

AFRICAN BUSINESS UPDATE

Health:

Botswana's efforts in combating the HIV/AIDS epidemic received a World Bank boost of US\$ 50 million that includes a "buy-down" design being implemented for the first time in Africa. Japan provided US\$ 2.9 million in Sierra Leone for

prevention and control of infectious diseases. USAID provided US\$ 200,000 in emergency funding, matched with £ 200,000 from the UK's Department for International Development (DFID) to

Zimbabwe's health sector. The Islamic Development Bank (IDB) provided US\$ 350,000 for the expansion of Tawfiq Hospital, Malindi, Kenya.

General Business:

Developing countries are seen growing up to 5% in 2009, while industrialized countries will shrink due to the global financial crisis, the World Bank's chief economist has predicted. The World Bank has urged developed countries to start a fund to ensure more resources were available for African countries to develop the infrastructure they need to sustain economic growth. The African Development Bank said it would triple its lending to African countries to help the world's poorest continent fight the impact of the global financial crisis. Continuing economic growth in

China allied to a demand for African resources, spells the best hope for the continent's recovery.

South Africa, with its mixture of first and third world, provides a bellwether for the impact of the global recession on African economies. South African manufacturing production recorded the lowest annual growth in 5 years while South Africa's index of total mining production was 7,5% lower in 2008 compared with 2007 and South Africa is now only the third largest gold producer after China and the USA. Government

spending of R 787 billion on public infrastructure over the next three years will push South Africa's budget deficit to 3.8% in 2009. The currency has weakened, the motor industry has been particularly badly hit with January vehicle sales down 35,4% and retrenchments abound across many sectors.

Nigeria's central bank said all foreign exchange purchases from its window and from other sources are only to be used for customers and not on the interbank market.

Investment and Projects:

South Africa's JSE will launch the Africa Board, a new trading segment on the exchange's main board featuring top companies from across the continent, in a bid to increase interest and investment. JSE is to license the benchmark corn futures settlement prices of

the CME Group, the world's largest and most diverse derivatives exchange. Nigeria plans to launch its first international naira-denominated bond within six months. Senegal, under pressure to settle millions of dollars' worth of debts to local businesses, put the

country's biggest hotel complex, the 5-star King Fahd, up for sale. The South African National Roads Agency is to raise a further R 25 billion in debt finance for upgrades and freeway construction projects over the next two years.

Trade:

Safmarine announced the new SAECS Reefer Express Service, operated by three vessels and specifically focused on accommodating the seasonal demands of reefer cargo during 2009. Iran is holding an exhibition of goods produced by its manufacturers in Rwanda in order

to interest Rwandans in the idea of investing in and trading with Iran in the future. Nigeria is seeking closer trade relationships with India, Sweden and the Netherlands. South Africa has lifted the ban on the importation of pork from Ireland, imposed because of a dioxin contamination scare in December.

South Africa's trade deficit has dropped from R 88 billion to R 64.5 billion. The government of Zimbabwe has de-regulated exchange controls, thus allowing exporters to retain 92.5% of their export proceeds and keep foreign currency in their accounts.

Mining:

Corporate / M&A:

Central Rand Gold updated its production guidance to 100,000 oz pa by 4Q09 and is fully funded to reach this. PMI Gold Corporation announced a Trafalgar bridge loan update. Pamodzi Gold announced amendments to its Industrial Development Corporation of

South Africa (IDC) loan agreements. Pan African Resources announced that it has acquired an exclusive, non-refundable option to purchase 100% of the shares in Phoenix Platinum Mining. SEMAFO plans to produce up to 240,000 ounces of gold in 2009.

Anglo Platinum plans to cut 10,000 jobs in 2009. Homeland Energy and GMR Energy are in discussion to sell South African assets. Banro announced financing to further advance projects in the Democratic Republic of the Congo.

Other:

Ghana's gold output rose 4% to 2.6 million ounces in 2008, and higher prices pushed overall mining revenues to US\$ 2.3 billion, up 28% on 2007. Indian imports of South African coal are likely to grow to 9 to 10 million in 2009 from 8 million tons in 2008 due to strong demand and lower coal prices. International Gold Resources entered into an agreement with UltraGold Holdings to form a joint venture to explore in Guinea. Africo reached agreement with Gecamines and

DRC Government in respect of Kalukundi in DRC. Coal of Africa has secured both the rail and port capacity to export one million tons of coal per year from the Vele and Makhado coking coal projects through the Matola dry-bulk terminal. Ethiopia's Ministry of Mines and Energy has licensed 29 companies to be engaged in lime stone exploration and development. South African mines scored 66% in a government-commissioned safety audit. VIPR Industries acquired a gold property

consisting of 10 licenses in Singida region, Tanzania. Mintek and the SA Diamond and Precious Metals Regulator launched a diamond fingerprinting project. DiamondCorp gained mining rights for the Lace the diamond mine, South Africa. Rocmec obtained a patent for its thermal fragmentation mining method for Tanzania. The US-based M.C. LaBarr Mining Machinery is offering a +35,000 MTPD Au/Cu grinding circuit and other mining equipment.

Oil and Chemicals:

Lundin Petroleum AB announced the signing of an agreement for the

sale of its wholly owned subsidiaries, Lundin East Africa

and Lundin Kenya, to Africa Oil Corporation. Royal Dutch Shell

declared force majeure on its Nigerian Bonny oil shipments due to insecurity in the Niger Delta.

Upstream:

RWE Dea AG, Hamburg, and El Paso Exploration and Production Company have entered into an agreement to exchange interests in adjoining exploration acreage holdings in Egypt. Eni has signed the first three agreements with

The Nigerian National Petroleum Company is seeking experts to

value its upstream and downstream assets.

Sonangol. Dana plans to drill 17 wells in the UK and Egypt. BP's Plutonio oil field in Angola increased production by 61,000 barrels per day and is now close to full capacity. Total signed an agreement with Libya's NOC to

renew EPSAs for Blocks C17 and C137. Kosmos Energy has appointed advisers to handle the sale of its stakes in two blocks that span the Jubilee oil field in Ghana.

Gas:

BG Group, Petronas and Edison SpA have together committed US\$

2.1 billion to gas exploration in Egypt.

Downstream:

GE Energy signed a deal worth more than R 500 million to upgrade

petrochemicals group Sasol's old turbines at its synthetic fuels plant.

Electrical Power / Telecoms:

South Africa's estimated consumption and production of electricity decreased by 2,2% and 2,0% respectively compared to the year 2007. ABB has been awarded a US\$ 53 million contract from Eskom to strengthen the transmission network in the Western Cape, South Africa. South Africa's National Energy Regulator of SA's published a tariff schedule for the period from last year to 2013. The African Development Bank announced a US\$ 16 million

loan and aid package to help Lesotho jump-start a power plant project.

The South African subsidiary of UK-based telecoms group BT has been awarded both individual electronic communications services (i-ECS) and electronic communication network services (i-ECNS) licenses. Tata has no immediate plan to buy out any of the smaller consortia within the telecoms company, saying that it

will see how well the business operates for the next two years before considering upping its stake. Didata acquired Teksys, a British company that supplies Microsoft systems and services. The laying has started of a fast fiber-optic international telecommunications cable link that could be east Africa's first. In the Business the Communications Commission of Kenya published tenders for Telecom, Radio and TV Equipment.

Agriculture, Fisheries, Forestry, Food:

Unilever SA has partnered with the Development Bank of Southern Africa (DBSA) to promote

sustainable development through paprika farming in Keiskammahoek in the Eastern Cape. African

nations will be the most vulnerable to the impact of climate change on fisheries, ranging from damage to

coral reefs to more severe river floods, according to a study published in the journal *Fish and Fisheries*. Willowton Oil, a South African refiner of edible oils, is importing sunflower seed from Russia where the price there is lower. The Rwanda Agricultural Research Institute (ISAR) is launching a coffee tissue culture laboratory aimed at the mass production of coffee seedlings in

order to boost the coffee industry. Burundi's tea output is expected to rise 7% to 7,500 tons in 2009, mainly due to the increased use of fertilizers on tea farms. The Egyptian Trade and Industry Ministry is extending a ban on rice exports until further notice when it expires on April 1. The Islamic Development Bank (IDB) provided US\$ 19.50 million leasing financing for the Cotton Ginning Plants

Project, Sudan and US\$ 11 million leasing for the White Nile sugar project, Sudan. The MBendi research team has updated our profiles for the coffee growing industries in Africa, Burundi, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

Finance:

The World Bank approved a grant of US\$ 190 million for an urban water supply project in the DRC. Mauritius received US\$ 18 million from the World Bank for an economic transition technical assistance project. Australia offered US\$ 2 million to Kenya in humanitarian assistance. The OPEC Fund for International Development provided US\$ 118.8 million to boost development efforts to eleven developing countries in Africa, Asia and the Caribbean. IFAD will help 38,000

of the poorest and most vulnerable households overcome food insecurity and extreme poverty in six counties in Southern Sudan's Central Equatoria, Eastern Equatoria and Jonglei states. A US\$ 23.33 million grant from IFAD to the DRC for the integrated rural rehabilitation program will help reduce poverty, food insecurity and improve the living conditions of the population in rural areas of Maniema. USAID assisted with US\$ 100,000 in the aftermath of Liberia's caterpillar infestation. The

Islamic Development Bank (IDB) provided US\$ 10.17 million loan and grant financing for the re-scoping of a microfinance support project, Egypt; US\$ 340,000 for the construction of a secondary school for veterinary medicine and agriculture, Galcaio, Somalia; and US\$ 330,000 for the construction of the Amanah Secondary School, Ilongero, Singita, Tanzania. Registered MBendi users can request an African finance spreadsheet from our website.

African Statistics:

Zambia's consumer inflation slowed to 16.0% year-on-year in January, from 16.6% the previous month. Egyptian inflation has dropped to 14% from around 18% in the year to December. Botswana's economic growth for the financial year to June 2008 slowed to 3.3% from 5.3%

previously. Morocco's 2008 jobless rate fell to 9.6% last year from 9.8% in the previous year on growth in urban job creation. Tanzania's economy probably grew 7.5% in 2008, below a previous forecast of 7.7%. The DRC raised interest rates to 66% from 55%. Morocco's economy is likely to

grow by 6.7% this year from 5.8% last year as higher farming yields offset the impact of the global crisis. The Cote d'Ivoire government has committed to reducing its poverty rate to 16% in 2015.

Politics:

African leaders agreed in the Ethiopian capital to transform the

African Union (AU) Commission into the African Union Authority

(AUA) and elected Libyan leader Muammar Gaddafi as the new AU

Chairman. Morgan Tsvangirai has been sworn into the newly created position of Zimbabwe prime minister. Zimbabwe's central bank

revalued its dollar, dropping another 12 zeros off its currency to try to tame hyperinflation. Unrest has broken out in Madagascar.

South Africa and Ethiopia are to sign an agreement aimed at strengthening cooperation in matters of defense.

If your organization has achieved something significant in Africa, please E-mail your news release to [A-BNews.com](mailto:info@A-BNews.com).

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