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	1-Dec-17	8-Dec-17	Local	USD	31-Dec-16	Local	USD
Botswana	DCI	8879.43	8888.81	0.11	-0.18	9700.71	-8.37	-6.87
Egypt	CASE 30	14582.22	14294.73	-1.97	-2.52	12344.00	15.80	18.20
Ghana	GSE Comp Index	2513.59	2508.53	-0.20	0.68	1689.09	48.51	39.15
Ivory Coast	BRVM Composite	223.47	223.62	0.07	-0.62	292.17	-23.46	-17.28
Kenya	NSE 20	3815.61	3750.53	-1.71	-1.72	3186.21	17.71	15.97
Malawi	Malawi All Share	21189.04	21480.88	1.38	1.65	13320.51	61.26	60.16
Mauritius	SEMDEX	2181.27	2164.19	-0.78	-1.81	1808.37	19.68	21.89
	SEM 10	413.37	410.53	-0.69	-1.71	345.04	18.98	21.18
Namibia	Overall Index	1214.96	1196.92	-1.48	-1.05	1068.59	12.01	12.40
Nigeria	Nigeria All Share	37944.60	39257.53	3.46	3.38	26874.62	46.08	22.95
Swaziland	All Share	406.45	406.45	0.00	0.44	380.34	6.86	7.24
Tanzania	TSI	3828.70	3862.32	0.88	0.51	3677.82	5.02	-0.76
Zambia	LUSE All Share	5347.15	5347.15	0.00	-2.72	4158.51	28.58	21.83
Zimbabwe	Industrial Index	373.97	335.97	-10.16	-10.16	145.60	130.75	130.75
	Mining Index	126.86	132.79	4.67	4.67	58.51	126.95	126.95

CURRENCIES

	1-Dec-17	8-Dec-17	WTD %	YTD %
Currency	Close	Close	Change	Change
BWP	10.33	10.36	0.29	1.63
EGP	17.69	17.79	0.57	2.07
GHS	4.56	4.52	-0.88	-6.31
CFA	571.31	575.25	0.69	8.08
KES	103.10	103.11	0.01	-1.48
MWK	717.83	715.92	-0.27	-0.68
MUR	33.62	33.97	1.04	1.85
NAD	13.66	13.60	-0.44	0.35
NGN	359.75	360.04	0.08	-15.83
SZL	13.66	13.60	-0.44	0.35
TZS	2237.16	2245.25	0.36	-5.50
ZMW	10.07	10.35	2.79	-5.25

SECURITIES AFRICA

Botswana

Corporate News

No Corporate News This Week

Economic News

No Economic News This Week

Egypt

Corporate News

Exxon Mobil is considering a foray into Egypt offshore oil and gas, seeking to replicate rivals' success in the country and boost its reserves, officials and industry sources said. Officials from the world's largest listed oil producer recently held talks with Egypt's petroleum ministry to discuss investments in oil and gas production, known as upstream operations, Petroleum Minister Tarek El Molla told Reuters. "We have been discussing with them, visiting them. They've visited us... We are exploring all opportunities for having more and further upstreamers in Egypt," Molla said on the sidelines of an OPEC meeting in Vienna. "I would be happy to have them with us," he said, adding that no decision has been made yet. Exxon declined to comment. The Irving, Texas-based company currently has no upstream operations in Egypt, according to its website. The company is looking at exploring the eastern Mediterranean offshore basin, according to industry sources. Italy's Eni this month is set to begin producing gas from the Zohr field in the Mediterranean, among the biggest discoveries of the past decade. "After Zohr there was a reassessment of the portfolio profitability in Egypt" by Exxon, one source said, adding that Exxon was looking for "tier one assets" with significant potential. Exxon is also considering opportunities in the Red Sea, where Cairo is preparing to tender exploration blocks, industry sources briefed on the matter told Reuters. Egypt in 2016 had reserves of 3.5 billion barrels of oil and 1.8 trillion cubic metres of gas, according to BP's Statistical Review of World Energy.

Egypt has recently ramped up efforts to attract foreign investment in its oil sector to boost its struggling economy. Along with Eni, BP and Royal Dutch Shell also have significant operations in Egypt in offshore gas production, which is consumed domestically although Cairo aims to become a gas exporter. Exxon like many rivals has curbed spending to ride out a sharp fall in oil prices in mid-2014. With its reserves slipping, Exxon CEO Darren Woods, who took over at the beginning of the year, has gone shopping. Woods has spent or authorised more than $10 billion in investment in the Permian Basin, the largest U.S. oilfield, and in offshore Guyana. In November, Exxon and Japan's Inpex Corp signed an agreement with the Abu Dhabi National Oil Co (ADNOC) to boost the capacity of the Upper Zakum offshore oilfield, the world's fourth largest. Exxon is also close to signing a deal to explore for oil and gas off Mauritania, its oil, energy and mines director said on Wednesday. In 2016, Exxon's stockpile of total proved oil reserves fell 4 percent to 7.75 billion barrels. In addition, the oil in its portfolio is in hard-to-reach or expensive places, including Russia and Canada. By comparison, rival Chevron Corp has been able to boost its proved oil reserves by about 1 percent since 2014 by expanding in the Permian Basin and Kazakhstan. Exxon's oil production up to the end of the third quarter stood at 3.9 million barrels of oil equivalent per day, down about 6 percent from the end of 2016. *(Reuters)*

Economic News

The World Bank Group said its executive board approved on Tuesday a $1.15 billion development policy loan for Egypt to support the country's economic reform programs. The loan is the last in a series of three annual loans totaling $3.15 billion issued from 2015 to 2017, the World Bank said in a statement. The $1.15 billion loan, which supports Egyptian economic reforms aimed at creating jobs, ensuring energy security, strengthening public finances and enhancing business competitiveness, includes financing contributions of $500 million from the World Bank Group, $500 million from the African Development Bank and $150 million from Britain. *(Reuters)*

Egypt said it signed an agreement for a $1.15 billion development policy loan from the World Bank on Friday, state news agency MENA reported. The loan to support Egypt's economic reforms is the last in a series of three annual loans from the World Bank totalling $3.15 billion issued from 2015 to 2017. The World Bank approved the loan on Tuesday. The $1.15 billion loan, which supports Egyptian economic reforms aimed at creating jobs, ensuring energy security, strengthening public finances and enhancing business competitiveness, includes financing contributions of $500 million from the World Bank Group, $500 million from the African Development Bank and $150 million from Britain. *(Reuters)*

Ghana

Corporate News

MTN Ghana will sign a 510 million cedi ($112 million) syndicated loan facility arranged by Ecobank, sources close to the deal told Reuters on Wednesday. The medium-term facility, which will be signed on Thursday, has been raised from nine banks and was oversubscribed by 590 million cedis, the sources said. MTN Ghana in 2012 raised $300 million from a similar loan to finance network expansion, but this was repaid by the end of May this year. MTN is the leading mobile operator in Ghana with 17.8 million voice subscribers as of September. AirtelTigo, the second largest, serves around 10 million subscribers. Others include Vodafone , with about 9 million, and Nigeria's Globacom, with 781,022 subscribers by end-September. *(Reuters)*

Economic News

Ghana's cocoa regulator plans to raise $750 million in loans to finance the replacement of almost half of the trees that produce the crop in the country because they are either old or ridden with disease. Ghana Cocoa Board wants to cut down more than 400,000 hectares (988,431 acres) of trees over the next five to eight years, Chief Executive Officer Joseph Boahen Aidoo said on Monday. About a fifth of Ghana's cocoa tree stock is affected by swollen shoot disease, a virus which reduces yields and kills a plant within three to four years, while another quarter are old and unproductive, Aidoo said. "The spread of the disease is quite alarming, even young farms have been affected," Aidoo said in an interview in the capital, Accra. The measures will not affect Ghana's forecast of 850,000 tons of cocoa for the season through September and will boost the size of future harvests, he said. The loan facility will be raised from local and foreign banks and is expected to be completed early next year, he said. The industry regulator is seeking to improve yields and incomes of thousands of small-holder farmers who dominate the industry in the world's second-biggest producer of the chocolate ingredient. Plans to raise a $750 million loan will be in addition to expected borrowings of $600 million from the African Development Bank for the building of warehouses and other measures to improve storage and distribution of the crop. *(Bloomberg)*

WEEKLY AFRICAN FOOTPRINT

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Kenya

Corporate News

Safaricom and Commercial Bank of Africa's (CBA) virtual banking platform M-Shwari is marking five years on Wednesday with registered customers having crossed the 18 million mark. The M-Shwari service, run by the telecoms giant and the privately held lender under the mobile money platform M-Pesa, was rolled out five years ago as a credit facility for those who have been locked out of the loans market for lack of collateral and credit history. It was positioned as a pioneer financial service that promotes a culture of saving among ordinary Kenyans and allows those with no collateral to access loans through their mobile phones. In a statement to the media on the event today, the two companies said they would announce product enhancements. "Kenya's premier mobile lending and savings proposition, M-Shwari will tomorrow (today) mark its fifth anniversary, at an event in which CBA and Safaricom will announce some product enhancements geared at deepening financial inclusion further, and reward customers for their loyalty," read part of the statement. The total cumulative loans issued under M-Shwari stood at Sh7.37 billion per month as at March this year compared to Sh6.3 billion per month in March 2016. As at March, registered customers of the platform stood at 18.33 million compared to 13.99 million in the same period last year. M-Shwari charges a one-off facility fee of 7.5 per cent on the loan. The Banking (Amendment) Act, 2016, which came into force on September 14 last year, caps loan charges at four percentage points above the Central Bank Rate (CBR), presently standing at 10 per cent, and requires lenders to pay interest of at least 70 per cent of the CBR on term deposits. *(Business Daily)*

A UK-based economic and financial intelligence publication has named KCB Group Plc as the 2017 Bank of the Year in the just concluded 18th Banker Awards. During the event held in London last Thursday, The Banker cited KCB for its sustainable growth and multi-channelled approach that helped increase financial inclusion across the region. The Banker Awards recognise the top banks across the globe for their sound financial performance, their multi-channel banking strategies and efforts that drive financial inclusion. KCB Group CEO Joshua Oigara welcomed the award, saying the award affirmed that the bank was on the right path to realising its goals. "As a Bank we are delighted to be recognised for the work we do in pushing the sustainability agenda and financial inclusion agenda. It is also a challenge for us to keep doing more not just in Kenya but across the East African region," he said. The London award comes hardly a month after the lender won the Financial Times award as the Best Bank in Kenya and is the current holder of the 2017 Best Corporate Publication award received from the Public Relations Society of Kenya. Mr. Oigara said while his team had been recognised for its multi-channelled based services where clients access services via branches, online platforms and mobile phones, KCB Group was keen on strengthening its platforms so as to continue enjoying trust from its customers. KCB boasts of an asset portfolio valued of Sh643.8 billion where it posted a pre-tax profit of Sh22.4 billion in the third quarter ending September 30, 2017 indicating a 3.1-per cent growth against a similar period in 2016. It has 250 branches, 960 ATMs and 14,976 agents offering banking services in Kenya, Tanzania, South Sudan, Uganda, Rwanda, Burundi and Ethiopia. *(Daily Nation)*

The chief executive officer of Kenya's Uchumi Supermarkets Julius Kipng'etich, who was hired to revive the loss-making retailer, has resigned, the company said. The troubles at Uchumi, and the implosion of privately held Nakumatt, have opened the door to foreign chains such as France's Carrefour to operate franchises. The retailer's board of directors said the CEO had decided to leave to pursue personal interests. Kipng'etich, who has a reputation as a turnaround specialist, was hired at a time the chain had reported large financial losses. He leaves behind stores with empty shelves, as suppliers have shunned the chain, and an incomplete search for a strategic investor to inject cash into the business. Kipng'etich, who did not respond to calls from Reuters seeking comment, has however managed to narrow the losses. Its pretax loss narrowed to 1.66 billion shillings for the year to end June from 2.67 billion shillings in the same period in 2016. In the year to end June 2015, it posted a pretax loss of 3.51 billion shillings. Earlier in his tenure, he oversaw the closure of Uchumi's loss-making Ugandan subsidiary, more than halved the workforce and announced plans for land sales to raise working capital. Uchumi said it had appointed Mohamed Ahmed Mohamed, its chief finance officer, as acting CEO. *(Reuters)*

Uchumi Supermarkets' chief executive Julius Kipng'etich's sudden departure has called into question the retailer's recovery prospects in an environment where deep-pocketed foreign rivals are racing to take more territory from struggling local rivals. Dr Kipng'etich, whose resignation took Uchumi's board by surprise, joined the retailer in August 2015 in what was billed as a swift turnaround mission. But the turnaround artist, who established a corporate culture at government agency Kenya Wildlife Service (KWS), soon found out that Uchumi's troubles ran deep and with very few avenues for the journey to recovery. Uchumi's problems appeared to have only compounded during Dr Kipng'etich two-year tenure and his exit now leaves the supermarket with the challenge of recruiting another turnaround artist. "The … board of directors has accepted, with reluctance, the resignation of the chief executive officer of the company, Dr Julius Kipng'etich, with effect from November 30, 2017 to pursue personal interests," the company announced on Wednesday. Uchumi appointed chief finance officer Mohamed Ahmed as the acting CEO, promising to identify a substantive successor in due course. Chief operating officer Andrew Dixon –a former executive of Tesco and Nakumatt Holdings who joined Uchumi in November— is seen as a frontrunner to replace Dr Kipng'etich. Uchumi chairperson Catherine Ngahu told the Business Daily that no decision had been made, but the new CEO would be recruited through a transparent process. The retailer, which has in recent months faced a severe liquidity crisis, is meanwhile deploying the Sh700 million loan it received from the government last week to bolster its operations ahead of the critical Christmas shopping season. Uchumi says it planned to restock its stores and engage with suppliers to maintain their support as it works on a long-term funding solution including selling assets and raising billions of shillings from a strategic investor.

The government has the option of converting the loan into shares or being repaid in cash after eight years. The new CEO will need robust and quick support of shareholders to accomplish what Dr Kipng'etich could not pull off. Dr Kipng'etich leaves behind a smaller Uchumi that owes its existence to the government, a 14.7 per cent shareholder that has been the source of life support for several ailing firms including Kenya Airways and Mumias Sugar Company. Uchumi's net worth turned to a negative Sh2 billion in the year ended June 2016 and worsened to Sh3.3 billion in the subsequent year, the result of asset depletion, mounting liabilities and losses brought by sales declines. The retailer's net loss over the same period narrowed from Sh2.8 billion to Sh1.6 billion. Net sales, standing at Sh2.5 billion in the year ended June, are less than a fifth of the Sh14.4 billion recorded three years earlier. *(Daily Nation)*

Beer maker Kenya Breweries Limited (KBL), a subsidiary of UK Diageo's East African Breweries Ltd, has announced plans to grow sales for its beer, its lower-taxed Senator Keg and spirits products by beefing up its distribution channels in the country. KBL yesterday invited expressions of interest from investors through notices in local dailies for distributors of its products at the Coast, Rift Valley and western Kenya. "KBL has opportunities for additional beer and spirits distributors in Machakos, Kwale, Voi and Taita Taveta counties," said Kenya's largest and oldest producer of beer in the notice. "KBL and UDV have opportunities for additional Keg and spirits distributors in Malindi, Kitale, Kilifi, Bomet, Migori, Kapsabet, Bungoma, Busia and Narok." KBL has spelt out stringent financial and contractual requirements for the potential distributors. The beer maker has in the past faced standoff with its distributors with the demand that the beer maker removes alleged clauses in their contracts that allegedly prevent the merchants from dealing with rival firms. The standoff came to a head in June last year after some of the beer distributors declined to sign agreements requiring them to notify the EABL of any plans to deal in competitor products. The EABL, which controls the largest beer market share in Kenya, had at the time issued its distributors with three-year contracts that effectively barred them from selling products from rival firms. Intense talks saw most of the distributors eventually sign the contracts, averting what would have been a major supply nightmare for the brewer. EABL said then that its contracts were non-exclusive and that the requirement is not uncompetitive. *(Daily Nation)*

Economic News

Private sector activity in Kenya rose in November from a record low hit in the previous month, pointing to a potential recovery as political risks ease, survey data showed on Tuesday. The Markit Stanbic Bank Kenya Purchasing Managers' Index (PMI) for manufacturing and services rose to 42.8 last month, from 34.4 in October, but remained well below the 50 mark that separates an expansion from a contraction. "Business conditions deteriorated at a slower pace, thanks in large part to the conjecture by the private sector that the political impasse is now behind us," said Jibran Qureishi, economist for East Africa at Stanbic Bank. President Uhuru Kenyatta was sworn in for a second and final five-year term last week after a protracted election. The Supreme Court nullified the initial vote on Sept. 1 and ordered a repeat which was boycotted by the opposition. Output has contracted for seven straight months, according to the PMI, but Qureishi said a recovery may be near. "Lower political risk could provide the platform for Kenya's private sector to stage a recovery over the near to medium term," he said. "Good weather conditions have improved growth prospects for the agriculture sector and reduced inflation expectations." The government expects the economy to grow by 5.1 percent this year having reduced its initial forecast of 5.9 percent. *(Reuters)*

Kenya's central bank Monetary Policy Committee will hold its next rate-setting meeting on Jan.22, it said on its website. At its last meeting in November, the bank held its benchmark lending rate at 10.0 percent. *(Reuters)*

The Kenyan shilling jumped to a 3 month high against the dollar on Wednesday as investors from abroad sought local stocks and government bonds due to a reduction in political risks. At 0654 GMT, commercial banks quoted the shilling at 103.75/103.95 per dollar, its strongest since Sept.18, and up from 103.00/10 at Tuesday's close. President Uhuru Kenyatta was sworn in for a second term late last month after a protracted election period marked by violence and an opposition boycott. The political crisis had reduced investor confidence. *(Reuters)*

The World Bank has cut its 2017 growth estimate for Kenya's economy to 4.9 percent, which would be the slowest annual expansion in five years, due to drought, sluggish credit growth and a prolonged election season, it said on Thursday. The lender had already cut its initial forecast by half a percentage point in April, to 5.5 percent, citing the severe drought in the first half and the drop in private sector growth. The Kenyan economy has since been buffeted by political risks after the Supreme Court nullified an Aug. 8 election and ordered a re-run that was boycotted by the opposition. "Private sector activity weakened over the first three quarters of 2017 on account of the election induced wait-and-see attitude," the World Bank said in its report on the economy. The drought drove up inflation and cut consumer demand. The main Purchasing Managers' index for manufacturing and services plunged to a new low in October due to the political uncertainty. President Uhuru Kenyatta was sworn in for a second five-year term but main opposition leader Raila Odinga has said he will hold a parallel "swearing-in" ceremony next week. Growth is expected to rebound to 5.5 percent in 2018 and 5.9 percent in 2019, the World Bank said, provided the government implements policy remedies like the removal of a cap on commercial lending rates.

Private sector credit growth slipped to 1.6 percent in the year to August, its lowest level in over a decade. "Removing the interest rate cap can help jump-start domestic credit to the private sector," the bank said in the report. The government also needed to boost revenue collection in order to cut its budget deficit. "Safeguarding macroeconomic stability -- a foundation for robust growth -- will require fiscal consolidation," the World Bank said. It said Kenya, whose budget deficit climbed to 9 percent in the year to the end of June, can cut recurrent expenditure to reduce pressure on public finances. The East African nation issued its debut Eurobonds in 2014 and has asked banks for proposals for more dollar bonds to be issued in the first quarter of next year. Economists say although Kenya's recent annual growth rates of 5-6 percent are respectable, it needs to increase them to the upper single digits on a sustained basis to have a meaningful impact on job creation and poverty reduction. *(Reuters)*

A peaceful settlement of Kenya's political impasse will determine the country's economic fortunes in the near and medium terms, the World Bank said on Thursday. The bank announced this as it downgraded its 2017 growth forecast to below five percent. Severe drought in the first half of the year, a slowdown in credit growth arising from last year's capping of the lending rate and a prolonged political season had taken steam off economic activity forcing it to lower the growth forecast to 4.9 per cent from an earlier estimate of 5.5 per cent, the bank said in its latest quarterly review. The multi-lateral lender, however, said it expects East Africa's largest economy to rebound to a growth rate of 5.5 per cent next year before accelerating to 5.9 per cent in 2019 but subject to the settlement of the political impasse in the coming weeks. "Our baseline assumes political uncertainty will dissipate in the medium term, and with that, the wait and see attitude adopted by both businesses and consumers will wane," the World Bank says in its quarterly update report. "If political uncertainty lingers beyond the near term, its dampening effect will persist into 2018 and 2019, leading to a weaker than projected growth performance," the report says. There are concerns that the dark political clouds that have hung over the country since the beginning of the year have yet to clear as opposition leader Raila Odinga, who boycotted the repeat October 26 election prepares to swear himself in on Jamhuri Day – setting up his supporters for a possible clash with the government of President Uhuru Kenyatta. Mr Odinga and his supporters have vowed never to recognise the presidency of Mr Kenyatta who was sworn in on November 28 after he won 98 per cent of the votes in the repeat election. Attorney-General Githu Muigai Thursday termed Mr Odinga's inauguration plan as 'treasonable', offering a hint at how the Kenyatta regime might respond to it. Analysts see this new political development as a key risk to the recent rallying of markets that have seen stock prices recover and the shilling strengthen against major world currencies as foreign investors return to the domestic market. "This political development on the back of lower market activity as the holiday season approaches could weigh on the shilling," a forex trader with a local commercial bank said. The Kenyan economy has weathered a number of shocks that have forced the government and International Monetary Fund (IMF) to scale down their growth projections for 2017. A severe drought that started in the last quarter of 2016 hurt agricultural production, forcing the World Bank to scale down its forecast by half a percentage point to 5.5 per cent in April. A slowdown in credit growth coupled with a prolonged political season that saw the country go to its first ever repeat presidential election hurt activity in key sectors such as agriculture, manufacturing and trade – and forcing the Treasury to downgrade its growth forecast to 5.1 per cent from 5.9 per cent previously. Some sectors, including wholesale and retail, tourism and small businesses, however performed better, according to Central Bank of Kenya Governor Patrick Njoroge. *(Daily Nation)*

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' year-on-year inflation rate edged up to 3.6 percent in November from 3.5 percent in the previous month, the statistics office said on Wednesday. *(Reuters)*

The island-nation of Mauritius has started buying fuel from Saudi Arabia's state-owned oil company Saudi Aramco after a court ordered a ban on Indian fuel supplies because of a dispute between the country and a shipping firm. For years, Indian oil refiner Mangalore Refinery and Petrochemicals Ltd (MRPL) has been the sole supplier to Mauritius of fuels such as gasoline and diesel. However, an Indian court has ordered a ship loaded with fuel from MRPL for the island to stay in port until the Mauritian government settles an outstanding $120 million payment to shipper Betamax over a contract dispute. Mauritian Trade Minister Ashit Gungah told reporters on Thursday in the country's capital of Port St. Louis that Aramco will supply fuel. "I can reassure the population and economic operators that we have sufficient stock of fuel," he said. "A first tanker is expected in the country during the weekend and two more tankers will arrive next week. A fourth tanker is due by mid-December," He said the supplies would be sufficient to meet demand until January 2018. "Other friendly countries have also accepted to help Mauritius," Gungah said. The fuel issues stem from a dispute between the State Trading Corporation of Mauritius (STCM), which buys fuel from MRPL, and Mauritian-based shipper Betamax.

STCM in 2009 signed a 15-year contract with Betamax to transport fuels from MRPL in the southern the Indian state of Karnataka to Port Louis. The contract was worth 8 billion Mauritius rupees ($238 million), according to local media reports. But in 2015 it terminated the contract with Betamax. The company won a case in June against STCM for premature termination at the Singapore International Arbitration Centre that awarded Betamax more than $120 million. Betamax pressed the case at the Karnataka High Court after STCM did not make payment. A Karnataka court order reviewed by Reuters directed port authorities at Mangalore "to refrain from providing any clearance" to the tanker Pacific Diamond from leaving India with 40,000 tonnes of unspecified petroleum product for delivery to STCM. The ship is to be held until the next hearing on the matter on Monday, the order said. Betamax can enforce the arbitration award against STCM's assets in any country where the award is enforceable. MRPL exports about 1.2 million tonnes of refined fuels to Mauritius a year. MRPL will look at exporting the surplus fuel if the ban continues on supplies to Port Louis, a company official said on condition of anonymity. An MRPL spokesman declined to comment on the matter while Saudi Aramco did not immediately reply to an e-mail.*(Reuters)*

WEEKLY AFRICAN FOOTPRINT

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Nigeria

Corporate News

Swiss food giant Nestle announced Sunday that it would close its factory in Kinshasa, capital of the Democratic Republic of Congo, a potential market of 80 million people but one beset by poverty and political instability. "We will close our factory and offices by the end of January and continue developing our economic distribution model through third parties," a spokeswoman for the group told AFP. The decision affects 120 people and Nestle will offer laid-off employees "a series of compensatory measures more favourable than required by local labour laws," she said. Nestle has been in the country since 2009 and opened a factory producing Maggi stock cubes, but has posted losses ever since. The food giant's investment of 15 million Swiss francs ($15 million) was a boost to DR Congo, which like other central African nations is seeking to grow its industrial base and move away from being merely an exporter of minerals. In October the Congolese affiliate of Dutch brewing giant Heineken, Bralima, announced its own restructuring plan, with a company official saying that "a complete overhaul is necessary if the economy is going to function". Rich in cobalt and coltan — used in electronic products — the country nonetheless suffers from grinding poverty which affects 80 percent of the population. The Democratic Republic of Congo is also suffering a political crisis. Much-delayed elections to replace President Joseph Kabila have been scheduled for December 2018, but the opposition is demanding that the veteran leader step down sooner. The vast African country has seen an outbreak of anti-government demonstrations since Kabila refused to step down in December 2016 on the expiry of his second and final term in office. Kabila took office after his father Laurent was assassinated in 2001. *(Punch)*

Economic News

Switzerland will return to Nigeria around $321 million in assets seized from the family of former military ruler Sani Abacha via a deal signed with the World Bank on Monday, the Swiss government said. Transparency International, a corruption watchdog, has accused Abacha of stealing up to $5 billion of public money during the five years he ran the oil-rich country, from 1993 until his death in 1998. In 2014, Nigeria and the Abacha family reached an agreement for the West African country to get back the funds, which had been frozen, in return for dropping a complaint against the former military ruler's son, Abba Abacha. The son was charged by a Swiss court with money-laundering, fraud and forgery in April 2005, after being extradited from Germany, and later spent 561 days in custody. In 2006, Luxembourg ordered that funds held by the younger Abacha be frozen. Now Switzerland, Nigeria and the World Bank have agreed the funds will be repatriated via a project supported and overseen by the World Bank, the Swiss government said. "The project will strengthen social security for the poorest sections of the Nigerian population. The agreement also regulates the disbursement of restituted funds in tranches and sets out concrete measures to be taken in the event of misuse or corruption," it added. (Reuters)

Nigeria's central bank on Monday weakened the naira marginally, selling dollars at 307 naira each for the first time on the official interbank market, in what traders say could signal a gradual move to merge its multiple exchange rates. Nigeria's convoluted exchange rate system has been used to manage what the central bank described as "frivolous" demand for dollars at the peak of a currency crisis which began two years ago. The West African country now has at least five exchange rate including the official one which the bank used to mask pressure on the currency. In April it allowed foreign investors to trade the naira at market determined rate, which has weakened the currency to around 360. The bank has sold $500,000 almost on daily basis on the official spot market since creating several exchange rates to alleviate dollar shortages. However it had sold the currency at rates of between 305 naira and 306 naira for months before Monday's move. "It's possible the central bank is working towards a gradual convergence of rates, one trader told Reuters. Earlier this month the bank sold dollars at 306 naira for the second time after maintaining a level of around 305 naira on the spot market for two months. Dollar shortages gripped Africa's biggest economy as crude sales, Nigeria's mainstay, plunged at the start of an oil price rout in 2014. That triggered a recession last year and frustrated businesses, which had to find dollars on the black market as a result. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

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TRADING

Nigerian stocks rose to a more than three-year high on Tuesday after gaining for five straight days as foreign investors snapped up shares ahead of year-end earnings, traders said. The main share index climbed 1.06 percent to cross 38,000, a level it last reached in October 2014. *(Reuters)*

Nigeria's Senate passed the government's medium-term expenditure framework for 2018-2020 on Tuesday, raising its oil price assumption to $47 from $45 per barrel. The document, which the government agreed upon in August before sending it to lawmakers for approval, is the framework used to prepare the country's budget. Aside from the oil price assumption, all other details contained in the document were kept the same by the lawmakers in the upper house of parliament. It must also be passed by the lower chamber before being applied to spending plans. Nigeria is Africa's biggest oil producer and crude oil sales make up two-thirds of government revenue. In the second quarter Nigeria emerged from its first recession in 25 years which was largely caused by low oil prices and militant attacks in the Niger Delta energy heartlands. The budget framework projects crude production of 2.3 million barrels per day for next year. It also forecasts growth of 3.5 percent for next year, rising to 4.5 percent by 2019 and 7 percent by 2020. *(Reuters)*

The Central Bank of Nigeria on Monday opened the foreign exchange market with the injection of another $210m to sustain liquidity. The acting Director, Corporate Communications Department, CBN, Mr. Isaac Okorafor, said the sum of $100m was offered to the wholesale segment, while the Small and Medium-scale Enterprises segment got an allocation of $55m. The invisibles segment (that is, tuition fees, medical payments and basic travel allowance, among others) was also allocated $55m. The acting director noted that the releases to successful bidders which have since been concluded were part of effort aimed at further enhancing the ease of doing business in Nigeria. Hence, beside boosting liquidity in the forex market, facilitating trade and remittances for legitimate personal commitments were also expected to improve significantly. Okorafor enjoined authorised dealers to abide by the extant rules of the forex market as the CBN would continue to intensify monitoring of the market. Meanwhile, the naira closed at N363/dollar at the parallel market on Tuesday. It was said to have closed at 361/dollar in the Bureau De Change segment of the market. *(Punch)*

The World Bank on Tuesday said it provided a $350 million loan to Nigeria for the development of rural electrification projects in the country. This is just as the federal government has said it would by 2020, generate up to 3,000 megawatts (MW) of electricity with about 10,000 mini grid projects to electrify communities in the country that are yet to get connected to the national grid. Speaking at the ongoing Action Learning Event on Upscaling Mini Grids for Low-cost and Timely Access to Electricity in Abuja, the Nigeria Country Director for World Bank, Rachid Benmessaoud, said the $350 million loan was given to the government, and that a lot of it would go to the private sector. The bank also said that about 80 million people in Nigeria have no access to electricity, while about 600 million people in sub Saharan Africa do not have power supply in their various communities. Represented by the World Bank Global Lead, Energy Access, Mr. Mac Cosgrove-Davies, Benmessaoud said: "With regards to the question on the loan, yes indeed this is a loan to government. "That said, the Rural Electrification Agency (REA) will be the implementing agency for the loan and much of the funds will actually be going to the private sector. A lot of the funds that go from the World Bank to the government will be provided to the private sector." He earlier said during the opening session of the conference that globally, more than one billion people lack access to electricity. "Sub Saharan Africa is home to about 600 million of these. In Nigeria, 80 million people are without access and millions more suffer from poor service. REA expects mini grids to fill a substantial portion of that gap covering up to 8,000 villages nationwide," he added.

On how the $350 million loan would be managed, the Managing Director, REA, Mrs. Damilola Ogunbiyi, said $100 million out of the total sum will be dedicated to mini grid development. According to Ogunbiyi: "The total loan amount for the electrification programme is $350 million, of which $100 million of that is going to be dedicated to mini grid development. As for the total quantum of electricity being targeted with the 10,000 mini grids, we are trying to achieve 3,000 megawatts. "Some sites could be 150 kilowatts, some others 20KW, etc, but 10,000 (mini grids) is just a guide because people always need figures when we need to drive something home. So, it could be less than that, but if we can achieve 3,000 megawatts on off-grid, which will be close to the power generated on-grid, we will be very happy." Ogunbiyi, also explained that the loan will be disbursed through the World Bank's Nigeria Electrification Project (NEP) to be implemented by REA after its approval in April 2018. She said businesses in Nigeria spend up to N40 billion annually to generate unstable and expensive electricity, but that the REA was working with the private sector to provide off grid power supply strategies for businesses in the country.

According to her, about N9 billion worth of profit could be earned from private investments in Solar Home Systems (SHS) and mini grid systems. *(This Day)*

As Nigeria begins to gear up for general elections in February 2019, five senior politicians appear to be key players in Africa's top oil producer. President Muhammadu Buhari, a 74-year-old former military ruler, will start as one of the favorites if he seeks re-election after becoming the first opposition candidate to win power in Nigeria's history in 2015. A health scare this year -- he spent more than five months in London receiving treatment for an undisclosed medical ailment -- convinced some observers that he wouldn't serve more than one term. But he returned in August with renewed vigor, regularly traveling on official trips both at home and abroad. Buhari has pledged to boost investments to spur growth after presiding over an economic recession, exacerbated by falling crude prices and production and a currency policy that starved factories, airlines and fuel importers of dollars. While his administration has slowed the advance of Islamist militants in the northeast, it faces renewed unrest in the oil-rich Niger River delta and the southeast, where secessionist sentiments are on the rise. To win again, he'll need to rebuild the coalition that formed the ruling All Progressives Congress and guaranteed him votes in his northern base and large parts of the southwest and center. Former Vice President Atiku Abubakar, 71, effectively signaled he's considering another run for the presidency when he announced in November that he was leaving the ruling APC, accusing it of imposing a "draconian clampdown on all forms of democracy." A few days later, Abubakar has been a presidential aspirant in three different parties since Nigeria returned to democratic rule in 1999. He lost to Buhari in the APC primaries but supported him as the candidate.

A former Nigerian Customs Service top official who became a major shareholder in Intels Nigeria Ltd., an oil-service company, he favors regional autonomy and power devolution, a stance that has popular appeal particularly in southern Nigeria. Senate President Bukola Saraki, 54, is Nigeria's third-most powerful person after Buhari and his deputy, Yemi Osinbajo. A U.K.-trained medical doctor from a renowned political family, his reputation as a ruthless strategist rose after his preferred candidate defeated his sister, who was backed by their father, Abubakar Olusola Saraki, in a state gubernatorial election in 2011. Though an APC member, he orchestrated his way to head the senate with support from the opposition PDP against the wishes of several of his party leaders, including Buhari. Saraki has expressed interest in the past in running for president, but hasn't said if he plans to stand in 2019. Even if Saraki chooses not to, those seeking the presidency will likely need his support. Bola Ahmed Tinubu, 65, is a former governor of the commercial hub of Lagos state who's widely seen as the man who made Buhari's election victory possible by delivering to him the bulk of votes from the southwest, home to one of the nation's three biggest ethnic groups, the Yoruba people. He may well determine if Buhari wins a new term. While he's believed to harbor presidential ambitions of his own, he's been more influential as a kingmaker. In 2011, Tinubu's support helped then President Goodluck Jonathan defeat Buhari, and four years later he helped Buhari beat Jonathan. His Action Congress and Buhari's Congress for Progressive Change fused to form the core of the ruling APC. Their relationship soured after Buhari failed to include some of his choices in the cabinet.

In recent months Buhari's relationship with Tinubu has warmed, holding several meetings with him at the presidency and making a public show of taking him along as a member of his delegation to the European Union-Africa Union summit in the Ivory Coast in November. In the past, Tinubu has also been allied to Abubakar, and it's not clear at this point which one of them may get his backing -- his decision could be crucial to the outcome of the 2019 vote. Vice President Yemi Osinbajo, 60, is largely seen as a protege of Tinubu, under whom the former law professor served as attorney general of Lagos state. When Buhari and Tinubu decided that as two Muslims it would be impolitic for them to be on the same ticket, Osinbajo, a Christian, was tapped for the post. When he was acting president during Buhari's medical leave, Osinbajo showed great tact negotiating the delicate contours of Nigerian politics, winning the respect of the business community by focusing on their challenges. He's also part of one of Nigeria's biggest political families. His wife, Oludolapo, is the grand-daughter of Obafemi Awolowo, the biggest political leader of ethnic Yorubas in the modern era, a vote-winning name in the key southwestern region. He hasn't said if he'd be interested in seeking the presidency. *(Bloomberg)*

The Nigerian Stock Exchange (NSE) yesterday restated its commitment to bridging the information gap between the exchange and market participants, knowing the high correlation between market information such as stock market prices, market data, corporate actions and news and decision making. Head, Corporate Communications, NSE, Mr. Olumide Orojimi restated this commitment while commenting on the ranking of the exchange website as the best among the stock exchanges in Africa. The latest Alexa rankings placed NSE website among the top 100,000 most popular websites in the world, ahead of 26 other African exchanges' websites. Alexa, an Amazon company, is regarded as one of the most authoritative benchmarks of web traffic in the world. It tracks and reports the detailed website analytics of an unfixed number of domains amongst millions of Internet users. According to Alexa, NSE's global traffic ranking stood at 78,552 as at December 6, 2017, which represents a 50 per cent increase from its 156,610 position as at December 31, 2016. Closely following NSE in the ranking are Egyptian Exchange, JSE, BRVM and Nairobi Securities Exchange with ranking of 130,301, 155,653, 242,657 and 260,293 respectively. Commenting on the development, Orojimi said: "We are delighted to see this increase in traffic to our website as it means that we are making the Nigerian capital market easily accessible to investors who are increasingly residing online." According to him, "At the NSE, we are committed to bridging the information gap between the Exchange and market participants, knowing the high correlation between market information (stock market prices, market data, corporate actions and news) and decision making. We are glad our website is also helping us to achieve this." He said the NSE recently upgraded its website to be mobile friendly, with robust content and a cleaner layout and navigation. "The revamp was fuelled by feedback from users that wanted certain high demand pages easier to navigate and some key changes implemented. For example, using analytics from visits and usage of our website, we added filter functionality to the corporate disclosure page to enable users browse through results filed by listed companies easily. Our online visitors can now experience a more vibrant and seamless view of our offerings," he said. *(This Day)*

The Nigerian equities market extended its bullish run for the fourth consecutive day this week as investors' positive sentiments continued. As a result, the Nigerian Stock Exchange (NSE) All-Share Index (NSE ASI) appreciated by 1.17 per cent to close higher at 39,534.14. Similarly, market capitalisation added N159.8 billion to close at N13.77 trillion. The positive performance thursday could be linked to gains recorded by Nigerian Breweries Plc, Nestle Nigeria Plc, Zenith Bank Plc, Ecobank Transnational Incorporated and FBN Holdings Plc. However, Union Bank of Nigeria Plc led the price gainers with 10.1 per cent trailed BY Fidelity Bank Plc with 7.5 per cent, while NAHCO Plc chalked up 7.2 per cent. Okomu Oil Palm Plc and FBN Holdings Plc garnered 7.1 per cent and 6.1 per cent respectively. Conversely, Total Nigeria Plc led the price losers with 5.0 per cent, trailed by AXA Mansard Insurance Plc with 4.6 per cent. NEM Insurance Plc shed 4.6 per cent, while Livestock Feeds Plc closed 4.1 per cent lower. According to analysts at FSDH Research, the bullish momentum was sustained and largely driven by high demand for banking, consumer goods and insurance stocks "There was profit taking on a number of stocks as expected, leaving of Dangote Flour, Transcorp, Diamond, FCMB and Stanbic IBTC closing on offer.

Bargain hunting continued and was sustained in FBNH, Zenith, Fidelity Bank, ETI and Okomu and leaving Sterling Bank, UBN, Aiico and Continental Insurance and they all closed on bid," they said. The analysts noted that although profit taking is expected to continue in the coming sessions, the market will remain positive and active as we approach year-end. A further analysis of the trading activities shows that three sectors closed in the negative while two appreciated. The two gainers were the NSE Consumer Goods Index and the NSE Banking Index that appreciated by 2.7 per cent and 1.8 per cent respectively as a result of sustained buying interest in Nigerian Breweries Plc (+2.2%), Nestle (+6.0 per cent) Zenith Bank (+5.6 per cent) and Access Bank (+3.3 per cent). On the other hand, the NSE Industrial Goods Index shed 0.8 per cent following profit taking in Dangote Cement (-0.4 per cent). In a similar vein, the NSE Insurance Index fell 0.5 per cent following losses in AXA Mansard (-4.7 per cent) and NEM Insurance (-4.6 per cent) while the NSE Oil & Gas Index shed 0.4 per cent as a result of to selloffs in Total Nigeria (-5.0 per cent). *(This Day)*

One of Nigeria's two main oil unions on Thursday threatened to launch a nationwide strike from Dec. 18 over what it said was a "mass sacking of workers that joined the union". If the government fails to force the management of domestic oil and gas companies and marginal field operators to recall laid-off union members, its workers will go on strike, the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) said. PENGASSAN did not say how many workers were laid off and union officials did not respond to calls and messages. Oil output from Nigeria, Africa's largest crude exporter, has been volatile over the past two years due to militant attacks, pipeline theft and sabotage and industrial action. Strikes by PENGASSAN workers in December last year at ExxonMobil facilities affected production and dented exports from the company's fields, according to oil traders and Reuters oil export data. Nigerian oil minister Emmanuel Ibe Kachikwu said on Thursday that the government would engage with PENGASSAN to resolve the dispute "as soon as possible." *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Tanzania

Corporate News

No Corporate News This Week

Economic News

The Tanzania-Zambia Railway Authority (TAZARA) has suspended all train services, including the transportation of copper following a strike by workers in Africa's second-largest producer of the metal, the company said on Wednesday. The line is an important route for copper exports from Zambia and the Democratic Republic of Congo (DRC), Africa's top producer, but the firm transporting the metal struggles to pay its workers, prompting strikes. TAZARA spokesman Conrad Simuchile said train services between Zambia and Tanzania were suspended indefinitely after unionized employees in Zambia went on strike, demanding payment of their unpaid salaries for October and November 2017. "In the last few months, we have been transporting at least 7,000 tonnes of copper exports from DRC and Zambia per month," Simuchile told Reuters. "In addition, we have also been conveying at least 3,000 tonnes of steel and 10,000 tonnes of fertiliser imports destined for Zambia every month." In the 2015–2016 financial year from July to June, TAZARA's annual total freight traffic reached 130,000 tonnes from 87,000 tonnes in 2014–2015. The TAZARA railway is jointly owned by the governments of the Tanzania and Zambia on a 50-50 basis. *(Reuters)*

Tanzania's year-on-year inflation dropped slightly to 4.4 percent in November, the statistics office said on Friday, down from 5.1 percent the month before. Ephraim Kwesigabo, director at state-run National Bureau of Statistics, attributed the lower inflation to a slower rise in the prices of food items including meat, fish, vegetables, Irish potatoes and cassava. *(Reuters)*

Tanzania's energy regulator raised maximum prices of petrol, diesel and kerosene on Thursday due to higher global oil prices. Fuel prices weigh heavily on the inflation rate in the East African country. Year-on-year headline inflation slowed to 5.1 percent in October, down from 5.3 percent a month earlier. Tanzania's Energy and Water Utilities Regulatory Authority (EWURA) raised the maximum retail price of petrol by 1.96 percent and increased the cap for diesel by 1.54 percent. Maximum kerosene prices were raised 0.17 percent in the latest monthly price limits, which take immediate effect. "The increases in diesel and kerosene local prices are mainly due to increases in world oil market prices, whereas the increase in petrol prices is mainly due to an increase in bulk procurement system premiums," EWURA said. The regulator increased the price of petrol in the commercial capital Dar es Salaam by 41 shillings a litre to 2,160 shillings, and the price of diesel in the capital by 30 shillings to 1,984 shillings per litre. Kerosene prices in the commercial capital were raised 3 shillings to 1,942 shillings per litre. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zambia

Corporate News

No Corporate News This Week

Economic News

Zambia will begin refinancing Eurobonds worth $2.8 billion in 2019, ministry of finance permanent secretary Mukuli Chikuba said on Monday. Chikuba said the financing of the Eurobonds was expected reduce the cost of debt servicing for Africa's No.2 copper producer. *(Reuters)*

Zambia has lifted a ban on night driving for truckers, imposed to improve road safety, after mining companies in Africa's No. 2 copper producer said the decision had hit commercial activity, the government said on Wednesday. The southern African nation last year banned night driving for public service vehicles, including buses and trucks in a bid to reduce the number of fatal road traffic accidents. The number of vehicles on Zambia's roads almost tripled to 700,000 in the 10 years to 2016, increasing road fatalities in the southern African nation, with more than 2,000 people dying last year alone, according to government statistics. Transport Minister Brian Mushimba said the ban would remain in force for buses but that trucks, which also transport copper, the nation's main export, would be allowed to move at night. "We have separated the public transport from trucking business so that we can give an opportunity to the trucks that transport a lot of cargo to continue running 24 hours a day," Mushimba said. The Zambia Chamber of Mines, which represents foreign mining companies operating in Zambia, welcomed the lifting of the ban. "The mining sector is obviously relieved that the measures... have been amended to reflect the reality of transporting essential industrial inputs and commodities on our roads," Chamber of Mines President Nathan Chishimba said. Foreign mining companies operating in Zambia include First Quantum Mineral, Barrick Gold, Glencore and Vedanta Resources. *(Reuters)*

London-listed Vedanta Resources said on Thursday its Zambian subsidiary Konkola Copper Mines (KCM) plans to set up a new copper smelter, cobalt refinery and other infrastructure under a $1 billion investment programme announced earlier. In March Vedanta announced the $1 billion investment after a meeting between its Chairman Anil Agrawal and Zambian President Edgar Lungu. Vedanta aims to build a new copper refinery, at Nchanga, in Chingola, a cobalt processing plant and a training academy at Konkola and invest in de-watering the Konkola mine. "We are firmly behind KCM's medium-term target of raising total annual finished copper production to 400,000 tonne per annum," Chief Executive Kuldip Kaura said. The company had previously predicted that the investment would create 7,000 jobs but has now raised the estimate to 12,000 jobs. It holds a majority stake in KCM and has said the mine could produce copper for another 50 years. KCM produced 180,000 tonnes of finished copper in the last financial year ended March 31, compared with 182,000 tonnes the previous year, according to company data. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zimbabwe

Corporate News

Bindura Nickel Corporation's net income grew 88 percent to $2,2 million from $1,2 million in the six months to September, driven by higher mineral prices and cost management initiatives. Revenue up seven percent year on year to $24,1 million from $22,5 million in the previous year. Operating profit was 54,5 percent to $3,4 million from $2,2 million in the comparable period. "The increase was partly due to savings realised through various management initiatives," chairman Muchadeyi Masunda said in a statement on Thursday. Nickel production grew by 1,16 percent to 3,460 tonnes from 3,420 tonnes. Sales at 484,93 tonnes were slightly higher compared to 3,464 tonnes for the same period last year while the average price of nickel in concentrate was $6,422 per tonne, from $6,198 per tonne previously. "The resurgence of the Chinese stainless steel market and the hype surrounding the electric motor vehicle and the use of nickel in the manufacture of batteries were the main drivers for the nickel market," said Masunda. Capital expenditure amounting to $2,4 million was incurred during the period under review. Total assets stood at $97 million compared to $96 million in the comparable period. The group did not declare any dividend. *(Source)*

Mashonaland Holdings narrowed its loss position for the year ended 30 September 2017 to $1.6 million compared to $5.9 million in 2016 largely driven by reduced property expenses. The company's expenses were lower at $1.1 million, reflecting a 27 percent decline from $1.5 million during prior year. "The reduction was mainly as a result of a lower movement in the provision for credit losses compared to prior year. This was a result of increased recoveries in the current year," said chairman Ron Mutandagayi in a statement of the financials. He said void related costs and property management expenses constituted the major portion of this spend and they constituted 22 percent of total income. Net property income for the period was 9 percent lower at $3.6 million from $3.9 million in 2016. Group revenue declined 14 percent to 4.7 million compared to $5.5 million during prior year impacted by increased voids and lower rental income. Mutandagayi said occupancy levels were lower at 72 percent compared to 74 percent and the marginal decline masks sectoral and locational differences with the greater portion of the movement taking place in the CBD offices sector. "The decline in occupancy, together with rent reviews aimed at minimizing vacancies, impacted negatively on the revenues," he said. He said the average annualized portfolio yield remained at 6 percent and arrears went down to $1.8 million from $1.9 million in 2016. The investment property total portfolio value was $90 million, a 4 percent decline from $93.3 million in 2016 largely driven by the office sector where voids are high and rental levels are declining. Mutandagayi said the Group will soon embark on development of 24 medium density stands in Old Windsor Park Ruwa. The group declared a dividend of $0.0097 cents. *(The Source)*

Economic News

The need to grow the economy which is one of President Emmerson Mnangagwa's major thrust, has cascaded down to members of the Cabinet with ministers appointed to economic ministries yesterday saying they will strive to achieve growth in their respective portfolios. From his inauguration speech, President Mnangagwa has been consistent that the need to revive the economy will drive his presidency and in a brief chat with journalists after swearing in ministers yesterday morning, the president reiterated the need to focus on the economy. "It has been hectic, but I believe that my team will stand the challenge," said the President when asked about his first few days in office. I want them (Zimbabweans) united (and) we must grow our economy," he said. His message has rubbed onto his ministers with those appointed to economic portfolios all speaking the language of growth. Tourism and Hospitality Industry Minister Priscah Mupfumira, said she will work to promote brand Zimbabwe and boost arrivals. The largely perception driven industry last year earned the country $890 million after registering 2, 1 million tourist up from 2, 06 million in 2015. "Tourism is a key contributor to the economy," said Minister Mupfumira, "So for me the first thing is about brand Zimbabwe, marketing the brand, making sure that we attract as many tourists as possible and grow the sector's contribution to Government revenue." Lands, Agriculture, and Rural Resettlement Minister Air Marshal Perrance Shiri, who last year led the technical implementation team for the hugely successful Special Maize Import Substitution Programme or Command Agriculture programme, said he will champion productivity on the farms. "In terms of Agriculture, we have to ensure there is production, all land has to be fully utilised and apart from fully utilising the land, we want productivity to be increased really. We realise that we contribute a lot towards the GDP (Gross Domestic Product) of the country, wealthy creation in the country and foreign currency earning and we just have to leave up to the expectation of the nation," said Minister Shiri. Finance and Economic Development Deputy Minister Terrence Mukupe, said key to growth will be cutting Government expenditure. "It's clear when you talk to everyone on the streets the very first thing we really have to do as government is to live within our means, time for extravagancy is over. We have been spending most of our money on recurrent expenditure (and) we really need to take a good look at that recurrent expenditure and go through all the expense lines item by item to make sure that there is no wastage," said the Deputy Minister.

Mines and Mining Development Minister Winston Chitando, who has vast mining experience in the private sector, said while he is not in a position to spell out his strategy as yet, he will however, be guided by the need to grow the sector's contribution to the economy. The mining industry last year managed $2 billion exports and Government has this year set a $3 billion target for the sector. However, there have been concerns with a lack of upstream investment with business largely concentrated in the extractive sector. "I haven't been even to the office but all I can say is I look forward to being part of the process of growing our mining industry for the benefit of the economy," said Minister Chitando. Having served in relatively the same portfolio in former President Mugabe's Government, Industry, Commerce and Enterprise Development Minister Dr Mike Bimha, said he will now need to make sure his thrust is in sync with President Mnangagwa's. "We need to revisit our strategy as a ministry in line with the thrust that has been given by His Excellency the President. In his inauguration speech he had a number of areas that he would want us to focus on," said Minister Bimha. "The issue of job creation, the issue of resuscitating industry and developing new industries these are areas we will continue, as we move forward, (to focus on) to drive the industrialisation agenda," he said. *(Herald)*

Zimbabwe has earned $827,4 million from 166,6 million kilogrammes of tobacco exported mainly to South Africa and China since the beginning of 2017. Statistics from the Tobacco Industry Marketing Board's latest weekly bulletin show that China accounted for over 56,3 million kg valued at $440,9 million while South Africa bought 20,9 million kg for $64,1 million. With an estimated 350 million smokers, China has been spending over $200 million yearly on Zimbabwean tobacco. Part of the TIMB weekly bulletin reads: "As of October 27, 166,6 million kg were exported to 62 countries so far, generating $827,4 million into the local economy. "During the same period last year tobacco exports generated $771,8 million from 136,8 million kg. The golden leaf is presently being exported to these countries at an average price of $4,96 a kg compared to $5,57 (in) the same period last year." Belgium has so far bought 19,8 million kg worth $59,97 million (average price of $3,02/kg), followed by Indonesia, which has spent $37,8 million on 9,04 million kg, while United Arab Emirates stands at 7,6 million kg worth $14,8 million. Other buyers include Russia, Bulgaria, Vietnam, Hong Kong, France, Netherlands, Germany, Holland, Sudan, Spain and Tanzania.

Last year tobacco exports topped $933 million, which was a marginal surge from $855 million from the previous season. During the 2017 marketing season, farmers sold 189 million kilogrammes of flue-cured tobacco, with contract farmers contributing most of the deliveries at 158 million kg, while self-financed farmers weighed in with 31 million kg. Meanwhile, farmers have already started planting for the upcoming season. Manicaland Province is now the leading province in terms of the hectarage that has been put under flue-cured tobacco, having 10 227 hectares under the cash crop out of the 30 719 ha planted countrywide. The TIMB bulletin showed that the 30 719 ha of tobacco planted throughout the country is a 0,9 percent increase from the 29 701 ha planted in the same period last year. Given that the rains have fallen, more dry land tobacco farmers have planted and some are still planting. Many tobacco farmers are under contract farming where beneficiaries often access inputs such as fertilisers and chemicals timely. Some contracts even cover labour costs. Government has put in place $28 million tobacco kitty, which will ensure that the tobacco auction system remains in place as the domination of the contract system will entirely affect the tobacco sector through manipulation of the system as what happened to the cotton sector. Tobacco registrations for the 2017 /8 season rose 36 percent to 99 448 from 73 340 last season. This shows a high appetite of growing the golden leaf among farmers. Tobacco is the country's highest foreign currency earner followed by gold. The central bank is considering opening the auctions floors early in a bid to ease foreign currency pressure Zimbabwe is experiencing. The Reserve Bank of Zimbabwe (RBZ) also introduced 12 percent export incentive to promote export oriented production. *(Herald)*

The Zimbabwe Stock Exchange mainstream index eased 5,41 percent to close at 346,15 points on Tuesday as investors wait for direction from the 2018 national budget whose presentation is expected on Thursday. The mining index, however, remained flat at 126,86 points. ZSE market capitalisation closed at $9,9 billion while market turnover amounted to $1,89 in the day. Beverage maker Delta eased 13,27 percent to close at 156,23 cents while Old Mutual lost 19,71 percent to settle at 480 cents. Econet dropped 5,2 percent to trade at 113,52 cents. OK Zimbabwe and Axia also shed 13,04 percent and 19,75 percent to close at 19 cents and 16,05 cents respectively. Other heavyweights Seedco, Padenga and Hippo slightly eased 0,3 percent , 0,1 percent and 0,28 percent to trade at 209,37 cents, 55,94 cents and 176 cents in that order. Dawn also eased 18,99 percent to settle at 2,09 cents. However, Meikles was the only counter to defy the odds, gaining by 9,13 percent to close at 25,1 cents in the day. No trades were recorded in the mining space in the day. Foreigners were net buyers in the day, having bought shares worth $1 million and disposed of shares worth $253,186. *(The Source)*

State-run pension fund, National Social Security Authority (NSSA), says it has started due diligence processes to acquire an 80 percent stake in the struggling Cold Storage Company (CSC) after the government approved the transaction. NSSA chairman Robin Vela said the move was going to be implemented through a share subscription and shareholders agreement which would see government retaining a 20 percent stake in the Bulawayo-based meat processing firm. "…The authority has begun a due diligence process guided by an investment plan as CSC embarks the turnaround journey," Vela said in his third quarter update. NSSA intends to invest $18 million to recapitalise CSC. Presently operating at below 10 percent capacity, CSC used to be one of Zimbabwe's strategic assets earning the country about $45 million annually from beef exports, mainly to the European Union. *(The Source)*

When Patrick Chinamasa marks the start of his second stint as Zimbabwe's finance minister by presenting the budget on Thursday, investors will be looking for policy changes in addition to fiscal plans in the post-Robert Mugabe era. While the government needs to rein in runaway spending, end cash shortages and recapitalize banks, signals that it plans to revise or repeal contentious policies such as forcing companies to transfer 51 percent stakes to black Zimbabweans could be a game-changer. It could lure back investors and smooth engagement with lenders like the International Monetary Fund and the World Bank. Chinamasa, a lawyer, was reappointed last week by President Emmerson Mnangagwa, less than two months after former leader Mugabe moved him to another portfolio. Mugabe resigned two weeks ago after an army-led coup ended his 37-year rule. During his tenure, agricultural output collapsed due to forced repossessions of commercially productive, mainly white-owned farmland, Zimbabwe abandoned its currency in 2009 due to hyperinflation and the economy has halved in size since 2000. A half-hearted attempt at solving expropriation, taming inflation and curbing the country's massive import bills would be a continuation of Mugabe's "insular budgetary policies," said Charles Laurie, head of country risk at Bath, England-based Verisk Maplecroft. There will be "intense scrutiny" of Chinamasa's plans by investors who expect "business-friendly budgetary policy," though the focus would mostly be on the empowerment law. "Repealing or gutting the law will be an essential step in signaling to foreign businesses that Zimbabwe is serious about fostering a viable business environment," Laurie said. "It's nearly impossible to imagine a revival of Western investor appetite should this politically motivated law remain on the books."

Chinamasa has led efforts to revive the struggling economy and tap fresh credit. While Zimbabwe has paid $110 million of arrears to the IMF, it's still saddled with $1.7 billion arrears to the World Bank and African Development Bank and external debt exceeds 70 percent of gross domestic product. In 2000, Mugabe backed violent seizures of about 4,500 mostly white-owned farms to redistribute to black subsistence farmers in a land-reform program that led to the deaths of farmers and farm workers in clashes with people moving onto the land. The move crippled commercial agricultural output, with shipments of tobacco, the biggest foreign-currency earner, only starting to return to 2000 levels last year. Hyperinflation, estimated by the IMF to have peaked at about 500 billion percent at the end of 2008, forced the nation to abandon its currency in early 2009 in favor of a basket of foreign exchange including the dollar, the rand, the euro and the pound. The country has now printed what it calls bond notes, which it says have the same value as dollars. Economic growth may contract in 2018 if no immediate steps are taken to solve protracted liquidity shortages, said BMI Research, a unit of Fitch Group Inc. The government forecasts GDP will expand 3 percent in 2018 from 3.7 percent in 2017. Zimbabwe holds the world's biggest platinum reserves after South

Africa and also has chrome, gold, iron ore, coal and diamonds. While mining is the largest source of foreign currency, fresh capital dried up under the law forcing foreign, white-owned companies to cede 51 percent of their businesses to black Zimbabweans or the government. Anglo American Platinum Ltd., Impala Platinum Holdings Ltd., and Sinosteel Corp. are among companies operating there. A "strong and coherent reform program" may result in the economy being reintegrated into the global market, while a financial package may be "possible" if arrears are settled, said Gerry Rice, a spokesman for the IMF. The lender, which is holding talks with the government this month, is ready to help the nation on policies to restore stability and growth. It "will require concerted efforts to tackle the fiscal deficit, and to complement that with structural reforms," he said. Mnangagwa, 75, and Chinamasa "pushed back" against some of Mugabe's initiatives and they may prioritize reviving agriculture and policy changes "in exchange for desperately needed finance", said Francois Conradie, head of research at Paarl, South African-based NKC African Economics. Investors can forgive past misdeeds provided the signals for future stability are strong, Verisk Maplecroft's Laurie said. "Should Mnangagwa take sound steps to begin restoring investor and diplomatic confidence, it is likely that Zimbabwe will benefit from an influx of foreign working capital," he said. *(Bloomberg)*

Zimbabwe will trim spending and increase tax revenue next year and relax laws that require black citizens hold majority stakes in companies as it looks to restore confidence and boost economic growth, Finance Minister Patrick Chinamasa said. The measures will reduce the southern African nation's fiscal deficit to 3.5 percent of gross domestic product next year from an estimated 9.4 percent in 2016, he told lawmakers during his budget presentation Thursday in the capital, Harare. It proposed to confine laws that force companies to transfer 51 percent stakes to black Zimbabweans to the platinum and diamond industries only, he said. "The unsatisfactory performance of the economy is being underpinned by declining domestic and foreign investor confidence levels, against the background of policy inconsistencies in an uncertain and uncompetitive business environment," Chinamasa said. The budget "focuses on consolidating the fiscus in order to restore and maintain macroeconomic stability," he said. Chinamasa announced the 2018 fiscal plan a week after he was reappointed by President Emmerson Mnangagwa. Former leader Robert Mugabe resigned two weeks ago after an army-led coup ended his 37-year rule in which agricultural output collapsed due to forced repossessions of commercially productive farmland. Zimbabwe abandoned its currency in 2009 due to hyperinflation and the economy has halved in size since 2000.

Other highlights from the budget include the following:
Revenue will increase to $5.07 billion next year from an estimated $4.34 billion this year as the government seeks to increase tax revenue 17 percent to $4.3 billion. Zimbabwe will reduce spending to $5.7 billion from an estimated $6.05 billion in 2017. It will cut employment costs to $3.24 billion from $3.39 billion. The Finance Ministry forecasts total debt of $14.5 billion, or 74 percent of gross domestic product, declining to 66 percent of GDP by 2020. The country will cut 3,739 posts to help to reduce costs, and will freeze vacant public-service positions to contain the wage bill. GDP is forecast to expand 4.5 percent in 2018 from an estimated 3.7 percent in 2017, accelerating to 5.6 percent in 2019 and 6 percent in 2020. Zimbabwe holds the world's biggest platinum reserves after South Africa and also has chrome, gold, iron ore, coal and diamonds. While mining is the largest source of foreign currency, fresh capital dried up under the law forcing foreign, white-owned companies to cede 51 percent of their businesses to black Zimbabweans or the government. Anglo American Platinum Ltd., Impala Platinum Holdings Ltd., and Sinosteel Corp. are among companies operating there. *(Bloomberg)*

Zimbabwe President Emmerson Mnangagwa ordered that a white Zimbabwean farmer evicted from his land in June be allowed to return, signaling a shift in land-ownership policy from predecessor Robert Mugabe. Mnangagwa has also ordered an end to the intimidation and eviction of farmers, regardless of race, with immediate effect, presidential adviser Chris Mutsvanga said Thursday. Robert Smart, evicted from his Lesbury Estate farm in the eastern Manicaland province by then-governor Mandi Chimene, can return immediately, Mutsvanga said by phone interview from the capital, Harare. Chimene's whereabouts aren't currently known, while a religious leader who participated in the eviction was "told to leave the farmer alone," Mutsvanga added. Several ministers and governors loyal to Mugabe, like Chimene, have disappeared from public view since Nov. 15, when Zimbabwe's military briefly took control of the country. One of Mnangagwa's key challenges will be to revive an agricultural industry that collapsed following the Mugabe-sanctioned seizure of mostly white-owned commercial farms starting in 2000, causing food shortages and slashing export earnings and tax revenue. After taking office two weeks ago, the new president spoke in a speech about the need to revive Zimbabwe's decimated economy and put the southern African nation back to work. However, his announcement last week of a cabinet that included ruling party loyalists and army generals fueled skepticism about the likelihood of policy changes. "Under the new dispensation, all Zimbabweans, regardless of race, color or creed are welcome to work for the development of the country," Mutsvanga said. *(Bloomberg)*

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