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:

AFRICA STOCK EXCHANGE PERFORMANCE

Country	Index	11-Dec-15	18-Dec-15	WTD % Change Local	WTD % Change USD	31-Dec-14 31-Dec-14	YTD % Change Local	YTD % Change USD
Botswana	DCI	10507.29	10601.81	0.90%	-1.51%	9,501.60	11.58%	-3.83%
Egypt	CASE 30	6637.91	6669.80	0.48%	0.46%	8,942.65	-25.42%	-31.88%
Ghana	GSE Comp Index	1954.21	1969.14	0.76%	0.33%	2,287.32	-13.91%	-28.03%
Ivory Coast	BRVM Composite	298.34	290.90	-2.49%	-3.63%	258.08	12.72%	0.75%
Kenya	NSE 20	3995.09	3989.95	-0.13%	-0.69%	5,112.65	-21.96%	-30.93%
Malawi	Malawi All Share	14599.53	14562.53	-0.25%	-4.07%	14,886.12	-2.17%	-27.15%
Mauritius	SEMDEX	1810.55	1804.94	-0.31%	-2.34%	2,073.72	-12.96%	-24.91%
	SEM 10	348.16	245.07	-29.61%	-31.04%	385.80	-36.48%	-45.20%
Namibia	Overall Index	774.03	828.84	7.08%	7.46%	1,098.03	-24.52%	-41.72%
Nigeria	Nigeria All Share	27269.71	26537.36	-2.69%	-3.61%	34,657.15	-23.43%	-29.95%
Swaziland	All Share	321.52	323.90	0.74%	1.09%	298.10	8.65%	-16.11%
Tanzania	TSI	4549.81	4508.89	-0.90%	-1.51%	4,527.61	-0.41%	-19.96%
Zambia	LUSE All Share	5760.27	5719.47	-0.71%	-1.43%	6,160.66	-7.16%	-46.07%
Zimbabwe	Industrial Index	114.40	113.21	-1.04%	-1.04%	162.79	-30.46%	-30.46%
	Mining Index	20.32	19.53	-3.89%	-3.89%	71.71	-72.77%	-72.77%

CURRENCIES

Currency	11-Dec-15 Close	18-Dec-15 Close	WTD % Change	YTD % Change
BWP	10.67	10.93	2.45	-13.81
EGP	7.80	7.81	0.02	-8.67
GHS	3.79	3.80	0.44	-16.40
CFA	596.71	603.74	1.18	-10.62
KES	100.04	100.61	0.57	-11.49
MWK	598.07	621.86	3.98	-25.53
MUR	34.55	35.27	2.08	-13.73
NAD	15.08	15.03	-0.35	-22.79
NGN	195.95	197.83	0.96	-8.52
SZL	15.08	15.03	-0.35	-22.79
TZS	2,103.41	2,116.39	0.62	-19.63
ZMW	10.85	10.93	0.73	-41.91

SECURITIES AFRICA

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Botswana

Corporate News

No Corporate News This Week

Economic News

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Egypt

Corporate News

No Corporate News This Week

Economic News

Egypt's annual core inflation rate rose to 7.44 percent in November compared to 6.26 percent in October, the Central Bank announced on Thursday. The monthly core inflation rate increased by 0.96 percent in November compared to 1.23 percent in October. Official statistics agency announced earlier on Thursday that the annual inflation rate accelerated to 11.8 percent in November, a five-month high. *(Egypt.Com)*

Egypt's Central Bank will issue one-year dollar-denominated treasury bills worth $1.1 billion to local banks and international financial institutions on 15 December, the MENA state news agency reported Thursday citing a CBE statement. The dollar t-bills will mature on 16 December in 2016 with a nominal value of $100,000 each. The t-bills' interest rate is yet to be announced. MENA cited anonymous bankers as saying that the CBE move is aimed at repaying Qatar $1 billion worth of bonds that mature 7 January. *(Egypt.Com)*

Egypt seeks to reduce oil product subsidies to 30 percent over the next five years, Prime Minister Sherif Ismail said on Monday, reversing an earlier decision to fully eliminate the subsidies by that time. "We respect the previous government's decisions and are committed to them, but there are changes we need to adhere to in the case of oil product subsidies, such as global energy prices and new discoveries among others," he said at a news conference. *(Egypt.com)*

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Ghana

Corporate News

No Corporate News This Week

Economic News

Mobile phone access lines in the country recorded a 7.2 percent growth in the first eight months of this year, making it the biggest gain by mobile network operators in the last three years for the same period. The mobile phone lines in the country, according to the latest National Communication Authority (NCA) figures, reached a little above 32.8 million -- which is 2.19 million more lines than the six operators in the country have signed onto their networks since January this year. The growth in mobile phone subscription has come as a good news to the operators and other stakeholders who feared the market had reached a saturation point, since the last time mobile telephony lines recorded growth beyond this year's numbers was in 2011 when the market grew by 14 percent. The size of the Ghanaian mobile subscriber market is 126 times the size of its fixed-line subscriber base as at the end of August this year, with the uptake of fixed line service erratic. The country's telecom sector, driven mainly by the mobile sector, is one of the most sophisticated and vibrant ones in Africa with a penetration rate of 121 percent in a population of an estimated 27 million. The industry is one of the highest taxpayers in the country, contributing about GH?1billion in taxes last year, which is equivalent to 5.4 percent of GDP. There are concerns, however, about the continuous profitability of the industry with at most only two operators reported to be making profits, with some of the officials of the NCA admitting in confidence to the B&FT that some of the operators are "just swimming to survive", despite workers of the industry being among the top-earning employees in the country. With increased competition, market operators -- MTN, Vodafone, tiGO, Expressso, Airtel and Glo -- are increasingly forced to find innovative ways of distinguishing themselves from the competition in order to gain and retain customers.

Nonetheless, the mobile operators continue to suffer from a degree of reputational damage when it comes to providing customers with acceptable service and grievance resolution. A survey by the industry regulator not long ago found poor customer service provision and network challenges as the biggest challenges facing the industry, as respondents cited the two as their main concerns with operators. Implementation of the mobile number portability system into the telecom sector has helped customers to seamlessly switch operators for better services, while maintaining their existing contact numbers. However, the widespread complaints of poor customer issues and network challenges have forced many people to stay with their operators even when the network service provision is bad, with many customers continually accusing the mobile network operators of failing to deal with poor customer service issues, despite spending heavily on sophisticated marketing strategies to win new customers. *(Reuters)*

Ghana's parliament approved on Wednesday a grant of $300 million for cocoa industry regulator Cocobod to refinance debt, parliamentary sources told Reuters. The government secured a syndicated loan of $1.8 billion in September to finance cocoa purchases in the world's second largest producer and the $300 million is additional to that. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

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Kenya

Corporate News

Mumias Sugar shareholders on Thursday appointed RSM Eastern Africa as the miller's auditors, hoping to end queries of professional misconduct. The resolution was passed at the sugar miller's annual general meeting held at the Tom Mboya Labour College, in Kisumu. "We hope the ones we have appointed operate within the laid down professional code of conduct," said Mr board chairman Dan Ameyo. The sugar company is RSM Eastern Africa's first ever Nairobi-bourse listed client. It takes over from Deloitte. The loss-making sugar miller had already engaged RSM Eastern Africa to audit its books for the full year to June 2015. Mumias paid Sh6.7 million in audit fees to Deloitte for the year ended June 2014. RSM Eastern Africa Executive Chairman Ashif Kassam said the firm had 'significant expertise in sugar' as they are also the auditors at Butali Sugar. "We were appointed after a competitive process," said Mr Kassam. The Ethics and Anti-Corruption Commission early this year said Deloitte should face civil action following a complaint filed by cane farmers alleging that the auditing firm connived with top executives of Mumias to conceal accounting flaws at the company. Mumias Outgrowers Company also accused the sugar miller of having declared false profits and is contesting a Sh2.6 billion outstanding loan demand from the miller, terming it as a false entry. The outgrowers company, which is a group of about 75,000 cane farmers, further accused the Institute of Certified Public Accountants of Kenya, the accounting profession watchdog, of laxity in enforcing disciplinary action against Deloitte. *(Nation)*

Economic News

Average rates on the 182-day security edged up by 54 basis points to 11.099 per cent, while the 364-day bill rose 34 basis points to 12.56 per cent, ending the Government-induced slowdown in the cost of credit. The Government received only Sh22.5 billion against a target Sh42 billion offered in three different maturities, including a 9-year infrastructure bond. But even with the rise in interest rates, investors shied away from lending to the Government with analysts attributing the uptick to market correction. "Investors are looking at shorter-term securities in anticipation of even higher interest rates," said one finance manager of an investment advisory firm. The rise in the Government's borrowing rates is a sure signal to a higher cost of credit in the financial market. See also: Central Bank hints at easing tight credit environment The emerging trend comes at a time when the Government is committed to bringing down the interest rates by cutting on its borrowing from the domestic markets, after the benchmark rates rose above 22 per cent in September and October. Commercial banks promptly adjusted the interest rates on loans to consumers and other borrowers, pushing the State to intervene. Several banks are yet to lower their lending rates, ignoring pleas by the Central Bank of Kenya (CBK), citing that there was still instability in the financial markets as interest rates were still volatile.

The rates would fall steadily in the subsequent weeks, to below 10 per cent for the short-term securities until this week. National Treasury Cabinet Secretary Henry Rotich said at the time that the State would seek alternative **sources of** borrowing, including borrowing from international commercial banks. But the measures taken may not be effective any longer if the rise in interest rates is sustained in upcoming borrowings by the Government. Of the three issues on sale this week, the 182-day Bill got the best reception at 95 per cent of the target amount – which was still undersubscribed. Investors offered only Sh2.7 billion in the 364-day security, which was anticipated to raise Sh6 billion, translating to a 45 per cent success rate. The State had hoped to raise Sh30 billion through the infrastructure bond but investors advanced only Sh16.5 billion, just above the half-way mark. Still, the State accepted only Sh13.9 billion in the infrastructure bond whose average yield is just shy of 15 per cent. The cost of Government borrowing acts as the benchmark for all other lending, including the rate at which banks grant loans among themselves, and to ordinary borrowers. *(Standard Media)*

Kenya's central bank on Tuesday invited bids for a nine-year armotized infrastructure bond worth up to 16 billion shillings ($156.63 million) in a tap sale. The bond will have an 11 percent coupon and an average yield of 14.753 percent and the bank said it will accept bids between Dec. 15 and Dec. 31. At its auction on Dec.9, the weighted average yield the bond stood at 14.753 percent and the bank sold 13.96

billion shillings worth of the paper out of 30 billion shillings offered. *(Reuters)*

The International Monetary Fund trimmed its forecast for Kenya's economic growth on Wednesday, projecting gross domestic product would expand about 6 percent next year after growing a less-than-expected 5.6 percent in 2015. The fund, which has a mission visiting the East African country, previously estimated GDP would grow by 6.5 percent in 2015 and 6.8 percent next year. "The growth acceleration in 2015 is slower than projected ... due to delays in planned road infrastructure spending, weaker tourism receipts, and volatile external capital flows," Vitaliy Kramarenko, the IMF head of mission to Kenya, said in a news conference. Real GDP growth should accelerate to about 6 percent next year, he said, because of the "continuation of strong investment momentum, effects of good rain in agriculture, and a pick up in tourism following removal of travel advisories from major tourism source markets". At the same news conference, Henry Rotich, Kenya's finance minister, said he estimated Kenya's 2015 economic growth between 5.5 and 6 percent. In November, Rotich had said this year's growth would be in the range of 5.8 to 6.0 percent, citing tighter monetary policy and the potential effect of the El Nino weather phenomenon, which has brought heavy rains. *(Reuters)*

The African Development Bank (AfDB) forecasts a 6.5 per cent expansion in Kenya's gross domestic product this year, despite fears that growth may be slowed down due to weak receipts from tourism. The latest edition of the African Economic Outlook report prepared by AfDB also shows that growth of the economy in 2016 will contract to 6.3 per cent. AfDB pegs its expected expansion of the local economy on growth in the services and construction sectors which it says will compensate for low gains from manufacturing and extractive industries. Overall, the bank expects East Africa's growth to decelerate to 5.6 per cent this year from 7 per cent in 2014 due to the volatile situation that was experienced in South Sudan where armed conflict cut oil production in 2013 consequently affecting its GDP. "Ethiopia, Kenya, Rwanda, the United Republic of Tanzania and Uganda kept up their relatively high growth. As these countries have small mining sectors and their manufacturing is not very large or has declined as a percentage of GDP, their growth is more driven by services and construction," reads the report. AfDB launched the regional economic outlook report in Sudan on Tuesday. On Wednesday, the International Monetary Fund revised down its growth forecast for Kenya this year to 5.6 per cent on account of low spending on infrastructure, low income from tourism and capital flow challenges.

The IMF had predicted that the local economy would grow by 6.5 per cent in its forecast announced in April. "Growth acceleration in 2015 is slower than projected under the program due to delays in planned road infrastructure spending, weaker tourism receipts and volatile external capital flows. At the same time, inflation rose to 7.3 per cent in November close to the upper end of the authorities' target range," said IMF's head of mission to Kenya Vitaliy Kramarenko. In September, the Kenya National Bureau of Statistics said that the economy grew by 5.5 per cent during the second quarter this year compared to last year's 6 per cent during a similar period due to collapse of the manufacturing and construction sectors and a slowdown in tourism. The Treasury is banking on a pick-up in tourism, agriculture and financial sectors following heavy rains, removal of travel advisories and adoption of tax reforms to steer the country's growth to a high of 6 per cent this year. *(Nation)*

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Malawi

Corporate News

No Corporate News this week

Economic News

No Economic News this week

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Mauritius

Corporate News

No Corporate News this week

Economic News

Mauritius' current account deficit narrowed in the third quarter compared with the same period last year, helped by a lower merchandise trade deficit, central bank data showed. The deficit fell to 5.29 billion rupees ($146.99 million)from 8.28 billion rupees ($230.06 million) a year earlier. As a percentage of GDP, the deficit stood at 5.3 percent against 8.7 percent in the third quarter of 2014. The merchandise trade deficit fell by 19.4 percent to 18.41 billion rupees. Exports declined 1.9 percent year-on-year and imports dropped 9.3 percent. "The decline in the value of imports of goods reflected essentially lower value of imports of 'mineral fuels, lubricants & related products' as a result of lower oil prices, and the fall in imports of 'machinery and transport equipment'," the bank said in a statement. The bank said it has revised down its current account deficit figures for the first and second quarters after it improved its collection of tourism earnings data. The current account deficits for the first and second quarter decreased to 6.04 billion rupees and 5.07 billion rupees from 6.78 billion rupees and 5.18 billion rupees, respectively. *(Reuters)*

Foreign direct investment in Mauritius fell 29 percent to 7.21 billion rupees ($200 million) in the nine months to September, official data showed on Tuesday. A total of 6.09 billion rupees, or more than 84 percent, went into real estate, the central bank said. FDI in the accommodation and food service sector fell sharply to 779 million rupees from 3.26 billion a year ago. "The tough international context has weighed on foreign direct investment," said Ken Poonoosamy, managing director of the state-run Board of Investment which is responsible for encouraging flows into Mauritius. "But there are some projects in the pipeline and we hope that investments would pick up in the last quarter," he told Reuters. Famed for its white sand beaches and luxury spas, the Indian Ocean island is diversifying away from sugar, textiles and tourism into offshore banking, business outsourcing, luxury real estate and medical tourism. France was the biggest source of investment, with 2.61 billion rupees, the central bank said. *(Reuters)*

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Nigeria

Corporate News

South Africa's Tiger Brands said it would sell its 65.7 percent stake in its loss making Nigerian division to Dangote Industries Limited for $1. Tiger Brands, South Africa's biggest consumer foods maker, said Dangote Industries will give Tiger Brands an immediate cash injection of 0.7 billion rand ($46.1 million). Tiger Brands will assume and settle the unit's debt of 0.4 billion rand. Tiger Brands has not made money from Tiger Branded Consumer Goods Plc of Nigeria (TBCG), formerly known as Dangote Flour Mills, since paying nearly $200 million for a 65 percent stake in the firm three years ago. *(Reuters)*

Sterling Bank Plc on Thursday disclosed its plan to raise fresh tier-2 capital to fund its expansion before the end of February 2016. Chief Executive Officer, Sterling Bank, Mr. Yemi Adeola, said this during an interactive session with journalists in Lagos. Sterling Bank put the amount of tier-2 funds to be raised at between $100 million and $150 millon. "On the issue of additional capital, we are adequately capitalised, but we are raising tier-2 capital and we are at the tail end of it and hopefully by February, we would have additional debt capital. But in terms of equity capital, I think we are good with a capital adequacy ratio of 19 per cent when what is required is 10 per cent; we are not under capital pressure at all," Adeola said. He described the regulatory environment as tough, saying that the banking industry is the most regulated in Nigeria. Sterling Bank would continue to face the challenges that come it way, he added. Speaking on the developments in the forex market, he said: "It is a tough one. You can only spend what you have and if our reserves are at $29.4 billion as at December 16, they would barely fund four to five months of import. "There is no regulator that would not be worried at that level. The options are usually either to adopt capital control as a strategy and focus on key sectors, in other words, you determine where the forex to go to if you want to curb waste or wastages.

"You don't want a situation where people use the forex market for speculative purposes and you want to control it. And that is what is happening now. But it is a double-edged sword because when you adopt capital controls, investors are reluctant to come in." Adeola said the expanded its branch network by 135 from 50 in 2006 to 185 in 2015, saying plans were on to ensure that the bank is ranked among the top six banks in the country by year 2020. Adeola who was supported by the Executive Director, Corporate & Investment Banking, Mr. Kayode Lawal and the Executive Director/Chief Operating Officer, Mr. Yemi Odubiyi, also explained that the Bank, within ten years had deployed 801 ATMs nationwide when it had none in 2006. He also assured that in the coming year, the bank will sustain its drive to become the leading consumer banking franchise, diversify its retail funding base, diversify its income streams with a view to achieving a top quartile position in all "our operating areas and enjoy a double digit revenue growth year on year", he stated. *(This Day)*

Economic News

The Consumer Price Index (CPI) which measures inflation, rose to 9.4 per cent in November compared to 9.3 per cent in the previous month, according to the National Bureau of Statistics (NBS). It attributed the rise in the index to higher prices in food and beverages as well as increases in the in the transportation division following shortages in petrol supply coupled with the knock-on effect impacting transportation of people and goods across the country. According to the CPI report for November, which was released by the statistical agency yesterday, the food sub- index increased to 10.3 per cent (year-on- year) during the month or 0.2 per cent from the rates recorded in October. The NBS said all the major food groups which contribute to the Food sub-index increased at a faster pace during the month with the exception of the Fruits group which has been trending lower since June of this year. It said: "In November, the highest price increases were recorded in Liquid Fuel (kerosene), Fuels and Lubricants for Personal Transport due to shortages, Spare Parts as a result of replacement costs, and passenger transport groups. The average twelve month annual rate of rise of the index was recorded at 8.0 per cent for the

twelve- month period ending in November 2015, 0.2 per cent points higher from the twelve month rate of change recorded in October." Continuing, it noted: "While most divisions that contribute to the Sub-index slowed, the index was supported by increases in the transportation, alcoholic beverage, tobacco and kola; and recreation and culture divisions. On a month-on- month basis, the core sub-index increased at a faster pace, increasing by 0.6 per cent." The urban index moved from 8.8 per cent in October to 8.9 per cent in November, while the corresponding rural index also edged higher to 8.8 per cent in November from 8.7 per cent in October. Meanwhile, the average monthly price paid by Nigerian households for a litre of petrol across the country increased to N115.35/litre in November compared to N93.48/litre in October, according to the NBS. Yet, the official pump price of petrol is N87 and figures provided showed that on the monthly average, Nigerians have continued to purchase petrol above the official rate in the period under review. Akwa Ibom State had the highest monthly average of N187.50/litre during the month in review compared to N92.75/litre in October while Abia recorded a monthly average of N146.59 in November. Bauchi and Ogun recorded the lowest monthly average of N91.33 during the month in review. Abuja and Lagos recorded monthly average of N102.75 and N103.84 respectively. *(This Day)*

A total inflow of about N890 billion is expected to hit the money market from the various maturing government securities and Federation Account Allocation Committee (FAAC) this month, a report by FSDH Merchant Bank Limited has revealed. On the other hand, the report stated that expected outflows from the various sources such as government securities and statutory withdrawals this month are estimated at N577 billion, leading to a net inflow of about N312 billion. However, this analysis does not include the Central Bank of Nigeria's interventions at the interbank segment of the foreign exchange market and the cash reserve requirement (CRR). The report also stated that the market was expected to remain relatively liquid this month, except the CBN conducts open market operations (OMO) to mop up. It also anticipated that yields on the fixed income securities may increase marginally in the month of December 2015, stating that a higher increase in the longer dated securities would be more likely than on the shorter dated securities. The higher yields would be driven by the need to maintain positive real yield, the expectation of an increase in the Fed Rate in the United States and the impact of the FGN fiscal deficit for 2016. Meanwhile, the implementation of the treasury single account (TSA) may keep the Nigerian treasury bills yields lower than the historical levels. According to the report, the current state of the market shows there are opportunities at the longer end of the market. The average yields on the FGN Eurobonds were higher in November 2015 than in October 2015. Consequently, the prices of all the bonds closed lower in the month of November, compared with October 2015. "We expect the yields to rise higher in the month of December because of the macroeconomic risks the Nigerian economy still faces in the short-term. This is in addition to our expectations that dollar-denominated yield may increase because of the possibility of rate hike in the US," it added. *(This Day)*

The Central Bank of Nigeria (CBN) and commercial banks in the country, under the aegis of the Bankers' Committee have agreed to increase lending to the agricultural sector to N300 billion in 2016. This formed part of the communiqué at the end of a two-day seventh Bankers' Committee retreat titled: 'Creating an Enabling Environment for SME Growth,' that took place in Lagos at the weekend. CBN Governor, Mr. Godwin Ifeanyi Emefiele, while briefing the media, said banks generally agreed to increase lending to the agricultural sector, adding that the committee however felt there was the need to de-risk the agricultural value chain. He said efforts by the Bankers' Committee had helped to incentivise lending to the agricultural sector, even as he pointed out that lending to the sector increased from as low as one per cent in 2010/2011, to four per cent in 2014/2015. According to Emefiele, the committee also stressed the need for the monetary and fiscal authorities to work together in a collaborative manner to achieve the objective of improving local production of specific agricultural products, so that as a result of an increase in lending to the sector, the nation would begin to see a reduction in the demand for foreign exchange to help conserve foreign exchange reserves and strengthen the naira. "Banks feel that there is a need to improve the level of infrastructure in various sectors. For instance, by building more Fadama roads, more silos and warehouses to receive final produce, so that products don't get destroyed at the farm. We should have Fadama roads to make it easy for goods to be transported from the local communities to areas where they could be sold to increase the wealth of those in our local communities.
"Of course we all know that the central bank has the Commercial Agriculture Credit Scheme, which has been substantially disbursed, but with the N300 billion lending to the sector, we are talking about a combination of fresh lending, not just from the CBN, but also the commercial banks using some of their liquidity to also fund agriculture. That is why we are talking about removing the risk elements across the value-chain so as to make everybody, including the banks comfortable to lend to the sector," the CBN governor explained.

The retreat was also attended by the Lagos State Governor, Mr. Akinwunmi Ambode; ministers of Agriculture, Chief Audu Ogbeh; Power, Works and Housing, Mr. Babatunde Raji Fashola; Transportation, Mr. Rotimi Amaechi; Solid Minerals, Mr. Kayode Fayemi; Finance, Kemi Adeosun, as well as practitioners in agricultural, power and small business sectors. Previous bankers' committee retreat, according to Emefiele, had helped to increase lending to the manufacturing sector and in facilitating finance to the power and aviation sectors. Furthermore, he said the purpose of the retreat was to discuss how to support government's efforts at diversifying the economy in the face of the sharp drop in oil prices. "Banks also looked at financing SMEs. The recognised that there is a need for a paradigm shift in the feeling that SMEs are in an endangered sector. Banks recognised that the Bank Verification Number would assist in creating a pool of SME loans in the country. We however agreed that there is a need to take identified SMEs through capacity building in skills in record keeping and how to run their business. This, we believe would make the SMEs more bankable. "Banks agreed to support all efforts of government to boost employment of young graduates in the country. Of course in the area of infrastructure, banks identified power, roads, as strong enablers and drivers of growth in the country. "Banks agreed to play their part in supporting power and financing of other infrastructure, but that all hands should be on deck, not just from the monetary authorities, but also from the fiscal authorities, to boost power, transportation so that we can achieve the goal of growing the economy," he said. *(This Day)*

The Central Bank of Nigeria (CBN) plans to raise a total of N1.22 trillion from treasury bills sale in the first quarter of 2016. The central bank said it would auction N245.77 billion worth of 91-day bills and N238.51 billion worth of 182-day paper between December 17 this year and March 3, 2016. In addition, it would sell N735.54 billion worth of 364-day treasury bills in the same first quarter of next year. The apex bank issues treasury bills regularly as part of monetary control measures to help manage the volume of liquidity in the system and also to checkmate inflation. The Monetary Policy Committee had noted at its last meeting the continued moderation in month-on-month inflation and reaffirmed its commitment to price stability, stressing the need for complementary supply side policies as part of an overall strategy to lock-in inflation expectations.Broad money supply (M2) in the country contracted by 3.75 per cent in October, 2015, over the level at end-December, 2014. Also, annualised, M2 declined by 4.5 per cent, which was significantly below the growth benchmark of 15.24 per cent for 2015. Net domestic credit (NDC) grew by 10.8per cent, which annualises to 12.96 per cent in the same period. At this level, NDC fell below the provisional benchmark of 29.30 per cent for 2015. Growth in aggregate credit reflected mainly growth in net credit to the federal government which grew by 96.66 per cent in October, although lower than the 142.38 per cent in September, 2015.

The sharp moderation in credit to government may be partly attributable to the effect of implementation of the treasury single account (TSA). "The MPC considered that although, headline inflation had remained at the borderline of single digit, the observed moderation, especially in the month-on-month inflation, provided some room for monetary easing to support output in the short to medium term, while keeping in focus the primacy of price stability. In effect, the committee will continue to monitor developments around the Naira exchange rate, interest rates, and consumer prices, even as targeted measures are needed to channel liquidity to the key sectors of the economy. "The committee noted with satisfaction the stability, soundness and resilience of the banking system even against adverse global financial conditions. Given the situation, the MPC emphasised the necessity of focusing on financial market stability and proactive engagement of policy and administrative levers needed to support the environment in which market institutions operate. On their part, market institutions are encouraged to employ more stringent criteria in evaluating their portfolio and business decisions," the committee had stated. *(This Day)*

Nigeria plans to raise 67.45 billion naira ($338.94 million) by selling Treasury bills with maturities of three and six months on Dec. 24, the central bank said on Wednesday. The bank said it will issue 28.12 billion naira worth of three-month paper and 39.33 billion naira of six-month, using the Dutch Auction System. The result of the auction is expected the following day. *(Reuters)*

Nigeria's naira fell 1.5 percent to a new low of 265 to the dollar on the unofficial market on Wednesday after the central bank rationed dollar supplies this week, traders said. The bank cut the amount it sold to each of the 2,270 retail money exchange brokers that participated in Wednesday's weekly sale to $10,000, down from the $30,000 each it sold last week, Aminu Gwadabe, the head of Nigeria's bureaux de change association told Reuters. *(Reuters)*

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TRADING

Nigeria, aiming to boost its crude output, is still grappling with decrepit refineries that fail to produce fuel, which it has to import, the head of state oil firm the Nigerian National Petroleum Corporation (NNPC) said on Thursday. Oil production is forecast to reach 2.1 million barrels of oil per day (bpd) this year and should rise to 2.4 million **bpd next year, Emmanuel Ibe Kachikwu** told reporters, though none was being refined domestically. "In October we had zero performance (from refineries), we didn't produce anything," Kachikwu said. "As of now the refineries are still not working. We are going to try and repair them." In an apparent attempt to lower fuel subsidy costs amid sharply lower oil revenues, Kachikwu said refined products would be sold in a band between 87 and 97 naira per litre that is adjusted based on crude prices. Prices are currently set at 97 naira per litre regardless of market prices. "So it's no longer subsidy as in the air, it's not a static number," he said. "Probably once in quarter we say what is the price of crude, how can we reflect (it) in the price of the product to make sure we don't pass the ceiling of 97 (naira)."

In November, the country's top refinery official told Reuters that Nigeria aimed to produce up to 30 percent of its domestic gasoline needs by the first quarter of 2016 following an overhaul of the refineries. Kachikwu reiterated Africa's top oil producer was trying to secure external funding to revamp the refineries before considering their sale. "We cannot sell the refineries in their present state. They will be worth nothing." President Muhammadu Buhari, also oil minister, has made refurbishing the country's dilapidated refining system a priority as he seeks to reform an industry hampered by mismanagement and corruption. *(Reuters)*

Tanzania

Corporate News

THE Dar es Salaam Stock Exchange (DSE), is walking closer to become third exchange in the continent to de-mutualise. The demutualisation or self-listing is a process through which any member-owned organisation becomes a shareholder-owned company. Frequently, this is a step towards the initial public offering (IPO) of a company. DSE operates as a 'mutual' exchange. The DSE Chief Executive Officer, Mr Moremi Marwa said the bourse was walking closer to follow Nairobi Securities Exchange and Johannesburg Stock Exchange which have demutualised. "We, at the DSE are in the middle of a demutualisation process, being the third Exchange in Africa to achieve what we have achieved this far," Mr Marwa said in statement. However, the CEO said, other Exchanges in Africa are also seriously considering this option. "Out of the current 25 exchanges in Africa, more than dozen are positively considering to initiate the process of demutualisation," Mr Marwa said. The CEO said the demutualisation has many advantages including enhancement of corporate governance within the exchange for sustainable protection of all its stakeholders. And an access to the efficiently priced source of funds to finance the exchange's growth and capital markets development in the country, including capital investments in trading technologies as well as introduction of new products and services.

Also demutualisation is responding to the increased competitiveness within regional financial markets centres in relation to finance and investment choices and allocations. "Consequently across the globe stock exchanges are now re-thinking their business strategy and models in order to find ways of how best to survive". In the process, exchanges have evolved towards new corporate, legal and business models to strengthen governance and face competition. After completion of self-listing process, the DSE will be known as Dar es Salaam Stock Exchange Public Limited Company (PLC). Stock self-listing is a new drive, which started in 1993 when the Stockholm Stock Exchange was the first exchange to demutualise, followed by Helsinki (1995), Copenhagen (1996), Amsterdam (1997), the Australian Exchange (1998) and Toronto, Hong Kong and London stock exchanges in 2000. In Africa, the first to make a self-listing move was the Johannesburg Stock Exchange in 2005, followed by the Nairobi Stock Exchange 2014. Others, such as Mauritius Stock Exchange, have started the process. *(Daily News)*

WO Kenyan firms, Kenya Airways and Uchumi Supermarket are risking to be delisted from the East African Stock markets due to poor balance sheets. On Monday, Kenya Airways counter at the Nairobi Securities Exchange (NSE) recorded a price of 4.50 Kenya shilling, representing 5.26 per cent fall while Uchumi Supermarket registered price appreciation by 0.62 per cent to 8.10 Kenya shilling. The two companies, also cross-listed on to the Dar es Salaam Stock Exchange (DSE), have recorded diverse share price movement with Kenya Airways remaining unchanged for a couple of weeks at 100/- while Uchumi Supermarket appreciating to 180/-per share, representing 5.88 per cent rise. Kenya Airways posses 66,157,350 paid up shares (41.23 per cent) at the cash strapped Precision Air Services which is grappling with financial constraints due to mounting debts and failure to raise capital in its recent initial public offer. In October, Uchumi Supermarkets closed its operations in Tanzania and Uganda due to poor financial statement where it has been incurring loses in all its regional undertakings. Over 400 employees and suppliers have filed a suit in the arbitration court demanding contractual and legal rights as well as compensations.

Orbit Securities Limited General Manager, Mr Simon Juventus said in Dar es Salaam yesterday that the two companies' adverse balance sheets are bad news that will hurt their share trading at the equity markets. "Any good or bad news may result into investors' panic that can lead to increased supply and price decline," he said, adding that there is hope for the Kenyan government interventions particularly in the Kenya Airways where it owns majority shareholder. The Kenya Capital Markets Authority is on the spot because the capital markets law empowers it as the regulator to take action against listed firms with slim chances of recovery from losses, insolvency and negative working capital to protect investors, financiers, suppliers and employees. *(Daily News)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Economic News

TANZANIA'S mobile phone accounts are three times above the Sub-Saharan Africa (SSA) average to place the country at the pole position globally. According to the World Bank, Tanzania mobile accounts stand at 32.4 per cent compared to 11.5 per cent, which was the average for SSA last year. The Bank of Tanzania (BoT) Director of Banking Supervision, Mr Agapiti Kobelo, said the mobile phone platform has elevated by far the country's financial penetration regionally. "We came far away but we are yet to be where we (BoT) want to be," Mr Kobelo told 'Daily News' in Dar es Salaam yesterday. He said still the whole exercise faces a number of challenges, especially banking segment inclusion which still lags behind at around 14 per cent. "It is still a challenge," Mr Kobelo said "the mobile phone and agency banking will elevate the numbers to new highs." Agency banking comes as an alternative for banks to not physically opening branches at the areas that were unthinkable. The WB data show that the mobile telephone sending money transactions reached 71.5 per cent against 30.8 per cent of SSA. While sending transaction via financial institutions amounted to merely 10.7 per cent well below the SSA average of 31 per cent.

Almost similar cases was experienced on the receiving transactions registering a 62.8 per cent through mobile phones while via financial institutions was 10.1 per cent; the SSA average was 27.6 per cent and 26.6 per cent respectively. However, while mobile phone transactions are climbing to record high, saving rate at banking sector dwindled to 9.0 per cent in 2014 compared to 11.9 per cent in 2011. "In comparison with its peers in Africa," said Altemius, Managing Director of Yetu Microfinance, "Tanzania performs poorly as it is only above Mozambique." The MD said currently the banks have managed to reach 13.9 per cent of the country bankable population of which mere 4.0 per cent accessed loans. "In reality banks' penetration is still low especially if you exclude formal workers," Mr Millinga said, "the level of exclusion is very high in the rural areas where over 70 per cent lives… something needs to be done to reverse the situation." *(Daily News)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zambia

Corporate News

No Corporate News This Week

Economic News

Zambia's cabinet has approved plans to borrow $275 million from China for the construction of housing units for its security wings, the presidency said in a statement on Tuesday. Presidential spokesman Amos Chanda said the loan would provide resources for the project which is expected to ease housing shortage within Zambia's police, prisons, immigration department and intelligence department. (Reuters)

Hit by a slump in copper prices, Zambia should maintain stable mining policies and taxes to avoid losing out to new, lower cost mines elsewhere, Chamber of Mines President Nathan Chishimba said on Wednesday. Zambia is Africa's second-biggest copper producer, but Chishimba said companies faced challenges including old mines, deep ore bodies, low grades, low productivity and regulatory instability. Zambia is facing its toughest economic difficulties in a decade as weak commodity prices, electricity shortages and slowing growth in China have hit growth. Chishimba said Zambia's copper was expensive to produce and investors were reluctant to start new mines and expand existing ones because of constantly changing policies and taxes. "There are new, low-cost mines coming on stream in other countries that can thrive in this low price environment," he said. "Unless Zambia takes action now to address our challenges, so that we can compete with these other countries, our future as a copper producing nation is in peril." Mining companies operating in Zambia include Canada's First Quantum Minerals, Swiss commodities giant Glencore and London-listed Vedanta Resources. Chishimba said the problems in the mining sector were a national crisis which raised long-term questions about Zambia's economic prospects. "We all need to come together and agree the conditions which best promote the growth both of the mines and the broader economy. As an industry, we are ready to create dialogue on this vital strategic issue on which the future of our nation depends." Zambia's economy relies heavily on mining for investment, jobs and foreign exchange earnings and there is a need to diversify, he said. "We have to create a high-growth, diversified economy which spreads risk and opportunities across the economy, creates more jobs and widens the tax base," said Chishimba. *(Reuters)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Zimbabwe

Corporate News

The Zimbabwean government has taken over CAPS Holdings, the country's largest pharmaceutical manufacturer which collapsed four years ago, in a bid to revive its operations, finance minister Patrick Chinamasa said on Friday. At its peak, CAPS accounted for 75 percent of the local healthcare products market and was involved in the manufacture, wholesale distribution, and retail of pharmaceutical, consumer, and veterinary products. At the time of its closure due to undercapitalization, huge debt and allegations of mismanagement, CAPS was under the control of key shareholder and chairman, Fred Mtandah. In an update on the economy presented at the ongoing ZANU-PF annual conference in Victoria Falls, Chinamasa announced that government had taken over CAPS. He did not provide details. Mtandah has, however, previously hinted at government involvement in CAPS. A 2013 statement by the businessman spoke about Cabinet-driven plans to resuscitate the stricken firm. Under the plan, the state-owned Industrial Development Corporation would lead government's intervention in CAPS. Zimbabwe's pharmaceutical industry has experienced a massive decline, with an estimated 90 percent of all pharmaceutical products being donor-funded and imported. CAPS has ceased manufacturing drugs and failed to have its 15-year lease of Harare's upmarket St. Anne's Hospital renewed in 2013, while its QV pharmacy chain has only recently returned to good health under judicial management. Government has also recently taken over Cottco, a cotton marketing firm which was privatized in 1998, in a bid to revive the ginning industry. *(Source)*

STRUGGLING agro-industrial group Zimplow Holdings has shuffled its top leadership, appointing Mark Hullet as its chief executive, taking over from Zondi Kumwenda who leaves the group at the end of the year. The company announced the changes Wednesday, ending a turbulent three-year period that has seen its value slashed by nearly 90 percent. Zimplow also appointed Thomas Chataika, a chartered accountant, as new board chair from November 26 following the retirement of Zivanayi 'Zed' Rusike, who led the company since 2010. Zimplow said Kumwenda was leaving to pursue other business interests, in particular "ministry work." "The board is pleased to announce the appointment of Mark David Hullet as group Chief Executive Officer with effect from 1 January 2016. Mark has extensive experience in both the agricultural and mining sectors which are the key central sectors to the group's business," the company said in a notice Wednesday. Previously, Hullet was chief operating officer at TSL Limited, a listed holding company with interests in Industrial warehousing and logistics, agricultural inputs as well as tobacco exports. Kumwenda is credited with spearheading the company's transformation from an animal drawn agriculture equipment maker to a mechanised agricultural and mining conglomerate having joined the firm, firstly as managing director of its flagship Mealie Brand, then as chief executive of Zimplow and finally as group CE of Zimplow Holdings after the take-over of Tractive Power Holdings which it acquired from the central bank's Finance Trust in 2012.

The TPH deal saw Zimplow become the largest distributor of high tech farming and mining equipment, supplying an array of popular brands through its subsidiaries, Barzem, Farmec, Northmec, Mealie Brand and C.T. Bolts. Analysts said Zimplow overstretched its means to acquire total control of TPH and that its management did not foresee a slowdown in revenue growth as a result of the underperforming agricultural and construction industries along with softening mineral prices internationally. These resulted in a sharp decline in demand for heavy machinery, aggravated by the absence of asset purchase finance meant that high restructuring and finance costs plunged the group from a profitable entity to the current loss-maker. Zimplow's market capitalisation at the time of acquiring TPH was $25 million while that of TPH was $15 million. The group was valued at $4,71 million after trading on Wednesday, having shed 69 percent of its value since the start of the year. Its share price closed at two cents from a high of 8,5 cents. However, group has struggled in recent times, with the firm's loss position worsening to $1,85 million in the half-year to June compared to the $1,73 million registered over the same period last year after a poor agriculture season ate into its bottomline. Revenue in the period declined by 11 percent to $11,9 million compared to $13,3 million last year. Early this year, its $5 million rights issue — designed to reduce its crippling short-term debt accrued from financing the group's acquisition of Tractive Power Holdings in 2012 — had a 40,53 percent subscription, with the underwriter, Mauritian incorporated firm Sino Properties to buy the remainder. The deal also made Sino Properties the majority shareholder in Zimplow with a 61.67 percent stake. Other major shareholders include Kencor Holdings with 15.05 percent and Stanbic Nominees with 10.12 percent. (*New Zimbabwe)*

WEEKLY AFRICAN FOOTPRINT

This Week's Leading Headlines Across the African Capital Markets

Micro-financier GetBucks Zimbabwe plans to list on the Zimbabwe Stock Exchange on January 15 next year after launching its bid to raise $3,2 million in an initial public offering (IPO), three years since it began operations in the country. The IPO is the first since the Philip Chiyangwa-owned engineering ZECO Holdings listed in 2007 — during the Zimbabwe dollar era — although the company has struggled since. Mauritius registered GetBucks Limited owns 55 percent shareholding of the local unit while Zimbabwean investment firm, Brainworks owns 34.06 percent, with the remainder held by various shareholders, including pension funds and insurance firms. GetBucks is one of the two micro-finance institutions to be granted a deposit taking licence by the central bank in July this year. The offer opened on December 7 and will close on January 8. Of the amount being sought, $2,9 million will be for working capital with $300,000 paying for costs associated with the IPO and listing. The company is offering 93,567,251 shares at a subscription price of 3,42 cents per share. Analysts who attended a briefing on Thursday noted that the float offered in the IPO amounted to about 8.5 percent of GetBucks' total issued share capital, raising questions about the shares' liquidity. Brainworks chief executive George Manyere said GetBucks would consider issuing more shares in the future but added that other companies should to come on board to improve investment alternatives on the ZSE, adding that none of the current major shareholders wanted to sell-off. "We are not cashing out, none of the founding shareholders are. We believe that there is a lot more value going into the future and we are committed for the long-term," said Manyere.

GetBucks Zimbabwe managing director Walter Kambwanji said the micro-finance sector loans had averaged $160 million annually since 2013 and had potential to grow further. "We think there is scope to grow the sector even more. What we see in our business is that there is high demand for salary based loans but because industry has not been performing, the informal businesses are also growing and they would need access to banking and financial products," Kambwanji told analysts at the briefing. "We think the listing will increase the visibility of the GetBucks brand to both the public and private sectors leading to new business opportunities. We also wish to attract focused and permanent capital through the IPO and ability to raise cheaper finance." The listing would also help the company comply with new ownership requirements of a deposit-taking institution where Brainworks — as a non-financial company as defined by the Reserve Bank — cannot hold more than 25 percent shareholding. It has 20,000 customers with 13 branches in major centres in Zimbabwe. Its loan book stands at $11,6 million with the non-performing portion of that at two percent, much lower than the 15 percent in the banking sector. "It's a profitable business that has demonstrated remarkable growth in the three years that we have run it. It's a dividend-paying company and cumulative dividends so far dished out to shareholders is $2 million," said Kambwanji.

The company also runs a successful promissory programme with pension funds. The promissory notes attract 15 percent interest per annum and Kambwanji said there remains huge interest in the programme. Chief finance officer Paul Soko told the briefing that the company had targeted to pay 25 percent of profits to shareholders because 'this is a very profitable company." In the full-year to June, GetBucks reported a $6 million profit before tax from $2,3 million the previous year. In 2013, the company made a loss of $183,000. Manyere said the company was at the right stage of development to list. "In our view, given the stage of development of this company and the prospects that it offers in the future, we are very confident that this is the perfect time for us to come into the market," he said. "Any delays we will be talking of a business that will be two to three times bigger than this and it will be much more difficult to embrace more shareholders and make sure that they ride the journey of creating value with you." Mercy Murevesi, who has worked for the central bank and Ecobank, will take over as managing director at the end of January next year, replacing Kambwanji, who is also Brainworks' chief finance officer. *(Source)*

Economic News

ZIMBABWE'S incomes have been on a decline from 2011 to 2014 and mobile money operators now dominate financial inclusion in the country, a latest report on financial inclusion has shown. The average incomes for Zimbabwe have declined to $134 in 2014 from $143 in 2011, meaning more people are sliding into poverty. Speaking at the launch of the Making Access Possible stakeholders workshop yesterday, Centre for Financial Regulation and Inclusion director Hennie Bester said the declining incomes have depressed the use of formal financial

services. "Banks contribution to financial inclusion has declined and the banking sector business model change is required for banks to regain ground. The mobile money platforms now dominate payments and Zimbabwe has moved faster than Kenya in mobile money. Zimbabwe uses EcoCash not just for transactions, but as a primary and savings platform ahead of Kenya," he said. Bester said the country was experiencing a Dutch disease, which is referred to as the deindustrialisation of a nations' economy that occurs when the discovery of a natural resource raises the value of the nation's currency, making manufactured goods less competitive with other nations, therefore, increasing imports and decreasing exports.

According to the report, 38 400 loans were offered to individuals last year and that micro-finance institutions (MFIs) are not significant in Zimbabwe for financial inclusion because they have limited access to capital. The report showed that people trust mobile money operators more than banks because they haven't lost money so far through that system. Finance minister Patrick Chinamasa said the report was an eye opener, as Treasury was putting more effort to revive MFIs as a means for financial inclusion and the report was suggesting otherwise, hence government will go back to the drawing board. "You have confirmed the capacity of commercial banks to adapt to change. Clearly they are not adapting, my misgiving about this sector is they are like ostriches, sinking their head in the sand and are not giving attention to what is happening around them," he said. Chinamasa said the balance sheet of most banks was skewed towards bank charges and not from interest income indicating that they were lending less and less. The informal sector employs over 75% of the population in Zimbabwe, but it is financially excluded due to various challenges rigidities of the financial services sector. *(Reuters)*

THE mining sector will surpass the 20 tonnes target set by government for gold production in 2016, with half of the production coming from the small-scale miners, Zimbabwe Miners' Federation (ZMF) national chairperson, Lufeyi Shato has said. Speaking at the Zimbabwe Environment and Mining Institute workshop in Harare yesterday, Shato said the gold sector had 20 000 miners already operating in Zimbabwe and were contributing quite a lot to the fiscus. "This sector (mining) alone managed to produce 17 tonnes of gold and by year end will be able to reach 18 tonnes of gold. We are going to surpass the 20 tonnes target next year," he said. I think we are going to surpass the 20 tonnes of gold target which government has put in place, From the 20 tonnes, 10 tonnes will be coming from small-scale miners." Shato, however, said the small scale miners were facing a number of challenges that include shortage of financing, lack of machinery and power outages. He said from a cost of doing business analysis, a small scale miner requires $25 000 per annum to operate legally. Shato added that the cost of production was very high and that dollarisation also meant that everything had gone up. In his 2016 National Budget, Finance minister Patrick Chinamasa said the mining sector was expected to rebound, growing by 2,4%, on the back of planned investments, and largely driven by strong performance of gold, chrome, coal, nickel, platinum and diamonds. He said the projected growth takes cognisance of the constraints facing the sector, namely, depressed international mineral prices, falling demand in export markets, financing, as well as power shortages. Gold output is expected to reach 18,7 tonnes from last year's 15,3 tonnes. *(News Day)*

TOURIST arrivals at Zimbabwe's prime resort, Victoria Falls have plunged to below 85% on average in 2015 compared to last year's numbers due to the introduction of the value added tax (VAT) and depreciation of regional currencies, an official has said. Employers' Association of Tourism and Safari Operators president, Clement Mukwasi, told NewsDay that tourist arrivals in Victoria Falls were expected to fall to below 85% compared to last year in the same period. "We are expecting to achieve below 85% of last year's figures on average," Mukwasi, who is an executive of the Shearwater Adventures Group, said. He said the numbers of tourist arrivals were declining as regional currencies were weaker, makinging Zimbabwe more expensive compared to its neighbours. "You will find out that tourists from these countries, such as South Africa, prefer to go to countries with weaker currencies than theirs," he said. Tourism players are still crying foul over the introduction of VAT on foreign tourists' payments for accommodation and tourism-related services. The move has been described as "not intelligent" by Tourism minister Walter Mzembi, as it makes the country an expensive destination. The industry is also on the recovery path, following the Ebola virus outbreak in West Africa last year, which saw Zimbabwe losing business worth $6 million in 2014, according to the Zimbabwe Tourism Authority.

According to a report by the Zimbabwe Tourism Authority (ZTA), Zimbabwe's overall tourist arrivals were at 930 276 in the first six months of 2015, compared to 876 163 registered in the corresponding period last year boosted by mainly South African visitors. Mukwasi remained

optimistic that next year would be better than 2015, as they had introduced a number of measures to keep the industry moving such, as three-tier approach system. Meanwhile, Mukwasi commended the move by the government to declare Victoria Falls a tourism special economic zone, as it would have positive effects in addressing liquidity challenges in the country and revives the financial sector. He said the declaration would facilitate entry of new players bringing competitiveness into the industry. Mukwasi said it was not only the tourism sector that would benefit from such a move, but also some players in the banking sector. Addressing delegates at the just-ended Local Government Economic Development Forum 2015 in Bulawayo on Wednesday, ZTA chief executive officer, Karikoga Kaseke said Victoria Falls needed about 1 000 more rooms by 2020. He said the country has become a transit route, as last year about 600 000 tourists passed through Zimbabwe to South Africa.Kaseke urged the government to build a mall in Victoria Falls to make it a shopping destination for the Sadc region. *(News Day)*

TURNOVER on the Zimbabwe Stock Exchange (ZSE) is expected to fall to $250 million on the back of a slugging economy, the bourse has said. Last year, turnover was $452 million. In an interview, ZSE chief executive officer, Alban Chirume said as at the end of December 10 this, month the turnover was $220,14 million. "We are going to do less than $250 million by end of this year. We believe in 2016, the capital markets will be under pressure. Lately, there has been more foreign sellers than purchases. This is worrying because traditionally, foreign investors transactions on the market are more than 50%," he said. The stock exchange turnover in 2016 will be the same as 2015 and the industrial index will remain depressed, Chirume projected. "This outlook can change if it can be demonstrated that companies can access finance," he said. Chirume said the fact that foreigners are net sellers in a market that is depressed meant they are willing to take huge losses and move their money elsewhere. "This tends to give an impression that they may not be in the market in 2016. The local investors are changing their portfolio from equities to fixed income securities since they have suffered over 29% loss on their portfolios this year," he said. Finance minister Patrick Chinamasa said in the 2016 National Budget statement the local bourse was depressed due to illiquid conditions and high trading costs. He said in the interim, it was necessary that measures be instituted to lower trading costs and broaden the variety of products on the market. *(News Day)*

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