



## **ANALYSIS AND COUNTRY SPOTLIGHT**

### **US FIRM TO INVEST US\$100M IN MOZAMBIQUE OIL EXPLORATION**

United States-based private equity firm Warburg Pincus says it plans to invest at least US\$100 million in hydrocarbon exploration in southern Mozambique.

The company said in a statement on Wednesday that its managing director Kenneth Juster met Mozambican President Filipe Nyusi in New York on Tuesday to discuss the project.

After his meeting with Nyusi, Juster told reporters that his company is working with the Mozambican government to draw up an agreement. "If we reach this model understanding by next month (October), we can start operations in 2017", he said.

Juster said it was important to begin the onshore exploratory work in the dry season, otherwise a year might be lost. The Mozambican rainy season runs from October through to March, with January and February being the wettest months.

Many companies have discovered natural gas in Mozambique but we want to explore for oil in southern Mozambique and this makes the project very interesting, said Juster.

He said he informed President Nyusi that his company was ready to begin prospecting for oil and we have the resources and we are ready to invest in Mozambique.

We are satisfied, and as soon as the contract is signed we will go into action immediately. We are going to show that we are an investor that the government can trust, Juster added.

Mozambique is prominent among East Africa's new hydrocarbon frontier markets, with giant gas finds off its coast fuelling an exploration boom.

### **CHINESE FIRM TO BUILD 50,000 HOMES IN GUINEAN CAPITAL**

The Chinese company 'China Power Engineering' in charge of the construction of 50,000 homes in the suburbs of Conakry, has introduced the concept of these facilities that will be built under the project "GRAND CONAKRY VISION 2040," initiated by SONAPI (National real estate development company), official sources have announced here.

The concept of the new city presented by Mr. Xu Lein, the VP of China Power Engineering is based on "rational management, ecological harmony and economic prosperity, to create a city with complete functions," which will be located in the prefecture of Coyah, about 50 km from the capital.

The new city includes "a two-lane highway (22km) in each direction, connecting Kansonya and Kaloum, an administrative and financial district (250 ha), a circular route, 50,000 units of medium and high-income public housing (11.9 square km), two 5-star hotels and luxury villas."

The Guinean government on July 20, 2016 signed at least five agreements for the construction of 100,000 housing units on the 16,000-hectare area recently set up as state land reserves in the Coyah Prefecture.

## **AFRICA: EUROPE SHOULD TAKE INTEREST IN AFRICA - MUSEVENI**

President Museveni has asked ambassadors, in France, to market Africa to Europe. "Africa's purchasing power is now at \$8 trillion with a population of 1.2 billion. Remind Europeans that Africa is a growing market and they should, therefore, take interest in it," Mr. Museveni said.

The president made these remarks at the start of a two-day visit to France, on which he has been accompanied by Education minister, Janet Museveni, also his wife.

The two were received by French ambassador to Uganda, Ms Sophie Makame, Uganda's Minister of State for International Affairs, Mr. Okello Oryem and Uganda's Ambassador to France, Ms. Nimisha Madhvani. A host of other African ambassadors accredited to France representing Kenya, Ghana, Sudan, Ivory Coast, Rwanda, Ethiopia, Zambia, Zimbabwe, Algeria, the Central African Republic, Gambia, Tanzania, Niger and Togo, among others were present when Mr Museveni touched down at Le Bourget Airport.

Museveni also told the ambassadors that East Africa is discussing a policy "where investors would only sell their products if they are manufacturing in the region". "... .If you don't manufacture here, then you don't sell here. Ethiopia is already doing it," the statement quotes Mr Museveni as saying.

The president is in France for a two-day working visit meant to foster trade and investments between the two countries.

Later today, President Museveni is expected to address the Movement of the Enterprises of France (MEDEF), the largest employer federation in France with a membership of over 880,000 firms.

He will later hold bilateral talks with the French President Francois Hollande at his official residence, the Elysee Palace.

Meanwhile, the Minister for Education and Sports, Janet Museveni, will meet officials of Campus France, the public agency overseen by the French Ministries of Foreign Affairs and Higher Education, responsible for coordinating services for international students in France.

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### **ANGOLA TAKES OUT LOAN IN CANADA TO PAY FOR LOCOMOTIVES FROM GENERAL ELECTRIC**

Canada's export credit agency will finance the purchase by Angola of 100 locomotives from US group General Electric, according to an authorization granted by presidential order.

The order authorizes the state to borrow US\$429.5 million from the Canadian state agency and justifies the decision with the need to diversify sources of funding, while ensuring the purchase of the locomotives.

The deal with General Electric involves the purchase of 100 locomotives of the GE C30-ACi model, to be provided by the A Energia company, but whose previous orders, now repealed, provided for financing through a credit line from the US Export and Import Bank.

Another presidential dispatch cited by Portuguese news agency Lusa news agency approves loans of another US\$24.1 million to finance a technological update of GE-U20C locomotives, already in service in Angola.

The reconstruction of the three national railway lines built during the colonial period – the Luanda Railroad, Benguela Railroad and Moçâmedes Railroad – involved work on 2,612 kilometres of track and building 151 railway stations from scratch and the purchase of 42 locomotives, 248 carriages of various types and 263 wagons.

### **CHINESE GROUP CHOSEN TO DESIGN \$2.1BN POWER PLANT IN ZIMBABWE**

RioZim chose a state-owned Chinese company to design a \$2.1bn power plant it plans to build in Zimbabwe, which faces frequent blackouts, and is lobbying Eskom to buy from the facility to help attract investors.

State Nuclear Electric Power Planning Design and Research Institute, based in Beijing, "has already come in to design the generators" for the 2,800MW coal-fired Sengwa plant, RioZim non-executive director Caleb Dengu said. RioZim has written to South African Energy Minister Tina Joemat-Pettersson asking that Eskom buy 2,000MW, he said.

Zimbabwe rations power daily, producing and importing about 1,300MW against demand of about 2,200 megawatts. RioZim is working on raising funds through equity and debt for the facility, CEO

Noah Matimba said in May last year. Of the \$2.1bn needed for the plant, \$50m will be for a coal mine that will supply the station.

"There are some companies from Dubai which are interested, we have from SA which are interested, but they all have conditions which some of them are beyond our control," Dengu said on Thursday at the site of the plant and coal mine, that's about 450km northwest of the capital, Harare.

"Most of them will say they will finance if Eskom comes on board with an off-take agreement, because they trust Eskom, because it is bankable. ZESA is not bankable," he said, referring to Zimbabwe's utility. Eskom is aware of some of RioZim's plans, but hasn't had any direct engagement, spokesman Khulu Phasiwe said by phone. Discussions would begin on a government bilateral level and then the utilities would be involved when it reaches a technical stage, he said. Excess capacity could become a part of the Southern African Power Pool, a common market for electricity in the 15-nation Southern African Development Community, he said. Maropeng Ramokgobathi, a spokesman for South Africa's Department of Energy, didn't immediately respond to an e-mail seeking comment.

### **Financing plans**

RioZim wants financing agreements in place by January, Dengu said. It obtained a 30-year license to operate the facility from the Zimbabwe Energy Regulatory Authority this month, he said.

Aliko Dangote, Africa's richest man, is considering investments in Zimbabwe's cement, power generation and coal-mining industries as part of an expansion in the southern African nation, he said in August last year. As part of the plan, he is considering partnering with RioZim through Black Rhino Group, a \$5bn African infrastructure fund in which US private-equity group Blackstone Group LP is a co-investor. One of the conditions for the investment is that the country reforms Zimbabwe Electricity Transmission and Distribution Co.

"We've informed the government about the requirements but we said 'it's your play, it's beyond our control to decide,'" Dengu said. "That's why we are preferring other investors who do not have these conditions."

Energy Permanent Secretary Partson Mbiriri isn't aware of Black Rhino's request for reform of the country's power distributor, he said by phone Friday. "What I know they want is that, for their projects to take off, they need power. I am not aware of those said reforms."

### **KENYA SIGNS TRADE PARTNERSHIP WITH US**

Leading U.S. business association Corporate Council on Africa (CCA) and Kenya's ministry of trade, industry and cooperatives has signed a Memorandum of Understanding to formalise a partnership to promote U.S.-Kenya trade and investment.

The MoU signed by Adan Mohamed, Cabinet Secretary in the Ministry of Trade, Industry and Cooperatives, and CCA President and CEO, Stephen Hayes in Washington D.C aims at promoting trade and investment.

The Corporate Council has always been a champion for U.S.-Kenya business and we look forward to doing even more with them," said Adan Mohamed in a statement issued in Nairobi on Wednesday.

The MOU covers a 2-year period and encompasses business collaboration activities between Kenya and the U.S.

The ministry will work with CCA to promote Kenyan business and investment opportunities in the U.S. and will share information on the latest investment opportunities.

Both organizations will also work together on conferences, workshops and exhibitions designed to further the aim of greater U.S.-Kenya trade and investment.

“We view this MOU as an important and serious commitment to work on key programs between Kenya and the US private sector so that both our nations benefit,” said CCA President Stephen Hayes.

Established in 1993, CCA focuses solely on connecting business interests in Africa.