxation (EBIT) were down by 1% to $134,2 million while Earnings Before Interest Taxation

Depreciation and Armortisation (EBITDA) went up by 2% to $165,2 million.*(News Day)*

MASHONALAND Holdings Limited has recorded a 28% decline in after tax profit to $1,6 million for the half year ended March 31 2014 as compared to $2,7 million over the same period last year. In a statement accompanying the group's unaudited results, the company attributed the decline to the subdued economic environment. Revenue declined by 6% to $3,6 million, other income declined to $75 988 from $76 514 and administrative expenses grew to $1,4 million from $974 419 in 2013. Mashonaland Holdings chairperson Elisha Mushayakarara said the economic environment had remained subdued during the period under review. Consequently, the rental market stagnated, occupancy levels within the portfolio gradually declined and some tenants could not adequately discharge their lease obligations and mortgage finance remained elusive, curtaining activity in the real estate sector. "Revenue at $3,6 million was 6% below the corresponding period last year due to high voids levels within the portfolio. Various initiatives are being pursued to mitigate the decline in revenue," Mushayakarara said.

In the period under review, property expenses increased by 57% to $ 0, 6% million, operating cost relating to voids constituted 28% of this spend. He said administrative expenses increased by 42% mainly driven by the payment for the performance-based incentive scheme. Subsequently, the administrative expenses to income ratio were 37% as compared to 25% in 2013. He, however, said the office development project in Belgravia was progressing well and was on schedule. Beneficial occupation by tenant is earmarked for end of August 2014. "The group is also pursuing two residential projects, mainly at Westgate and Hazeldene. These projects are at different stages of municipal approvals .construction is anticipated to commence within the current financial year," he said. He added that the rental levels declined across all sectors of the portfolio. The office sector, which constitutes 46% of the portfolio, was most affected. Collection levels declined from 89% as at September 30 2013 to 81%. Mushayakarara said the group was actively pursuing various initiatives to collect outstanding amounts.*(News Day)*

BARCLAY'S Bank Zimbabwe says it will raise US$100 million offshore loans by the end of June to support recovery of local businesses. However, under the banks model lending priority will be targeted depositors first and then at businesses that have, among other requirements, healthy cash flows. Managing director George Guvamatanga told an Imara investors' conference held in Harare last week that business recovery was key to sustainable growth of the economy. "By the end of June we should have raised up to US$100 million offshore loans to support Zimbabwean businesses those who are on the right side of recovery," he said. Barclays grew a quality loan book by 26 percent over the year to April 2014 while deposits declined by five percent. The banks' strategy of being the 'Go-To' bank is in course. "We grew a quality loan book by 26% whilst impairment remained below 1%. Interest income year-on-year growth is 13% and non-funded income year-on-year is 1% while operating costs remained flat," he said. "Non-funded income growth of 1% is subdued reflecting constrained growth in transactional activity. Loan loss ratio (0.7% growth) still reflects a strong loan portfolio. "Focus on the quality of the loan book is to increase in view of the conditions prevailing in the market.

Operating costs were contained within 2013 levels although there continues to be pressure on certain costs lines especially occupancy and IT related lines. Guvamatanga said the liquidity challenges affecting the economy also had to do with people's perception and misunderstanding of a US dollar economy. He said businesses translated the Zimbabwean dollar cost into the dollarized environment. In the outlook, Guvamatanga said the economic landscape required significant decisive interventions to enhance investor confidence, promote local production and contain the imports bill. "Clarity on key policies that foreign investors consider is critical. Under a stable to improving economic landscape Barclays would sustain growth in the loan book and off shore lines of credit from current levels. "At current run rate, the bank would close the year at lower than planned loan and deposit levels. The bank will continue efforts to enhance and integrate its e-channel platforms," he said. He noted that cost, scale and efficiency initiatives will become more critical under sub optimal economic performance. *(New Zimbabwe)*

WILLDALE Limited has raised $3,2 million through a rights offer in the form of semi-annual redeemable convertible cumulative preference shares. Old Mutual was the underwriter for the transaction although the transaction does not translate into ownership as the shares involved were preference shares. The funds would be channelled towards capital expenditure, plant refurbishment, spares and consumables and working capital requirements. The company said its output had been affected by old plant and unavailability of requisite equipment for clay mining. "The result has been excessive downtime in Willdale Limited's production operations. "The low production volumes have resulted in high average cost of production for the company leading to reduced viability of the company's brick-making operations," the company said in a statement in April this year. "Directors are of the view that the new capital injection will provide the company with the ability to improve production volumes, restructure its balance sheet and enjoy economies of scale." The company was indebted to the tune of $6,65 million as at September 2013.

Over 86% of the debt is short-term, falling within one year and the rest of it, is medium-term due after 12 months. The company said it was still recovering from the hyperinflationary environment that characterised the economy between 2004-2008. "The maturity profile of the debt has impacted negatively on the liquidity position of the company. The average cost of the company's borrowings is 10,7%," the company said. For the full year ended September 2013, the company posted a loss of $770 621 and an operating loss of $401 504. Turnover for the group stood at $6,8 million. Willdale has a capacity to produce over 40 million bricks a year, but currently the output stands at around 17,5 million bricks.*(News Day)*

Innscor Africa's bread unit, Bakers Inn, will commit $24 million towards installation of four additional bread productions lines by 2018 at its Harare Graniteside plant. Managing director Mr Marcus Athitakis told an Imara Investors tour recently that the group would invest in more lines by 2018, bringing the total number to eight. The group is currently running on four lines which were installed at a cost of $27 million. Mr Athitakis said current production stands at 85 percent of installed capacity, with the unit producing between 320 000 to 340 000 loaves of bread per day."This means by 2018 we will have doubled production." Mr Athitakis said although the company reported a 4,5 percent growth in volumes for the four months, Zimbabweans had found other affordable substitutes for bread due to liquidity constraints."Bread volumes have grown during the first four months of the year due to growing our market share as other players lose ground."The managing director said market share in Harare is 85 percent whilst in Bulawayo it is 80 percent."Total group market share is around 60 percent, with bread sales at around 850 000 and 900 000 loaves a day but down from 950 000 in the same period last year."Mr Athitikas said 4 500 loaves are produced per hour and the mixer takes three minutes. He said at any given time the company had over 200 000 tonnes of wheat.Innscor group chief executive Mr John Koumides said the group had rescheduled the commissioning of the refrigeration line to December 2014. "We are very positive about this business but we have shifted the commissioning of the line to December 2014," he said. He said Capri was a well known brand that holds its own on the local market. He also said the group remains optimistic that the Innscor business as a whole will grow spurred by investments and newly opened business outlets — FinX. *(The Herald)*

Production at listed cement manufacturer, Lafarge Cement Zimbabwe is expected to increase to 500 000 tonnes per annum once current plant upgrade is complete, an official has said. Lafarge is currently operating at about 70 percent capacity utilisation producing 370 000 tonnes per annum. In an interview Lafarge Cement chief executive Mrs Amal Tantawi said a lot is being done to ensure that the company remains one of the leading cement manufacturer in the country. "Capital to the tune of $15 million has been earmarked eradicate bottlenecks and to boost volumes. "The investment is part of the company's short-term projects to increase volumes of cement despite the prevailing tight liquidity challenges," said Mrs Tantawi. Lafarge has spent about $5 million on plant refurbishments over the past five years and focus is now on improving capacity of the existing plant. In the short-term the company is focusing on refurbishing the existing plant as there is a lot of potential to produce more volumes to satisfy the local and the export market. Lafarge is also in the process of conducting feasibility studies to establish a new manufacturing plant to complement the existing one.

The setting of a new plant is part of the company's future plans and this will involve importation of state of the art technology to meet rising demand for cement on the local and export markets. "This year and the next we will be focusing on projects that will increase our capacity. Feasibility studies are being conducted on the long-term projects and we hope this will see the business growing in the future," said Mrs Tantawi. She added that Lafarge was still keen on exporting despite a decline in export volumes last year. The company has been focusing on the local market since last year due to increased demand. Mrs Tantawi said cement demand remains high but the biggest challenge at the present moment is the liquidity challenge in the economy. However, Lafarge is rolling out different incentives to encourage its customers to meet cash payments. "The demand has been on the softer side but we are aware of a number of construction projects that are on hold due to funding issues and we believe once things start happening, demand would actually go up," she said.

Meanwhile, Lafarge yesterday introduced a new cement product called SupaSet. Speaking at the launch of the new product Lafarge Cement Chairman Mr Johnathan Shoniwa said the launch has set in motion a process of profound transformation in preparation of the anticipated increase in the construction projects in the coming years. He said Innovation is the key driver at Lafarge and having innovative building systems contributes to the building of better cities that are perfect and durable. Speaking at the same event Industry and Commerce Minister Mike Bimha commended the level of innovation that Lafarge has shown over the last few years. The Minister said such innovation is in line with the statutes of the Zimbabwe Agenda for Sustainable Socio-Economic Transformation. *(The Herald)*

NATIONAL Foods says milling volumes especially in the southern region are depressed due to the high volume of imports. "We are making every effort to compete, however, our milling volumes in the southern region are depressed due to the high volume of imports," National Foods said. National Foods joins other millers that are raising alarm over the effect of cheap imports particularly from South Africa. Millers in Gwanda, Bulawayo, Beitbridge were the worst hit with some of them closing shop as a result of loss of business. The Grain Millers Association of Zimbabwe said Government should stem the importation of grain from neighbouring countries to protect local millers. GMAZ deputy chairperson Mr Thembinkosi Ndlovu said a 10kg packet of super refined mealie-meal from South Africa is selling at prices around $5,60 compared to $6,93 for locally produced mealie-meal. "We are not sure how the mealie-meal from South Africa is finding its way into the country because Government banned its importation. "We urge Government to look into the illegal imports of mealie-meal," Mr Ndlovu said. National Foods said although the actual cost of imports could not be easily established, imports were draining the fiscus of resources which are being channelled outside."This cannot be easily quantified but imports are certainly channelling revenue outside of the country and reducing employment in Bulawayo," said National Foods. The company said it will continue to invest in plant upgrades despite the challenges being faced by local millers.

"We continue to invest heavily in projects to upgrade all of our plants to improve the quality of the product we deliver to our customers and consumers," the company said. In the year to December 2013, National Foods said average factory capacity utilisation improved over the same period in the prior year to 47 percent due to increased sales of maize meal and stock feeds, albeit at reduced margins to counteract the flood of imports from South Africa. "The dramatic weakening of the rand against the US dollar has enabled South African millers to marginally cost product for sale into the Zimbabwe market," the company said. It said Government's efforts to support local industry by restricting imports are encouraging, as the measures taken will ensure a level playing field for all. GMAZ last month held an indaba to assess the state of grain in the country. The millers have mobilised more than $200 million and set up more than 200 centres to purchase grain countrywide. GMAZ is in negotiations with seed producers with a view to use the association's maize buying centres to distribute seed to farmers. *(The Herald)*

Cement producer PPC Zimbabwe says domestic sales in the first five months of the year are down 5 percent compared to the same period last year.PPC managing director Mr Njombo Lekula said domestic market sales have been flat compared to last year when growth in housing projects boosted demand for cement. For the past few years there has been significant growth in housing, which boosted cement demand, however, the current economic situation is beginning to have an impact on home building activities," he said. In the wake of slackening demand for cement, Zimbabwe's number one producer has been angling to start exploiting opportunities in the regional markets. "Zimbabwe has cement capacity that exceeds current demand. I think it is good for the country if we are able to sell some of our excess production to the region and keep our plant capacity utilisation high," Mr Lekula said. This is, however, despite the fact that the regional markets were also suffering from unstable and depreciating currencies. "Mozambique through Beira is prone to imports from the Far East and this renders the market very competitive," he said. "The cost of logistics to reach this market is also an important factor in the profitability, however, exports contribute a fair percentage of our revenue," Mr Lekula added. The PPC Zimbabwe boss said they have also had enquiries from Zambia and have sold into that market, however, the logistics posed a significant challenge and the pricing was equally affected by the fluctuating Kwacha. PPC is also looking to explore opportunities in the region as it will start constructing a US$200 million cement plant in the north- eastern part of the country next year. The expansion would give PPC extra capacity. PPC has started constructing a clinker production facility with a grinding plant near Harare and Tete in Mozambique. The main market area targeted is the Harare region while the milling plant in Mozambique will target Tete. Currently, PPC has capacity for 760 000t annually. The combined cement output of the plants would be 1,2 million tonnes annualised, PPC Zimbabwe's director of business development Mr Garvin Stephens said recently. This will create about 250 direct jobs with additional 100 supporting jobs, plus many more downstream.(*The Herald)*

The National Social Security Authority on Wednesday closed the doors on a failed investment, sinking $30 million of public funds after the Reserve Bank of Zimbabwe cancelled the licence for Capital Bank. Capital Bank rose out of the ashes of troubled Renaissance Merchant Bank previously owned by First Mutual Limited and taken over by the National Social Security Authority in 2012. NSSA says government influenced its $24 million investment into the bank having objected to the decision due to the banks going concern. After the realisation the bank did not perform accordingly, the NSSA board decided to wind up the bank to avoid further losses. The RBZ in a notice on Thursday said Capital Bank's woes had worsened after NSSA had indicated that it would not recapitalise the struggling institution. "While the institution is undercapitalised, the major shareholder NSSA, is no longer willing to inject additional capital into the bank and in the absence of capital injection, the financial condition of the banking institution dictates the banking institution be wound up," it said. It said Capital Bank had been operating in "an unsafe and unsound financial condition characterised by critical under capitalisation, persistent loses, chronic liquidity challenges and inordinately high levels of non-performing loans." The bank is one of the institutions that were struggling to meet the capital threshold of $100 million by end of this month that the central set bank two years ago. Depositors and creditors would soon be advised on how they will recover their funds, the RBZ said. Reports indicate that NSSA, whose investment in Capital Bank using pensioners funds torched a storm, had expressed interest in setting up a less demanding micro-finance institution. Capital Bank joins the league of failed indigenous banks which have closed shop in the past decade. *(The Herald)*

Economic News

A DELEGATION from the European Investment Bank (EIB) is expected to arrive in Zimbabwe on Wednesday next week for a three-day visit which will culminate in the sealing of deals with private sector players in the country, a European Union official has said. The team is expected to meet finance minister Patrick Chinamasa and executives from the private sector, EU head of delegation to Zimbabwe Aldo Dell'Ariccia said yesterday. Dell'Ariccia said because of the level of arrears that Zimbabwe owes to the EU, the EIB cannot lend money to the government of Zimbabwe. He said Zimbabwe's arrears to EU were over€200 million [about $272 million]. "The mission is coming here to see what kind of projects it can have with the private sector. The money they (mission) would invest would depend on the projects that would be presented. It could be €40 million [about $54 million] if they are good projects," he said. Dell'Ariccia said the EIB team would include the head of Southern Africa Indian Ocean, senior investment officer from Pretoria. According to the finance ministry Zimbabwe owes EIB $302 million. Dell'Ariccia said the EU has been working with the private sector and the Zimbabwe National Chamber of Commerce, Bankers' Association of Zimbabwe, Chamber of Mines of Zimbabwe and other sectors in the economy. He said through various cooperation and development initiatives €1,3 billion (about $1,7 billion)has been channelled to Zimbabwe through the EU and its member states since 2009. Zimbabwe has a huge debt overhang that is estimated to be over $6,1 billion owed to the International Monetary Fund, World Bank, African Development Bank (AfDB), EIB and other financiers.

That debt overhang comes at a time sanctions against the country were militating against Zimbabwe's access to cheap financing. However, the private sector has managed to get lines of credit from lenders after providing bankable projects. In 2011, AfDB's board of directors approved an $8 million loan to finance Lake Harvest Aquaculture project on Lake Kariba, the bank's first private sector investment in Zimbabwe after many years. The coming in of EIB executives would be a relief for local companies that have been struggling to access long-term loans with institutions offering financing on expensive short term basis. EIB is headquartered in Luxembourg and funds its operations by borrowing on the capital markets rather than drawing on the EU budget. It is owned by the 28 member states of the EU. *(News day)*

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