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

Country	Index	18-Mar-16	25-Mar-16	WTD % Change Local	WTD % Change USD	31-Dec-15	YTD % Change Local	YTD % Change USD
Botswana	DCI	10190.39	10184.60	-0.06%	1.35%	10602.32	-3.94%	-3.04%
Egypt	CASE 30	7485.69	7548.22	0.84%	0.89%	7006.01	7.74%	-5.00%
Ghana	GSE Comp Index	1924.91	1915.50	-0.49%	-0.86%	1994.00	-3.94%	-4.74%
Ivory Coast	BRVM Composite	306.58	314.38	2.54%	2.08%	303.93	3.44%	6.09%
Kenya	NSE 20	3946.19	4001.36	1.40%	1.30%	4040.75	-0.97%	-0.26%
Malawi	Malawi All Share	13493.53	13471.65	-0.16%	-2.99%	14562.53	-7.49%	-11.25%
Mauritius	SEMDEX	1791.43	1784.13	-0.41%	0.34%	1,811.07	-1.49%	0.72%
	SEM 10	344.51	342.55	-0.57%	0.18%	346.35	-1.10%	1.12%
Namibia	Overall Index	1003.32	960.86	-4.23%	-2.96%	865.49	11.02%	11.94%
Nigeria	Nigeria All Share	25694.79	25736.92	0.16%	-0.38%	28,642.25	-10.14%	-10.03%
Swaziland	All Share	335.09	335.09	0.00%	1.33%	327.25	2.40%	3.25%
Tanzania	TSI	3901.64	3863.56	-0.98%	-1.69%	4478.13	-13.72%	-14.83%
Zambia	LUSE All Share	5523.13	5530.43	0.13%	-0.20%	5734.68	-3.56%	-6.51%
Zimbabwe	Industrial Index	99.86	98.18	-1.68%	-1.68%	114.85	-14.51%	-14.51%
	Mining Index	19.22	19.53	1.61%	1.61%	23.70	-17.59%	-17.59%

CURRENCIES

Currency	18-Mar-16 Close	24-Mar-16 Close	WTD % Change	YTD % Change
BWP	11.09	10.94	-1.39	0.93
EGP	8.86	8.85	-0.05	-11.82
GHS	3.82	3.84	0.38	-0.83
CFA	582.64	585.27	0.45	2.57
KES	99.69	99.79	0.10	0.72
MWK	651.28	670.29	2.92	-4.07
MUR	34.19	33.93	-0.75	2.24
NAD	15.47	15.27	-1.32	0.83
NGN	195.99	197.05	0.54	0.12
SZL	15.47	15.27	-1.32	0.83
TZS	2,127.98	2,143.52	0.73	-1.29
ZMW	11.25	11.29	0.33	-3.06

SECURITIES AFRICA

Botswana

Corporate News

No Corporate News This Week

Economic News

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TRADING

Egypt

Corporate News

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Economic News

Egypt's Suez Canal revenue in February reached 3.108 billion Egyptian pounds, down from 3.179 billion pounds the month before, the data from the canal authority showed. The website did not give a figure for the revenue in dollars. The canal is one of Egypt's main sources of foreign currency. *(Reuters)*

BG Egypt has suspended work at some Egyptian development projects after it failed to agree with the government on the price of gas, an Egyptian General Petroleum Corp (EGPC) official told Reuters on Tuesday. "BG has stopped work at 9A+ and 9B after failure to reach an agreement on the fixed price to be paid for extracted gas, and it withdrew rigs working on the 9A+ wells on the seventh of March," the EGPC official said. Egypt's Ministry of Petroleum denied BG Egypt had stopped development as a result of price disagreements and said in a statement that "negotiations over timelines for the projects" are ongoing. The development areas include several deepwater wells in the West Nile Delta. BG Egypt, a subsidiary of Royal Dutch Shell, is looking to raise the price it is paid for gas to $5.88 per million British thermal units from $3.95 currently, the official said. Egypt has over the past year raised the price it pays many international oil companies for natural gas production in order to encourage more investment. BG Egypt has worked out deals with Egypt's EGPC to earn the higher price of $5.88 at other development wells, which it is continuing work on. Egypt, which is facing an acute foreign currency shortage, has delayed paying foreign petroleum companies their arrears, which reached about $3 billion at the end of December 2015. BG Egypt has made setting a timetable for repayment of its arrears a condition for re-starting work at the suspended development wells, the EGPC official said. Once an energy exporter, Egypt has turned into a net importer because of declining oil and gas production and increasing consumption. It is trying to speed up production at recent discoveries to fill its energy gap. *(Reuters)*

Chief executive officers of banks in Egypt, including those in the private sector, will have to step down after nine years as part of measures to modernise the sector and "inject new blood", Egypt's central bank said on Thursday. The rule will apply to the CEOs of public and private banks as well as the heads of foreign banks operating in Egypt, and both consecutive and non-consecutive terms will count towards the limit, the bank's statement added. Around 40 public and private sector banks operate in Egypt. The central bank has recently taken steps to alleviate a deepening foreign currency crisis: devaluing the Egyptian pound, lifting caps on foreign deposits and withdrawals, and injecting hundreds of millions of dollars to free up import activity. *(Reuters)*

Ghana

Corporate News

No Corporate News This Week

Economic News

Ghana's central bank held its benchmark policy rate at 26.0 percent on Monday as expected, citing moderation in the pace of consumer inflation, its governor Henry Kofi Wampah said. The country is following a three-year aid program with the International Monetary Fund to stabilise an economy dogged by high fiscal deficits, public debt and consumer inflation that is persistently above government targets. Inflation stood at 18.5 percent in February but would peak in the first quarter of 2016 before beginning to fall, Wampah told a news conference after a meeting of the Monetary Policy Committee. "The committee views the risk to inflation and growth outlook as balanced, hence there is the need to maintain the current monetary policy stance, which together with fiscal consolidation would help bring inflation further down," he said. A majority of 10 analysts polled by Reuters had said the rate would be held. "The (bank's) assessment seems to be that inflation, excluding energy and utility costs, is moving lower. This is good news and it suggests that policy tightening to date has been successful," said Razia Khan, head of Africa research at Standard Chartered bank. The West African country was until a few years ago considered one of Africa's strongest economies. But growth has slowed sharply, in part because of a fall in global commodity prices which has hit key exports of cocoa, oil and gold. Wampah said stability in the foreign exchange market, which has fallen around 1 percent this year, was evidence that the policy of fiscal consolidation was taking hold.

The cedi currency weakened from around 1.93 to the U.S. dollar in March 2013 to around 4.4 to the dollar in June last year in one sign of the fiscal crisis. It stood at 3.85 at 1220 GMT on Monday. Ghana's budget deficit fell to 7.1 percent of GDP at the end of 2015 from 10.2 percent a year earlier, which is a faster rate of decline than the government initially forecast. But debt as a percentage of GDP stands at 72.9 percent, significantly above the average for Africa. Gross international reserves stood at $5.4 billion as of February, representing 3.1 months of import cover, according to Bank of Ghana figures.*(Reuters)*

Ghana's producer price inflation fell to 14.5 percent in February from a revised figure of 16.9 percent the month before, the statistics office said on Wednesday. The West African country is following a three-year International Monetary Fund aid programme to address macro-economic problems that include a distressing public debt and consumer inflation persistently above government targets. *(Reuters)*

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Kenya

Corporate News

The Nation Media Group has maintained its dividend payout at Sh10 per share despite reporting a 9.7 per cent drop in annual profits, underlining management's optimism about the company's performance this year. Nation Media Group's (NMG) full-year earnings dropped to Sh2.2 billion from Sh2.5 billion a year earlier, following significant disruption of its TV business during a turbulent migration to digital broadcasting that caused a month-long shutdown of TV stations in a stand-off with the regulators. NMG chairman Wilfred Kiboro said the board of directors had decided to keep the dividend at last year's level as a demonstration to shareholders that their investment is alive and continues to produce good returns. "Despite profit after tax dropping, the board is very upbeat that the company is on very solid grounds and decided to maintain the dividend where it was last year," said Mr. Kiboro.

The board's optimism is pegged on adjustment of a one-off Sh627 million expense incurred during the year and which is not expected to recur. The one-offs include writing off bad debts of Sh192 million and Sh132 million in foreign currency depreciation. The company also took a hit from exchange rate turbulence that affected its Uganda, Tanzania and Rwandan subsidiaries where local currencies suffered significant battering against the US dollar. Joe Muganda, NMG's chief executive officer, identified the digital space as a key area of growth for the media house, which already has the largest digital footprint in the region and which it seeks to optimize. "Our digital profits, though small, grew by more than 200 per cent over last year and we expect its revenues to constitute eight to 10 per cent of our total revenues in the near term," Mr. Muganda said during the company's investor briefing. The media house has more than six million followers on Facebook, 2.6 million on Twitter and 106,000 on Instagram. Circulation of the group's regional paper The EastAfrican in Tanzania resumed early this year, after a year-long ban, further boosting the company's outlook. NMG, the largest media group in East and Central Africa, benefitted from its regional operations, which posted significant growth largely driven by the Tanzanian business that rode on the country's election coverage in the second half of the year. NMG has launched Spark TV in Uganda to run along NTV Uganda in a bid to grow its market share. *(Daily Nation)*

Standard Chartered Bank Wednesday announced a 39 per cent drop in after tax profit for the 12 months through December 2015 weighed down by decreased lending and a sharp rise in non-performing loans. The lender, who had already issued a profit warning last November, reported an after tax profit of Sh6.3 billion down from Sh10.4 billion in 2014. "The profit drop was due to three factors: an increase in the non-performing loans portfolio, the financial impact of the restructuring from the updated group strategy and a one-off net capital gain in 2014 relating to the disposal of a property," StanChart chief executive Lamin Manjang noted in a statement. The result sees Stanchart slide out of the top five most profitable banks in the country to rank sixth below mid-sized lender DTB which posted net earnings of Sh6.5 billion. But in what the management says is a show of confidence in the future outlook for the bank, directors are proposing a dividend payout of Sh17 per share, same as that paid in 2014, plus a bonus share issue. The bonus share issue of one share for every nine held will help the bank recapitalise in keeping with the regulatory guidelines.

The bank's non-performing loans grew by 37 per cent to Sh14.1 billion, forcing the lender to set aside an additional Sh3.5 billion as provisions for the bad debt. The provisions, which are accounted for as a deductible expense in profit and loss statement, rose to Sh4.8 billion from Sh1.3 billion in 2014. Its core business slowdown resulting in the loan book shrinking by Sh7.6 billion to Sh115 billion which the bank attributed to higher risk aversion. "Customer loans and advances are down six per cent as we focused on disciplined balance sheet management and more selective asset origination," said Mr. Manjang. The slowdown in lending resulted in lower interest income from loan of Sh759 million and a 9.1 per cent drop in fees and commissions charged on debt processing. "Further there was loss of momentum as we implemented the new organisation structure," said Mr. Manjang. The shift in business focus saw the bank increase lending to government by an additional Sh15 billion pushing its investment in Treasury bills and bonds to Sh73 billion from Sh58 billion. It earned Sh6.9 billion from the government up from Sh5.9 billion the previous period. Customer savings with the bank rose by Sh18 billion to Sh172 billion. The bank's management is optimistic of bouncing back this year stating that it had a stronger balance and is in a more liquid position. *(Business Daily)*

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Economic News

An International Monetary Fund standby loan of $1.5 billion is credit positive for Kenya, with an accompanying program helping East Africa's biggest economy maintain macroeconomic and institutional reforms, Moody's Investors Service said. The two-year precautionary facility, which Kenya can only draw from in an emergency, provides a buffer for the nation's external vulnerability, Rita Babihuga, Moody's lead country analyst, said Monday in a statement. "By targeting a reduction in the fiscal deficit of 3 percent of GDP over the next two years as well as continued public financial management reforms, the IMF program further commits Kenya to its stated objective of fiscal consolidation and will help prevent policy slippages, particularly as the country approaches general elections in 2017," Babihuga said. The $55 billion economy has expanded in the past few years mainly because of infrastructure projects including new roads and a $3.2 billion railway. As a result, its fiscal gap and current-account deficits have widened. The shortfalls have led to increased domestic and external debt and a decline in the nation's debt affordability, Moody's said. The government plans to reduce its fiscal deficit to 4.3 percent of gross domestic product in fiscal 2018, and 3 percent by 2020 from 6.9 percent in 2016, Moody's said. *(Bloomberg)*

Kenya's central bank held its benchmark lending rate at 11.50 percent on Monday, saying that monetary policy now in place had helped moderate inflation expectations, it said in a statement. All but one of the 13 economists surveyed by Reuters had expected the bank to hold the rate. *(Reuters)*

Kenya plans to take over ownership of a mothballed refinery in Mombasa and convert it into a storage plant, a top official said, to help progress the country's energy ambitions. The refinery has not been operational since 2013 after plans for a $1.2 billion upgrade were abandoned on the advice of consultants who said it was not economically viable. Energy and Petroleum Cabinet Secretary Charles Keter said the East Africa nation will pay out 500 million shillings ($5 million) owed to the facility's co-owner, India's Essar Energy, to pave the way for the plant's revival. "Converting the refinery into an oil storage facility ahead of commencement of production of the country's first oil is a milestone for the country," Keter said in a statement. Oil firms in Kenya have said they could start small-scale production of crude, transported by trucks, in 2017, but full commercial output will depend on building a pipeline, which is still under discussion. Essar bought a 50 percent stake in Kenya Petroleum Refineries Ltd in 2009 for $7 million from a group of oil marketers, including BP, Chevron and Royal Dutch Shell. Essar had planned to increase the refinery's crude handling capacity to four million tonnes of crude per year (79,000 barrels per day) by 2018, up from 1.6 million now but oil marketers in Kenya, unhappy with the refinery's products and costs, demanded for it to be closed. Keter said the refinery will be run by the state-owned Kenya Pipeline Company (KPC) once Essar exited. Oil products from the plant serve customers in Kenya, Uganda, Rwanda, Burundi, Tanzania and parts of the Democratic Republic of Congo. The East African nation and neighbouring Uganda have both made oil finds that have yet to start commercial production, part of a string of energy discoveries along the east coast of Africa.*(Reuters)*

The weighted average yield on Kenya's 364-day Treasury bills fell to 11.914 percent at auction on Wednesday from 12.019 percent last week, the central bank said. The yield on the 182-day bills edged up to 10.622 percent from 10.499 percent last week. The bank received bids worth 17.96 billion shillings ($177.12 million) for the 12 billion shillings worth of bills on offer. It accepted 14.17 billion shillings. Next week, the bank will sell Treasury bills of all maturities worth a total 16 billion shillings in two separate auctions.*(Reuters)*

Malawi

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Mauritius

Corporate News

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Economic News

The weighted average yield on Mauritius's three-year Treasury bond fell to 3.68 percent on Wednesday from 3.72 percent at the previous sale of a similar bond on Feb. 17, the central bank said. Bank of Mauritius sold all the 1.3 billion rupees ($37 million) worth of the debt it had offered. Bids totalled 3.237 billion rupees, with yields ranging from 3.52 percent to 4.45 percent. The bond has a coupon rate of 3.59 percent and is due on Feb. 19, 2019. *(Reuters)*

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Nigeria

Corporate News

Sterling Bank Plc has posted a profit after tax of N10.3bn for the year ended December 31, 2015, which represents a rise of 14.3 per cent over last year's figure. Its profit before tax rose by 2.5 per cent to N11bn, which the bank attributed to a higher retention of organic capital, compared to the previous period. Non-interest income grew by 13.7 per cent from N25.7bn in 2014 to N29.3bn, and the bank said this was largely due to a 57 per cent increase in trading income. It also recorded a fall in operating expenses by 1.9 per cent from N50.6bn to N49.7bn. Net interest income, however, declined by 8.1 per cent from N43bn to N39.5bn, driven by an 18.5 per cent increase in interest expense, resulting in a 630 basis points reduction in net interest margin to 48.9 per cent, the lender explained. Commenting on the financial results, the Managing Director/Chief Executive Officer of the bank, Yemi Adeola, said, "I am pleased to report that we sustained our performance from the previous year driven by an improvement in operating efficiency. Cost-to-income ratio improved by 140 basis points to 72.2 per cent, capital adequacy ratio stood at a record high of 17.5 per cent, while liquidity buffers remained strong as the bank grew its after tax profit by 14.3 per cent.

"Clearly, our 2015 performance offered a clear validation of the underlying resilience of our business model. "The very challenging operating environment notwithstanding, we managed to and continue to maintain a delicate balance between delivering on near-term goals and laying the foundation for the future that we see – one where our customers enjoy the experiences that we create together, which in turn becomes the basis for our long-term profitability. "Asset quality remained resilient with non-performing loans below the maximum regulatory threshold of five per cent despite a significant reduction in the loan book, arising from the replacement of state government loans with Federal Government bonds. We also maintained a very liquid balance sheet position despite the implementation of the Treasury Single Account by the Federal Government. This outcome reflects some initial progress with the retail funding strategy and further supports the material investments that we are making in this area." Adeola observed that the current macro-economic challenges presented their own opportunities for agile and dynamic operators, saying, "We recognise that restructuring of the sort that the current Federal Administration is pursuing takes time but like many other Nigerian businesses, we view the pursuit of economic self-reliance as commendable."*(Punch)*

Nigeria's Access Bank expect its loan book to increase by 10 percent this year, lower than the 25 percent growth achieved last year, the bank said on Tuesday. The top tier lender said it had also forecast growth of 10 percent last year, but that estimate was exceeded due to increased on-lending activities. In 2014, loan growth was 39 percent, it said in a presentation. Access Bank expects to increase its focus on asset quality this year, while pursuing an increase in loans in line with its outlook. It expects return on average equity (ROE) to hit 22 percent this year, up from 20.4 percent in 2015.*(Reuters)*

Economic News

Nigeria's state oil company failed to remit 4.9 trillion naira ($25 billion) to the public purse between January 2011 and December 2015, the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) said on Tuesday. *(Reuters)*

The unemployment rate in the country has climbed to 10.4 per cent in the fourth quarter of last year (Q4 2015) compared to 9.9 per cent in the previous quarter, the National Bureau of Statistics (NBS) stated Monday. It noted that a total of 22.45 million of the total labour force of 76.96 million were either unemployed or underemployed in Q4 compared to compared to 20.7 million in Q3 and 19.6 million in Q2.
According to the Unemployment/Underemployment Report for Q4 2015, which was released by the statistical agency, the number of unemployed increased by 518,102 persons, resulting in an increase in the national unemployment rate. The rate was recorded at 8.2 per cent in Q2 2015. It further stated that the labour force population-those within the working age population willing, able and actively looking

for work- increased to 76.96 million from 75.94million in Q3, representing an increase of 1.34 per cent during the quarter. According to the NBS, the economically active population or working age population-persons within ages 15 and 64- increased to 105.02 million in Q4, from 104.3 million in Q3, representing a 0.68 per cent increase over the previous quarter and a 3.2 per cent rise when compared to Q4 2014. "This means 1.02 million persons in the economically active population entered the labour force, that is individuals that were able, willing and actively looking for work," it added. The NBS said the number of underemployed-those working but doing menial jobs not commensurate with their qualifications or those not engaged in fulltime work and merely working for few hours-increased by 1.21 million or 9.16 per cent, resulting in an increase in the underemployment rate to 18.7 per cent or (14.42million persons) in Q4 from 17.4 per cent (13.2 million) in Q3 and 18.3 per cent (13.5 million) in Q2 2015. *(This Day)*

The Central Bank of Nigeria unexpectedly raised its benchmark interest rate by 1 percentage point, reversing direction after inflation in Africa's largest economy soared. The Monetary Policy Committee increased its main rate to 12 percent, Governor Godwin Emefiele told reporters on Tuesday in the capital, Abuja. All 14 analysts surveyed by Bloomberg predicted the rate would remain unchanged at 11 percent. Policy makers in Africa's biggest oil producer had lowered the rate by 200 basis points in November to help support an economy hit by plunging crude prices. Rising food and power costs have boosted inflation since then to 11.4 percent in February, exceeding the central bank's 6 percent to 9 percent target range. "Reverting back to a tightening policy is contradictory to their decision at the last meeting," Lanre Buluro, an equity broker and analyst with Primera Africa Securities Ltd., said by phone from Lagos, the commercial capital. "They have chosen to manage inflation rather than economic growth. The spike to 11.4 percent spooked the MPC." The cash-reserve ratio was raised to 22.5 percent from 20 percent. In November, the rate was lowered by 5 percentage points. "The balance of risks has shifted against price stability," the governor said. Emefiele tightened policy in the face of a slowing economy and as he complained that banks aren't extending enough credit to investors to spur growth. The economy expanded 2.8 percent in 2015, according to the statistics office, the slowest pace since 1999. The central bank has tried to keep the naira and inflation stable by restricting foreign-exchange supply. The policy, which is backed by President Muhammadu Buhari, has led to the naira being pegged at 197 to 199 per dollar since last year. The currency is trading at about 320 per dollar on the black market. Emefiele urged Nigerians to shun imported goods for local ones, saying that would ease pressure on the naira. "We are yet to see any clear policy around foreign exchange," Ayodeji Ebo, head of research at Afrinvest West Africa Ltd., said by phone from Lagos. "A 1 percent increase will not make me take a decision with the uncertainty around foreign exchange, where I'm open to illiquidity" in the currency market. *(Bloomberg)*

Nigeria's government revenues fell in February to 345.095 billion naira ($1.73 billion), down from 370.388 billion naira ($1.86 billion) in January, due to a drop in oil prices, the Finance Ministry said on Tuesday. "There was revenue loss of $45.9 million as a result of a drop in average prices of crude oil from $39.04 in December 2015 to $29.02 in January 2016," the ministry said in a statement. "Also a substantial drop in income was recorded from oil and gas royalty, companies' income tax and import duty," it said. The revenue includes VAT, refunds from state oil firm NNPC and exchange gains, the statement said. It will be distributed to the federal, state and local authorities. Nigeria, Africa's top oil producer and biggest economy, relies on crude sales for about 70 percent of its government revenues. Global crude prices have fallen sharply since mid-2014, hurting the country's public funds and leaving many states unable to pay public salaries in time or fund infrastructure projects and other state services. (*Reuters)*

Nigeria's annual consumer inflation rate rose 11.4 percent in February, 176 basis points higher than in January, to near a three-and-a-half year high, data from the National Bureau of Statistics (NBS) showed on Tuesday. Africa's biggest economy is facing its worst economic crisis in decades fuelled by the collapse in crude prices, which has slashed government revenues, weakened the currency and caused growth to slow. The economy grew 2.8 percent last year, its slowest pace in decades. Food prices, which account for the bulk of the inflation basket, climbed by 11.3 percent in February compared with 10.6 percent the previous month, the NBS said. "All major food groups which contribute to the food sub-index increased at a faster pace during the month," the NBS said in a report. The NBS expects inflation to end the year at 10.16 percent, above the central bank's target upper limit of nine percent. The price index ended at 9.55 percent last year. The rate of inflation steadied in January after rising for two consecutive months towards the end of last year. (*Reuters)*

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The Nigerian parliament passed the budget for 2016 on Thursday, calling for record spending to an economy hit hard by a slump in oil prices. President Muhammadu Buhari presented a record $30 billion budget in December but asked for its withdrawal a month later to make changes after a further drop in oil prices. The total budget has not changed but the deficit has risen to 3 trillion naira ($15 billion) from 2.2 trillion. "The bill is hereby read the third time and passed. Now it's the point of the executive to faithfully implement it," Senate President Bukola Saraki told the assembly. Funding of the budget remains unclear as oil revenues, which make up about 70 percent of Nigeria's income, have slumped, whacking its currency and drying up development projects. In January, Finance Minister Kemi Adeosun Nigeria said Nigeria planned to borrow up to $5 billion from multiple sources, including the Eurobond market, but officials have provided no update since then. Nigeria has in recent months held exploratory talks with the World Bank and also tried to secure funding from the African Development Bank and China's export bank. On Wednesday, Adeosun said the government planned capital expenditures worth $1.7 billion alone in the next quarter to revive growth. The budget is based on an oil price of $38 a barrel and crude production of 2.2 million barrels a day, in line with current output. *(Reuters)*

Nigeria's oil industry unions, which staged a strike this month, are pressing the government to prevent oil majors hit by a slump in crude prices from laying off staff, the oil minister said on Wednesday. The two major unions NUPENG and PENGASSAN held a brief strike two weeks ago after the government said it will split state oil firm NNPC into separate units, part of reforms by President Muhammadu Buhari to end graft and mismanagement in the industry. They suspended the action after the government said it would listen to their demands, which they laid out at a meeting with Buhari, their first since the former general was elected a year ago. "They (unions) are worried about job loss in the sector arising from the position of majors who feel that the economy is giving the rough end of the stick," said Oil Minister Emmanuel Ibe Kachikwu, who attended Wednesday's meeting. "And so we are going to be working with the oil majors to ensure that we do not experience the kind of job loss that we are hearing has the potential to occur in the sector," he told reporters. Oil majors such as Shell work with NNPC in joint ventures. The unions also opposed job cuts at refineries, which the government is considering selling, Kachikwu said. NUPENG head Igwe Achese said the meeting had been successful. "Mr. President has assured us that both NUPENG and PENGASSAN will continue to be part of the restructuring," he said. The unions were also demanding a swift passage of the Petroleum Industry Bill, a project in the works for a decade to overhaul the industry, he added. It will call for environmental, tax and revenues sharing rules. Kachikwu added the government hoped to end fuel shortages hitting much of the West African nation within two months as the state oil firm tries to restart Nigeria's outdated refineries. "Our strategy is that whatever is produced in the refineries will not go for sale, we are going to keep them in the strategic reserve," he said. "The key problem here is that there is no reserve." *(Reuters)*

OPEC member Nigeria expects oil producers to agree a supply freeze at a meeting in Doha next month which should stabilise crude prices even if Iran does not join, its petroleum minister said on Wednesday. Qatar has invited OPEC members and major non-OPEC producers to meet on April 17 to agree a freeze following an initial deal in February between Saudi Arabia, Qatar, Venezuela and non-OPEC member Russia to hold supply at January levels. "I expect that we will reach a conclusion on stabilisation, stabilise current production as of January," Emmanuel Ibe Kachikwu told Reuters in an interview in Abuja. It was not clear whether all 13 OPEC members including Iran would attend the Doha meeting, though Iranian officials have made it clear Tehran will not freeze output as it wants to raise exports following the lifting of Western sanctions. But Kachikwu said Iran's impact was limited anyway as the country would take time to ramp up production. "We are likely to see Iran not signing on," he said. "But we have all decided that if they don't we will proceed because we do not believe that currently their entry into the market will create too much of a threat for the next year," he said. "So basically price stability is our expectation," he said, referring to the impact of a Doha deal. Nigeria, which is the top oil producer in Africa, has been at the front of pushing for a production freeze as a slump in oil prices has whacked its public finances and sparked the worst economic crisis for decades. Kachikwu said Nigeria's current oil output was 2.2 million barrels a day and he planned to boost it to 2.5 million barrels but this would not add to the global crude supply glut. "Whatever the extra (it) won't be in the market but go for our refining," he said. The West African nation has been trying to kick start production at its four outdated refineries due to limited fuel imports and to end widespread petrol shortages. (*Reuters)*

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Tanzania

Corporate News

No Corporate News This Week

Economic News

The International Monetary Fund said on Wednesday it estimates Tanzania's economy expanded by 7 percent last year and forecast growth to be close to that again in 2016. The IMF said in a statement that inflation, which averaged 5.6 percent in 2015, was expected to "decrease further in the coming months, remaining close to the authorities' medium-term target of 5 percent." *(Reuters)*

Zambia

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Zimbabwe

Corporate News

Diversified insurance firm Fidelity Life Assurance of Zimbabwe has reported a 36 percent increase in revenue in the full-year to December 2015 to $17,2 million from $16,5 million in the previous corresponding period. The group's managing director Simon Chapereka on Monday said major revenue drivers were insurance premiums, sale of residential stands and interest income. "Expenses increased by 35 percent from $31,8 million to $43 million. Underwriting surplus remained unchanged at $6,7 million," he said. Fidelity has ventured into third residential property with Manresa Fidelity Life Park and Southview Park high density residential housing scheme. In October last year, it acquired 834 hectares of undeveloped urban land located in Harare South to expand the Southview project. Fidelity expects the project to generate a bottom line of more than $200 million. In the period under review, the Zimbabwe Stock Exchange-listed counter's profit grew by three percent to $5,2 million from $5 million recorded in the full year to December 2014. Chapereka added that the group's total comprehensive income for the year decreased by 30 percent to $2,6 million on prior year due to exchange differences arising from translation of foreign operations amounting to $2,4 million. In the 12 months to December 2015, Fidelity's asset base jumped to $106 million from $85 million recorded in the previous corresponding period. "The year 2016 is expected to remain challenging. The focus of the group is to continue to unlock and deliver value to shareholders. The servicing of residential stands for Fidelity Southview Park Project is expected to be completed in the second quarter of 2016," Chapereka said. The group declared a 0,5096 cents dividend. *(The Source)*

NMBZ Holdings recorded a threefold jump in after tax profit to $5,5 million for the year ended December last year as a decision to widen its target market and contain non-performing loans paid off. Through its principal subsidiary NMB Bank, the financial institution previously focused on high net worth clients but has since expanded its tentacles to other lower income segments. Group chief executive Ben Washaya said the group achieved the results even after writing off bad debts amounting to nearly $12 million.
"The significant improvement in operating results was largely underpinned by the bank's decision to broaden its target market, stricter underwriting standards and concerted efforts to contain non-performing loans," he said During the period, the group saw its revenue surge to $43 million from $35,4 million while interest income rose marginally to $20,6 million from $18,4 million. Despite the improved profitability, NMBZ Holdings opted not to declare a dividend to maintain a strong capital balance. At the end of the period, NMB Bank's capital adequacy stood at 19,26 percent ahead of the 12 percent set by the Reserve Bank of Zimbabwe. The group's basic earnings per share, however, improved to 1,43 cents from 0,43 cents the previous year in line with improved profitability. In the period, group assets grew 17 percent to $334 million. *(Herald)*

Anheuser-Busch InBev and SABMiller have notified the Zimbabwe Competition and Tariff Commission of their £71 billion merger. The two beer giants have been reluctant to notify their merger to the local competition authority arguing that their transaction is of a global nature and does not fall under the jurisdiction of Zimbabwean competition authorities. SABMiller owns a 38,1 percent stake local beer maker, Delta Corporation. Competition and Tariff Commission assistant director (Competition) Benjamin Chinhengo yesterday confirmed the notification and highlighted that it was mandatory and in line with the regulatory demands of the Zimbabwean competition environment. "We have always encouraged InBev and SABMiller to notify us of their merger but were reluctant raising the argument that the transaction was of a global nature. We advised them any transaction with an effect on Zimbabwe should be notified and in this case, the transaction had an impact on Delta Beverages which is 38,1 percent owned by SABMiller. We therefore, advised them to comply with our demands and avoid going to court over issues that can be solved through compliance," said Mr. Chinhengo.

"However, they finally submitted a notification of the merger yesterday despite their earlier concerns. The transaction might have been approved on the global stage already but due to the presence of Delta in Zimbabwe, they were supposed to notify," he said. He said any transaction "whether global", but with an effect on the Zimbabwean market should be noted by the competition authorities. Anheuser-Busch InBev last year completed the £71bn takeover of SABMiller, a deal which combined the world's two largest beer makers. To clear the way for the takeover, SABMiller sold its 58 percent stake in its US joint venture MillerCoors. SABMiller sold the stake to its main partner in the business, Molson Coors, for $12bn. SABMiller has a workforce of close to 70 000 in more than 80 countries, and global annual sales of more than $26 billion while AB InBev has a workforce of 155 000 and global revenues of more than $47 billion. The two global giants are predicting cost saving of at least $1,4 billion a year after concluding the merger. *(Herald)*

ZB Financial Holdings has returned to the black and on Wednesday announced a net profit of $8,9 million for the full-year to December 2015. This compares with a net loss of $9,8 million in 2014. The group's chief executive Roy Mutandagayi told analysts at a briefing that cost rationalisation measures implemented over the last 24 months have assisted in sustaining a profitable trend during 2015. "Net revenue reduced by 1 percent to $56,7 million in 2015 compared to $57,3 million in 2014. This was largely as a result of a higher fair value loss on investment properties and stocks which amounted to $2,7 million in 2015 compared to $0,8 million in 2014, an increase of 251 percent," he said. Notwithstanding the 13 percent reduction in net interest income, aggregate earnings from lending and trading activities increased from $11,9 million to $13,6 million, Mutandagayi added. "This positive outturn was achieved as a result of a $10,9 million recovery from previously written off debts. Gross loan impairment charges during the year increased by 80 percent from $7,7 million in 2014 to $13,8 million in 2015," he said. "The depressed net interest income is a result of a reduced credit portfolio and a general weakening of rates as credit absorption capacity on the market continued to deteriorate."

Despite the firming up of business in both the life assurance and the short-term reinsurance businesses, ZB's net insurance premium income reduced marginally by one percent. The financial institution attributed the reduction in insurance premium income to an increase in the aggregate claims and related expenses which went up eight percent from $20,9 million to $22,5 million. Mutandagayi said in spite of this increase, the risks underwritten by the group remained profitable during the year. In the period under review, ZB's recurring operating expenses reduced by 19 percent from $57 million in 2014 to $46,3 million in 2015. Total assets for the group increased by 12 percent from $379,8 million in 2014 to close the year at $424,1 million. ZB declared a dividend of 0,54 cents per share for the full-year. *(The Source)*

First Mutual Holdings Limited (FML) will sell-off its 20 percent shareholding in Zimbabwe's second largest hotel group, Rainbow Tourism Group (RTG), as it moves to concentrate on its core operations. The insurance group said on Wednesday it had reclassified its investment in RTG, which has been posting losses since 2009, to "available for sale" from strategic investment, as it scouts for interested buyers. "We have reclassified RTG from a strategic investment to one that is available for sale," said chief executive officer, Douglas Hoto, during a presentation of FML's financial results for the year ended December 31, 2015. "We felt that we have no interest in RTG," noted Hoto, who revealed that FML had also sold off its African Actuarial Consultants unit during the review period. RTG has found the going tough in the dollarised environment where it has been posting losses. Its current liabilities more than doubled during the half-year to June 30, 2015, against the backdrop of shrinkage in current assets. The hotelier is expected to present its full-year results to December after the Easter holidays. But its current liabilities swelled to nearly $29 million during the half year to June 30, 2015, from $13 million during the comparable period the previous year. This was against a low current assets portfolio of $9,5 million during the half year reporting period, from $12,5 million during the prior time. RTG also had borrowings amounting to $4 million which were also due in 2015, and had a bank overdraft funded to the tune of $1,4 million as at the half year. Despite the dire financial situation, directors said their assessment of the group's going concern status was positive. During the reporting period, the group suffered an eight percent slump in revenue to $12,4 million. This was against the $13,5 million achieved during the comparable period the previous year. It registered a $1,9 million loss during the reporting period, from a marginal profit-after-tax of US$0,1 million the previous comparable period. Hoto said it had achieved an overall profit of $100,000 during the review period, from a loss of $5,1 million the previous year.

Gross Premiums Written for the period, at $116,1 million, was one percent above the prior year figure of $115,3 million, which improved on the back of strong performance in the health insurance business. In the 12 months to December, First Mutual's rental income decreased by 3 percent from $7,5 million in 2014 to $7,3 million, reflecting the current challenges faced by tenants and the resultant decline in occupancy levels and rentals per square metre. Hoto noted that the average rental per square metre decreased from $7,86 in 2014 to $7,58 in 2015. "The occupancy rate for the period was 79 percent compared to 80 percent in the prior year. The claims at $67,7 million declined by $2,3 million from prior year mainly due to reduced retrenchments in the life and pensions segment and lower claims incurred for the health insurance business," he said. First Mutual incurred investment losses of $4,7 million in 2015 compared to investment losses of $3,8 million in 2014 in line with the downward movement in the stock market. Hoto said the group's investment property was independently revalued by the end of last year resulting in fair value losses of $6,6 million. In the period under review, the group's total assets declined by 2 percent from $213,3 million at December 2014 to $209, million by December 2015. The insurance giant attributed the decline to the fair value loss on investment property of $6,6 million, fair value losses of $7,3 million on the listed equity investments portfolio and the $2,6 million impairment of the investment in RTG. "The decline in total assets was, however, mitigated by net new cash flows as reflected in the increase in money market and held to maturity investments," Hoto said. No dividend was declared for the 2015 financial year. *(The Source)*

Economic News

SOUTH Africa will this year invest more than $600 million in Zimbabwe as a follow up to President Mugabe's State visit to foster partnership in areas of mutual interests. Speaking at a business forum in Gweru recently, South Africa's Minister of Trade and Industry Mr. Mzwandile Masina said the development was in line with the vision of President Mugabe and President Jacob Zuma to strengthen trade and business cooperation between the two nations. "This business forum intends to advance the vision of our leaders, President Zuma and President Mugabe, to strengthen cooperation in a manner that will enable both our countries to foster partnership in areas of mutual interests. "South Africa invests here in a range of sectors from mining, agro-processes, ICT and we are now into manufacturing. We are in discussion to revive the railway to enable fast movement of goods. "We have invested over R20 billion in Zimbabwe between 2003 and 2015. We have invested in a number of companies that include PPC cement processing company. Some of these initiatives are beginning to stabilise the economic challenges that Zimbabwe has been facing," he said.

Mr. Masina said South African companies were ready to comply fully with the laws of Zimbabwe. He said an investment of over $571 million was coming to Zimbabwe in 2016 while other companies were still prospecting for business in the country. "We are not bringing South African companies to loot in Zimbabwe, we are bringing them to add value and contribute towards mitigating some of the socio-economic challenges that have been bedevilling Zimbabwe that include issues around jobs and poverty. "There are a number of investments that are coming through, for instance Tongaat Hullet is investing $8,8 million; we are in negotiations with Government in terms of the location. New Coal is investing in coal, oil and gas among other small investments that will also see South Africa investing $571 million in the country this year. "We want to fully comply with the laws of the land and our people need to understand the indigenisation laws.

We have agreed on infrastructural development and the manufacturing industry including fast-tracking our work around agro-processing among other things," he said. Zimbabwe's Ambassador to South Africa, Ambassador Isaac Moyo, concurred that President Mugabe's visit to that country had cultivated business opportunities between the two nations. "President Mugabe highlighted the opportunities that were available in Zimbabwe and we decided to engage the business community in South Africa to come and explore some of the business opportunities. "The embassy followed up with the Department of Trade and Industry in South Africa to implement this part of the agreement as had been briefed during President Mugabe's visit. We also engaged the Johannesburg Chamber of Commerce and Industry," he said. *(Herald)*

Zimbabwe has placed orders to import 469,000 tonnes of white maize after a drought hurt production of the staple crop, an industry official said on Wednesday. Jasper Marangwanda, the head of Zimbabwe's Grain Logistics Taskforce, which is coordinating maize imports on behalf of the government, told reporters that half of the maize is expected to come from Zambia, with the rest to be imported from the United States and Mexico. The maize should be in Zimbabwe by September, Marangwanda said. *(Reuters)*

Zimbabwe government will on April 1 shut down foreign-owned companies that have not complied with its empowerment laws which demand that they sell their shares to locals, youth and empowerment minister Patrick Zhuwao said on Wednesday. The government gave foreign-owned firms — including miners and banks — a March deadline to comply with the indigenisation law which requires that foreigners sell at least 51 percent of their shareholding to locals. Zimbabwe's Indigenisation Act, which was enacted in 2008, requires foreign owned companies valued at over $500,000 to cede 51 percent to black locals, which analysts say is not ideal for an economy battling to recover from a decade-long recession. President Robert Mugabe in December warned that government would no longer tolerate non-compliance with the law. "On Tuesday March 22, 2016, Cabinet unanimously passed a resolution directing that from 1 April 2016, all line ministries proceed to issue orders to the licensing authority to cancel licenses of non-compliant business within their respective sectors of the economy," Zhuwao, who is Mugabe's nephew, told journalists. "This welcome decision by Cabinet will ensure that the laws of Zimbabwe, specifically the Indigenisation and Economic Empowerment Act are respected and enforced." Some companies had been reluctant to comply with the law as Cabinet appeared divided over implementation of the law.

Zhuwao said all government ministries would be required to submit names of companies within their portfolios that have complied with the law, adding the firms had been given ample time to comply. "The failure to adhere to the laws of the land must attract immediate consequences that must be severe and dire enough to ensure that law is respected and adhered to," said Zhuwao. Two of the world's largest platinum producers — Anglo American Platinum and Impala Platinum — are some of the foreign-owned firms with operations in Zimbabwe. International banking groups Standard Chartered Plc and Barclays Plc, along with regional financial institutions Standard Bank and Ecobank, also have local operations. Amplats and Implats have previously submitted empowerment plans. Analysts have blamed the localisation law for the dearth of foreign investment in Zimbabwe in the past decade. In 2014, Zimbabwe's foreign direct investment stood at $545 million — less than 5 percent of the country's GDP — from $400 million in the previous year, driven by interest in mining, infrastructure and services but still lags regional rivals. Also, a total of 67 projects mainly in mining and energy worth $971 million were approved in the first six months of last year compared to 76 projects valued at $555 million during the same period last year. *(The Source)*

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