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:

- Botswana
- Egypt
- Ghana
- Kenya
- Malawi
- Mauritius
- Nigeria
- Tanzania
- Zambia
- Zimbabwe

AFRICA STOCK EXCHANGE PERFORMANCE

Country	Index	1-Jul-16	8-Jul-16	WTD % Change Local	WTD % Change USD	31-Dec-15	YTD % Change Local	YTD % Change USD
Botswana	DCI	10081.31	10059.17	-0.22%	0.01%	10602.32	-5.12%	-2.68%
Egypt	CASE 30	6942.52	7182.80	3.46%	3.47%	7006.01	2.52%	-9.64%
Ghana	GSE Comp Index	1787.50	1795.73	0.46%	0.63%	1994.00	-9.94%	-12.44%
Ivory Coast	BRVM Composite	304.68	298.66	-1.98%	-2.19%	303.93	-1.73%	-0.22%
Kenya	NSE 20	3652.79	3688.46	0.98%	0.91%	4040.75	-8.72%	-7.65%
Malawi	Malawi All Share	12927.37	12929.73	0.02%	-1.61%	14562.53	-11.21%	-18.89%
Mauritius	SEMDEX	1752.40	1759.11	0.38%	0.68%	1,811.07	-2.87%	-1.05%
	SEM 10	337.25	339.63	0.71%	1.01%	346.35	-1.94%	-0.11%
Namibia	Overall Index	985.92	960.04	-2.62%	-2.19%	865.49	10.92%	16.13%
Nigeria	Nigeria All Share	29305.40	28854.98	-1.54%	-1.43%	28,642.25	0.74%	-28.90%
Swaziland	All Share	358.24	358.25	0.00%	0.45%	327.25	9.47%	14.61%
Tanzania	TSI	3710.89	3713.21	0.06%	-0.01%	4478.13	-17.08%	-18.14%
Zambia	LUSE All Share	4753.24	4750.65	-0.05%	6.66%	5734.68	-17.16%	-5.64%
Zimbabwe	Industrial Index	101.17	104.41	3.20%	3.20%	114.85	-9.09%	-9.09%
	Mining Index	24.70	24.70	0.00%	0.00%	23.70	4.22%	4.22%

CURRENCIES

Currency	1-Jul-16 Close	8-Jul-16 Close	WTD % Change	YTD % Change
BWP	10.79	10.76	-0.23	2.57
EGP	8.86	8.86	-0.00	-11.87
GHS	3.92	3.91	-0.17	-2.77
CFA	589.86	591.17	0.22	1.54
KES	99.29	99.36	0.07	1.17
MWK	692.44	703.92	1.66	-8.65
MUR	34.16	34.06	-0.30	1.87
NAD	14.77	14.71	-0.44	4.69
NGN	279.85	279.54	-0.11	-29.42
SZL	14.77	14.71	-0.44	4.69
TZS	2,141.87	2,143.37	0.07	-1.28
ZMW	10.26	9.61	-6.30	13.90

Botswana

Corporate News

No Corporate News This Week

Economic News

Botswana's economy grew 1.8 percent quarter-on-quarter in the three months to end-March versus a 4.9 percent expansion in the fourth quarter of 2015, data from the statistics office showed. On a year-on-year basis, gross domestic product (GDP) growth was at 2.8 percent in Q1 after contracting by 1.9 percent in Q4. *(Reuters)*

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Egypt

Corporate News

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Economic News

Egypt's central bank announced on Sunday that it will hold 182-day and 364-day treasury bill auctions on July 10, three days later than originally scheduled, due to the Eid Al-Fitr holiday. *(Reuters)*

As Egypt's foreign currency shortage intensifies and the gap between official and unofficial currency rates widens, economists say another devaluation is inevitable this fiscal year. Foreign currency inflows have been severely hit in import-dependent Egypt after a 2011 uprising drove away tourists and foreign investors, two major sources of hard currency. The dollar shortage has stifled business activity and hit confidence in the Egyptian economy. Egypt devalued the pound by 13 percent in March in an effort to close the gap between the official and parallel rates but the move failed to boost dollar liquidity or close the gap. Reserves tumbled from $36 billion before the uprising to around $17.5 billion in May this year, and foreign currency reserves have been further drained this month as Egypt returned a $1 billion deposit to Qatar and paid $720 million in fees to the Paris Club. "The devaluation will have to happen in my view," said Hany Farahat, economist at CI Capital. "I think that this is something that would have to happen to preserve the country's FX resources that are currently declining as we have seen in the net foreign assets," he added. In May net foreign assets dropped to negative $9.4 billion, down from a surplus of $6.1 billion in the same month a year earlier, Farahat said. Egypt's Central Bank Governor Tarek Amer said reserves would reach $25 billion by year-end. While reserves have slightly risen since October last year, several bankers said it had become harder to access dollars within the banking system.In remarks published in local media on Sunday, Amer said that since he took up his post in November his focus has been to address stagnation and stimulate the economy while targeting a flexible exchange rate that reflects supply and demand.
"As a central bank we had the choice to either keep the pound stable or get the factories working," Amer was quoted as saying in Al-Mal financial newspaper. "Personally, I would not be happy if the exchange rate is stable but factories are halted," he said.

The central bank has been rationing its dollar reserves through regular weekly sales, keeping the pound artificially strong at 8.78 per dollar but black market traders said they were selling dollars at a range of 11-11.04 per dollar on Sunday, without giving volumes of trade. Another devaluation could trigger a jump in inflation if it is implemented early this year, economists say, a major concern in the country of 90 million where millions live hand to mouth. "There are other sources of inflationary pressures so they will wait until... end of the first quarter or early second quarter for the devaluation (to allow) inflationary pressures to be contained," said Eman Negm, an economist at Prime Holding. Egypt's fiscal year starts in July. Annual urban consumer inflation jumped for the second month in May to 12.3 percent from 10.3 percent in April, prompting the central bank to raise interest rates by 100 basis points at its monetary policy meeting last month. With a plan to cut energy subsidies further and introduce a value added tax this fiscal year, inflationary pressures are expected to intensify. "There is always a cost of any policy reform," said one economist who declined to be named. "You can't fix everything at the same time. You either need to structurally reform the economy or just maintain everything at a standstill for fear of very high inflationary pressures." *(Reuters)*

Egypt has reduced the arrears it owes foreign oil companies to $3.4 billion in 2015/16 from $3.5 billion a year earlier, Petroleum Minister Tarek El Molla told Reuters on Monday. El Molla also said that Egypt received crude oil and natural gas from the foreign partners' share during 2015/16 worth $5.4 billion. Egypt paid them $5.5 billion. *(Reuters)*

Egypt's current account deficit almost doubled in the first nine months of 2015/16 to $14 billion from $8 billion in the same period a year earlier, central bank governor Tarek Amer said in remarks in state newspaper Al Alhram. Egypt's economy is struggling to recover after a mass uprising in 2011 drove away tourists and foreign investors, major sources of hard currency. "The deficit... reached $14 billion in the first nine months of the previous financial year, from July 2015 to March 2016, compared with $8 billion in the same period a year earlier," Amer said. Egypt has yet to announce its balance of payment figures for the period. *(Reuters)*

Egypt's agricultural quarantine authority settled a months-long dispute on Monday over wheat import specifications that have hampered the country's massive state purchasing programme ahead of an anticipated new buying season. Egyptian quarantine authorities' earlier refusal to let in wheat infected with even the slightest amount of ergot, a fungus that can lead to hallucinations and irrational behaviour in large quantities but at trace levels is deemed harmless to humans, wreaked havoc in the market for supplying the world's largest wheat buyer. The quarantine authority said a new ministerial decree would allow it to accept imported wheat shipments containing up to 0.05 percent ergot, finally ending a long-standing zero tolerance policy that has puzzled global trade. "A ministerial decision was taken and 0.05 percent ergot tolerance will now be endorsed," Ibrahim Imbaby, head of the quarantine authority told Reuters by phone. Imbaby did not give more details. The decision comes a day after the country appointed a new head for its state wheat-importing body — one of the most influential positions in the global wheat market, ahead of the impending import season set to start this month. The resolution to the ergot row also comes as Egypt's domestic wheat purchases are being questioned and the earlier announced 5 million-tonne Egyptian wheat procurement figure for the season could be revised, leading to a greater import need. The country is in the middle of a government-led recount of locally purchased wheat after the unusually high local procurement figure of 5 million tonnes, as opposed to around 3.5 million tonnes in earlier years, prompted allegations of fraud from industry officials, traders and lawmakers.

If the local purchase numbers were misrepresented Egypt might have to buy more foreign wheat to meet domestic demand while contending with a dollar shortage that has already sapped the country's ability to import, making a resolution to the ergot squabble ever more pressing. The quarantine's zero tolerance policy was at odds with the more commonly accepted international standard of up to 0.05 percent already endorsed by the ministry of supplies and state grain buyer, the General Authority for Supply Commodities (GASC). "The ministerial decree was issued after a committee in the import and export surveillance authority was formed and pressurised the agriculture ministry to issue a new decree," one Cairo-based trader said. The affair, which resulted in several shipments of wheat turned away at ports, a sharply lower participation at GASC tenders and higher wheat prices, was thought to be finally nearing a resolution when Prime Minister Sherif Ismail intervened in late June and said the country would adhere to the common 0.05 level. His comments were expected to be followed by a decree changing the old regulations that governed agricultural quarantines and stipulated a zero tolerance policy. But a decree failed to materialise until Monday's decision and the agriculture ministry has told Reuters it had been hampered by a months-old judicial order from the prosecutor general that had banned all ergot from entering the country. The order had followed the rejection of a French wheat shipment belonging to trading firm Bunge late last year. The firm subsequently filed a lawsuit contesting the decision. Imbaby did not make clear how that legal hurdle had been overcome. And after months of conflicting statements from various Egyptian agencies, some European traders remain skeptical. "We are being cautious....they've changed their position so many times over ergot," one European trader said. *(Reuters)*

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Ghana

Corporate News

No Corporate News This Week

Economic News

The Bank of Ghana has announced for the information of banks, investors and the general public important changes affecting the issuing and trading of Government of Ghana (GOG) securities. The changes are aimed at strengthening the primary dealership system, facilitating the development of the fixed income market and creating a favourable environment for private sector investors to make and realise their investment decisions. The central bank said with effect from July 1, 2016, only financial institutions licensed by the Securities and Exchange Commission and appointed by Bank of Ghana as Primary Dealers (PDs) would participate at the wholesale primary auction to purchase GoG securities for their own account and for trading purposes. "These PDs are obliged to act as market makers in GoG securities, quoting firm two-way (buy/sell) prices. All other investors interested in purchasing (or selling) GOG securities may do so only on the secondary market activities," the bank said in a statement signed by Secretary Caroline Otoo. The following are the licensed PDs, which will operate from July 1, 2016: Access Bank Ghana, ARB Apex Bank, Barclays Bank Ghana Limited, Cal Bank, Ecobank, Fidelity Bank, First Atlantic Bank, GCB Ltd, GT Bank, National Investment Bank, Universal Merchant Bank, uniBank, SG Bank, Stanbic Bank and Standard Chartered Bank. The central bank said investors and the general public are encouraged to contact their bankers for clarifications on this notice. They may also consult the Bank of Ghana website: www.bog.gov.gh for the following documents: 1. Guidelines for the Government Securities Market for Primary Dealers. 2. Primary Dealership in Ghana: Requirements and Responsibilities of Primary Dealers in the Government Securities Market. 3. Code of Conduct for Primary Dealers of Government Securities in Ghana. *(Ghana Web)*

The American Chamber of Commerce (AMCHAM) Ghana has affirmed the commitment of the US business community to the promotion of trade and investment between Ghana and the United States of America (USA). "With US foreign direct investment (FDI) in Ghana increasing to about US$13 billion as of 2014, we at the chamber say congratulations to the various US companies which have enhanced US-Ghana economic relations with their investments," a statement from the chamber to commemorate the 240th Independence Day of the USA said. It said the core mandate of the chamber was to advocate US businesses and by extension the promotion of FDIs in this country. "It also creates the enabling environment in which Ghanaian and US businesses can thrive, promoting the spirit of free enterprise, creating opportunity and prosperity for our two countries," the release said. The chamber recalled a survey conducted by PwC, which said 40 per cent of our members, between 2004 and 2014, invested about US$12 billion in capital and operational expenditure. The release said about US$1 billion was also paid in taxes, royalties and on corporate social responsibility over the 10-year period. "These companies intend to spend about US$3.5 billion in the Ghanaian economy between 2015 and 2020 and they directly employ about 7,000 Ghanaians," it said. *(Ghana Web)*

It is too close to call whether Ghana's President John Mahama will win re-election in November, but on one score success is starting to look attainable: the government is on course to get through an election year without triggering a fiscal crisis. In 2012, when the country last went to the polls, the budget deficit doubled to one of the highest rates in Africa as the ruling National Democratic Congress ramped up spending on civil service wages. Politicians and economists say there is no evidence of a repeat of that spree this time around, however. That could allay widespread market fears of the country crashing out of its three-year International Monetary Fund programme, despite Mahama and Finance Minister Seth Terkper having repeatedly stated their commitment to the deal. The IMF said in its last review that the government has been sticking to the terms of the deal worth up to $918 million aimed at restoring economic balance and curbing the deficit. An official close to talks with the Fund told Reuters that Ghana is on course to meet its requirements, despite spending pressures. While some civil servants' salaries more than doubled in 2012, spurring spending that quickly became unsustainable, a deal with civil service unions now limits wage increases to below inflation, union leaders have said publicly. The scrutiny that comes with the IMF deal also reduces the likelihood that Mahama or opposition leader Nana Akufo-Addo will face economic turmoil when one of them is sworn in. "The lessons of 2012 have been so visible for the government, and the fact that it's taken them many years to correct the fiscal slippage in that year, so it's something they are very much guarding against," said Sampson Akligoh, managing director of Investcorp bank in Accra. "I am confident that they will stay the course through the elections," he said.

The National Democratic Congress's overspending in 2012 and a slump in commodity prices that followed have hurt Ghana's reputation as one of Africa's brightest investment prospects. Economic growth was nearly 15 percent in 2011, when prices were high for gold, cocoa and oil, but had fallen by 2015 to just 4 percent. The next slice of IMF aid depends on Ghana passing a bill that would eliminate central bank financing of the fiscal deficit. Its passage is uncertain, however, and the opposition New Patriotic Party will likely vote against it on the grounds that it imposes draconian limits on the central bank. A government team flew to Washington this week to iron out differences over the bill and a separate issue of how to resolve the debts of state-owned enterprises, government sources said. Mahama has embarked on a pre-campaign "Accounting to the People" tour to highlight spending on infrastructure, hoping that voters will overlook the hardships brought on by a period of austerity if there are visible signs of development. It appears to be a tight race, however. Recent polls put the National Democratic Congress just 3 percent ahead of the opposition, with nearly 15 percent of respondents undecided, a senior source close to the government said. Years of power cuts followed by higher electricity prices aimed at reining in spending have hurt consumers and manufacturing, which could lead voters to punish the incumbent. "You can't transfer the extra cost (of power) to the customer because their income hasn't increased," said Fred Kwofie, managing director of Domod Roofing, as he brought out invoices apparently showing that his power bill had risen about a third since the height of the blackouts in 2015, when he also had generator fuel to pay for. But he was tight-lipped on whether this would lead him to vote for the opposition in November's polls. *(Reuters)*

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Kenya

Corporate News

Equity Bank Group is set to introduce its mobile banking platform Equitel in five new markets within the East Africa region where it has a presence. Group chief executive James Mwangi disclosed the plans Tuesday while speaking to Paris-based special report publisher Marcopolis. He did not, however, give timelines for the intended expansion. The lender plans to partner with mobile network operators in Uganda, Tanzania, Rwanda, South Sudan and the Democratic Republic of Congo to make the service available in these countries. The Business Daily could not confirm whether the lender has received regulatory approvals to enter these markets. Launched in Kenya in July 2015, Equitel has two million active subscribers. "Mobile devices have become our delivery terminal of choice. Essentially what we have done is to replicate the success of Kenya in the five other countries that we operate in," said Mr. Mwangi. The launch of its mobile banking service in these countries is likely to give Equity first-to-market advantage over mass-market focused rivals such as KCB Group that also has presence in the region. As at end of the first quarter of 2016, Equitel users transacted Sh62.5 billion while the value of mobile loans stood at Sh14.1 billion over the period. "We have formed partnerships with mobile network operators so that we can leverage on their infrastructure without having to incur the cost of infrastructure. That leaves the bank with a lean and low cost infrastructure, while at the same time enhancing the sticking ability on the MVNO (Mobile Virtual Network Operator) and significantly reducing their problems in terms of users," said Mr. Mwangi. Equitel users through the "Eazzy Loan" product can borrow up to Sh3 million repayable over a 12-month period. *(Business Daily)*

Kenya Pipeline Co. is considering selling Eurobonds as part of a fund-raising exercise to finance capital-intensive projects around the country. The state-owned company, which is expanding its infrastructure to cater for potential oil production in the north of the country and the construction of the Lamu Port Southern Sudan Ethiopia Transport corridor, plans to start raising capital in the second half of next year, Chairman John Ngumi said. "There will be a need to raise finance money in either the second half of 2017 or the first half of 2018," he said in a phone interview Monday from the capital, Nairobi. "There are many possible sources of money. Eurobond is just one." Kenya, East Africa's biggest economy, plans to start building an oil pipeline linking the northern Kenyan town of Lokichar to the proposed port at Lamu in 2018. The country plans to produce its first oil as early as June 2017 and to ship 2,000 barrels daily at the outset, according to Energy Secretary Charles Keter. The pipeline is expected to cost about $2 billion, Ngumi said. In addition to the crude conduit, Kenya Pipeline plans to extend its refined-products pipeline from the western town of Eldoret to Kampala, the capital of neighboring Uganda, as well as expand storage facilities in Nairobi and construct LPG storage and bottling facilities. The company will also be involved in the construction of a proposed oil pipeline to Ethiopia, Ngumi said.

Among the other financing options being considered for the projects are loans from development finance institutions, funding arranged with a group of banks and domestic bonds, he said. KPC completed a $350-million syndicated loan last year, the proceeds of which are being used to fund the expansion of the refined-products pipeline from the port city of Mombasa to Nairobi. Kenyan Treasury Secretary Henry Rotich said in May the government plans to sell Eurobonds in the fiscal year that began July 1, though the proceeds won't be used to finance the Lamu-Lokichar pipeline. The government sold a debut Eurobond in 2014. While the amount of money to be raised by Kenya Pipeline in the following fiscal year hasn't been decided, it won't be "small money," Ngumi said. "We are not going to market to raise $10 million," he said.
Kenya plans to export its first consignment of crude oil by June next year. The product will be moved via road from Lokichar to Eldoret before being loaded on a train to Mombasa. The state anticipates moving 2,000 barrels a day. Construction of the crude oil pipeline linking the oilfields to Lamu port is set to end in 2021, according to the Energy Ministry. Kenya has 750 million barrels of crude resources, according to Tullow Oil Plc, which is prospecting for oil in the country. *(Bloomberg)*

The Nation Media Group has signed an agreement with the Invest In Africa (IIA) initiative aimed at linking small and medium-sized firms to IIA's digital portal which uploads tenders by big multinational companies. The IIA initiative, which was launched in Kenya two weeks ago, has so far signed up a number of big businesses which will post their tenders on the online portal. The initiative will also provide training for SMEs in partnership with the Strathmore Business School. NMG's partnership is intended to help create awareness of the new initiative for SMEs signed onto the IIA portal, similar to what the media group does with the Top 100 annual SMEs survey. "We are pleased to partner with Invest In Africa to add value to the current Top 100 SMEs. Through this partnership we aim to equip these companies with skills that will guarantee their growth and move them on to the next level to create opportunity for others — to join the Club 101 and achieve their potential," said NMG chief executive officer Joe Muganda. The Top 100 survey, which is run by Nation Media Group's Business Daily newspaper and audit firm KPMG, is open to small and medium-sized enterprises with an annual turnover of between Sh70 million and Sh1 billion. Participating firms are required to submit at least three years of audited financial statements in order to determine their pace of growth and cash flow stability. IIA Kenya country director Patricia Ithau said that the SMEs qualifying for recruitment to its database will also need to show similarly high standards of management and financial discipline in order to sustain any business they get with the big firms. "In the beginning, as an SME, you have to prove that you are registered, that you are tax compliant and file your returns, you do credit referencing, and that the listed directors and address are the actual ones for the business. These are the things that any multinational you are looking to do business with will expect you to have," said Ms Ithau. IIA is seeking to recruit 1,000 SMEs and 20 big business partners to its initiative by the end of this year. In addition to NMG, it is already partnering with Tullow Oil, Equity Bank, Kenya Association of Manufacturers and Ecobank. Its similar initiative in Ghana has already attracted 1,300 SMEs and 20 big partners, with nearly $600 million in tenders transacted on its portal. *(Business Daily)*

Commercial Bank of Africa (CBA) has partnered with Bamburi Cement to finance mortgage borrowers. CBA Chief Executive Jeremy Ngunze Wednesday said borrowers will have their homes built by a separate entity, Koto Housing. The houses will be built using Expanded Polystyrene Panel (EPS) technology which enables completion within 30 to 45 days. "Usually it takes months to put up a family house, which has made costs of putting up residential houses uncertain. Our product disrupts this long held belief that mortgages are expensive since a mortgage client will move into their new houses even before the first payments are due," he said. Bamburi's Corporate Affairs, Communications and Sustainable Development Director Susan Maingi said the initiative would see home buyers choose house designs from 30 architectural drawings. A bill of quantities prepared ahead of signing of the mortgage loans will disclose the final mortgage amount. "This will ensure that every home owner enjoys a stress-free service across Kenya where house building will be scheduled and we shall also offer site support for one-roomed houses to four-bedroomed houses valued at Sh500,000 to Sh4.5 million," she said.

Mr. Ngunze said that the product had been developed in the past two years during which a feasibility study was conducted by the bank's mortgage team and Koto Housing. "Housing costs must be definite if Kenya is to realise its dream of reducing the 240,000 housing annual deficit. We have been putting up houses using EPS technology that are permanent and approved by the National Construction Authority across the country," said Koto Housing director Moses Nderitu. The lender promised that borrowers will sign mortgage papers and wait for a month before moving into fully built houses without having to visit architects, worry about regulatory requirements or supervise construction. "We want to make home ownership a reality even for the youngest workers who will have an opportunity to pay low mortgages for the houses that could later be expanded in phases as their family size increase," said Mr. Ngunze. Mr. Nderitu dispelled fears the light weight panels used in EPS technology were for non-permanent houses, enough to support storeyed buildings. The mortgage product is available for up to 25 years. *(Business Daily)*

Kenya Airways has commenced its staff rationalisation exercise with 80 staff set to be affected in the first phase of a redundancy plan that will see 600 employees retrenched or moved. KQ, as the national carrier is known by its international code, is laying off the employees as part of cost-cutting measures it is implementing to get back to profitability. The national carrier was to commence the retrenchment in May but a delay in receiving Sh10 billion from African Export-Import Bank (Afrexim) to cater for the exercise saw it delayed until now. "We issued a notice to right size through staff redundancies and redeployment on March 31 as required by law and an update was issued to staff on May 4 following intense consultations with all parties involved," Kenya Airways said in a statement. READ: Treasury's Sh10bn bailout loan delay stalls KQ layoffs. "During this period we have stress-tested the accuracy of our right-sizing estimates in order to ensure that we have identified all possible ways to retain staff as well as securing the airlines long term operational efficiency." The national carrier in March announced that it intends to declare about 15 per cent of its staff complement redundant in a downsizing move that it said would reduce its payroll by about Sh2 billion annually.

KQ's workforce stood at 3,973 as at March last year and their cost has grown by 51 per cent in the past five years to Sh16.96 billion for the year ended March 2015 compared to Sh11.2 billion in 2011. The airline did not offer its staff the option of applying for voluntary early retirement (VER) in an effort to put a lid on the exercise's cost and block potential exits by key employees. "Today, we will commence with the first phase of redundancies which will impact approximately 80 staff members," said Kenya Airways. "We are cognizant that this is a difficult period for Kenya Airways and employee assistance will be available for affected staff at the time of the exercise and for two weeks thereafter," the statement added. *(Nation)*

Economic News

The government wants to multiply the gains made by cooperative movements as it looks to the sector to scale up the fortunes of crops such as cotton and coffee and their value chains. Industrialisation Cabinet Secretary Adan Mohamed says adequate measures must be taken to safeguard the gains made in the cooperative sector, as the government lays down plans for further growth. He said the national government recognises the cooperative movement's role in the country's economic expansion and wants it to supplement other growth efforts. "The cooperative movement cuts across all sectors of the economy, including agriculture, finance, housing and transport, among others. The cotton sub-sector, for instance, is critical for the development of textile industries, and a need thus, for the cooperative sector to be supported in order to supplement our efforts as government," he said. The CS said savings and credit co-operatives, commonly known as saccos in Kenya, had provided the country's unbanked segment with an opportunity to save and borrow for personal growth and business development. "As at December 2015, the sacco sub-sector had mobilised savings to the tune of Sh593 billion and accumulated an asset base to the tune of Sh814 billion," he said while presiding over the Cooperative Movement's Ushirika Day celebrations at Uhuru Park at the weekend. He said the government has identified textile as a priority sector in the National Industrialisation Roadmap. "It is, therefore, important that the cotton sub-sector is supported. Towards this, the government is making efforts to revive the cotton-textile industry through revitalisation of the cotton cooperatives," Mr Mohamed said. The initiative is in line with the recently signed agreement by the East African heads of State to revive the textile sector. *(Nation)*

The weighted average yields on Kenya 182-day and 364-day Treasury bills rose at auction on Wednesday, while the yield on the 91-day bill slipped, the central bank said. The yields on the 182-day bill rose to 9.647 percent from 9.393 percent last week and the 364-day yield climbed to 10.952 percent from 10.676 percent. The yield on the 91-day bills dipped to 7.027 percent from 7.045 percent last week. The bank offered bills worth a total of 16 billion shillings ($158.21 million) and accepted bids worth 5.8 billion shillings. The central bank said it would offer bills on all three tenors worth 16 billion shillings next week. *(Reuters)*

Malawi

Corporate News

No Corporate News this week

Economic News

No Economic News this week

Mauritius

Corporate News

No Corporate News this week

Economic News

Mauritius year-on-year inflation rose to 1.1 percent in June from 0.8 percent in May, the statistics office said on Friday. *(Reuters)*

Mauritius expects sugar revenue to climb by 25 percent this year, driven by higher prices and increased output, the chief executive of the island's Sugar Syndicate said on Friday. Revenue is expected to rise to 10 billion Mauritius rupees ($283.3 million) this year from 8 billion rupees in 2015, Devesh Dukhira told Reuters in a telephone interview. Sugar, a centuries-old pillar of the Indian Ocean island's $10 billion-plus economy, now accounts **for only 1.8 percent of gross domestic product and** employs about 12,000 people. "We estimate the price per tonne of sugar to rise from 13,166 rupees in 2015 to around 15,000 rupees this year. Sugar output should reach 400 000 tonnes, up from 366,000 tonnes a year earlier,â€ Dukhira said. The Indian Ocean island nation aims to benefit from increased sugar consumption worldwide while global production has stagnated. Dukhira said that global sugar consumption has grown by about 1.8 percent a year in the past 10 years, adding that this was largely due to the world's growing population and rising purchasing power in China and some African nations. The biggest challenge for Mauritius is the impending abolishment of European Union sugar quotas in 2017. African, Caribbean and Pacific producers have benefited from preferential access to protected EU markets in recent years but risk losing market share in the EU after production quotas end in October 2017. "Though Europe will remain an interesting market for Mauritius sugar, the industry will continue to seek opportunities in niche markets," Dukhira said. Mauritius began exporting sugar to Africa two years ago, taking advantage of duty free access to the Common Market for Eastern and Southern Africa. Once focused on sugar and textiles, Mauritius has diversified into tourism, offshore banking and business outsourcing to cement its reputation as one of Africa's most stable and prosperous economies. *(Reuters)*

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Nigeria

Corporate News

Prospects of Oando Plc's shareholders receiving dividend soon have brightened as the indigenous energy group has bounced back into profitability for the first quarter (Q1) ended March 31, 2016. The company ended December 31, 2015 with a loss of N49.689 billion, which is a reduction from the loss of N145.655 billion recorded in 2014. Oando improved its performance to a profit after tax of N4.1 billion in Q1 of 2016, as against a loss of N20.912 billion in the corresponding period of 2015. According to the audited results made available last Friday, the company ended 2015 with a revenue of N381.7 billion, down by 10 per cent from N425.7 billion in 2014. It posted a loss of N49.7 billion compared with N145.655 billion in 2014. The company said the results were delayed due to an exhaustive audit process overseen by external auditors, Ernst & Young, with approvals from the Securities and Exchange Commission (SEC) and the Financial Reporting Council (FRC). Commenting on the full year results, Group Chief Executive, Oando Plc, Mr. Wale Tinubu, said: "2015 remained a turbulent year for the global oil and gas industry as traditional energy business operations had to be altered to enable industry players survive this new reality, utilising cost optimisation systems, increased operational efficiency as well as downscaled capex budgets. This re-evaluation of our business has resulted in the execution of strategic initiatives, which we are confident will return our business to profitability in the short-term in 2016. As the global economy returns to normalcy, we remain committed in our drive to building platforms for long term sustained value creating businesses." He said in spite of the numerous challenges, Oando made significant achievements across the value chain in 2015. According to him, Oando Energy Resource (OER) increased its total production to 20 million barrels of oil equivalent (mmboe) in the period compared with 9.1 mmboe in 2014.

"The increase between the annual periods was primarily from the acquisition of OMLs 60 – 63 in H2 2014, as well as the commencement of production from the Qua-Iboe field in Q1 2015. OER also successfully realised a cash inflow of $234 million by resetting its crude oil hedge from the previously hedged average of $95.35 per barrel to a new price of $65.00 per barrel on 10,615bbls/day till July 2017 and an additional 1,553 bbls/day until January 2019. The proceeds of the hedge reset along with cash in hand were used to pay down substantial portion of the company's debt," he said. > Tinubu declared that in December 2015, Oando Gas & Power (OGP) had completed 87 per cent of the Greater Lagos Phase 4 pipeline project which runs from Ijora to Bonny Camp in Lagos State. "The Midstream subsidiary also commenced an 8.5km pipeline expansion project for the Central Horizon Gas Company, to increase CHGC's capacity to 70mmscf/day. Oando Downstream successfully concluded tie-ins to third party terminals via a 2km Horizontal Directional Drilled pipeline. The jetty will alleviate delays associated with product delivery into the Apapa, reduce long term cost of operations, as well as provide possible revenue streams from excess capacity. In 2015, the marketing arm completed upgrading of its LPG plants, the Apapa LPG plant capacity was upgraded from 15mt/day to 30mt/day, representing a 100 per cent increment, while the Benin plant was upgraded to include the best in industry safety standards," he said.

Meanwhile, commenting on the return of the company into profitability in Q1 of 2016, Tinubu said: "This Q1 of 2016 demonstrates our dedication to return our business to profitability by the end of the 2016. We have implemented constructive corporate initiatives which are driving forces for our business in this new global reality of economic restraint and lower oil prices in our industry. The successful and ongoing implementation of these initiatives reiterates our strategy of growth, deleverage and a return to profitability by the end of 2016. "As a group, we have placed our focus on growing our upstream higher margined business while still holding fundamental interests in the midstream and downstream sectors. We look forward to a rewarding year, where we solidify our aspirations and return to profitability." According to him, as oil prices gradually increased, Oando commenced 2016 with a reinvigorated strategy hinged on key corporate initiatives to drive the company back to profitability and ensure fiscal efficacy. "To optimise its balance sheet, the company focused on aggressive debt reduction and recapitalisation. The Group successfully restructured its existing debt through a N94.6 billion Medium Term Note with a local consortium with lower interest rates and a renewed five-year tenor. Its upstream subsidiary, OER, completed its 2015 year-end summary of reserves recording a six per cent growth in 2P net reserves from 420.3 mmboe to 445.3 mmboe. The increase is attributed to the recognition of reserves related with producible oil and gas volumes; 2C Resources also increased by 70 per cent from 122mmboe to 208mmboe," he said. *(This Day)*

Lafarge Africa Plc has declared N13.66 billion dividends, which translates to 300kobo per share and bonus issue of one new share for every 10 previously held by shareholders for the year ended December 31, 2015. The company stated that it expects its installed capacity to rise to 14.1 million metric tons per annum with the completion of 2.5mm tons plant lines in one of its subsidiaries, United Cement Company of Nigeria, Unicem, Limited. Lafarge Africa owns 50 per cent equity stake in Unicem and plans further acquisition of additional 50 per cent interest before the end of the year to bring its shareholding in the company to 100 per cent. Addressing shareholders at the 54th Annual General Meeting, AGM, in Lagos, the chairman, Mr. Mobolaji Balogun, revealed that 2.5Mtpa cement capacity expansion work in the Mfamosing plant at Unicem is on-going and would be commissioned later this year. He stated that the capacity expansion in Unicem in addition to other acquisitions it made within the year, particularly acquisition of 82.5 per cent stake in Ashaka Cement Plc, would positively impact its top-line and bottom-line, thereby resulting in increased value for shareholders. "When completed, this will increase the total cement production capacity of Unicem to 5Mtpa and 14.1Mtpa for Lafarge Africa. This strategically located investment will increase our share of the growing cement market in the South East and South South regions in Nigeria. "This transaction will be value accretive to the shareholders of Lafarge Africa. In addition to other synergies from full ownership of the company, the transaction will enable the debt refinancing of Unicem via Lafarge Africa and improve the corporate organisational structure," he said. He explained that as part of cost saving measures, the group's operations in Nigeria as Wapco, AshakaCem and Unicem are organised along one country organisation with functional lines to remove role duplication and ensure that synergies from the consolidation of the group's entities are realised. Balogun noted that the action is expected to deliver significant cost savings which will have a positive impact on the financial results in the near term. *(Vanguard)*

Nigeria's central bank has replaced the chairman and chief executive of Skye Bank after it failed to meet minimum capital ratios, its governor said on Monday. The central bank said Skye Bank's non-performing loanratio has been above the regulatory limit for a while and it hadmet with Skye's board to resolve the issue, governorGodwin Emefiele told a briefing. Earlier, banking sources told Reuters that Skye's chief executive Timothy Oguntayo had resigned before the central bank announcement. He was the head of Skye Bank when it bought nationalised lender Mainstreet Bank in 2014. "The basic issue is capital adequacy and liquidity. From what we see, adequacy ratio in the bank has been weakening and we don't want it to get to a point where depositors will be at risk," Emefiele said. Skye Bank is designated as one of Nigeria's systemically important banks due to the size of total sector deposits it holds after the acquisition of Mainstreet Bank. This means it has to hold more capital. Emefiele said the central bank had conducted a stress test and decided to replace the chairman, chief executive and all non-executive directors after they failed to recapitalise the bank. He said Skye had been a net borrower from its rediscount window for "sometime." The central bank also appointed Tokunbo Abiru from rival First Bank to head Skye Bank. Nigeria's central bank has powers to remove bank executives and used them during the 2008/2009 global financial crisis when it sacked nine CEOs at banks which were undercapitalised. Last year, the regulator gave three commercial banks until June 2016 to recapitalise after they failed to hit a minimum capital adequacy rate of 10 percent. Skye Bank has been in talks with shareholders and new investors to raise 30 billion naira ($150 million). It suspended plans for a rights issue last year due to weak market conditions. Emefiele said the overall banking industry was sound, despite weaknesses in the economy but that none of Nigeria's 21 commercial lenders were in distress. Shares in Skye fell 9.5 percent. *(Reuters)*

Shareholders of GlaxoSmithKline Consumer Nigeria Plc yesterday approved the divestment of the company's drink business to Suntory Beverage & Food Nigeria Limited. Suntory Beverage bought British drinks brands Lucozade and Ribena from GSK Global in 2013 for $2.1 billion. Since then, the company has outsourced production and sales of the drinks in Nigeria to GSK Consumers Nigeria Plc. However, in January 2016, Suntory Nigeria made an offer to purchase the drinks business of GSK Nigeria. The directors of GSK brought the offer to shareholders to approve at the extra-ordinary general meeting held in Lagos. Addressing the shareholders of the company on the transaction at the meeting, the Chairman of GSK Nigeria Plc, Mr. Edmund Onuzo, stated it would enable the company focus on consumer health and ensure it continues to deliver more effective and high quality treatments for healthcare consumers. According to him, in September 2013, GlaxoSmithkline Group globally divested Ribena and Lucozade brands to the Suntory Group. "However, at that time, GSK Nigeria secured the rights to continue to manufacture and distribute the products in Nigeria under a 10-year arrangement which ends on August 18, 2023.

After that date, the rights to manufacture and distribute Lucozade and Ribena in Nigeria will revert to Suntory, and the company will have no further rights to sell these products. "On January 25, 2016, we announced that we had received a non-binding offer from Suntory Beverage and Food Nigeria Limited for the acquisition of the company's drinks business. And following intense negotiations on May 31, 2016,we further disclosed that we had agreed the terms of the proposed sale of the drinks business to Suntory for a headline price of $79.2 million," he said. The chairman explained that the proceeds of the transaction would be used in payment of taxes, defray cost of transaction, payment of debts (inter-company/trading arrangements) and investment to grow the retained business. The shareholders approved the transaction but urged the directors to ensure that they work hard to minimise the impact of the divestment on the overall performance of GSK Nigeria going forward. The board recommended that the shareholders be paid a special dividend of 60 kobo from the proceeds of the sale, which amounts to N710million. *(This Day)*

Oando Plc has completed the N70.5 billion recapitalisation of its downstream business with HV Investments II B.V., a joint venture owned by Helios Investment Partners, a premier Africa-focused private investment firm, and Vitol Group. Group Chief Executive, Oando Plc, Adewale Tinubu, said that despite global economic headwinds, the company have taken the proactive approach to establish a strategic partnership, which will leverage Oando's sector dominance, considerable local knowledge and expertise, together with HVI's vast international, financial, and technical capabilities. "This partnership will reinvigorate Nigeria's downstream sector and create one of Africa's largest downstream operations. We take great pride in our origins as a predominantly downstream company, and we are extremely confident in the success and potential returns this alliance will deliver," he added. The company said in a media statement yesterday that under the new business structure, all Oando retail stations would retain the Oando brand. "However, Oando Downstream will be renamed OVH Energy (OVH) to reflect its new ownership structure and the commitment of its new shareholders. OVH Energy will hold interests in Oando Marketing Limited, Oando Supply & Trading Limited, Apapa SPM Limited, and Oando Trippmart Limited. Oando Plc will retain a 49 percent shareholding in the newly formed corporate vehicle, with the HVI consortium also owning 49 percent. A residual 2 percent will be owned by a local entity", it said.

Co-founder and Managing Partner of Helios Investment Partners, Tope Lawani noted his firm's track record of creating successful businesses: "We look forward to leveraging Helios' expertise in support of OVH's management team, and to building another partnership with Vitol, with whom we created Vivo Energy, a leading pan-African downstream business." On his part, President and Chief Executive Officer, Vitol, Ian Taylor said: "This investment underlines our commitment to Nigeria. We are proud to have served our Nigerian customers for many years and we look forward to being actively involved in building this new company, alongside our existing ventures." Oando Downstream is comprised of Oando Marketing Plc, a petroleum product retailing and distribution company with over 350 retail outlets and strategically located terminals in Nigeria, Ghana and Togo; Oando Supply & Trading Limited, a leading indigenous physical trader of petroleum products in the sub-Saharan region, supplying and trading crude oil and refined petroleum products; Oando Trading Limited, an entity involved in the trading of crude oil and refined petroleum products in international markets; Apapa SPM Limited, a marina jetty and subsea pipeline system capable of berthing large vessels that will increase the delivery capacity and offloading efficiency of petroleum products into major petroleum marketers' storage facilities at Apapa, Lagos; and Ebony Oil & Gas Limited, a Ghanaian supply and trading entity with a provisional bulk distribution company license supplying white products. *(Guardian)*

eTranzact, Africa's e-payments solution provider, which delivers electronic transaction switching and payment processing solutions across Point of Sales (PoS), web, mobile, Automated Teller Machines (ATMs) and cards, has declared a profit of N471million for its financial year ended December 31, 2015. The company said its operating profit grew from N380million in 2014 to N851million in 2015 representing 124 per cent annual growth. In order to make its shareholders share from the profit, the company declared 10kobo dividend for its shareholders, up from the five kobo dividend it paid last year. The resounding success it recorded in the financial year ended December 2015, no doubt, helped the company to consolidate on its market dominance in key sectors of the industry in 2015, actively driving financial inclusion while meeting its key goal of delivering sustainable returns to shareholders. According to the company's annual report, gross revenue for the year 2015 was N8.7 billion, representing 22 per cent growth compared to 2014. Profit before tax (PBT) grew by 76per cent from 2014 performance while Profit after tax (PAT) grew by 73per cent compared to 2014's performance.

The company's performance in 2015 increased its retained earnings and allowed the board of directors to approve the payment of a 10 kobo dividend to shareholders for the period. PocketMoni prepaid Mastercard was issued to all shareholders and with their approval at the AGM, their dividend payout was made to the cards. Commenting on its growth, the company attributed its success to key growth drivers such as strengthened collaboration with partner banks in driving mobile banking business; strategic alliances with international money transfer operators which is driving growth of remittance business; alliances with government agencies, parastatals and educational institutions, which is driving bulk payments; central collection; and transaction switching and processing business. Projecting into the future, the company said it has taken steps to increase profitability of new relationships, enhance and deepen existing ones, and explore new partnerships locally and internationally. Speaking on the company's performance for the period, its Chairman, Mr. Felix Ohiwerei, who was re-elected as chairman of the board, said: "As a company, we pride ourselves as one of the pioneer organisations in the business of electronic and mobile payment technology in Africa, and as such, we continue to hold ourselves to very high professional, ethical, technical and operating standards. We remained resilient as we improved our business performance whilst managing the impact of various macroeconomic challenges."

"As we position our business and operations to take advantage of various opportunities in the industry, we will continue to align our processes and operating standards with global best practices, which is required of businesses such as ours, Ohiwerei added. The founder and CEO of eTranzact, Mr. Valentine Obi said: "I would like to appreciate the board, management and staff of eTranzact for the continued innovation, drive and commitment to the vision and mission of the company. We have experienced consistent growth in revenue and profitability over the last three years. Key to our growth has been a renewed product and customer focus setting key performance indexes around user experience, platform stability and technology development, and we plan to continue doing this." He promise to continue to make payments simple, and innovating and creating solutions that transform the lives of people in Africa. eTranzact recently completed the strategic rebranding of its identity, vision, mission, products and people, reaffirming the company's leadership position in transaction switching, mobile banking, mobile money, bulk payments, remittances, bills and utilities payments, collections and other payment technology areas.*(This Day)*

The Global Credit Ratings Co. (GCR) has affirmed Union Bank of Nigeria's credit ratings of BBB+ and A2 for long and short term respectively, just as it also assigned a stable outlook on the bank. According to a statement, GCR took into consideration the bank's improved market position in Nigeria's highly competitive banking industry following its recapitalisation in 2012, and improved NPL ratio and profitability metrics in subsequent years. In 2013, Union Bank embarked on a transformation programme to reposition the bank and once again become a respected provider of quality banking services in Nigeria. The bank has since then executed critical initiatives around infrastructure, technology and human capital in line with its strategic objectives. In October 2015, Union Bank unveiled a new brand identity, signalling readiness to operate more competitively in the Nigerian financial industry. Commenting on the ratings, its Chief Executive Officer, Mr. Emeka Emuwa, said: "The affirmation of the bank's credit ratings from the previous year is a result of the management's focus on rebuilding fundamentals and positioning Union Bank for sustainable long term growth. We are pleased that GCR's review highlights some of the key successes of the bank's robust transformation programme over the past three years. Going forward, the bank will continue to focus on delivering consistent growth to all its stakeholders in the short and medium term."

Established in 1917 and listed on the Nigerian Stock Exchange in 1971, Union Bank of Nigeria Plc is a household name and one of Nigeria's long-standing and most respected financial institutions. "The bank is a trusted and recognizable brand, with an extensive network of over 300 branches across Nigeria. In late 2012, a new Board of Directors and Executive Management team were appointed to Union Bank and in 2014 the bank began executing a transformation programme to re-establish it as a highly respected provider of quality financial services. "The bank currently offers a variety of banking services to both individual and corporate clients including current, savings and deposit account services, funds transfer, foreign currency domiciliation, loans, overdrafts, equipment leasing and trade finance. The bank also offers its customers convenient electronic banking channels and products including Online Banking, Mobile Banking, Debit Cards, ATMs and POS Systems," the story added. *(This Day)*

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This Week's Leading Headlines Across the African Capital Markets

Economic News

The Securities and Exchange Commission (SEC) says it is working assiduously to make the Nigerian capital market electronically driven. Its Director-General, Mr Mounir Gwarzo, said while speaking on the News Agency of Nigeria (NAN) Forum in Abuja on Sunday that the e-system would help the commission realise some of the objectives of the Capital Market Master Plan 2020. One of our initiatives in the master plan is to ensure that our market is highly electronically driven. The issue of giving certificates should now be a thing of the past. And I am happy to report that as at last year, we have been able to dematerialise 97.5 per cent of all the certificates that are with the registrars. Before June last year, only 40 per cent were dematerialised, but we insisted that all share certificates that are with registrars must be dematerialised and must be sent to the CSCS (Central Security Clearing System).'' He explained that with the measure in place, it would no longer take investors a long time to obtain their certificates. Some five to ten years ago, it takes you between six months to one year to get your certificate verified and we said this cannot continue to happen. That is why we are pushing for dematerialisation; that henceforth, any company that issues shares, the ownership of those shares must be represented in a certificate form.

We are also having issues with the provisions of CAMA, because the Companies and Allied Matters Act provides that when you buy shares you must be given a certificate. Part of the things we are saying is that of enlightening people on the need for them to get their certificates to be dematerialised, so that it is a willing thing you are doing. Also, if there is any primary issue, there is usually a proviso that you are now exempting the issuance of certificates so that you will not go against the provision of the law,'' he said. The director-general stated that the commission is looking into the cases of some companies that have failed to hold their Annual General Meetings or declare dividends for their shareholders, We have directed NSE to look at all these issues and they have looked at them. They have invited the companies because there are some companies that have not held AGM for quite a while, which is a violation of the provisions of CAMA and a violation of the listing requirements. NSE is going to engage those companies to know why they have not done that. Certain actions will certainly be taken,'' he said. . *(Guardian)*

Nigerian President Muhammadu Buhari has replaced Oil Minister Emmanuel Ibe Kachikwu as group managing director of state oil company NNPC as part of a wider board overhaul. Oil accounts for about 70 percent of Nigeria' revenue, but the OPEC member has been hit hard by a prolonged drop in crude prices that has caused the deepest crisis in Africa's biggest economy for more than a decade. Dr Maikanti Kacalla Baru, previously group executive director for exploration and production, will take the reins from Kachikwu, who will remain on the board as chairman, the president's spokesman said on Monday. Buhari, elected last year, has accused the previous administration of failing to save when crude oil cost more than $100 a barrel. In 2013 the central bank governor said that tens of billions of dollars in oil revenue had failed to make it into state coffers, which the company denied. Kachikwu was appointed minister of state for oil last year, making him a junior minister, while Buhari kept the petroleum minister portfolio for himself in order to oversee energy sector reforms. Baru's previous roles at the state oil company included a six year stint, from 1993 to 1999, as an executive at the National Petroleum Investment Management Services (NAPIMS), an NNPC subsidiary, where he worked on gas-related projects.

"President Buhari urges the new board to ensure the successful delivery of the mandate of NNPC and serve the nation by upholding the public trust placed on them in managing this critical national asset," said Buhari's spokesman Femi Adesina. The president's chief of staff, Abba Kyari, joins the new board, which replaces the one dissolved by Buhari in June last year. "Reconstituting the board appears to be an attempt to adopt a different approach with a sense of proper oversight and accountability," said Antony Goldman, head of Nigeria-focused PM Consulting. "The issue in the past has been that NNPC has been involved in deals that benefited certain individuals but not Nigeria as a whole," he added. Kachikwu, a former Exxon Mobil executive, was brought in by Buhari as head of NNPC last August and was named as minister of state for oil when his cabinet was appointed a few months later. Rolake Akinkugbe, head of energy and natural resources at FBN Capital, said there was "always a question around how you could have the head of the national oil company who was also the oil minister". "Being moved to chairman, where he will not be involved in day-to-day operations but retains strategic input, helps to resolve that issue," she said. *(Reuters)*

Following the commencement of the implementation of the new foreign exchange policy, which moves the naira to dollar exchange rate from 197 to a minimum of 280, customs duties on imported cargoes have risen by about 43 per cent. Prior to the adjustment of the exchange rate, the duties on imported items had earlier been calculated on N197 to a dollar rate despite the high rate in the black market. However, a circular that was recently issued to all zonal coordinators and Customs Area Controllers, directed that the relevant provisions in the Customs and Excise Management Act on the evaluation of duty for cargoes should be complied with. The circular, signed by the Deputy Comptroller-General, Tariff and Trade, Nigeria Customs Service, A. Adewuyi, read, "In consonance with the provisions of CEMA on the evaluation and clearing of imported goods into the country, Mr. President has approved the use of the exchange rate at the time of making entry as provided in CEMA, Customs and Excise Notice No.13 on the value of imported goods. "Where the value of an imported good is shown in foreign currency, such value is to be converted to the equivalent Nigerian currency as at the rate at the time of making entry. The current rates of exchange are published at the Customs House." It added that the Comptroller-General, of Nigeria Customs Service, Col. Ahmed Ali (retd.), had directed that all declarations in respect of imported goods whose values were shown in foreign currencies must comply with the provision.

The spokesperson for the Tin-Can Island Customs Command, Chris Osunkwo, confirmed the development, saying, "We observed last Friday that the current exchange rate of the naira to the dollar had been adjusted on our system. This development has nothing to do with the Customs because we are acting in accordance with our law. "That import duties had for months been evaluated based on the N197 to a dollar rate doesn't mean it is fixed. Since the value of the naira will now be determined by market forces, it means adjustments will be made regularly, depending on the current value of the naira." The National President of the Association of Nigeria Licensed Customs Agents, Olayiwola Shittu, said although the development was expected, he called on the NCS to be transparent with the process. He said, "It is expected that the exchange rate will affect duty payment. It will be floating because the calculation cannot be static; it is dependent on the benchmark of the Central Bank of Nigeria. So, if we have more exports, we will earn more foreign exchange, the naira will appreciate and the exchange rate will drop. "We are appealing to the Customs to have a holistic approach to the evaluation of duty. If they are going to use a benchmark of exchange for a certain period, then they should say so. We don't want to be taken advantage of or have a situation where after paying duty for your cargo, at the point of release, someone asks you to go back and make another payment because another rate has been released for the new week."

Shittu also appealed to the Customs to ensure that such directives and regulations emanating from its headquarters to the field officers were shared with customs agents and importers. He said, "We need openness and transparency in the evaluation of import duties, especially when it comes to the benchmark for vehicles. Often, new directives are not shared with agents and they become victims of ignorance. "This eventually leads to bargaining and corruption within the port system. It is easier to comply when we know what the regulation is. If everyone knows what the regulation is and still tries to short-change the system, then the person should face the music." An importer, Nicodemus Odolo, described the adjustment by the Customs as having a negative effect on the Nigerian economy. He said, "I just got the information today. I believe this adjustment of the exchange rate on import duties will shut down Nigerian seaports. Importers will no longer be able to import cargoes because no businessman will want to engage in anything that will not yield profit. Already, everyone is groaning about the hardship and inflation in the country. "As you know, imports into Nigeria have fallen by about 40 per cent. So, this will have a negative effect on the income accruable to the Federation Account; the government will have less money and this will affect the budget." *(Punch)*

Some investors in the Nigerian stock market have been counting their gains since the beginning of the year despite the bearish trend that persisted for most past of first half of the year to June 30, 2016. The adverse economic climate characterised by declining oil prices, rising inflation, declining capacity utilisation and uncertainties around devaluation of the naira and the delay in the 2016 budget put the stock market under the strong grip of the bears in the first six months. A late rally in June as a result of new Central Bank of Nigeria (CBN) flexible foreign exchange policy made the market to record a marginal gain of 3.2 per cent in the first six months of the year. However, THISDAY checks showed that the bear run notwithstanding, investors in some of companies had a bountiful harvest in the first half of the year, counting gains as high as over 100 per cent.

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Some investors, who invested at the beginning of the year recorded significant positive gains that are above inflation rate, showing positive returns on investments. For instance, Dangote Flour Mills Plc fetched investors a return of 325 per cent between January and June 2016. The equity rose from below N1.00 to close at N4.71 per share. Etranzact Plc fetched investors a return of about 97.3 per cent, while United Capital Plc recorded a gain of 89.3 per cent to put smiles on the faces of investors despite the challenging environment. A.G Leventis Nigeria Plc posted 64.5 per cent growth. Seplat Petroleum Development Company Plc recorded a growth of 62.5 per cent, while NEM Insurance Plc appreciated by 50 per cent. Investors in Union Dicon Salt (UDS) Plc garnered 39.6 per cent as the company consolidated its diversification to the agriculture. UDS recently became the core investor in the $100 million Alape Staple Crop Processing Zone (SCPZ) in Kogi State to replace Cargill, a United States based agro-industrial giant. Chuka Mordi of UDS had said: "It is a remarkable opportunity to develop the agribusiness space in Nigeria from a fully indigenous perspective. We would accelerate the progress on the Kogi State project in the next few months. We are ready to move very quickly to site." United Bank for Africa Plc also put smiles on the faces of investors, delivering 39 per cent returns in the first half of the year. Other stocks that ended the half year with positive returns on investments included: Neimeth International Pharmaceuticals Plc (33.7 per cent); Eterna Plc (30.2 per cent); African Prudential Registrars Plc 929.3 per cent); Total Nigeria Plc (29.2 per cent); DN Meyer Plc (28.5 per cent); GTBank Plc (27.9 per cent); Champion Breweries Plc (26.1 per cent); International Breweries Plc, Academy Press Plc (25 per cent apiece) and Julius Berger Nigeria Plc (21.2 per cent). *(This Day)*

Nigeria's central bank said on Wednesday the country's banking industry is "strong", a statement aimed at calming fears about the sector just days after it replaced the chairman and chief executive of one of the country's financial institutions. CBN spokesman Isaac Okorafor, in a statement issued late on Wednesday, referred to "unfounded speculation" that some of the country's banks "may have gone or may be going into distress", adding that the claims were untrue. "The Nigerian banking industry remains strong in spite of the global economic challenges emanating from the collapse of global commodity prices", said Okorafor. He also urged members of the public not to make panic withdrawals. "It is important that we do not create problems when none exists", he said. The Central Bank of Nigeria (CBN) on Monday said it replaced executives at Skye Bank after it failed to meet minimum capital ratios. Nigeria's central bank has the authority to remove bank executives, powers which it exercised during the 2007-09 global financial crisis when it sacked nine CEOs at banks which were deemed undercapitalised. In announcing the move, Central Bank Governor Godwin Emefiele said Skye Bank was not in distress and was allowed to conduct banking activities. He also said none of Nigeria's 21 commercial lenders were currently in distress. Africa's largest economy is grappling with its worst crisis in decades due to low oil prices because the OPEC member's crude sales make up about 70 percent of government revenue. *(Reuters)*

A Nigerian trade union representing oil workers said it had begun a strike on Thursday, but added that the effect of its industrial action would not be felt for some time because it started on a public holiday. The Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) said 10,000 of its members, who include refinery workers and office staff, had begun a "gradual withdrawal" from "offices, sites and production facilities". In a statement, the union said it was responding to issues that were "critical to the survival of the oil and gas industry in the country" including joint venture funding and cash call arrears, which it said had stalled the creation of new jobs. Cash calls are the government's financial obligations to joint venture projects between state oil firm NNPC and international and local oil companies. Nigeria, the north of which is predominantly Muslim with mostly Christian southerners, has been observing the Eid al-Fitr holiday. Thursday was the last day of the three day holiday. "The strike has started but you know today is a public holiday that is why you may not readily see the immediate impact but I can assure you that the strike has commenced," said LumumbaÂ Okugbawa,Â the union's acting general secretary. Okugbawa said the union had been in touch with the government to hold talks. He said the government had proposed discussions take place on Friday but the PENGASSAN would prefer to meet on Monday instead. "Shutting down the refineries, oil production and export would be the last option if all negotiations with government break down," he said, adding: "There are so many steps to that." Crude production in Nigeria, an OPEC member, has been pushed to 30-year lows as a result of attacks on oil and gas facilities in the southern Niger Delta. The militants behind the attacks have called for a greater share of Nigeria's oil wealth to go to the impoverished region, which is the source of most of the country's oil. *(Reuters)*

Nigeria's central bank is monitoring one or two commercial lenders for liquidity after Skye Bank failed to meet prudential ratios, prompting it to replace its top executives this week, the director of banking supervision said on Friday. Banking supervision director, Tokunbo Martins, said "one or two" commercial banks had failed liquidity tests but that they were not in the same situation as Skye. The central bank on Monday said Skye Bank's liquidity ratio has been below the regulatory limit for a while and it had resorted to its rediscount window for support, prompting its top executives to resign. Martins said the central bank was working with the banks to restore their ratios and sought to reassure depositors that there was no need to panic. "We have our eyes on one or two other banks right now but they are not in a state of distress," she told a local television station. "We have our eyes on all banks." After replacing Skye's executives on Monday, depositors rushed to withdraw their funds. Martins said Skye was able to meet its obligations and that the central bank was providing support until the new management can bring in fresh funds. She added that the banking industry was healthy. Nigeria's central bank has the authority to remove bank executives, powers which it exercised during the 2007-09 global financial crisis when it sacked nine CEOs at banks which were deemed undercapitalised. Excessive risk taking and last year's shifting of government funds from the banks into the central bank were partly responsible for the liquidity shortfalls, Martins said. Skye's problems worsened after it used short-term funding to acquire Mainstreet Bank in 2014 but failed to attract fresh funds, she said. Last year, the regulator gave three commercial banks until June 2016 to recapitalise after they failed to hit a minimum capital adequacy rate of 10 percent. *(Reuters)*

Tanzania

Corporate News

BANK M has posted a pre-tax profit increase by 43 per cent in this year's second quarter (Q2), after generating 7.69bn/- compared to 5.39bn/- of similar quarter last year. The Bank M's Chief Executive Officer (Designate), Jacqueline Woiso, attributed the profit to both net interest and non-interest incomes that generated hefty revenues. The bank first half pre-tax profit hits 15.18bn/-, which was almost matching the entire last year profit before tax of 17.5bn/-. "We have again shown an excellent performance in (the first) half of this year, and we believe that the remaining two quarters of this year will be even better", Ms Woiso said in a statement issued yesterday. The bank's net interest income contributed dearly on Q2 profitability after generating 9.64bn/- versus 7.09bn/- of same quarter last year. "The net interest income generation is raised with the expansion of the loan portfolio that increased by almost 20 per cent compared to similar quarter last quarter," Ms Woiso said. The non-interest revenue increased to 6.04bn/- compared to the previous year 6.08bn/- mainly due to foreign currency dealings and commission from trade finance and other banking transactions. The bank total assets grew closely by 20 per cent to 918.69bn/-. The growth in assets is an outcome of additional loans and advances issued within the stated period. The financial results show that customer deposits crossed further the half billion mark after going up by 17 per cent to 763.92bn/-. The bank's non-performing loans recorded at 1.6 per cent, which is well below the industry average of 5.0 per cent. Bank M is the fastest growing corporate and investment bank that caters to large local family owned businesses in Tanzania starting operations in 2007. *(Daily News)*

FORMER CRDB Bank employee has been arraigned in court on charges of forgery, uttering false documents and obtaining over 270m/- from customers of the bank. Ms Fauzia Ibrahim Bairu who was the Manager with the Bank's Magomeni Branch, was arraigned before the Kisutu Resident Magistrate's Court in Dar es Salaam on Tuesday charged with six counts of forgery, uttering false documents and obtaining the money from customers. Before Principal Resident Magistrate Respicious Mwijage, the accused person, denied the charges. She was granted bail on conditions of securing three sureties until July 28, when the case comes up for mention. Investigations, according to the prosecution led by Senior State Attorney, Grace Komba, have not been completed. The prosecution told the court that the bank official committed the offence between April 4 and 16, 2013 at the Bank's Branch in Kinondoni District in the city. The court heard that on April 4, 2013 at the Bank's Branch, with intent to defraud, the accused person forged a deposit receipt, purporting to show that the said document was genuine CRDB Bank receipt for fixed deposit of 35,000 US dollars, which was deposited by one Steven Alfred Steven. It is alleged that on the same day and place, knowingly and fraudulently, the accused person uttered the alleged forged receipt to Mr. Steven, a customer of the Bank, purportedly showing that it was genuine deposit slip receipt of CRDB Bank.

The prosecution told the court further that on April 16, 2013 at the same branch of the bank, with intent to defraud, the accused person forged another deposit receipt, purporting to show that it was genuine CRDB Bank receipt for fixed deposit of 100,000 US dollars, which was deposited by one Mariam Baire. On the same day and place, according to the prosecution, knowingly and fraudulently, the accused person uttered the alleged forged receipt to Mariam Baire, another customer of the Bank, purportedly showing that it was genuine deposit slip receipt of CRDB Bank. It is alleged also that on April 4 and 16, 2013 at the Bank's Branch, being a Branch Manager with the CRDB at Mikocheni, the accused person falsely obtained from the said two customers of the bank a total sum of 135,000 US dollars (about 270m/-). The prosecution alleged that the bank branch manager pretended to show that the said amount was deposited as fixed deposits to Mr. Steven and Ms Mariam, both customers of the bank in question. *(Daily News)*

DAR ES SALAAM Stock Exchange (DSE) stocks prices earnings ratio, on average, have gone down by almost two times while dividends yields are up 0.5 percentage points in quarter two (Q2) of this year. The PE ratio, according to DSE's Chief Executive Officer, Moremi Marwa, showed that the weighted rate for domestic listed was trailing at 14.12 times at the end of Q2 compared to 16.10 times of previous Q2 last year. He said in his Quarterly Report that the trailing weighted average dividend yield was 4.7 per cent compared to 4.2 per cent in previous quarter. "On the market depth and liquidity performance side," Mr. Marwa said, "DSE, like many other Africa's stock markets have had mixed results.

" The bourse, among other things, had been battered by a slowdown in growth, the collapse of commodity prices, adverse weather, regulatory challenges, rising debt and now the shock of global risk-aversion sparked by Brexit. "These fundamental and sentimental based factors were on top of the Africa's portfolio investors during the quarter under review and have impacted funds flows into the continent. "Following these factors, the domestic market capitalisation and its indices as well as market liquidity has decreased," Mr. Marwa said. Earlier, Zan Securities Chief Executive Officer, Raphael Masumbuko said the trend was due to two main activities — global market trends and three initial primary offers which were 'very' successful. "The trend is people are selling their stocks to buy new ones at IPO to leverage on secondary market," Mr. Masumbuko said thus pushing down equity prices. In the last three to four months three firms, NMB, Exim Bank issued bonds, and DSE, have raised capital through the bourse. Their IPOs were oversubscribed by 107 per cent, by almost 100 per cent and 377 per cent correspondingly. "This might be the main reason behind the bearish mode on DSE," Mr. Masumbuko said. Market liquidity (trading turnover) has decreased from 123bn/- in Q1, of this year to 102bn/- in this quarter. Domestic market capitalisation decreased by 7.0 per cent from 8.47tri/- as of end of March to 7.91tri/- at end of last month. *(Daily News)*

Economic News

CAPITAL Markets and Securities Authority (CMSA) has approved a Dar es Salaam Stock Exchange (DSE) green shoe elevation to 35per cent
The bourse wanted to raise 7.5bn/- with a 10 per cent green shoe that equals 750m/-. However, DSE ended up collecting 35.77bn/- which was oversubscription of 377 per cent in excess of the targeted capital or 4.77 times the anticipated amount. DSE said in a statement yesterday that the approval pave the way for the Dar bourse to self-list next Tuesday becoming the third bourse to do so in Africa - after Johannesburg and Nairobi exchanges. "The DSE intends to self-list its shares on the secondary market in the Main Investment Market (MIMS) segment under the ticker "DSE" and make its shares tradable," the statement said. Also CMSA has agreed on the DSE request to grant in full all investors who applied for 10,000 shares or placed 5.0m/-and less and above that to enter into pro-rata process. "Applicants for the first 5.0m/- or 10,000 shares will get full allocation (while those) above 5.0m/- or 10,000 shares will be allotted on pro-rate basis," the statement revealed. For DSE staff, CMSA also said they got full allocation of 3.0 per cent of issued shares. Following the allotment, processing of refunds will therefore be completed by Friday and listing on next Tuesday. The planned self-listing is in line with the global trend and practice for Exchanges and is aimed at achieving good corporate governance practices, efficiency and effectiveness of the DSE and further strengthen its strategic and operational practices. Meanwhile, DSE Chief Executive Officer Mr Moremi Marwa said in his Quarterly Report Note that the bourse achieved two other major milestones—IPO and admitted as a Partner Exchange of the United Nations Sustainable Stock Exchanges (SSE) initiative. The SSE is a voluntary commitment to promote long-term sustainable investment, and to improve environmental, social and corporate governance (ESG) disclosure and performance of listed companies. DSE has joined 55 other SSE Partner Exchanges worldwide committed to the said objective. *(Daily News)*

THE shilling is likely to remain under pressure in the near-term on resurgence of greenback demand, experts have warned. The shilling, which has gone down by 1.3 per cent against the US dollar to 2,178/74 since the year began, trades under a tight pressure as demand outweighs inflows. National Microfinance Bank, however, said the manufacturing sector demand outweighed supply from agro inflows and NGOs hence keeping the shilling at its toes. "The shilling continues to weaken as demand outweighs inflows," NMB said in e-Market on Tuesday while quoting the shilling closing the market at 2,176/2,206. Another bank, CRDB, quoted the shilling closing the same day flat against the dollar at 2,186/96. "There is no major inflow or outflow expected hence the pair is expected to remain flat at same level," CRB market highlights said. BoT on its Monetary Policy Statements shows that from July 2015 to April 2016, despite a general shortfall in foreign exchange inflows compared to similar period of 2014/15, the shilling remained fairly stable, after experiencing high volatility in the last quarter of 2014/15. "The stability was mostly explained by prudent fiscal policy, and sustained tight monetary policy measures implemented by the Bank," BoT said. Meanwhile, CRDB said interbank money market showed some improvements in liquidity on Tuesday with volume up by 5.0 per cent to 11.3bn/- while weighted average rate fell by 115 basis points to close at 14.25 per cent. The Central Bank announced a REPO worth 160bn/- that was undersubscribed by 46 per cent. Tendered amount was 75.05bn/- with a high of 16 per cent. Weighted average rate fell by 142 basis points to 14.38 per cent suggesting an ease in market liquidity. *(Reuters)*

BANK of Tanzania (BoT) has developed a system that monitors real-time transactions of the bureaux de change across the country to enhance supervisions. This new development comes amid concerns by stakeholders that some bureaus are violating transaction regulations including non-issuing of receipts to hide actual transactions. To plug the loophole, the Bank of Tanzania has introduced the real-time transaction system to monitor the bureaus' activities thus curbing some bookkeeping malpractices. "(BoT) has developed Bureaux de Change Management System which will enable capturing real-time transactions and enhance effective supervision of bureaus," BoT Monetary Policy Statement of June 2016 said. Instead the report said the Foreign Exchange (Bureau de Change) Regulations, 2015 were translated into Kiswahili in order to broaden its understanding among stakeholders. In August 2014, BoT deregistered 15 bureaux de change in the last three years for operating illegally. The central bank said the shops violated various provisions of the Foreign Exchange Regulations of 2008 enforced under the Foreign Exchange Act, 1992. However, during the stated period, there was no bureau de change that was found to indulge in money laundering activities, according to the BoT. According to the BoT data at the end of December 2012, the central bank had registered 222 bureaux de change across the country. Meanwhile, the central bank continued to implement prudential measures to strengthen risk management practices in the financial sector. In line with intensifying BoT efforts of ensuring compliance to internationally acceptable standards, the central bank has started to develop rules and regulations for Basel II/III implementation in the country. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zambia

Corporate News

FIRST Quantum Minerals (FQM) Plc has invested US$6.1 in Zambia with over 14,000 jobs created since its inception 20 years ago. Company public relations manager Godfrey Msiska told President Lungu and visiting Mozambican president Filipe Nyusi when the two toured the FQM stand at the ongoing 52nd Zambia International Trade Fair (ZITF) in Ndola yesterday. Mr Msiska also said the firm has paid more than US$3.2 billion in taxes during the 20 years the firm has been operational. He said apart from that, US$3.1 million was pumped into building Kansanshi Mining Plc, which is the flagship project, and another US$2.1 billion has gone to develop Kalumbila mine, a greenfield project, with other investments in the smelter. "We have currently invested US$6.1 billion in Zambia," he said. Mr Msiska said while jobs depend on demand, over 14,000 direct and indirect jobs have been created. At the moment, 8,573 direct employees and contractors as well have been engaged at Kansanshi mine while 4,800 have been employed at Kalumbila mine. Mr Msiska said despite copper prices collapsing, the firm has tried to sustain its labour force by also containing costs to maximize the provision of employment. The firm is interpreting the ZITF theme by providing people with training skills in education and agriculture sectors. *(Daily Mail)*

DUE To a 30 percent rise in clear beer sales, Zambian Breweries has recorded an increase in operating profit to K318 million as at March 31, 2016 from K250 million as at March 31, 2015. The company has also achieved a 27 percent increase in operating profit in the same period due to competitive beer prices, attention to sales execution and a wide range of beverage options. According to a statement availed to the Daily Mail on Friday, Zambian Breweries managing director Annabelle Degroot said a 68 percent increase in volumes of the Eagle beer contributed to the growth of the 55 percent increase to K84 million in corporate tax liability paid to Government. "Despite the reduction in clear beer excise from 60 percent to 40 percent on January 1, 2016, we are pleased to report that in the quarter from January to March 31, 2016 we paid 20 percent more value added tax and excise than in the prior period," Ms Degroot said. *(Daily Mail)*

BARCLAYS Bank Zambia (BBZ) has in the last three years given out project finance worth over US$5 billion in a bid to support key economic drivers. BBZ corporate banking director Banja Kayumba said that in its commitment to supporting key sectors of the economy, the bank arranged financing of more than US$8 million for the construction of Solwezi City Mall in North- Western Province, through its Corporate Banking proposition. In a statement availed to the Daily Mail last week, Mrs Kayumba said the bank will continue to complement Government's efforts in supporting key drivers of the economy by providing financing and support in the mining, energy, agriculture, manufacturing and public sectors. "Barclays, in supporting the key sectors, contributing to economic growth, has arranged in excess of US$5 billion of financing in the last three years for our different clients," she said. Mrs Kayumba said the milestone confirms the bank's aim of improving access to investment in infrastructure development and banking services through a wide distribution network. "Barclays was the lead financier of the Solwezi City Mall. Financing the building of mall reiterates the bank's commitment to adding value and supporting communities in areas where the bank operates. This is in line with our business philosophy of shared growth whereby we use our core assets and resources to grow and develop the societies where we operate. "As society grows we prosper, and as society prospers we grow. Barclays is committed to supporting key economic sectors of the Zambian developmental projects. We will also continue to invest in technology to ensure that we provide our stakeholders with innovative banking solutions to meet the diverse requirements in the thriving Zambian market," she said. *(Daily Mail)*

Atlas Mara has appointed former Standard Chartered Bank Africa chief risk officer Benjamin Dabrah as managing director of its latest acquisition Finance Bank Zambia (FBZ). The London-listed financial services provider said in a statement that FBZ and BancABC Zambia, which it also owns, would eventually be merged into one commercial entity, without giving a timeframe. Before joining Standard Chartered Bank, Dabrah was managing director of Barclays Bank Ghana. Atlas acquired FBZ for about $61 million in cash and 3.3 million of Atlas Mara shares. *(Reuters)*

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TRADING

Economic News

THE Kwacha has breached the K9 mark against the United States (US) dollar in the near-term due to the continued appreciation of the local currency in the past few weeks, financial market players say. Mid-May this year, the Kwacha broke the K10 psychological barrier as demand for the dollars continues to outweigh supply. Zanaco says the Kwacha is expected to continue its recent strong run as hard currency inflows appear to outweigh dollar demand. "Today [Friday] the Kwacha will trade between K9.550 and K9.60 against the dollar in the near-term," the bank says in its daily treasury newsletter. On Thursday, the Kwacha made significant gains, sustained by slackening dollar demand and inflows of hard currency from exporters converting to meet statutory quarterly tax obligations. Zanaco says the Kwacha opened trading at K10.15 and K10.20, unchanged from the previous day's close, it rose in early trade to touch a high of K9.90 and K9.950. The bank says the afternoon session witnessed the Kwacha settle at a high of K9.85 and K9.90 on the back of increased corporate selling of the dollar. Cavmont Bank also says the Kwacha closed trading on Thursday at K9.80 and K9.85, K0.3 stronger than the day's opening level. In its market report on Thursday, the bank says the Kwacha continued to outperform the dollar, which has generally strengthened against most major currencies. "The local unit recorded a positive movement of 3.06 percent against the world's reserve currency on the back of improved copper prices and continued inflows from corporates converting to meet both month-end and tax obligations," the report reads *(Daily Mail)*

Citigroup Inc. and JPMorgan Chase & Co. are among investors stocking up on Zambian dollar debt, anticipating that a growth revival and an International Monetary Fund aid package will help the southern African nation plug its yawning budget deficit. Citigroup started adding Zambian debt on June 10, while JPMorgan moved its holding of the nation's dollar bonds to overweight, seeing room to "earn considerable pickup" amid signs of an improving economy. The bonds returned 7.3 percent in June, the most among 18 African nations monitored by Bloomberg. The yield on Zambia's dollar bonds due in 2024 has fallen more than 500 basis points from a February high of 16.3 percent, but is still more than 3 percentage points higher than that of debt by similarly rated Ethiopia. Ranked five levels below investment grade by S&P Global Ratings and Fitch Ratings, Zambia, heavily reliant on copper, expects negotiations with the IMF to start in October and move to board level in December. With developed-nation yields likely to remain lower for an extended period after the U.K.'s vote to leave the European Union, Zambian debt offers returns that are hard to find elsewhere, according to Citigroup. "We continue to like the position" in Zambian bonds, said Luis Costa, Citigroup's London-based chief strategist for eastern Europe, the Middle East and Africa. "The IMF deal is a supportive factor. From the risk-reward point of view it is a very interesting long, despite Brexit."

While the southern African nation has said it expects an aid program from the fund by the end of the year, a deal may not be that easy as it's likely to require the government to cut energy subsidies. The IMF in March estimated the payments could cost the Zambian treasury $660 million this year. Increasing prices at a time when inflation already exceeds 20 percent may be unpopular in the build-up to general elections next month. The 2016 budget budget shortfall will probably be slightly smaller than last year's 8.1 percent of gross domestic product, Deputy Finance Minister Christopher Mvunga told reporters in May. That's still more than twice the 3.8 percent deficit Finance Minister Alexander Chikwanda targeted in his 2016 budget statement. JPMorgan sees a stabilizing exchange rate and improved rainfall supporting Zambia's economy, while expecting that fiscal austerity will get the government through the coming months. The bank expects the fiscal deficit to remain below 8 percent of GDP in 2016. President Edgar Lungu, who will seek re-election in Aug. 11 polls, said in May the country will only access IMF support if the lender's conditions are acceptable, and not all investors are convinced about the positive outlook for the nation's debt.

While Zambia's Eurobonds have remained buoyant, underpinned by anticipation of an IMF support package materializing within months of the new government being formed after the August vote, the optimism is misplaced, according to Rhombus Advisors LLC, a consultancy that advises hedge funds and private-equity firms on African economies. Given "the ambivalence of local authorities, we have considerable reservations about any investment strategy that is dependent on an IMF support package," Omotunde Mahoney of Rhombus wrote in a research note on June 21. This "would set the stage for a potentially significant correction in Zambian asset prices." While there may be delays on the path to an IMF agreement, demand from China will support the copper price, buoying the economy, which relies on the metal for more than 70 percent of export revenue, said Lutz Roehmeyer, director of fund management at Landesbank Berlin Investment.

"We are positive on economic growth and expect normal demand for commodities," said Roehmeyer, who is overweight Zambian dollar bonds. "African exporters should perform well with rising commodities." *(Bloomberg)*

Zimbabwe

Corporate News

NESTLÉ Zimbabwe seeks to increase its capacity throughout the value chain this year and will look for opportunities in the region as it expands its footprint. Invited guests tour the newly-built Nestlé industrial water treatment plant at the company's factory in Southerton, Harare on Friday. Speaking at the commissioning of an industrial plant on Friday, Nestlé Zimbabwe managing director, Ben Ndiaye said the company's cereal value chain has grown. "We are looking for opportunities in Malawi. In Malawi we will sell small packs.We will be exporting our range of products, mostly the affordable small packs," he said. The company has been capacitating farmers throughout the country with dairy cows and that programme is ongoing. The company's industrial plant was commissioned at its factory, which is part of its $30 million capital investment set up for five years. Nestlé Societe Anonyme senior vice president, John Miller said the projects entailed the upgrade in technology and operational efficiencies of the Harare factory. "The capital investment projects have added value to Zimbabwe's gross domestic product, as they have been undertaken largely by local engineering companies.

The projects have also led to the increase in employment for Nestlé Zimbabwe, where the number of full-time employees has increased from 142 in 2011 to 214 in 2015 and the number of contract employees fluctuates between 70 and 120 depending on the level of production," he said. In a speech read on her behalf at the commissioning of the plant, Environment Water and Climate minister Oppah Muchinguri-Kashiri said it was gratifying to come across a company such as Nestlé that has environmental management policies. "It is in this sense that I wish to acknowledge Nestlé Zimbabwe for investing in this industrial water plant, which will clean industrial waste and discharge clean water to the municipal works and eventually Mukuvisi River," she said. Muchinguri-Kashiri said if all companies in the Southerton industrial area embark on reducing solid waste discharge on municipal drainages, Harare water would greatly improve and this would reduce the cost of water treatment at Harare Municipal Morton Jaffray waterworks, currently being refurbished for over $144 million. *(News Day)*

ARISTON Holdings posted a loss of $2 million for the six months ended-March 31, 2016 compared to a $0,1 million loss in the same period last year attributed to a dip in revenue and increase in finance costs. Revenue dipped by 32% to $3,8 million from $5,6 million in the same period last year due to missed potato plantings in the first quarter due to the poor start to the rainy season, erratic electricity supplies and delayed working capital facilities. Finance costs were at $2 046 272 during the period under review up from $1 640 833 in the same period last year. In a statement accompanying the group's financial results, chief executive officer Paul Spears said rainfall on all estates was very low, high temperatures and erratic power supplies combined to make the start of the season a difficult one. "Yields of most crops were below expectation with the exception of Macadamia nuts, tea yields have shown some recovery in the second half of the season in response to improved rainfall, dam levels have also recovered," the statement said. Spears said potato production was down on last year as power shortages at Claremont made spring plantings impractical. "At Kent, the dam levels remain below optimum and cropping has been adjusted accordingly," he said.

The group said poultry performance was acceptable although part of poultry capacity continued to be subject to an ongoing land dispute adding that efforts to resolve the matter were ongoing. He however, said if the issue was not resolved; it would result in a reduction in poultry placements due to lost capacity. Spears said Southdown estates contributed 75% to the group's revenue compared to a 67% contribution in the comparative period and made an operating profit of $0,4 million from $1,3 million same period last year. Going forward, the group expects branded teas to perform well and high prices have improved viability and although tea production is down. "Looking ahead modest yields gains are expected on all orchards while significant quality gains are possible. An upgrade of macadamia drying and processing facilities is in progress and will be operational later in the year. Macadamia production has provided the greatest contribution," the group said. *(News Day)*

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Border Timbers will record a loss for the full year ended June 30 2016 due to large forest fires which affected 5 094 hectares in the first quarter of the year. In a profit warning statement, judicial manager Peter Lewis Bailey said the revaluation and the effects of the fires would reflect negatively on the company's profit position for the fiscal year 2016. "This is a result of the largest forest fires which affected 5 094 hectares in the first quarter of the fiscal year and a reassessment of the current forest plantation quality. Changes in the biological asset of the company are reflected in the statement of comprehensive income, even though they are not a cash expense as required by international financial reporting standards," the statement read in part. Bailey said the turnaround initiatives, which were implemented before and during judicial management, have been successful and the company has been generating significant profits and positive cash flows since the beginning of the fiscal year 2016. Last year, Bailey said major shareholders had expressed willingness to court new investors to raise capital to meet the business requirements. He said the company had found lucrative markets for its products, which now act as leverage to its business success. In a trading update for the four months to October 31, the firm said despite economic challenges, demand for poles and lumber remained strong locally and in the region. During the period, the firm's earnings before tax were positive compared to a loss in the same period in 2014. The company has posted profits on monthly basis since July 2015. BTL is a subsidiary of Rift Valley Corporation, which operates forestry and sawmilling divisions, with the former having a total of four estates which include Tilbury, Charter in Chimanimani area and Imbeza and Sheba located in Penhalonga, north of Mutare. *(News Day)*

Caledonia Mining Corporation, says planned increases in production at 50,000 ounces and 65,000 ounces in 2016 and 2017 respectively are expected to result in a lower average cost of production at its Blanket mine near Gwanda, boosting dividends. Blanket produced 42,806 ounces in the full year to December, just passing the target of 42,000oz for the year. In an interview published by Caledonia mining group at the company's declaration of a dividend, chief executive Steve Curtis said the group is now confident of achieving the target production. "I am now increasingly confident that the projected production targets of 50,000 ounces in 2016 and 65,000 ounces in 2017 will be realized," he said. In late March, he said production had started at Blanket Mine's ore bodies below 750 meters following completion of the No. 6 Winze. The decline development into the AR South ore body below 750 meters was also completed which further improved Blanket's operational flexibility. The group declared an increased quarterly dividend payout to $0.01375 a share, representing an annualized dividend of 5.5 cents per share compared to the previous annualized dividend of 4.5 cents. Curtis said the increase was a reflection of confidence that earnings and cash flow will increase. Production at Blanket mine increased 8,7 percent to 10,822oz in the first quarter of this year. *(Source)*

Zimbabwe's largest short-term insurer NicozDiamond's Gross Premiums Written (GPW) in the five months to May 2016 were steady at $13 million, the company said on Thursday. Retentions stood at 71 percent compared to 62 percent in the prior year, although they had since started regressing. "The retentions have since come down to the expected range of 60-65 percent…the company aims to improve on these retentions so as to boost its profitability. Underwriting capacity enhancement is required and the company is looking at further options to further strengthen the balance sheet," managing director Grace Muradzikwa told shareholders at the company's annual general meeting. In the period, the company had processed claims amounting to $4 million, two of them valued at $500,000 each, she said. Muradzikwa told the shareholders that the company plans to dispose of its Uganda unit, First Insurance Company (FICO). She later told The Source that FICO, which it acquired from parent company Zimre Holdings, was a difficult investment with low returns. "The returns from that market were not what we expected. Sometimes it is better to cut your losses. We are still exploring ways of exiting. We would rather dedicate our resources where there would be better returns," said Muradzikwa. The completed phase of Diamond Villas cluster houses has contributed positive rental yields, she added. *(Source)*

Economic News

ZIMBABWE'S trade facilitation body, ZimTrade has called on local companies to consider growing exports to Tanzania's pharmaceuticals, Market opportunities for local products and services in sectors such as pharmaceuticals, agricultural implements and inputs, irrigation development, construction and engineering services, safari clothing, leather and footwear were identified in Tanzania. ZimTrade official, Allan Majuru, on Friday told delegates attending the launch of the Tanzanian market survey findings that while Zimbabwe has a negative trade balance with its Southern African peer, opportunities were abound to grow exports. Official figures show that Tanzania's import bill for 2015 stood at $9,7 billion, with China being the largest supplier, contributing 44%. Regionally, South Africa has a 5,6% share, while Zimbabwe contributes less than 1%. In 2015, 79% of Zimbabwe's exports to Tanzania were construction and mining equipment, with the remaining 21% being mainly clothing and textiles, paper and printing services, as well as tobacco. Majuru said it was important that local suppliers take advantage of this sustained boom and establish Tanzania as a key export market. "The current cash crisis that is affecting both business and ordinary citizens is a call for action. To alleviate this crisis, there is need for a fresh injection of foreign currency in the form of export revenue," he said. The survey, conducted in April this year, generated specific information, as well as gathered other market-related intelligence, which will enhance the prospects of market penetration for Zimbabwean products.

Presenting survey results, Africa Corporate Advisors director, Malvern Rusike said, market opportunities for local products and services in sectors such as pharmaceuticals, agricultural implements and inputs, irrigation development, construction and engineering services, safari clothing, leather and footwear were identified in Tanzania. "Zimbabwe and Tanzania enjoy cordial relations that have been cemented by our common history and membership of Sadc. It is important to strengthen these relations through business partnerships," he said. "Tanzania is an emerging economy, whose significance in the region is growing. It will not be amiss if we are to describe the country as 'a land of endless opportunities'." Rusike said for the past 10 years, Tanzania's economic growth has averaged 6,7% per annum, enabling it to move from being an $18 billion to a $50 billion economy within this period. This growth, he said, is expected to accelerate, as the country is now tapping into its recently discovered natural gas reserves. The country's mining industry has been growing and the agricultural sector is emerging into a regional bread basket, he said. To access the Tanzanian market, Rusike said exporters could make use of strategies such as distributor agreements, dealer agreements, public-private partnerships, joint ventures, Zimbabweans based in Tanzania, investing in Special Economic zones, as well as trade fairs and exhibitions. "It is no longer business as usual when developing export markets. There is need to develop unique home-made models," he said. *(News Day)*

Zimbabwe hopes to get its proposal to clear debt arrears with multilateral lenders signed off by December, enabling it to start talks with bilateral sovereign lenders, Finance Minister Patrick Chinamasa said on Monday. Zimbabwe is trying to emerge from years of international isolation, largely blamed on President Robert Mugabe's policies, including the seizures of farms from white farmers. In early March, the government agreed to major reforms including compensation for evicted white farmers and a big reduction in public sector wages in an effort to woo back international lenders. "We are looking forward to the three multilateral lenders to formally adopt our debt clearance strategy when they meet in December," said Chinamasa, adding he expected this to be a "done deal". "But if we clear the arrears without a corresponding commitment of new money, we will be in a worse position ... there is need for reciprocal commitment to provide us (with) new money, and that are the negotiations that we are undertaking." The Southern African country's foreign debt stands at $8.3 billion, of which $1.8 billion is arrears. Zimbabwe is one of the few countries in arrears with the IMF. Countries are required to clear all arrears with multinational lenders before engaging in talks with other creditors. Zimbabwe owes around $110 million to the International Monetary Fund, which it hopes to clear against a special drawing rights (SDRs) allocation of around $130 million, Chinamasa said at a briefing at London-based think-tank Chatham House.

The IMF has special allocations of SDRs -- backed by a basket of major currencies and commonly used as the unit of denomination for financial arrangements between the lender and its members -- which include development financing and emergency loans to countries with liquidity problems. A bridging loan from the African Export-Import Bank would help clear arrears of $600 million to the African Development Bank, while Harare was also talking to the World Bank where it owes $900 million, said Chinamasa. It is not immediately clear whether the lenders are working to the same timetable as Zimbabwe or will approve the proposals. "After we have cleared the arrears to the three multilateral institutions, the next step will be to engage Paris Club creditors," Chinamasa said, referring to the Paris Club of wealthy creditor nations which tackles issues over bilateral sovereign debt. *(Reuters)*

The Zimbabwe Stock Exchange (ZSE) is projecting turnover to drop by 4% to $240 million this year attributed to weak fundamentals and perceived country risk by foreign investors. Last year, turnover was $250m. In the first half of the year, ZSE's turnover was $89,3m, which the bourse's chief executive officer Alban Chirume said was 80% of the budgeted turnover. "With conditions remaining the same, ZSE is anticipating a turnover of $150m for the remainder of the year. We expect listing of three debt market instruments before the end of the year," he said. Chirume said government re-engagement efforts were expected to reduce the country's risk perception and also open opportunities for cheaper lines of credit. He said challenges faced by ZSE in the first half of the year included the perceived high country risk by foreign investors, resulting in their curtailing purchase orders. He said weakening economic fundamentals had an impact on performance of companies, which in turn impacted on their valuations. Chirume said global commodity prices continued to be depressed as witnessed in the performance of most mining counters and global investors generally exited emerging markets in favour of other havens. The cash shortages worsened the liquidity of markets, the ZSE boss said, and this had an impact on capital raising initiatives by companies, adding that the policy pronouncements on the intention to introduce bond notes affected investor sentiment. "It is important to note that ZSE has limited influence on these factors. However, in terms of bond notes, ZSE believes there is need for the exchange and its members to play a role in explaining to foreign investors that the bond notes have no direct impact on them," he said.

"The local investor trading on the ZSE is equally not affected since bond notes and the United States dollars are banked in the same bank account, which is debited or credited with US dollars depending on whether the investor is a purchaser or a seller of securities," he said. Chirume said investors could take advantage of low prices on solid stocks on the ZSE and the environment was conducive for a debt market, which are less volatile than equities and thus attract risk-averse investors to participate on the stock market. Despite the depressed environment, Chirume was hopeful as the bourse was working to increase its product offering to the investors. "Under the current conditions, investors have an opportunity to take advantage of low prices on solid stocks on the ZSE. The current conditions are also conducive for a debt market which are less volatile than equities and thus attract risk-averse investors to participate on the stock market," he said. With the backbone of functional debt and equity markets, ZSE will, in the medium term, also introduce other products such as Exchange Traded Funds, which give investors another investment vehicle." *(News Day)*

Business ground to a virtual halt in Zimbabwe's capital Harare and other major towns on Wednesday as people largely heeded calls by grassroots activists to stage a nationwide shutdown in protest against President Robert Mugabe's handling of a deepening economic crisis. By conservative estimates, the near-total freezing of the retail sector would cost the economy millions of dollars. Zimbabwe's government reported an average $8 million daily takings in value-added tax in the first quarter of 2016. Zimbabwe, which snapped a decade-long recession when it dollarized in 2009 under a power-sharing government formed by the long-ruling Mugabe and opposition leader Morgan Tsvangirai, stands on the verge of another recession as its short-lived commodity-driven economic rebound buckles under weak prices, political uncertainty, mismanagement and policies that discourage investment. Following another poor farming season and declining tax revenues, amid a biting bank note shortage, government has had to revise its 2016 economic growth forecast from 2.7 percent to 1.4 percent, which many independent analysts believe is still optimistic. Over the past month, the country, especially the capital Harare, has been rocked by small, spontaneous public protests – a rarity in a country where Mugabe, in power since independence in 1980, has used the security forces to crack down on dissent. This has started to change as Mugabe has looked increasingly bereft of ideas to turn the economy around.

A national shutdown called for Wednesday by a motley crew of activists – informal traders and vendors, public transport operators and a social media powered movement led by a Harare pastor, Evan Mawarire, who has emerged as the public face of the protest — became the largest such demonstration by opponents of Mugabe's rule in over a decade. Telecomms regulator, Postal and Telecommunications Regulatory Authority of Zimbabwe (Potraz) on Wednesday said it condemned the "gross, irresponsible use of social media and telecommunication services." The government's response to the banknote shortage by printing token 'bond' notes with value at par with the United States dollar, a move many see as an unofficial re-introduction of a much-loathed local currency, has been a sore rallying point for much of the dissent, as have been tight withdrawal limits imposed on depositors, many who endure long lines for hours to access the little available cash. According to a video posted by Mawarire on social media platforms, the major grievances against government include its inability to arrest the economic decline and end the cash crisis, its decision to restrict imports of basic goods which he said affected thousands who survive on trading imported foodstuffs, as well as Mugabe's failure to act on corruption by public officials. "We are shutting down Zimbabwe. Every citizen, we are not going to work, children are not going to school. Get off the roads and stay home. Do not be intimidated," Mawarire says in the video. "We are saying no to the bond notes, we are saying no to the import ban. We have no industries to protect. We are saying no to corruption by government ministers. We all know they are looting and mismanaging funds.

We are saying no to government wasting resources. We are saying no to police harassing us on the roads. We are saying no to silence on the missing $15 billion (diamond revenue)." In central Harare, the normally bustling streets were deserted from Tuesday night. On Wednesday, many across the country heeded the call, with several businesses – including banks – and schools remaining closed. Traffic was light but major supermarkets were trading. The majority of public transport operators withdrew their buses from the roads. Eyewitness reports from the second capital, Bulawayo, painted a similar picture. Although the boycott was largely peaceful, amid heavy police presence in the restive townships, there were clashes in the opposition hotbed of Mufakose on the western fringes of the capital. Police fired teargas to disperse youths who were burning tyres and using boulders to block traffic. Other violent scenes were reported in Bulawayo suburbs of Luveve and Makokoba. Wednesday broader boycott follows a strike by state doctors, nurses and teachers, which started on Tuesday in protest against the government's failure to pay their salaries for June. Government, which is struggling to manage the budget with diminishing tax revenues, only managed to pay salaries for the security services – army, police and prisons – last month, while rescheduling pay dates for the rest of the civil service to between July 7 and 14. Finance Minister Patrick Chinamasa, in Europe to promote investment into Zimbabwe and to seek lines of credit, has painted a bleak picture of the country's finances, telling Radio France International: "Right now we literally have nothing." On July 1, violent protests also broke out at the Beitbridge border post, the country's busiest and a gateway to its largest trading partner South Africa, as informal traders demonstrated against the imposition of import restrictions on products ranging from yoghurt, bottled water, coffee creamers, salad cream, body lotions and peanut butter to fertilizers, plastic pipes and synthetic hair. *(The Source)*

Zimbabwe is close to finalising a nearly $1 billion loan from the African Export-Import Bank (Afreximbank) to clear its debt arrears with multilateral institutions after a proposed funding deal with Algeria fell through, officials have said. The southern African country is in the throes of a deep liquidity crunch and is trying to emerge from years of international isolation. It however, needs to clear arrears of $1,8 billion to the World Bank, the International Monetary Fund (IMF) and the African Development Bank (AfDB) before it can access new credit to revive its faltering economy. It is also facing risks to the already difficult economic outlook from the prolonged adverse weather conditions, weak commodity prices and erratic policy implementation. Harare is expecting its first loan since 1999 from the IMF later by December this year, after meeting targets under a 15-month IMF staff monitored programme, an informal agreement between a government and IMF staff to monitor implementation of economic reforms. Zimbabwe's foreign debt stands at $10 billion, of which $1,8 billion is arrears. Countries are required to clear all arrears with multinational lenders before engaging in talks with creditors. In a story quoting the governor of Zimbabwe's central bank, John Mangudya, the Financial Times reported on Wednesday that the Afreximbank was arranging a seven-year loan of $986 million so the country could pay back arrears to the World Bank.

The new agreement appears to replace the proposed lending from Algeria, which was proposed in April this year but whose ability to loan has been hit by falling oil prices. "What we can tell you is that, obviously, if things move well, we are expecting balance of payments support from the IMF," Mangudya told the FT. Mangudya said Zimbabwe expects to have paid back its arrears in time for the board meetings of the IMF and AfDB in September. Zimbabwe also hopes to clear its debt of $110 million to the IMF against a special drawing rights (SDRs) allocation of around $130 million from the Fund, finance minister Patrick Chinamasa said at a briefing at London-based think-tank Chatham House earlier this week. Chinamasa and Mangudya's efforts to address the deepening economic malaise come against increasing public unrest at home. On Wednesday, business ground to a halt in Zimbabwe's capital Harare and other major towns in one of the biggest protests against President Mugabe's rule in a decade. Most businesses and foreign banks shut down as people largely heeded calls by grassroots activists to stage a nationwide shutdown in protest against high unemployment, an acute cash shortage and corruption. Most businesses and banks reopened on Thursday. *(Source)*

Government, business and industry were yesterday counting the costs of Wednesday's shutdown, which brought everything to a standstill, with estimates putting losses in millions for the struggling economy. On Wednesday, business came to a standstill after a stayaway called for by cleric, Evan Mawarire, of #ThisFlag movement with support from #Tajamuka/Sesijikile and Occupy Africa Unity Square against the deteriorating economic environment and corruption. Zimbabwe National Chamber of Commerce president Davison Norupiri told NewsDay yesterday that the stayaway affected the whole value chain and, hence, government would lose out. "It is difficult to tell how much revenue was lost because each and every business has got its own sales. Businesses did lose revenue, which is what is imminent. If you are actually producing, it means you have failed to produce on that particular day. So at the end of the day, business, government and vendors lost out," he said. "Government was also affected, is it not true that they collect taxes every day? If I do not sell, what it means is that I do not pay tax, so everyone in the value chain has lost." Confederation of Zimbabwe Industries president Busisa Moyo said the stayaway had a "fairly significant" effect on revenue in the manufacturing sector. "But we are more concerned about the impact on employees and issues of job security since most companies are marginal. This may lead to further unviability and closures, which again impacts negatively on the country, its potential and programmes," he said. Confederation of Zimbabwe Retailers president Denford Mutashu said retailers "took a knock because of the stayaway which threatens economic gains".

Retailers could not get the sales needed in this environment, where consumer spending has been low. Those retailers that chose to open did not record brisk business as potential shoppers were on stayaway. Industry and Commerce minister Mike Bimha agreed that a stayaway does affect the whole value chain within the economy. "When companies close, it is more of production time and that is value. Any distortion to that has an effect, not only to that particular industry, but the entire economy because it means at that time, you are sleeping and not producing. We look at it, not in terms of individual companies, but in terms of the economy. No economy would like disruptions," he said. Sources say government is working on a strategy to engage more with the private sector following the "worrisome" stayaway. Estimates showed that government could have lost over $1 million in value-added tax (VAT) alone since over 80% of business was closed. Using last year's comparative statistics, VAT accounted for $141,51m of the $884,46m that was collected by the Zimbabwe Revenue Authority in the third quarter of 2015. This meant on average, about $1,5 million in VAT was generated per day. Analysts say that government cannot afford to lose any money at a time when Finance minister Patrick Chinamasa says Treasury coffers are dry. *(News Day)*

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