

WEEKLY

# BULLETIN

Weekly Bulletin 5 April 2022

## Regional

### *Regional Presidents welcome DR Congo into EAC*

DR-Congo's admission into the East African Community (EAC) on Tuesday, March 29, comes with increased GDP and expanded market size making the bloc home to about 300 million people, leaders observed as they welcomed the seventh member. Kenya's President Uhuru Kenyatta, the Chairperson of the EAC Heads of State Summit, opened the meeting by noting that world over, countries are integrating and organising themselves into regional economic blocs to strengthen intra-regional trading and increase inter-regional competitiveness through economies of scale. With DR Congo's admission, Kenyatta said, the EAC will expand significantly in various aspects of mutual benefit. "Indeed, a combined population and GDP of our community will grow by 50% and 25% respectively, implying a correspondent expansion of the market for goods and services. These numbers imply expanded market opportunities for producers located within the EAC under the Customs Union. The expanded Community will attract more investments across all sectors and will attract more investments as we also create wealth and employment for our people," he said. "The Community will be in a better position to combine resources to develop the much-needed infrastructure, especially the main transit corridors running from east to west. The same infrastructure is crucial in facilitating cross border movements of goods, people as well as physical capital as envisioned in the East African Common Market." Kenyatta said. (Source: New Times Rwanda)

*Comment: Trade within the now expanded EAC region has averaged US\$6.1bn a year over the last three years (to 2020), representing a significant formal trade market. It is estimated that informal trade adds 10% to 15% to this total as well. Companies in Uganda are already well entrenched in parts of the eastern DR-Congo, as well as Rwanda and South Sudan, Tanzania is a key transit route for goods into southern DRC and Burundi and Kenyan companies have moved quickly in recent years to invest in the DRC, notably in banking and other services. This agreement will be used by companies in those countries to deepen their presence in the eastern DRC and should be seen as an opportunity for companies outside the EAC to consider deeper direct involvement in the region. (Africa House)*

## **Regional**

*African Development Bank Group signs Memorandum of Understanding with ECOWAS for \$3.56 million grant to develop West Africa pharmaceutical industry*

The African Development Bank and the Commission of the Economic Community of West African States (ECOWAS) have signed a memorandum of understanding for \$3.56 million in grant funding to support the development of pharmaceutical industries in West Africa. The project's total cost is \$3.77 million, to which the ECOWAS Commission will provide \$200,000 in cash and \$400,000 in-kind. The funds will support the implementation of regulations to allow duty-free access to pharmaceutical raw materials, packaging, and finished products under the ECOWAS Common External Tariff. It will also help establish an effective regional pharmaceutical regulatory ecosystem by providing technical assistance programs for regional regulatory authorities. Commissioner Traoré said: "Local production of pharmaceuticals and biologicals has become an imperative and a regional priority, as is the provision of healthcare delivery services. The African Development Bank's support of these priorities will help ECOWAS achieve its development objectives." The project will enhance the pharmaceutical industry's competitiveness through improved quality and product standards and help ensure that the region complies with best practices in manufacturing pharmaceutical products and supplies. It will strengthen regional training institutions and laboratories to ensure that the required skills are available to support the industry's regional growth in a gender-sensitive and environmentally friendly manner. (Source: AfDB Press Release)

## **Regional**

*MSC buys Bollore's African logistics unit for €5.7bn*

MSC Mediterranean Shipping Co agreed to buy the African transport and logistics business of Bollore SA for €5.7-billion (\$6.3-billion) including debt. Geneva-based MSC, the world's largest container line, has had exclusivity to make a firm offer for the unit since December. The deal is expected to be completed by March 2023 after approvals and other conditions are met, according to a statement. The logistics division has almost 21 000 employees in 49 countries, according to the group's website. It's active in 42 ports, including 16 container terminals, seven roll-on, roll-off ferry ports and two wood terminals, and also has a network of 85 maritime shipping agencies and operates three rail concessions. Closely held MSC has a fleet of 600 vessels, more than 100 000 staff and serves 500 ports. (Source: Engineering News)

## Angola

### *Construction of the Huambo Paediatric Hospital started*

About a decade after it was designed, the Paediatric Hospital of Huambo will begin to be built. The laying of the first stone took place last Monday, by Sílvia Lutucuta, Minister of Health, thus marking the beginning of the works on that infrastructure. As part of the Public Investment Programme, the construction of the unit – valued at US\$136,543,371.40 – is expected to take around two years. According to Angop, the project will be built in an area of around 27,000 square meters and will comprise four floors and a ground floor. In addition to wards, the future unit will also have four blocks and three delivery rooms. Emergency services, physiotherapy, imaging, endoscopy, diagnostics in the areas of X-ray, radiofluoroscopy, ultrasound, mammography, computed tomography and magnetic resonance, will also be part of the infrastructure, which will have a capacity for 200 beds. (Source: Ver Angola)

## Angola

### *Preliminary study reveals between 800 million and 1 billion barrels of oil in the Ndungu 2 well*

The National Agency of Petroleum, Gas and Biofuels (ANPG) and Eni announced that “data collected to date allow preliminary assessment of estimated resources between 800 and 1000 million barrels of oil equivalent” in the Ndungu 2 well. This is the largest accumulation discovered in block 15/06 since its award. The well is located approximately 130 kilometres from the coast and approximately 10 kilometres from FPSO Ngoma, in the West Hub of block 15/06. The initial production phase of Ndungu started last February, through a producing well, and a second well is expected in the fourth quarter of 2022, to maximize the use of existing facilities at the West Pole. Block 15/06 is operated by Eni Angola with a share of 36.84 percent. Sonangol Pesquisa e Produção (36.84 percent) and SSI Fifteen Limited (26.32 percent) make up the remaining contractor group. (Source: Ver Angola)

## Guinea

### *Guinea reaches deal with miners to resume Simandou iron ore development*

Guinea's ruling junta has reached an agreement with Rio Tinto and a Chinese-backed consortium to resume activities at the huge Simandou iron ore deposit, the mines minister said, after resolving infrastructure disputes. Simandou holds more 4 billion tonnes of ore according to Guinea's government, making it the largest known deposit of its kind, but despite the ore being very high-grade, Simandou remains untapped decades after its discovery, largely due to legal disputes and political instability. Guinea's transitional authorities said this month that the site's development would be halted as they sought clarification on how Guinea's interests would be preserved. The government's move was seen as a way to put pressure on Rio and Winning Consortium Simandou to find a way to collaborate on the costly infrastructure needed to transport ore from Simandou to the port. The Mines Minister Moussa Magassouba has since announced that a framework agreement had been signed between the government and companies involved in the project: Rio Tinto, the Aluminium Corp of China (Chinalco) and the Chinese-backed SMB-Winning consortium. Magassouba said infrastructure projects must be completed by December 2024 and commercial production must start by March 31, 2025, a timeline analysts say is ambitious given the scale of the infrastructure that needs to be built. The agreement primarily concerned developing a 670 km (419 mile) railway from the Simandou site to a new deep water port, a plan that Magassouba said would cost about \$15 billion. He said the government had negotiated and obtained 15% stakes in the rail, port and mines, while the new infrastructure would become Guinean state property upon completion. (Source: Reuters)

## Kenya

### *South Korea grants Kenya Sh685m for Konza tech city*

The South Korea government has given Kenya a grant of \$6 million for the construction of transport infrastructure, planning and security installations at the Konza City project. The funds will be disbursed in three equal annual instalments of \$2 million starting in the current fiscal year, and will among other things be used for construction of smart parking facilities, digital signage and electric vehicle infrastructure at the Technopolis. The assistance programme, known as the Economic Innovation Partnership Program (EIPP), will be implemented by the Korea Trade-Investment Promotion Agency (KOTRA) and the Konza Technopolis Development Authority. (Source: Business Daily)

## Mozambique

### *New citrus terminal to open at expanding Port of Maputo*

According to a spokesperson for the newly established Maputo Port Fruit Terminal (MPFT), a new citrus terminal is under way with plans to have the first vessel leaving the port in early April. The new facility will service fruit exporters from southern Africa. Development plans include cold storage facilities by 2023. The first vessel leaving Maputo with citrus is scheduled for 1 April, with target markets mainly in South East Asia and the Middle East, and "maybe Russia". MPFT says Maputo "is the logical choice as [an] export channel" and will alleviate congestion in Durban, South Africa, with volumes increasing every year. The new concession will see 138 hectares added to the existing 140 hectares of infrastructure, after years of increased investment and activity in the facility. (Source: Tank Terminals)

## **Mozambique**

### *IMF staff agree \$470 million, 3-year programme for Mozambique*

The International Monetary Fund and Mozambique have reached a staff-level agreement on a US\$470 million facility, the Fund said on Monday, in what would be the African nation's first programme since the global lender suspended support six years ago. In 2016, Mozambique unveiled hefty state-backed borrowing it had previously failed to disclose, in a \$2-billion corruption scandal that prompted donors to cut off aid and sparked a currency collapse and debt crisis. A statement from the Fund said final approval for the three-year Extended Credit Facility was expected to come from IMF management "in the coming weeks". It said the government's medium-term programme focused on economic growth, fiscal sustainability, and reforms in public financial management and governance. (Source: Club of Mozambique)

## **Tanzania**

### *Scramble for gas set to draw \$10 billion into Tanzania project*

Tanzania expects investments in its liquefied natural gas project to rise by US\$10 billion as the world rushes for new sources of the fuel to reduce reliance on Russian energy. The second phase of negotiations with a group of companies led by Equinor ASA and Shell Plc for building the long-delayed LNG terminal are expected to conclude by June, President Samia Suluhu Hassan said. Hassan revived the talks for the project initially estimated at \$30 billion last year after they stalled under former President John Magufuli. "The world needs it," Hassan, 62, said. Hassan needs to accelerate the liquefied natural gas project -- the country has an estimated 57 trillion cubic feet of gas reserves -- for her nation to benefit from Europe's rush to diversify its energy sources. Tanzania, home to tourist attractions including Mount Kilimanjaro and the Serengeti nature reserve, is also seeking to lure investors in new industries by amending laws, working on getting a credit rating and easing rules for doing business as it seeks to accelerate economic growth to 7% in the long term. Tanzania may allow a deal for the LNG project to produce 15 million tons a year, 50% higher than the government's earlier preference, people with knowledge of the matter said, asking not be identified before a public announcement. That may reduce the project's lifetime from the initial estimate of 30 years. (Source: Bloomberg)

## Zambia

### *Zambia to cap number of mining licences issued to single firms*

Zambia, Africa's second-largest copper producer, said it plans to limit the number of mining licences that a company can hold at a time to curb speculation and promote investment. The ministry of mines last month suspended the issuance of mining licenses and commissioned an audit in response to public complaints about a lack of transparency and abuse in Zambia's licensing system, which is being digitalised. "Initial process audit findings have confirmed our fears that some companies own too many mining rights, using either a single or multiple companies with the same beneficial owners," Mines Minister Paul Kabuswe told a news briefing. The audit, which is ongoing, revealed that some companies owned as many as 50 licences. It also found that some were not registered with Zambia's patents and companies registration agency and may not be paying tax. "This has ended up promoting speculation in the mining sector instead of investment," the minister said. The Zambian government will issue an order restricting the number of mining rights that the same beneficial owners can hold at any given time, Kabuswe said, without providing details on when this might happen or on what the upper limit will be. (Source: MoneyWeb)

## Upcoming Events:

**Exclusive to ENCCI Members: ENCCI members are entitled to a special discounted rate of R350 excluding VAT per focus group (limited to 3 per annum). Please contact (Nicole - [nicole@africainfo.co.za](mailto:nicole@africainfo.co.za)) to get put on the mailing list for Africa House events.**

### Health

**Date:** Wednesday, 06 April 2022

**Time:** 09h00 - 11h00 (CAT)

**Venue:** Microsoft Teams

**Cost to Attend:**

Africa House Subscribers - No cost

Non-Subscribers - R 400 excluding VAT

**Moderated By:** Roelof van Tonder

Please RSVP via this link: <https://form.jotform.com/220652856322555>

### Power

**Date:** Thursday, 21 April 2022

**Time:** 09h00 - 11h00 (CAT)

**Venue:** Microsoft Teams

**Cost to Attend:**

Africa House Subscribers - No cost

Non-Subscribers - R 400 excluding VAT

**Moderated By:** Duncan Bonnett

**Hosted By:** Bureau Veritas Testing and Inspections SA (Pty) Ltd

Please RSVP via this link: <https://form.jotform.com/220761619358562>

## FORTHCOMING EVENTS

*Inserts in bold and italics font indicate participation by Africa House:*

### Africa House

<u>Event</u>	<u>Sector</u>	<u>Location</u>	<u>Date</u>	<u>Contact Details</u>
Africa House: Health Focus Group	Health	Webinar	6 April 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
Africa House: Power Focus Group	Power	Webinar	21 April 2022	Africa House: Nicole Drake Telephone: 27 11 728 5878 E-mail: <a href="mailto:ndrake@africainfo.co.za">ndrake@africainfo.co.za</a>
Africa House: Transport & Logistics: Airports Focus Group	Airports	Webinar	5 May 2022	Africa House: Nicole Drake Telephone: 27 11 728 5878 E-mail: <a href="mailto:ndrake@africainfo.co.za">ndrake@africainfo.co.za</a>
Africa House: Country Focus Group	Multi-Sectoral	Webinar	11 May 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
Africa House: Oil & Gas Focus Group	Oil & Gas	Webinar	2 June 2022	Africa House: Nicole Drake Telephone: 27 11 728 5878 E-mail: <a href="mailto:ndrake@africainfo.co.za">ndrake@africainfo.co.za</a>
Africa House: Ports & Rail Focus Group	Ports & Rail	Webinar	8 June 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>



Africa House: Water & Sanitation Focus Group	Water & Sanitation	Webinar	23 June 2022	Africa House: Nicole Drake Telephone: 27 11 728 5878 E-mail: <a href="mailto:ndrake@africainfo.co.za">ndrake@africainfo.co.za</a>
Africa House: Mining Focus Group	Mining	Webinar	7 July 2022	Africa House: Nicole Drake Telephone: 27 11 728 5878 E-mail: <a href="mailto:ndrake@africainfo.co.za">ndrake@africainfo.co.za</a>
Africa House: Agriculture Focus Group	Agriculture	Webinar	13 July 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
Africa House: Power Focus Group	Power	Webinar	27 July 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
Africa House: Health Focus Group	Health	Webinar	11 August 2022	Africa House: Nicole Drake Telephone: 27 11 728 5878 E-mail: <a href="mailto:ndrake@africainfo.co.za">ndrake@africainfo.co.za</a>
Africa House: Hotels & Commercial Property Focus Group	Hotels & Commercial Property	Webinar	17 August 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
Africa House: ICT Focus Group	ICT	Webinar	25 August 2022	Africa House: Nicole Drake Telephone: 27 11 728 5878 E-mail: <a href="mailto:ndrake@africainfo.co.za">ndrake@africainfo.co.za</a>



Africa House: Country Focus Group	Multi-Sectoral	Webinar	7 September 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
Africa House: Oil & Gas Focus Group	Oil & Gas	Webinar	15 September 2022	Africa House: Nicole Drake Telephone: 27 11 728 5878 E-mail: <a href="mailto:ndrake@africainfo.co.za">ndrake@africainfo.co.za</a>
Africa House: Mining Focus Group	Mining	Webinar	21 September 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
Africa House: Water & Sanitation Focus Group	Water & Sanitation	Webinar	5 October 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
Africa House: Focus Group	Power	Webinar	19 October 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
Africa House: Transport & Logistics: Roads & Bridges Focus Group	Roads & Bridges	Webinar	27 October 2022	Africa House: Nicole Drake Telephone: 27 11 728 5878 E-mail: <a href="mailto:ndrake@africainfo.co.za">ndrake@africainfo.co.za</a>
Africa House: Country Focus Group	Multi-Sectoral	Webinar	2 November 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>

Africa House: Ports & Rail Focus Group	Ports & Rail	Webinar	16 November 2022	Africa House: Nicole Kruger Telephone: 27 11 728 5878 E-mail: <a href="mailto:nicole@africainfo.co.za">nicole@africainfo.co.za</a>
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