African Business Opportunities Newsletter

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OctoberFirst Consulting wishes all our subscribers a prosperous 2010!

In this issue:

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Agribusiness

Ghana: Tomato Farmers, Traders Send SOS - Want Processing Factories to Protect Glut

By Ernest Best Anane

The Ghana National Tomato Traders and Transporters Association (GNTTTA) has held its general meeting in Kumasi, with a call on the government to provide more food processing factories, especially in the Northern sector of the country.

It is believed this would help eliminate the suffering of farmers from lack of customers when there is a glut in the tomato business, during which time farmers, traders, retailers, and haulage operators in the industry suffer huge losses.

The Chairman of the Association, Mr. Eric Osei Tuffuor, said this intervention would also help minimize importation from the neighbouring countries, and help the local farmer access local markets, and enhance job opportunities for the youth and women in the country.

The Chairman further explained that fresh tomatoes are rich in vitamins, and help reduce prostate cancer in men and thereby enhance life expectancy.

Mr. Osei Tuffuor blamed the situation on the lack of controls and regulations of marketing structures, particularly regarding wholesaling with respect to the Ministry of Trade endorsed schedule system for both the local and cross-border trade.

The Chairman lamented that as a nation, we had lost out to Burkina Faso in the tomato trade since 2001, by the fact that we cushion their economy with billions of foreign exchange through the import of vegetables, when some 15 years ago, they were relying on us for tomatoes.

He called for government interventions to address all problems affecting the trade, particularly credit facilities.

Source: The Chronical Image: magpiehouse

Liberia: U.S $1.6 Billion Oil Palm Investment for Country As Boakai Lauds Indonesian Company

Liberia's Vice President Joseph N. Boakai says the US$1.6 billion investment by GoldenVeroleum, a member of the Singapore listed Golden Agri Resources Company, and will help the Unity party-led government provide the needed employment opportunities in south-eastern Liberia.

Golden Agri Resources is the largest palm oil operator in Indonesia and second largest in the world with operations in China. It belongs to the Sinar Mas, one of the leading business groups in Indonesia, with major assets in pulp and paper, palm oil, property and telecoms.

Vice President Boakai observed that the southeast has attractive investment opportunities and prospects and that the Veroleum investment is going to be very positive for Liberia.

Vice President Boakai made the observation on Tuesday, January 5, when a delegation from GoldenVeroleum called on him at his Capitol Building office to brief him about their plan to invest US$1.6 billion in Liberia's oil palm industry.

"Employment and job creation have been difficult in the southeast; so we are very keen on this investment. You have our full support," Vice President Boakai assured the Veroleum officials. "Despite all problems we are confronted with, we are definitely committed to addressing the critical challenges in the South East," he added.

Briefing Vice President Boakai earlier, the head of the delegation, Mr. Matt Karinen, said his company's vision in Liberia is to cultivate over 240,000 hectares of oil palm in Grand Kru, Sinoe and Maryland Counties, (including 40,000 hectares via out growers) hoping to produce more than one million tons of palm oil per annum.

He said the company will provide direct employment for an estimated 40,000 persons, as well as develop infrastructure, train out growers and provide them low cost seedlings for cultivation and producing the final brand of consumer products for local consumption and export to ECOWAS countries.

"The investment will also fully follow the Government's environmental master plan and standards," Mr. Karinen assured Vice President Boakai.

He disclosed that Veroleum will wish to work through rehabilitated

ports of Greenville and Harper for export of oil palm products and import needed materials.

Mr. Karinen expressed optimism that Veroleum and other palm oil producing companies like Equatorial Palm Oil and Sime Darby can transform Liberia into one of the major producers of palm oil in the world, meeting domestic needs and for export.

Mr. Karinen and his colleague, Mr. David Rothschild, who are currently holding discussions with officials of the Ministry of Agriculture, Environmental Protection Agency, National Investment Commission and other relevant agencies, expressed optimism that the company would begin operations in six months, and hoped the legislature would speed up ratification of the concession agreement.

The Veroleum official disclosed that his company would forge a symbiotic relationship with small farmers otherwise known as out growers, training them, supplying them low cost seeds and other materials and integrating them in farm cooperatives and providing them loans.

Mr. Karinen challenged the Liberian government to take advantage of the country's rich soil and ideal climate to transform the lives of its citizens as has been the case in Indonesia and Malaysia.

In remarks during the meeting, Mr. Rothschild said he was impressed with the transformation taking place in post-war Liberia, noting that he has seen considerable increase in building and in commercial ventures in the capital since he started coming to the country about fifteen months ago.

Source: The Informer (Monrovia) Image: images.com

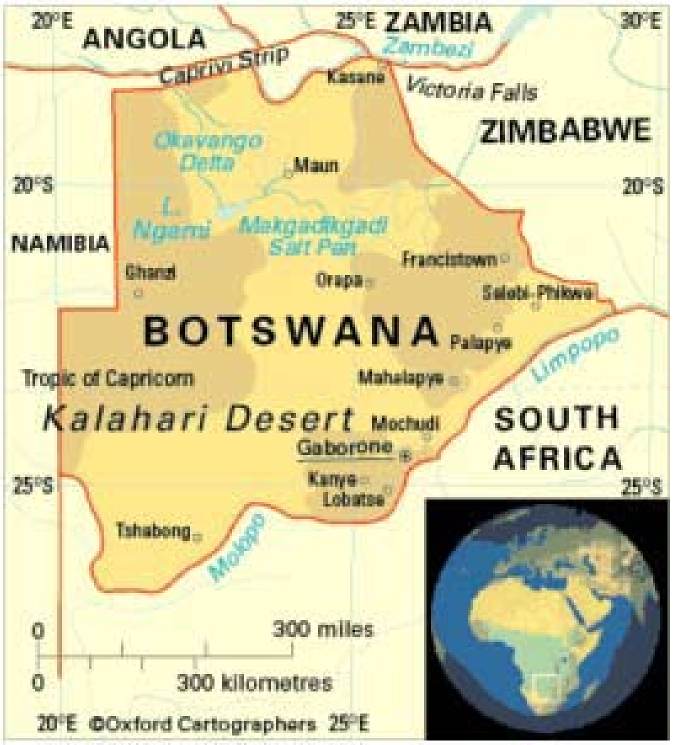
Botswana: Agric Insurance Finally Launched in Country

By Brian Benza

Agriculture insurance has finally been launched for the first time in Botswana with the facilitation of the Agricultural Hub, as the sector tries to move towards full commercialisation.

Agrinsure Botswana in a joint venture effort between South Africa's Farmers Technical Insurance Services Company (FTISC) and Alexandra

Forbes Botswana, was officially unveiled to stakeholders in the industry. According to Agriculture Hub Coordinator, Neil Fitt, the establishment of agriculture insurance in Botswana is a major milestone in the sector as the idea for such a product has been in the pipeline for many years and it will now strengthen the country's efforts to attain food sustainability.



" In the past we have only had schemes that were put in place by government and in as much as they were very helpful to the farmers, they had their own limitations as they were national programmes.

"With the introduction of Agrinsure, we will now have products that are farm and individual specific. This will also go a long way in assisting farmers that were in need of such products as we know that banks here are not that excited about the farming business," said Fitt.

The company will be the first to offer agricultural insurance products in Botswana covering both livestock and crops.

The Agriculture hub Coordinator says that the Agrinsure project is purely a commercial venture with no government involvement except only to sanctify the venture.

Fitt added that they were forced to go and solicit for the services of the South African company after local companies were either uninterested in agriculture insurance or inexperienced to offer the service.

CEO of Agrinsure David Garden says they are now in the process of winding up registration of the company with the licence from the Non-Banking Financial Institutions Regulatory Authority(NBFIRA) expected soon.

Asked to comment on the chances of finding underwriters in a market where the financial institutions are not very keen on agriculture insurance, Garden said, " we are hoping a few financial institutions will come on board but some of the business will have to be taken abroad."

"Alexandra Forbes will have the task of looking for the underwriters but this is still a new product in a relatively small market and I believe we are going to have to take a significant amount of the business outside the country.

"In South Africa most of our business comes from Standard Chartered bank and we are hoping they are going to be one of the first to do business with us here in Botswana. I understand they have already sent a representative from South Africa to look into this matter," said Garden.

Reinsurance support for the direct insurer is expected to be provided by Munich Re, the largest reinsurer in Africa while local technical support will be done by Agrinsure.

Garden further said they have crafted a number of products which will suit different farmers for both livestock and crops

"For the first time in Botswana multi-peril insurance will be available for herd animals at affordable premium with the introduction of Herd Select Insurance.

"The Farmer can select the animals he wishes to insure if he does not want to insure his entire herd. Effecting this Insurance will also assist the farmer to obtain finance to purchase animals" he said. Rates will be based on the number of animals insured and the self-insurance option chosen, usually 10 percent.

Garden added that the insurance is designed to protect the least valuable animals, or the entire herd where the farmer is not concerned about disease or sickness cover, with the cover options including death from fire, lightning, accident and theft.

On crops, the cover provided will be based on a guaranteed yield which is determined by the production history (potential yield) and calculated at an agreed value per tonne.

Perils that may be covered are fire, lightning, frost, excessive rain, drought including excessive heat waves, uncontrollable crop diseases and pests and transit within a 100km radius.

The basis rate for this insurance is five percent.

Source: Mmegi Image: uncg.edu

Nigeria: 'Nation Can Create 500,000 Jobs From Green Economy'

By Udeme Clement

The Federal Government has been advised to put measures in place for massive production of biofuels in the country in order to create more jobs, to make the economy viable for greater growth and development.

The Director General, Green Energy Society of Nigeria (GESON), Mrs. Tokunboh Jakande, told Sunday Vanguard that, green energy is big business in developed economies, adding that Nigeria could create over 500,000 jobs on yearly basis from that sub-sector, if the resources abound are adequately harnessed and fully utilised to explore new business opportunities.

According to her, "what propels optimum growth in an economy, especially in a developing country like Nigeria is employment creation, which paves way for more revenue generation for the entire economy. For Nigeria to achieve its Vision 2020, the prevailing problem of unemployment must be tackled in all ramifications. This implies investing in a sub-sector like green energy where new business windows could be explored".

Jakande added, "GESON is working hand in hand with Petroleum Products Pricing Regulatory Agency (PPPRA) to write off-take agreements on the use of ethanol product in the country. The agreements involve the time that government would make a final pronouncement on the use of ethanol in Nigerian cars. We are looking at 2011 as the year all cars in Nigeria would blend at least 10 per cent ethanol with fossil fuel."

The Director General of GESON explained, "the Ministry of Transport, has a lot of work to do in ensuring that cars coming into the country are configured to suit 10 per cent ethanol content and 90 per cent fossil fuel, while commercial motor-cycles popularly known as okoda should have four stroke engines instead of two, to reduce poisonous carbon emission in the environment. Nigeria must embrace modern technology to fast track development like other countries of the world."

On what government requires to invest in green economy, she stressed, "government should develop feedstock that could be used for production of large quantity of biofuels to reduce the level of fossil fuel consumption in the country.

We must stop importation of ethanol since we can produce it locally to reduce the rate of capital flight from our economy. At present, we are working with Nigerian National Petroleum Corporation (NNPC) to ensure that we produce sufficient quantity of ethanol needed for daily consumption in the country".

Her words: " Nigeria is 43 in the world list of emitter's record because its annual carbon footprint stands at 100 million metric tonnes. This could be reduced drastically, if for instance, we use biomass for electricity production, solar, which is energy generated from the sun, biofuels which consist of bioethanol and also hydro as alternatives to fossil fuel. Biofuels production is cheaper than the fossil fuel we consume, but requires large hectares of farm land for cultivation of the feedstock like sweet sorghum, which does not compete with the food chain in any way.

"Green energy could supply the consumption needs globally because solar alone produces 86,000TW and wind about 870TW, while the global consumption rate is not up to what solar energy alone produces. Government and corporate organisations must do something urgently to prevent loss of lives in our environment from cancer, acid rains, fibroid and respiratory diseases, which result from poisonous carbon emission in the environment.

"Nigeria is the largest consumer of power generators and two stroke engines that contaminate the environment. For instance, 380,000 hectares of farmland are lost annually as a result of global warming.

The desert now moves at the rate of 660m annually and 25 per cent of the Northern states are affected as 15million people are already displaced. 500 communities in the South East are also threatened by gully erosion and 43 per cent of Arabic farmland would be lost in 10 years due to desertification.

Also, there is serious problem of sand-dune encroaching on human habitat since people are cutting trees for firewood and there is nothing to hold the wind".

Jakande concluded that the solution is for government to invest massively in green energy production to protect the environment from sudden collapse.

Source: Vanguard Image: InvestEnergy

Uganda: Country Set for Cheap Fertilisers

Grace Azubuike

Abuja — The cassakero project has targeted the installation of 10,000 small scale bio-ethanol refineries in the 36 states of Nigeria including the Federal Capital Territory (FCT), over the next four years from December 2009 to December 2013 to produce the daily ethanol cooking fuel requirement for 4 million families.

The Chief Executive, Agro Industries Services Limited (CAISL), Mr Boma Anga, disclosed this to newsmen in Abuja, stating that the bio-ethanol refinery would be installed, owned and operated by private companies, individuals in local cooperatives, and will be denatured with Bitrex, a better substance to render it undrinkable and a colorant to give it a distinguishing color.

He further said that the second component of the initiative is the circulation of the cleancook stove that will utilise the cassakero cooking fuel and this would require Nigerian households to acquire new stoves called "Clean Cook Stove" since the cassakero cannot be used on the existing kerosene stoves.

Anga stated that the stove is a non-pressurised alcohol stove that absorbs and retains its liquid fuel in a manner that prevents spilling, leaking, fires and explosions, also supply the clean cook stoves to selected families without any upfront charges.

The programme plans to distribute a total of four million single and double burner stoves to four million Nigerians nationwide.

According to him, cassakero would provide Nigeria with a new household fuel for use in cooking, lighting, heating, refrigeration and electricity generation. It would be cleaner, safer and cheaper than kerosene without the need for government subsidy.

He added that the success and sustainability of the initiative is heavily dependent on the availability of an efficient, adequate and sustainable feedstock supply system.

The key project goal is the establishment of an out growers-based feedstock supply system that would produce 8,000,000 tonnes of cassava, at an average yield of 20 tones/hectare from 400,000 hectares to be planted nationwide.

Source: The Monitor Image: pulitzercenter

Africa: Energy Quest Leads Investors to Continent

By Charlotte Mathews

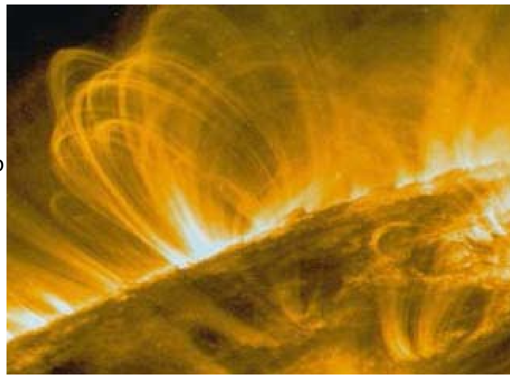
Johannesburg — Coal and uranium projects in sub-Saharan Africa continue to present investment opportunities as SA, China and India seek to meet their future energy needs, according to a recent report to international investors from the Imara African Resources Fund.

The fund was launched in late 2008 to invest in mining projects in Africa. By the end of last year it had raised 4m from investors, including in the UK and Austria.

It would be making active efforts this year to attract more international interest, fund manager Bruce Williamson said recently.

At the end of 2009 the fund held 8, 7% of its assets in uranium projects and 9% in coal.

The Copenhagen summit last month failed to reach any groundbreaking agreement on limiting greenhouse gas emissions, which might have forced countries including SA to urgently look for alternatives to coal as a source of energy. About 70% of SA's energy needs are supplied by coal.



Williamson said in the report that important points for Africa's coal sector were that Eskom needed to buy about 45-million tons of coal over the next two years to restore its 20-day stockpile, in addition to its normal requirement of 125-million tons a year.

"Uranium remains in the spotlight. Italy and the UK are talking nuclear. China plans to increase its nuclear power to 40GW by 2020, more than a fourfold increase. India is building six reactors and has a further 23 on the drawing board to add to its existing 17 reactors."

India has signed an agreement with Namibia to help with nuclear-related civil construction work. India's coal needs were huge and could be an opportunity to develop Mozambique's coal reserves, Williamson said.

In SA, Exxaro Resources had announced plans to increase its investment in coal, with expansions planned in the Waterberg and the development of the new Thabametsi mine to supply independent power producers. Sasol's Mafutha coal-to-liquid project would also stimulate demand for coal, Williamson said.

The share price of Exxaro, SA's biggest listed coal company and supplier to Eskom, gained more than 50% since the start of last year to about R110.

Source: Business Day Image: Treehugger

Africa: Telecoms Investors 'Still Keen On African Market'

By Sure Kamhunga

Johannesburg — THE collapse last year of merger talks between MTN and Bharti Airtel had not sapped investors' interest in Africa, where both cellular and fixed-line telephone penetration rates are low, telecommunications analysts Informa said this week.

Far from being discouraged by the collapse of the 24bn MTN- Bharti deal over regulatory concerns and the decision by France's Vivendi to walk away from a deal to buy the African assets of Kuwait-based Zain, Informa said investors were planning either to fly their flags on the continent for the first time or to expand existing businesses.

Cash-flush operators such as China Mobile, the world's largest based on subscriber numbers, could not be ruled out from making a big acquisition, said Informa principal analyst Nick Jotischky.

He said Africa was attractive for bigger companies, particularly those trying to escape competition and saturated home markets where average revenue per user from voice calls was falling.

Africa's telecoms market is dominated by MTN, Zain, France's Orange, Egyptian group Orascom and Vodacom, but large swathes remain largely untapped mainly because of cumbersome regulatory and licensing obstacles and lack of investment in telecoms by some of the poorer countries.

MTN has brushed aside the collapse of the Bharti talks and continues to scout for new markets in Africa and other emerging markets, and is reportedly eyeing networks and licences in countries such as Zimbabwe and Angola.

The UK's Vodafone, the world's largest cellphone group by revenue and the majority owner of Vodacom, paid 900m for Ghana Telecom last year. Zain seems to have ditched plans to sell its African assets and wants to invest more. Telkom continues to search for new investments and was recently said to be eyeing a stake in Zimbabwe's fixed-line operator.

"It will come as no surprise to see Bharti Airtel revive its interest in the region before long and export its low-cost model, which has helped it to operate profitably in India from an average (of) 5- 6 average revenue per user," Jotischky said.

"Both Bharti and its domestic competitor Reliance Communications are straining every sinew to enter the market. Orascom, which originally quit sub-Saharan Africa, has recently made a series of acquisitions across the region; Sudatel continues to make waves throughout the continent; and France Telecom continues to be attracted to North Africa (and) recently acquired a fixed and mobile licence in Tunisia."

Operators that had never considered Africa, like China Mobile, had the financial muscle to "make a grand entrance" through a major acquisition, he said. China Mobile could be encouraged by the success of equipment manufacturers ZTE and Huawei.

Jotischky estimated Africa's penetration rate at less than 45% as of September and said it was expected to remain below 70% until the end of 2014. "Given the trend of multi-SIM ownership ... unique subscriber penetration is likely to be significantly less than 50% by end-2014. This shows the extent of the opportunity for operators to reach new users."

Source: Business Day. Image: topnews

Cameroun: Optical Fibre Project to Respect Deadline

By Godlove Bainkong

Officials of Cameroon Telecommunications (CAMTEL) recently announced that work is progressing on the national optical fibre backbone and that the 18-month deadline given the project will be respected.

They made the disclosure during a press conference at the CAMTEL head office in Yaounde. According to the Chief of Cabinet of the General Manager, Marcellin Tsaam Gah, who sat in for the General Manager, David Nkoto Emane, 2010 represents a lot for CAMTEL vis-à-vis the optical fibre project. Describing 2010 as, "L'année des chantiers", Mr Marcellin Tsaam Gah said CAMTEL will leave nothing to chance to ensure that the project is well executed so as to boost telecommunications in the country.

He said it will also mark an end to the numerous problems of telecommunications in the country.

The project was launched on December 22, 2009 through the laying of the foundation stone in Kye-Ossi, Ntem Valley of the South Region by the Minister of Posts and Telecommunications, Jean Pierre Biyiti Bi Essam. Upon completion of the 3200-Kilometres project, the country's ten regions will be interconnected by network, universities, enterprises and companies, 72 localities and technical points will be connected to the network while there will be high internet bandwidth in 16 points.

Source: Cameroun Tribune Image: mivuletech

Kenya: Mobile Money Turns Country Into Global Transfers Hub

By Kui Kinyanjui

As the mobile phone sector stands poised to pose its stiffest challenge yet to the financial sector in the coming months, the country's profile as the world's innovation hub in the mobile finances market is on the rise.

Kenya is to mobile money solutions what Silicon Valley was to software in the last decade and companies are taking advantage of that to use the country as a testing ground for solutions they hope will translate into global success.

Analysts attribute the fact that at least five international companies-- ranging from financial institutions to mobile phone manufacturers and service providers -- are putting the final touches to what they hope will be financial masterpieces to rival M-pesa --Safaricom's mobile money transfer solution that shifted the balance of power in the financial world with its launch nearly three years ago.

Within that short span, the country has emerged as the seat of innovation as other players try to replicate the success of M-pesa in capturing and retaining subscribers for Safaricom, the country's leading mobile services provider and most profitable company in East Africa.

Telecom and ICT

Countries such as Kenya, the Philippines, Tanzania, Uganda and Sudan form the world's mobile money hotspots, with states like Ethiopia and Somalia following closely behind, said Norman Frankel, the founder and CEO of Mi-Pay, a Sudanese mobile money transfer company while speaking to industry journal MMT Explained.

"If you look at the World Bank Remittance Factbook and identify countries with a low percentage of the population who emigrate but with strong urban migration trends, you'll see these countries embracing mobile money faster," he said.

Of these, Kenya plays host to the greatest number of mobile money products, and with over eight million users of the services, has the distinction of recruiting the highest number of subscribers to the mobile money phenomenon.

Innovation in the Kenyan mobile money scene has progressed so fast that it is a long while since March 2007 when Vodafone, the world's leading mobile services provider which owns 40 per cent of Safaricom, picked its Kenyan subsidiary to pilot what has essentially become the preferred medium of person-to-person transfers; creating new means to settle utility bills and enlisting commercial enterprises (over 75 to date) keen to avoid the security pitfalls of handling cash and the risk of bouncing cheques.

"M-pesa has served as a testing ground for mobile money transfer systems and processes and the eyes of much of the world have been on it. The success of M-pesa has acted as a starter's pistol for a race to gain the upper hand in mobile money transfers throughout Africa, with at least half a dozen contenders already in the wings," said Arthur Glodstuck, an industry analyst in an interview.

The race is now on to convert the citizens of other African countries

to adapt to the new mobile world order.

Standard Bank, Africa's largest bank by assets and earnings, is said to have set up a desk to specifically draft a strategy for reaching the unbanked in the continent through mobile handsets. It is anticipated that it will utilize its Mzansi Money Transfer solution to allow customers in the 17 African countries it operates in to send and receive money without the need for a bank account. In South Africa, where the service is available, it is not just restricted to Standard Bank branches, but is available at any of the participating banks and the South African Post Office. The bank says on its website that Mzansi will be of special help to people in rural areas who can now receive money sent by relatives and friends at a bank without needing to have a bank account and it will also target migrant workers wishing to send money to their dependants back home. Its product would be a close fit to Mobile Wallet, a universal (independent of one's bank and mobile services network) service that Kenya Commercial Bank (KCB), East Africa's biggest retail bank hopes to roll out in the East African Community member states of Kenya, Uganda, Tanzania, Rwanda and Burundi.

According to information seen by Business Daily, although the service appears to be targeting the unbanked, its features and structure may appeal to an urban middle class target, possibly crafted with the small and medium enterprise business segment in mind.

Subscribers will be able to transfer up to Sh100, 000 from virtual accounts held on their mobile phones, but notably, the money has to be cashed in one of KCB's 200 outlets in the region.

Meanwhile, mobile phone manufacturer Nokia has also announced its intention to launch a cross-network mobile money transfer product in conjunction with Obopay in the coming months.

Although the company is keeping its Kenyan launch date close to its chest, it is reportedly hunting for agents in the region, hoping to launch an assault that will place it at the forefront of regional developments that have seen the harmonisation of the East African region. Nokia will rely heavily on its affiliation to Obopay, an American mobile solutions provider to implement its service in the course of this year.

Obopay helps wireless carriers deliver a robust mobile payments platform easier, faster, and at less-cost than they could build and operate themselves, helping them streamline and manage complex financial services regulations. Obopay partners with wireless providers to deliver a mobile payment infrastructure to deliver additional services more cheaply and in a shorter period.

Carriers can then focus on increasing ARPU and customer loyalty and monetize, maintain and extend their customer base.

Obopay has also indicated that it will be partnering with Kenya's fourth mobile service provider Essar, to release YuCash, which was announced for launch in the dying weeks of 2009. Although the company announced last December that it intended to launch the product in early January, it is yet to commercially begin services and Yu agents Business Daily spoke to said they were unaware of it.

"Obopay will provide the mobile money transfer platform from which yuCash will operate, while Equity Bank, being one of the leading banks in Kenya, is our banking partner hosting the trust account. We are rolling out a countrywide network of agents and anticipate having more than 3,000 agents countrywide who are able to serve subscribers in the initial period, and this will keep growing with the market demand," said Kunal Ramteke, Chief Commercial Officer of Essar Kenya. Srinivasha Iyengar, Essar CEO told Business Daily in a previous interview that the product was being positioned to capture a share of the youth market and the company was deliberately pricing it well below M-pesa's transaction fees to capture a younger but less monied customer.

Mr Iyengar also indicated his firm was keen to roll out the service in new markets such as Uganda and Congo, where Essar recently announced stakes in Warid Telecom.

For Safaricom's arch rival Zain, the changing mobile money landscape has forced the firm to rethink the strategy governing Zap, the only contender within the mobile market for subscriber attentions in the Kenyan money transfer market.

Zain last week extended its mobile money transfer product Zap to three more African countries --Malawi, Niger and Sierra Leone -- bringing to seven the number of African countries the service is already in use after Kenya, Uganda, Tanzania and Ghana.

In all markets where it has launched Zap, the company is facing increasing challenges in maintaining profits as competition drives tariffs downwards and shrinks profit margins.

Like Safaricom, Zain is positioning Zap as a 'stickiness' product used to retain subscribers on its network by building stronger ties to the network.

Rounding out the list of M-Pesa competitors is mobile operator MTN, Africa's biggest mobile operator by subscribers which is banking $9.7 million on mobile money solutions.

The mobile firm has signed a deal with Fundamo, a South Africa-based mobile banking and payment solutions group to provide mobile banking facilities.

Already commercially active in Uganda and Ghana, MTN's Mobile Money begun trials in October 2008 in Uganda, Cameroon, Ghana, Cote d'Ivoire and Nigeria. Five additional pilots were recently launched in Benin, Congo Brazzaville, Guinea Bissau, Guinea Conakry and Liberia. In each market, MTN will partner with local banks to ensure that its MMT services are fully compliant with financial services regulations. Discussions are currently on-going with relevant authorities in various countries to ensure that all regulatory requirements are met.

Source: Business Daily (Nairobi)   Image: farm4

Uganda: Italy to Build Oil Refinery

By Francis Kagolo

Kampala — ITALY is to build an oil refinery plant in Uganda, foreign minister Franco Frattini has revealed.

Frattini, who was in the country on recently, said the Italian government was committed to supporting Eni Spa, an Italian energy giant, to build the oil refinery.

Mining and Energy

Eni is scheduled to buy some of the largest oil wells in Blocks 1 and 3A in the Albertine region from Heritage Oil.

Under the transaction, Eni is to pay $1.35b in cash and a further differed contingent of $150m.

The deal is, however, subject to approval by Uganda. The Irish company, Tullow oil, which co-owns the oil wells, also has the first option to buy the shares under its agreement with Heritage.

Eni says it has the capacity to undertake the entire petroleum value chain, from exploration, refining to marketing.

Frattini, who is on a tour of selected African countries, met with President Yoweri Museveni at State House on Friday. Uganda was his second stopover after Kenya. He also visited Ethiopia and Mauritania.

Addressing the press at the foreign affairs ministry, he said Museveni had briefed him about a plan to turn Uganda “from aid to trade”.

“Italy is already thinking about important investments in Uganda,” he said. “We have earmarked some billions of dollars for huge investments in Uganda. But we have more interest in Eni, which is ready to invest heavily in Uganda.”

Twenty-seven wells have been drilled in the Albert Basin since the beginning of 2006, 26 of which have oil deposits.

Source: New Vision. Image: treehugger

Sierra Leone: African Minerals in U.S.$244 Million Deal

By Sahr Morris Jr.

Freetown — Iron ore explorer African Minerals has signed a deal with China’s Railway Materials (CRM) to buy a 12.5 percent stake in the firm for 152.6 million pounds ($244M) to develop its flagship project in Sierra Leone.

The London-listed firm said recently the funding from CRM Commercial Corporation would fund the first stage of its Tonkolili project.

Shares in the firm rose 5.5 percent to 441 pence by 12:50 GMT after jumping to 9.0 percent recently, compared to a flat UK mining index. The stock has surged by nearly 30 percent since December 14.

CRM will subscribe for about 30.5 million new shares at 500 pence each.

“African Minerals welcomes the signing of this conditional agreement with CRM, one of China’s large-scale state owned enterprises and one of China’s largest steel trading companies,” said chief executive Alan Watling.

The deal includes a 20-year off-take deal under which CRM will buy between five and eight million tonnes of iron ore a year from the first stage of the mine.

The company’s flagship project in Tonkolili, which contains 5.1 billion tonnes of iron ore and the firm, has said the northern section of the licence area indicates the potential to increase the resource to about 10 billion tonnes.

The company expects Tonkolili, which needs a long railway line to ship the ore, to become the largest iron ore producer in Africa and one of the lowest cost producers.

Dundee Capital Markets said in a note in November the group was poised to become the world’s fifth-largest iron ore producer and initiated the stock at ‘buy’ and a price target of 650 pence.

Source: Concord Times (Freetown)   Image: commercialenterprises

Nigeria’s Gold Mineral Potential Huge, Says FG

By Onyebuchi Ezigbo,

The Federal government recently raised hopes of a major breakthrough in the country’s effort developing alternative mineral resource aside from oil and gas, when it revealed the discovery of gold to the depth of 3,000 meters with an estimated two million ounces in the Western part of Nigeria.

The Minister of Mines and Steel Development, Mrs. Diezani Alison-Madueke who disclosed this at the presentation of the World Bank-sponsored Nigerian Airborne Geophysical Survey Data phase II in Abuja, said the import of the latest development is that Nigeria may well be on her way to joining countries like Ghana in supplying gold to the world market.

According to Madueke, a coring done last year by the small mining companies, to the depth of 3,000 meters, has proved more than 300,000 ounces, with 2 million ounces estimated.

“ The importance of this fantastic piece of news is probably best appreciated within the context of the knowledge that Nigeria has gold schist belts in the western half of the country that are very similar to those of Ghana”, she said.

She said surveys have shown that Nigeria is richly endowed with a range of solid minerals which if properly managed and exploited may in the near future become the engine of our national economic growth.

She said the Ministry has decided to place special focus on seven of the minerals which includes, bitumen/tar sand with estimated reserves of 27bn barrels of oil equivalent, coal (2.7 billion tonnes), iron ores (3 billion tonnes), limestone (2.23 billion tonnes), barytes (14 million tonnes) and lead/zinc sulphides one million tonnes) .

Madueke described the completion of the geophysical survey phase II as something that would facilitate mineral exploration, ground water prospecting, pollution and geo-hazard monitoring.

"The survey also measures the Digital Elevation Model (DEM) and Shuttle Radar Topographic Mission (SRIM) which provide detailed information on terrains, vegetations, landforms, settlements, roads and drainages. The data is therefore extremely useful in security surveillance and development planning", she said.

The Minister further said plans are underway geological, mineral and geo-chemical mapping of the country with a view to providing all the necessary data needed to adequately tap the mineral resources to our economic advantage.

She said the Ministry is putting in place a gemstone certification process, adding that it has reached agreement with internationally renowned Nigeria-born Jeweller to design a Jewellery line, using exclusively Nigerian gemstones.

This line of Jewellery will be launched for the international and domestic market in March 2010, she said.

Earlier, the geologist involved in the preparation the survey data, Prof. Collins Reeves said a mechanism will be put in place to enable interested scientists to study, interpret and analyse the geophysical survey data and that the outcome of their study will be made public next year.

He said the experience of Brazil could be helpful in Nigeria quest for effective utilization of solid mineral resources

Source: Thisday Newspapers, Nigeria. Image: images-angelpub

Africa, Business Destination

By Alex Perry

Togo is like much of West Africa — small, poor and an occasional producer of sensational soccer players — but for the bank. Lomé, Togo's capital, is home to Ecobank, a 21-year-old pan-African retail and corporate bank that, according to CEO Arnold Ekpe, employs 11,000 people in 620 branches in 26 countries, with a balance sheet of $8 billion.

Unlike a lot of other banks, Ecobank is expanding. It has opened 200 branches since 2006 and aims to set up in three more countries by June. What's more, it actually makes money: annual profits were up 47%, to $191 million, in 2007 and up 32%, to $104 million, for the third quarter of 2008 alone, the latest period for which figures are available. Even more extraordinary, it is managing to raise money in the "crunched" capital markets — $700 million since August. Granted, the world's banks are in a historic crisis. That does not make any less arresting the thought that some of the best-performing bankers on the planet right now come from a place called Togo. "Warren Buffett is based in Nebraska," says Ekpe. "It's not where you are. It's what you do."

Up to a point. In Africa's case, the perception has long been that where you are renders all but irrelevant what you do. Africa is hopeless, a place of war and famine seemingly populated almost entirely by tyrants and children with flies in their eyes. According to this view, if Africa generates any kind of growth, it is in suffering — and in the overseas aid sent to address that, now a $40-billion-a-year industry. Naturally, with a new appeal every year and a new disaster every other, some people have begun to wonder if all that money is doing any good. They argue that aid creates dependence, fuels corruption, undermines democracy and stifles development. They have written books with titles like The Trouble with Africa: Why Foreign Aid Isn't Working (by an ex-spokesman for the World Bank in Africa) and Dead Aid (by a Zambia-born former Goldman Sachs investment banker).

And that debate is important, no doubt. But it is drowning out a more significant development. Ecobank's success is not an isolated blip, and aid is no longer Africa's main source of foreign income. Africa is becoming a business destination.

In 2006, according to the Organization for Economic Cooperation and Development, foreign investment in Africa reached $48 billion, overtaking foreign aid for the first time. That gap has only widened, reflecting a quadrupling of foreign investment since 2000. As the senior adviser in Africa for the International Monetary Fund (IMF), David Nellor, noted in a report last September, sub-Saharan Africa today resembles Asia in the 1980s. "The private sector is the key driver," wrote Nellor, "and financial markets are opening up." War is down. Democracy is up. Inflation and interest rates are in single digits. Terms of trade have improved. Crucially, said Nellor, "growth is taking off." The IMF puts Africa's average annual growth for 2004 to

'08 at more than 6% — better than any developed economy — and predicts the continent will buck the global recessionary trend to grow nearly 3.3% this year.

Yes, Africa is still a continent of commodities — with its forests, oil fields and mines — and demand for commodities has plummeted. Yes, Africa still has its Darfurs, Somalias, Congos and Zimbabwes. But commodity prices are higher than they were in the 1990s. Most Africans are not middle class, but most also no longer live in extreme poverty. The World Bank says the percentage of Africans living on $1.25 a day or less dropped from 59% to 51% from 1996 to 2005 and has decreased further since.

In an article for the online journal allAfrica in February 2009, Oxford University economist Paul Collier and Witney Schneidman, who advised President Obama on Africa during his campaign, noted that Africa now offers the world's highest rate of return on investment. "Africa, usually the poorest performing region in the world economy, is now likely to be among the best-performing," they wrote. "Moreover, the region has been largely immune from the current banking crisis...The continent's financial institutions did not venture into derivatives or sub-prime mortgages." Shanta Devarajan, the World Bank's chief economist for Africa, says the current downturn might be unfair to the continent, since it is "not remotely Africa's fault," but it should

New Chinese owners got this Congolese wood-processing plant working again.

not alter the underlying trend: "There has definitely been a transition in the last few years. The continent now has huge potential." Or as Stephen Hayes, president and CEO of the Corporate Council on Africa, puts it, "Africa offers more opportunity than any place in the world."

Perhaps the most compelling evidence that Africa is now a business destination is China's new love for it. While the old superpowers still agonize over Africa's poverty, the new one is captivated by its riches. Trade between Africa and China has grown an average of 30% in the past decade, topping $106 billion last year. Chinese engineers are at work across the continent, mining copper in Zambia and cobalt in the Democratic Republic of Congo and tapping oil in Angola. Nor is this merely exploitative. China bought its access by agreeing to create a new infrastructure for Africa, building roads, railways, hospitals and schools across the continent. The current crisis is not expected to affect China's march in Africa: on the contrary, with the West's plans in Africa on hold at best, Beijing views it as an opportunity to extend China's lead. "We will continue to have a vigorous aid program here, and Chinese companies will continue to invest as much as possible," Chinese Foreign Minister Yang Jiechi said in South Africa in January. "It is a win-win solution." Dambisa Moyo, who wrote Dead Aid, says those who need convincing about Africa should ask themselves if they are convinced about China, "because if you back China, you're backing Africa." Ecobank CEO Ekpe says part of the explanation for China's zeal for Africa is a new way of looking at Africans. "[The Chinese] are not setting out to do good," he says. "They are setting out to do business. It's actually much less demeaning."

And that gets to what, for Africans, is the emotional heart of the matter — and why joining the business world means so much. Though it rarely occurs to Westerners who've been instructed that Africa needs their help, charity is humiliating. Not emergency charity, of course: when disaster strikes, emergency aid is always welcome, whether in New Orleans or Papua New Guinea. But long-term charity, living life as a beggar, is degrading. Andrew Rugasira, 40, runs Good African Coffee, a Ugandan company he set up in 2004 to supply British supermarkets under the motto "Trade, not aid." He is emblematic of a new generation of African antiaid, antistate entrepreneurs. For Rugasira, aid not only "undermines the creativity to lift yourself out of poverty" but also "undermines the integrity and dignity of the people. It says, These are people who cannot figure out how to develop." Aid even manages to silence those it is meant to help. "African governments become accountable to Western donors," says Rugasira, "and Africa finds itself represented not by Africans but by Bono and Bob Geldof. I mean, how would America react if Amy Winehouse dropped in to advise them on the credit crisis?"

And if that's a striking inversion, consider another one. Look back at the African growth figures once more. Compare them with this year's forecasts for the developed world. Who's the basket case now?

Source: TIME Magazine in Partnership with CNN. Image: PAOLO WOODS FOR TIME

Nigeria accounts for 60% of Ghana's foreign investment, GIPC

By Yinka Kolawole

Nigerian businesses account for about 60 percent of foreign investment in Ghana, aided by the enabling investment climate of the West African country.

Director, Marketing and Public Relations, Ghana Investment Promotion Centre (GIPC), Mr. Edward Ashong-Lartey, stated this recently, in Lagos, at a forum to announce the forthcoming 2010 International Business Events Management (IBEM) conference billed for Ghana in March.

GIPC is a one-stop government agency, in the office of the Ghanaian Presidency, which facilitates and supports local and foreign investors in both the manufacturing and services sectors of Ghana.

According to him, the level of Nigerian investment in Ghana is very high, especially with the entrance of communications giant, Globacom, along with some other companies, into the country, adding that the Ghanaian officials to discuss possible areas of further collaboration with Nigerian investors and the kind of incentives that will promote investment and business relations between both countries, ahead of the IBEM conference.

Ashong-Lartey noted that the forthcoming event with the theme: “Investing and Growing Your Business in Ghana – Challenges and Opportunities”, is aimed at enabling investors both in Africa and other continents to harness the business opportunities that are abound in Ghana, adding that the interest on Nigeria is borne out of the fact that she has the experience in manpower and technical capacity that are believed would be relevant to Ghana to develop its nascent sectors, especially oil and gas. “Talk about the population, the land mass, abundant natural resources, technocrats and so on. Already, Nigeria is seriously playing active role in Ghana’s economy,” he stated.

He said that GIPC sees investment opportunities for Nigerians in agriculture and agro-processing; fish processing; sports, Leisure and Infrastructure; transport; infrastructure, power and tele-communications, among others.

“Government would harness the opportunity that abounds in the discovery of and exploration of oil in the country to woo and encourage would-be investors. All expectations of investors are assured and would not be dashed,” he stated.

The Ghanaian government official, however, acknowledged that the country was currently experiencing some challenges in the areas of security, high interest rates, bank charges and inadequate power generation (at 1,850-mega watts) that may discourage investors, but noted that the government was working seriously on ways to address the issues. He said, for instance, that about six foreign companies have indicated interest to use gas to produce energy with the hope of boosting the power supply before the end of 2010, adding that tax holidays were being considered for some sectors and tourists just to create conducive environment for investors in the country.

Targets participants for the forthcoming conference, according to Ashong-Lartey, include manufacturers in Europe, America, UK, Asia and Africa; local and foreign investors, chambers of commerce and industry, regional and multinational corporate bodies, oil and gas companies, banks and financial institutions.

Source: Vanguard, Newspapers, Nigeria.

Africa: India Plans $1.5 Trillion Investment in Continent

By George Okojie

Lagos — Strong indications emerged recently that the government of India plans to invest a whooping sum of $1.5 trillion on infrastructural development in Nigeria and other parts of Africa in the next 10 years.

India’s Minister of Commerce and Industry, Mr. Anand Sharma, who made the revelation at an exhibition and India-West Africa Business Forum in Lagos, pointed out that bilateral trade between Nigeria and India has for several years been in excess of $10 billion in favour of Nigeria.

He remarked that five out of the 12 fastest growing economies in the world are domiciled in Africa; a continent which he said is richly endowed with natural resources.

Commending the conveners of the forum, the President of ECOWAS Commission, Dr. Mohammed Ibn Chambers, noted that the event could not have come at a better time, when most nations are emerging from economic failures arising from the global economic recession.

According to him, the 15 countries in the West African sub-region with a combined population of well over 280million people, Africa remains a major economy that must be taken seriously, noting that the continent is blessed with skilled manpower, favourable climate that can be harnessed as an alternative to power and good forest reserves suitable for the pharmaceutical industry.

Also speaking, Nigeria’s Minster of Commerce and Industry, Chief Achike Udenwa, noted that India has a lot of success stories that West Africa can learn from, adding that the opportunity the forum avails would go a long way to assist the region in its collective efforts to enhance production capacity and diversity the economic base through the injection of new ideas and technologies, as well as best global practices.

In his opening remark, Vice President Goodluck Jonathan, challenged the forum to come up with proposals that would be of mutual benefit between Nigeria and the government of India.

Jonathan, who was represented by Governor Babatunde Fashola of Lagos State, said India holds the ace in the area of education and medical science and recalled the role Indians played in the education of many Nigerians.

Source: Daily Independent, Nigeria. Image: acus.org

Interview of the month

Malawi: Aquaculture Initiative Gives Cause for Quiet Hope

by Steven Lang, IPS NEWS SA

Grahamstown — From time immemorial, fishermen on Lake Malawi have depended on the chambo to help feed their families - all without upsetting the stocks of this fish species. Following the start of commercial fishing on the lake, however, the annual catch of chambo plunged, from 3,250 tonnes in 1985 to 207 tonnes in 2002.

Government was eventually forced to put a stop to the commercial operations.

The Maldeco Aquaculture company was established in 2003 to build up chambo stocks through aquaculture - and Tom Shipton of Enviro-Fish Africa (a consulting firm based in Grahamstown, South Africa) hired as a technical advisor to the project. He recently chatted to IPS reporter Steven Lang.

IPS: Why did the Malawians turn to you for advice?

TOM SHIPTON: Initially they hired a European consultancy to come down and do the assessments and so forth. It was a big project and they were planning on building 12 or 16 of these 12 metre cages, 10 metres deep. It's similar to the salmon farms, using salmon cage technology; but they soon realised that their plans were not working.

IPS: And that's where you came in?

TS: Yes. They went to the Development Bank of Southern Africa (DBSA) for a large loan to do some more research and I went up there to look at the technical side.

Essentially what they had done is, they had taken the technology for Oreochromis niloticus (the Nile tilapia) and had assumed that it was the same for this new species (the chambo, for which the scientific name is Oreochromis karongae).

They are both Oreochromis, but they are very different species. The Oreochromis karongae, which is the one they are using here, has a very different kind of breeding behaviour and so forth.

So, we were worried that if we used the model for the Oreochromis niloticus it might not work here.

IPS: What were the potentially critical differences?

TS: At that time, we didn't know what the fecundity was, what was the survival rate...They didn't even know the growth rates, and if you don't know the growth rates you can't do a production schedule - so how do you plan your financials? There were a lot of biotechnical issues that needed to be resolved.

IPS: How did you go about addressing these issues?

TS: The DBSA then put in half a million rand (about 65,000 dollars) of research money and we sent somebody up there, Dr Jerome Davis, for a nine month period just doing experiments: getting the various growth rates and looking at another species as well - the shiranus (Oreochromis shiranus) - and really just getting to the fundamental biology, looking at what kind of sex ratios you needed in your ponds, those kind of things.

IPS: What were the outcomes of this research?

TS: What essentially did come out of it is that the karongae grows a lot slower than the niloticus, probably about a third slower - I'm not sure exactly. But, it really was quite significant.

They found that the shiranus, the other species that just got into the cages, actually grows a lot faster. But with the shiranus you get the males growing very fast and the females going into this precocious breeding...When you crowd them up, then the females feel stressed and they naturally go into this reproductive cycle where they start breeding at a very small size...So, you end up with thousands of small fish instead of the big fish which is the high value species.

This is a common problem with most Oreochromus, but the karongae is a late developer - which allows both sexes to grow larger. This means that you don't have to have single sex populations.

IPS: Why is it better to have fewer large fish rather than many smaller fish?

TS: Well, here in South Africa or in Europe it is a big problem because people like eating the larger fish, but up in Malawi it is not really such a big issue because the people eat small fish.

You're wasting a lot of energy, because you're putting a lot of energy in for reproduction, but what you really want to do is be getting into the growth of body mass.

IPS: The project has been underway for just on five years now. Is it achieving its goals?

TS: They're not up to full production; they're not up to 3,000 tonnes yet, not anywhere near it. But, Malawi is a difficult country to get things going in.

One of the problems was that if you produce 3,000 tonnes per annum and you have a food conversion ratio of let's say 1.5, which means you need four-and-a-half thousand tonnes of fish feed every year.

Now, you're on the south-east arm of Lake Malawi, the roads very often get washed away during storms, then the aid agencies come along and they put down roads, but they're not good quality roads - so they last a couple of seasons, then they break up.

IPS: And the feed has to come from outside?

TS: Well, they're looking at producing their own soya and their own basics, but at the moment most of it is.

That's a major constraint. The other constraint is human resources. You've got a very high turnover of people as well: there are very few people in Malawi who have got the educational level to actually operate hatchery systems and be great admin managers.

And sadly the other reality is that HIV is a major problem up there. You train them up and then they die.

IPS: What are your feelings about the long term prospects of this project?

TS: It is difficult, but the fact of the matter is that they have managed to put this farm together and it is functional. I am quietly hopeful. They might not get up to their 3,000 tonnes, but they've been there for five years, and they've learnt a lot of lessons. It's coming on.

Source: ipsnews SA. Image: radiosai.org

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Country Stats - Benin Republic

Capital	Porto Novo
Area	112,620 sq km
Total Population 2008	9.3 Million
Urban Population 2008	41.24%
Female Population 2008	49.54%
GDP 2008	US$ 6.3 Billion
GNI Per Capita 2007	US$ 570
Inflation Rate 2008	2.0%
Crude Birth Rate (per 1000) 2008	39.64%
Human Development Index (scale 0 to 1) 2006:	0.459
ADB Membership Date:	10/09/1964
Cumulative Approvals (1967-2008):	UA 529.8 Million

Source: Africa Development Bank.