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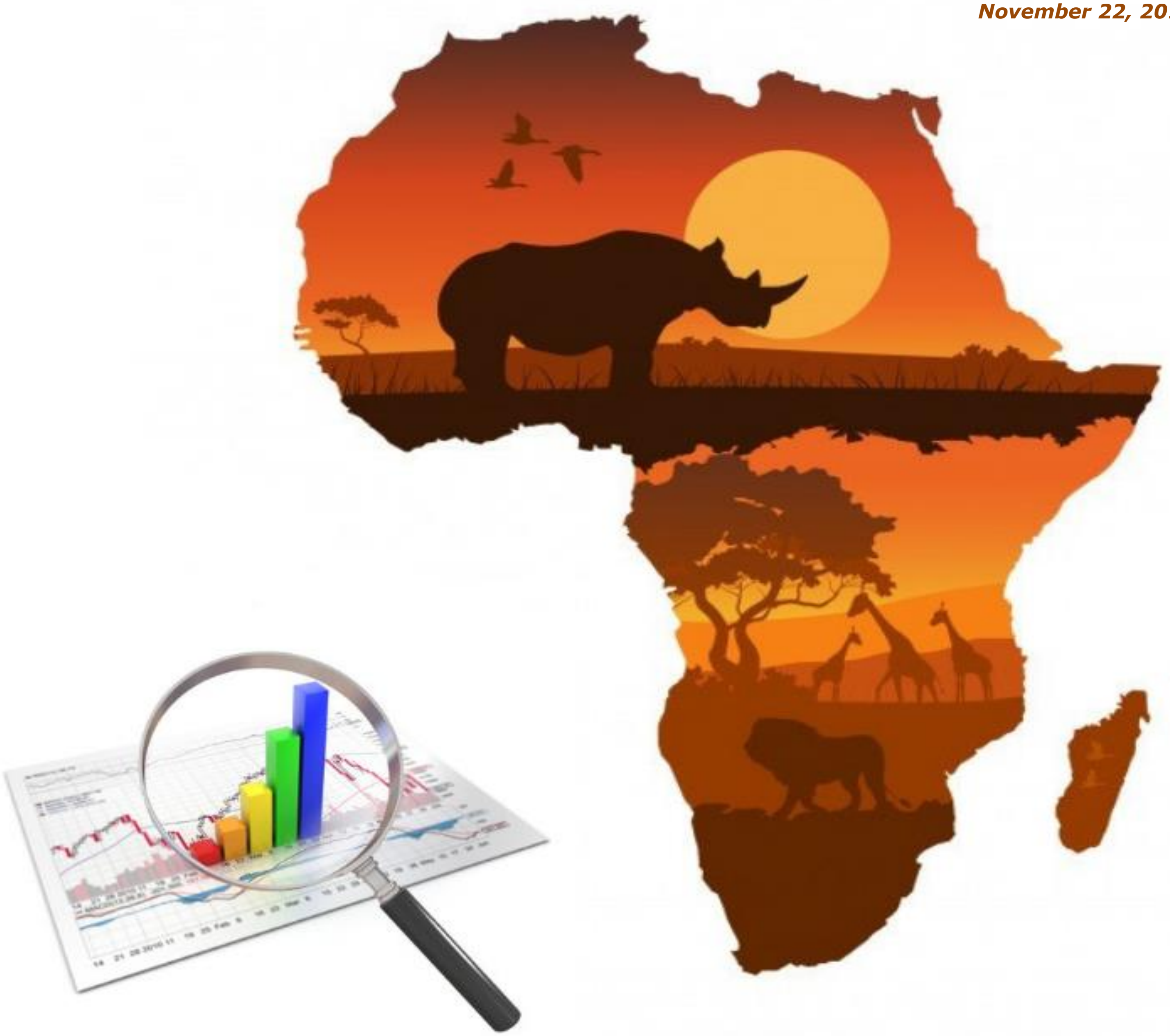

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ECONOMIC & POLICY

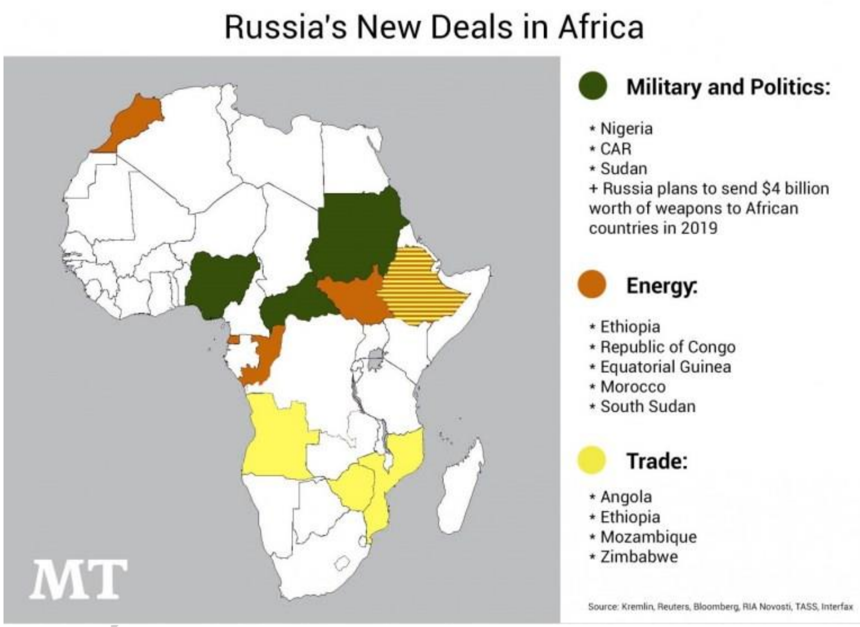
Russia has joined the 'scramble' for Africa

Over the last five years, there have been gatherings of leaders from nearly all 54 African countries in Washington in August 2014, in Beijing in July 2018 and most recently in Moscow in October.

These summits have been seen in the context of a new "scramble" for the continent, primarily pitting a growing, more confident and resource-hungry China against the West, which sees it as a threat to its global hegemony. However, what the role and ambition of Russia is, has been less clear.

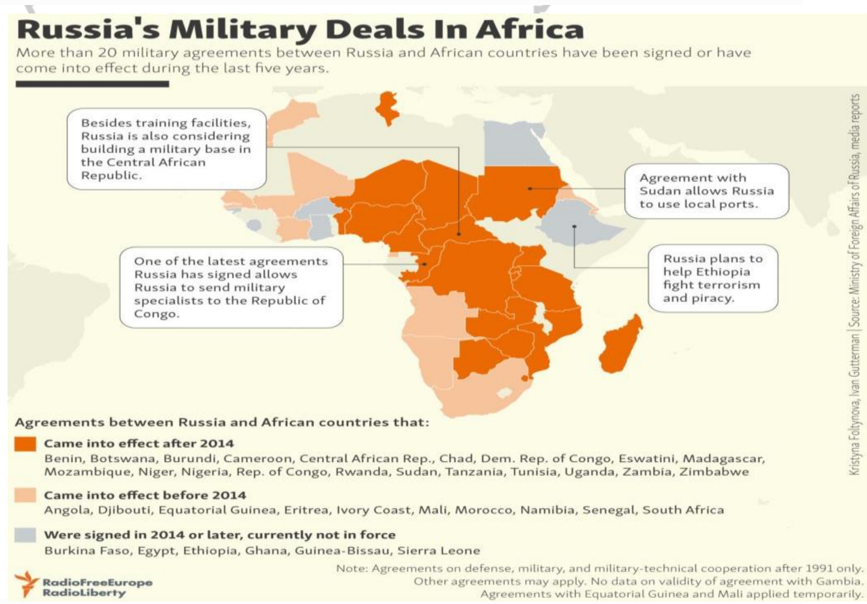
Though during the Cold War, Moscow was a significant player on the continent, its interest in Africa was tangential at best, ultimately tied to maintaining its global prestige as a superpower and limiting the influence of its rivals, China and the United States. Africa offered the prospect of "maximum gains for winning world influence with minimum risk".

Initially, under Joseph Stalin's rule in the 1930s and 1940s, the continent was almost completely ignored. But following his death, Soviet influence in Africa gradually accelerated, beginning with Egypt in 1954 and reaching its heyday in the 1970s when together with its Cuban and East-German allies, it succeeded in projecting itself as a real force in African affairs.



The Soviet-led Eastern bloc provided economic and technical aid as well as valuable security and political support to friendly African governments facing both internal and external threats. It was also one of the main suppliers of weapons to the continent.

Moscow's ally Cuba sent expeditionary forces to fight in Angola and Ethiopia; the Soviets provided security guarantees to the front-line states bordering apartheid South Africa; East Germans organized and dominated secret police forces across the continent. One commentator in the late 1980s noted that "through such instruments Moscow has virtually eliminated the prospect of pro-Soviet African regimes being removed by force. In a region characterized by coups, it is remarkable that no regime afforded Soviet, Cuban, and East German protection has succumbed to one."



With the fall of the Berlin Wall, and the subsequent demise of the Soviet Union, whatever attraction Africa felt for its Marxist-Leninist ideology has largely dissipated. Further, in the last three decades, Russia has mostly retreated from its continental adventures and seemed more concerned about events at home and closer to its borders. However, as it seeks to reassert itself on the world stage, Africa is still seen as providing "low-cost, high-profile" opportunities to burnish its prestige.

Still, the Africa of today is very different from that of the 1970s and 1980s and while maintaining some of the tactics that were successful in yesteryears, such as the use of proxy forces in places like the Central African Republic and the sale of light and heavy weapons to regimes with dubious human rights records, Russia has evolved others more in tune with the times.

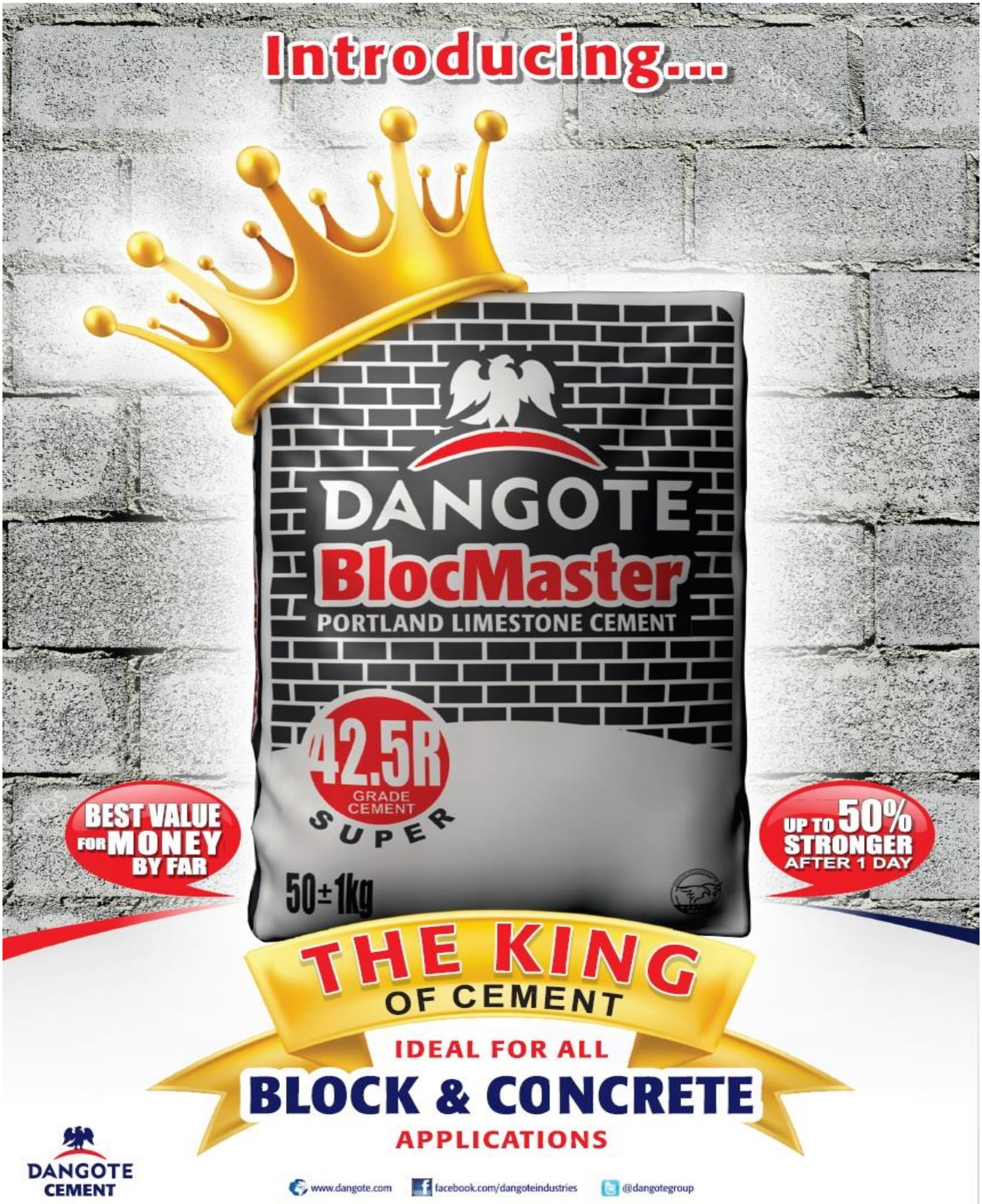
According to Proekt (The Project), an independent Moscow-based online investigative news outlet, Kremlin-linked teams have used social media "troll farms" and spin doctors to interfere in politics and elections in 20 countries on the continent, particularly in Francophone Africa, but with mixed success so far. According to the Financial Times "across Africa, Moscow has deployed teams of military instructors to train elite presidential guards, sent arms shipments and assisted shaky autocrats with election strategies. It has also promised to build nuclear power plants and develop oil wells and diamond mines. "The Guardian has also reported on leaked documents showing a wide-scale Russian effort "to bolster its presence in at least 13 countries across Africa by building relations with existing rulers, striking military deals, and grooming a new generation of 'leaders' and undercover 'agents'."

The goal of Russian efforts seems largely unchanged from the Soviet days - essentially to counter and limit the influence of others on the continent. The benefits for autocrats seeking to hang on to power on the continent is similarly easy to ascertain. However, for their youthful subjects, many of whom have little experience or recollection of the Soviet Union, the renewed Russian interest is likely to be viewed with scepticism.

Aligning itself with autocrats and offering nuclear power plants will do little to bolster confidence in its intentions among people already chafing under Chinese debt for similar infrastructure and "development" projects.

Further, Russia's record of election interference both in Africa and in the West is unlikely to go down well on a continent with the world's highest internet penetration growth rates and where social media is increasingly set to influence politics.

The pictures of African delegates toying with Russian weapons will do little to convince a new generation that Russia is looking to engage Africa's people rather than just their rulers.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Central Africa sees worst floods in 20 years

In late October severe flooding was reported in parts of the Central African Republic (CAR), Cameroon, Chad, and a few other countries in the Sub-Saharan region, and has left tens of thousands of people in need of aid owing to the destruction of homes, buildings and supporting infrastructure.

Heavy rains in Central Africa have continued beyond the end of monsoon season, causing severe flooding that has displaced nearly 30,000 people in Cameroon and the CAR. On October 28th these rains also caused a landslide in western Cameroon, killing at least 42 people. In September the deluges of rain caused a breaking of the flood barrier along the Logone River, which separates Cameroon and Chad. Quick repair was impossible owing to the unavailability of materials; causing further flooding in nearby regions. The CAR has now declared a national emergency.

The flooding adds to the already poor security conditions in the region. In the CAR, violent clashes between rebel armed groups are rising once again, despite a peace deal signed in February. In Cameroon's far north region (bordering Nigeria and Chad)—which is frequently hit by Boko

Haram attacks—there is a growing risk that the terrorist group could take advantage of the disruption and stage further attacks.

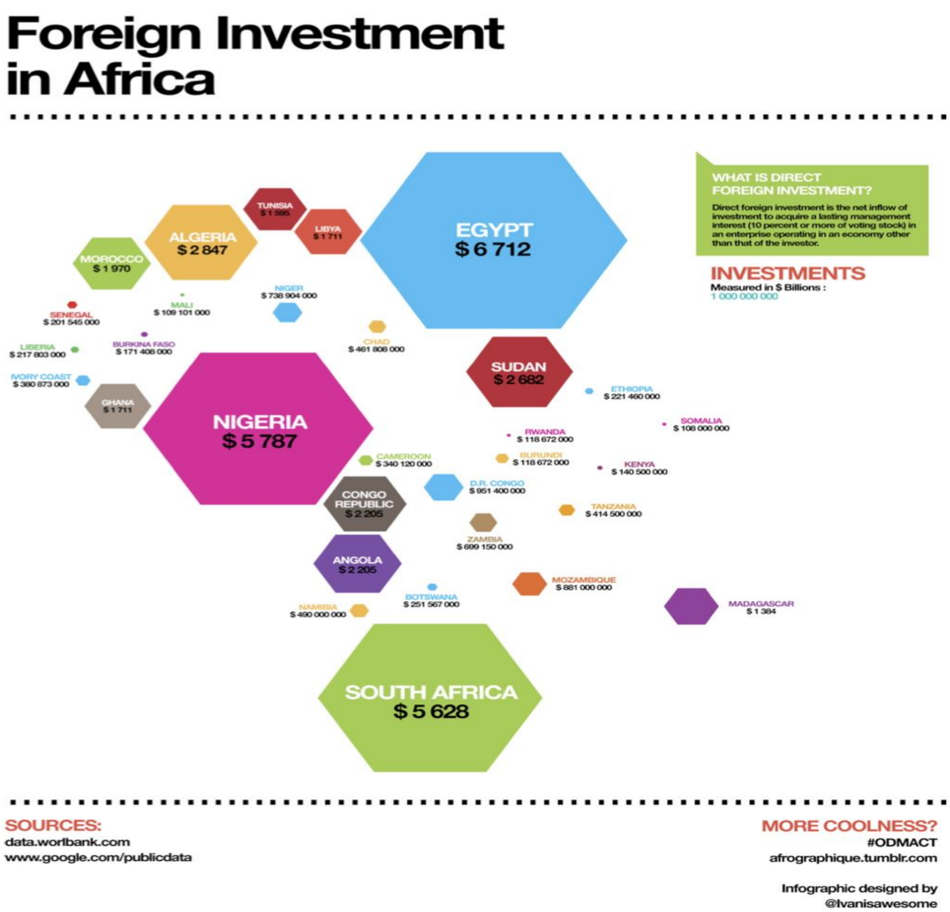
There is also a high risk of the floods resulting in food shortages and waterborne diseases, which will pose an additional burden in terms of government expenditure on these countries. The full extent of the damage is yet to be determined and will only be known once the floods have subsided. Nevertheless, as the floods have been localised in certain areas of Central Africa, we do not expect the effect on agricultural output to be adverse or the other regions to be affected. That said, the floods have highlighted the countries' vulnerability to weather-related shocks and further investments in drainage and canal systems, all-weather roads and irrigation capacity will be needed. However, we do not expect them to be made in the short term, given the government's other spending burdens.

Is Africa open for business?

The October releases of Doing Business 2020 from the World Bank and the Global Competitiveness Report 2019 from the World Economic Forum (WEF) offer a fresh chance to assess the relative standing of Sub-Saharan Africa (SSA). Both convey the message that SSA is improving in absolute terms but making slower progress in relative terms because other regions are reforming at a similar or faster pace. Within this broad context, some SSA countries are rising up the rankings while others are falling, underlining the region's diversity. A notable feature of the various league tables now published—including Transparency International's Corruption Perceptions Index and The Economist Intelligence Unit's Democracy Index—is the leading position held by a select group of countries that regularly appear in the top 10 of several indices: Botswana, Cabo Verde, Ghana, Mauritius, Namibia, Rwanda, Seychelles, Senegal and South Africa. This is hardly surprising, given the obvious correlations between governance, corruption, economic performance and policy coherence.

No single index can capture the complexities of a country's business environment, as each takes a different perspective. The Doing Business index, covering 190 countries, focuses on the regulatory framework, using objective measures such as the time needed to start a business, making it simple to understand and explaining its appeal to policymakers. It also has flaws (as do all the indices), as many aspects of the business climate are not included, such as corruption and infrastructure. The Doing Business index also applies solely to mid-sized local firms, overlooking small enterprises and multinationals, which typically encounter different rules. The WEF's competitiveness index takes a much broader perspective, assessing factors such as institutions, skills and innovation, but many parameters are subjective and country coverage is smaller (at about 140). Additionally, some pillars, such as health and the macro-economy, are based on just one or two underlying indicators. Regular changes in methodology in both indices make comparisons over time less reliable. Our business environment rankings cover just four African countries: Nigeria, Angola, South Africa, and Kenya. The scores for these countries typically suffer from weak corporate governance and regulation, as well as poorly trained labour forces and, in countries such as Angola and Nigeria, an over-reliance on hydrocarbons. Nevertheless, despite the problems of operating in the region, rates of return can be high for those firms that can master the complicated political environment and regulatory climate.

Doing business in SSA



In the WB Doing Business league, Mauritius tops the regional rankings by a large margin—coming first in five of the ten components—and stands 13th globally. Tarnishing this impressive performance is its reputation for facilitating tax evasion. Rwanda ranks second regionally (out of 48 countries), despite dropping nine places globally to 38th. Kenya, third regionally, made a strong advance globally, rising five places to 56th, to mark a fifth consecutive year of improvement. Kenya undertook several reforms in the year to end-May (the cut-off point), making it easier to deal with construction permits, secure an electricity supply, obtain credit, pay taxes and resolve insolvency, although registering property became harder. Illustrating potential flaws in the index, however, Kenya ranks first globally for protecting minority investors, which seems far-fetched. South Africa, fourth in the region, dipped two places globally to 84th, despite facilitating contract enforcement and, in contrast with Kenya, is sliding over time. Zambia, Botswana, Togo, Seychelles, Namibia and Malawi complete the SSA top ten. Nigeria's regional (17th) and global (133rd) rankings are much poorer, although the World Bank named the country as one of the top ten global reformers this year, alongside Togo. Last year, in contrast, SSA claimed five of the top ten spots: Djibouti, Togo, Kenya, Cote d'Ivoire, and Rwanda.

Competitiveness is a relative concept

Several of the best Doing Business locations in SSA also feature in the regional top 10 in the WEF's competitiveness index. Mauritius claims top spot (out of 34 countries), to lie 52nd globally, followed by South Africa, which posted a seven-place global rise to 60th, on the back of a strong improvement in its underlying score, especially in the institutions category. Seychelles came third, Botswana fourth, Namibia fifth, Kenya sixth and Rwanda seventh, with both Namibia and Rwanda, like South Africa, registering solid advances. Ghana, Cabo Verde and Senegal (114th globally) rounded off the top 10. A large majority of SSA countries posted higher scores in the 2019 WEF index, but only nine made ranking gains and, by extension, competitiveness gains.

List-topping countries

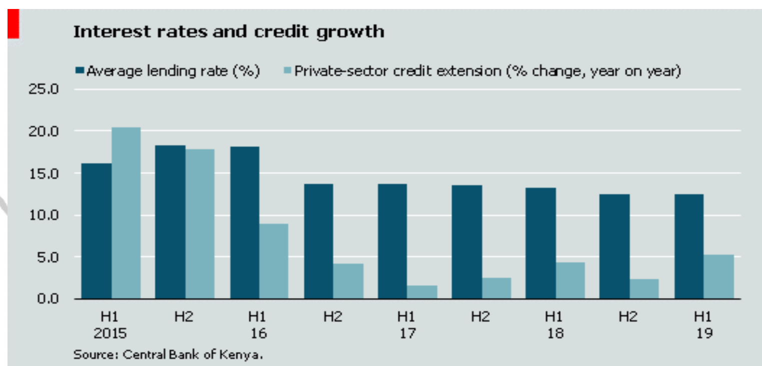
Given the close links between good governance and economic performance, it comes as no surprise that SSA's top-ranked states in the CPI and the Democracy index feature many of the same names. Seychelles leads the corruption rankings, followed by Botswana, Cabo Verde, Rwanda, Namibia, Mauritius, Senegal and South Africa. In terms of democracy, Mauritius leads from Cabo Verde, Botswana, South Africa, Lesotho, Ghana, Namibia and Senegal, with other countries falling below the threshold for being rated as democratic. Yet another league, the Fragile States Index, is similar, with the least fragile SSA countries being Mauritius, Seychelles, Botswana, Ghana, Namibia, Cabo Verde, Gabon and South Africa.

From a broad perspective, the countries that appear in the top 10 in all five indices—Botswana, Mauritius, Namibia and South Africa—can be seen as the most favourable business locations. South Africa's orbit extends to the other three, to varying degrees. Cabo Verde, Ghana and Seychelles (with four top tens), Rwanda and Senegal (with three) and Benin, Kenya, Lesotho and Zambia (with two apiece) all hold promise but each has particular challenges. Kenya, for example, ranks well on regulations and competitiveness, but falls down on corruption and democracy.

The various indices highlight two main factors. SSA is advancing in absolute terms, by cutting red tape for example, but is failing to make gains compared to other regions. Second, regional gains are concentrated in a select group of countries, while others risk lagging behind. In the medium term, SSA will start making gains vis-à-vis other regions, as they reach the limits of improvement, although divergences and disparities within SSA will be more persistent. SSA is clearly open for business but the indices can provide no more than a snapshot, sometimes fuzzy, of the operating environment in the region's diverse markets.

Kenya scraps controversial interest rate cap legislation

The controversial cap on bank lending rates ended on November 5th when parliament failed to overturn the cap's earlier rejection by the president, Uhuru Kenyatta, in mid-October. The National Assembly required a two-thirds majority (of 233) to override Kenyatta's objection to the finance bill for fiscal year 2019/20 (July-June) but fell short of the target needed, largely because most legislators were absent. The president's amended finance bill, shorn of the rate cap, therefore passes into law. Poor attendance in the house was an implicit endorsement of the president's position, rather than a sign of disinterest. In a final twist, parliament added a clause (via a simple majority) to ensure that rates charged on loans disbursed while the cap was in force will not to be affected, although banks had already agreed to make this provision during their campaign against the cap.

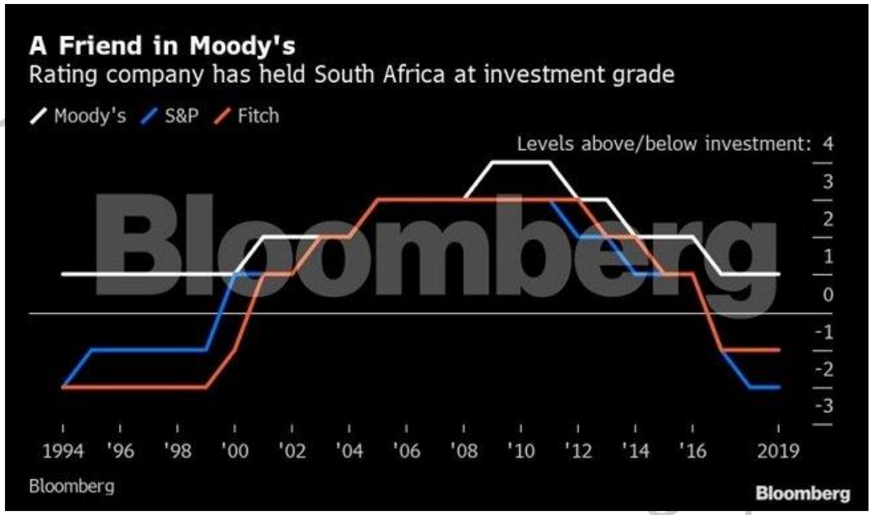


Removing the cap, imposed in September 2016 at 400 basis points above of the benchmark rate set by the Central Bank of Kenya (CBK), currently 9%, will give a significant boost to private-sector credit extension, which has slumped under the cap, because of banks' inability to price risk appropriately. Private-sector credit growth slowed from double-digit rates prior to the cap, to within the 2-5% range thereafter, leading to a sustained contraction in real, inflation-adjusted terms, with riskier borrowers bearing the brunt. Despite lower loan rates under the cap, the non-performing loan ratio continued to head higher (peaking at 12.9% in June), dismantling claims by the cap's proponents that cheaper loans would lead to fewer defaults. Concerns that bad debts will now rise because of higher interest rates might also be wrong.

Average loans rates will head higher but we expect banks to move cautiously, given the sensitivities surrounding the cap. Credit growth will quicken, perhaps returning to double-digit levels—as favoured by the CBK and the Treasury—potentially boosting GDP growth. Removing the cap will also strengthen relations with the IMF and facilitate the conduct of monetary policy by making it easier for the CBK to change the benchmark rate without simultaneously altering lending rates. With inflation currently subdued, a rate cut later in November is now more likely.

South Africa moves a step closer to junk status

On November 1st, a credit rating agency, Moody's, changed South Africa's outlook from stable to negative, which could herald a downgrade to junk in 2020.



In theory, Moody's decision, which came as no surprise, gives South Africa a 12-18-month window to avoid junk status, but, in practice, the budget for fiscal year 2020/21 (April-March), to be unveiled in February, will be the primary determinant. The change of Moody's outlook to negative stems directly from the medium-term budget policy statement (MTBPS), released on October 30th, which lifts the projected deficit by a large margin to 5.9% of GDP in 2019/20 (from 4.5% of GDP in February), and to 6.5% of GDP in 2020/21 (from 4.3% of GDP). The Treasury's forecasts for the public debt stock rise in tandem, hitting 71.3% of GDP in 2022/23, roughly 10 percentage points higher than the February forecast. The gloomy but realistic assessment reflects hefty bail-outs for failing parastatals, especially Eskom (the state-run power firm), and revenue shortfalls caused by insipid GDP growth.

The figures alone justified Moody's change of outlook but the agency additionally warned that reforms proposed by the government to boost growth and curb spending could fall victim to political divisions within the ruling African National Congress (ANC). Even the new, upwardly revised budget deficits will be hard to meet unless the government can negotiate a deal with trade unions to cut the bloated public-sector wage bill. With the MTBPS lacking finer details about spending and revenue plans, the focus now switches to the 2020/21 budget, which may represent South Africa's last chance to maintain an investment-grade credit rating. Most analysts' expect South Africa's outlook to continue to put some downward pressure on the rand and upward pressure on bond yields, although the short-term impact is proving mild, as the alteration was largely expected. Moody's full downgrade to junk would be more damaging—possibly leading to forced capital outflows by some institutional investors and higher borrowing costs across the economy.

South Africa's investment summit secures $25bn of fresh funding

A second investment summit convened by the president, Cyril Ramaphosa, on November 5th-7th, attended by 1,500 delegates, secured new investment pledges of about R370bn ($25bn). This is roughly 25% higher than what was committed at a first summit in October 2018.

Ramaphosa is, therefore, moving closer to achieving his objective of securing R1.5trn in new investment over five years—from both domestic and foreign sources—geared towards boosting growth and job creation. Specific commitments made at the new summit include R50bn over five years from MTN, one of South Africa's two largest telecoms firms, R23bn over 3-5 years from Transnet, the transport parastatal, and R14bn from Sappi, a paper-maker. In the mining sector, Exxaro and Rio Tinto committed to invest R20bn and R6.5bn respectively, while Anglo American reaffirmed last year's commitment to invest R72bn over five years, of which R19bn has already been spent on diamond, iron ore, coal and platinum ventures. A major new R30bn platinum mine will follow. Government investment of R12.9bn in a new agricultural support vehicle, and R6bn to support transformation in the automobile industry add to the tally. The state is also investing R3.5bn to help to establish a dedicated special economic zone for vehicles adjacent to Ford's Silverton plant in Gauteng. Amazon Web Services, while giving no specific figures, reiterated its intention to launch a dedicated local data centre in 2020.

Describing the summit as a "vote of confidence" in the economy, with the potential to create more than 400,000 jobs, Mr Ramaphosa and his newly appointed investment envoys—Derek Hanekom for tourism and Jeff Radebe for oil and gas—were also frank about the challenges facing investors, acknowledging the need for more policy certainty, less onerous regulations, greater macroeconomic stability, less corruption and more stable electricity supplies. The newly made commitments will not necessarily translate into actual investment, although the signs are promising: Mr Ramaphosa says that of the R300bn committed on 31 projects in 2018, R238bn has already been spent, or is assured, with eight projects now complete and 17 under way. The possible loss of South Africa's last remaining investment-grade credit rating poses a threat to foreign portfolio investment, although foreign direct investment is far less vulnerable to credit-rating shifts.

Sub-Saharan Africa's GDP growth projected to rise to a modest 2.6% in 2019

Sub-Saharan Africa's opportunities are vast, and its challenges persistent. Home to the world's largest free trade area and a 1.2 billion-person market, the continent is poised to create an entirely new development path harnessing the potential of its resources and people.

Average growth rates across the continent are not yet reflecting this sentiment. Growth in Sub-Saharan Africa is projected to rise to a modest 2.6% in 2019 from 2.5% in 2018, according to the World Bnak. However, this masks big differences between countries. Four of the fastest growing economies in the world in 2019 are in Africa: Cote d'Ivoire, Ethiopia, Ghana, and Rwanda.

The slower-than-expected overall growth in 2018 reflects ongoing global uncertainty, increasingly from domestic macroeconomic instability including poorly managed debt, inflation, and deficits; political and regulatory uncertainty; and fragility. It also belies stronger performance in several smaller economies that continue to grow steadily.

At the same time, the recovery in Nigeria, Angola, and South Africa—the region's three largest economies—has remained fragile and is bringing down the regional average. In Nigeria, growth in the non-oil sector has been sluggish, while in Angola the oil sector remained weak. In South Africa, low investment sentiment is weighing on economic activity.

Excluding Nigeria, South Africa, and Angola, growth in the rest of the subcontinent is expected to remain robust, although slower in some countries. The average growth among non-resource-intensive countries is projected to edge down, reflecting the effects of tropical cyclones in Mozambique and Zimbabwe, political uncertainty in Sudan, weaker agricultural exports in Kenya, and fiscal consolidation in Senegal.

Several challenges remain and are holding back progress. Public debt levels and debt risk are rising, which might jeopardize debt sustainability in some countries; the availability of good jobs has not kept pace with the number of entrants in the labor force; fragility is costing the subcontinent a half of a percentage point of growth per year; gender gaps persist and are keeping the continent from reaching its full growth and innovation potential, and 416 million Africans still live in extreme poverty.

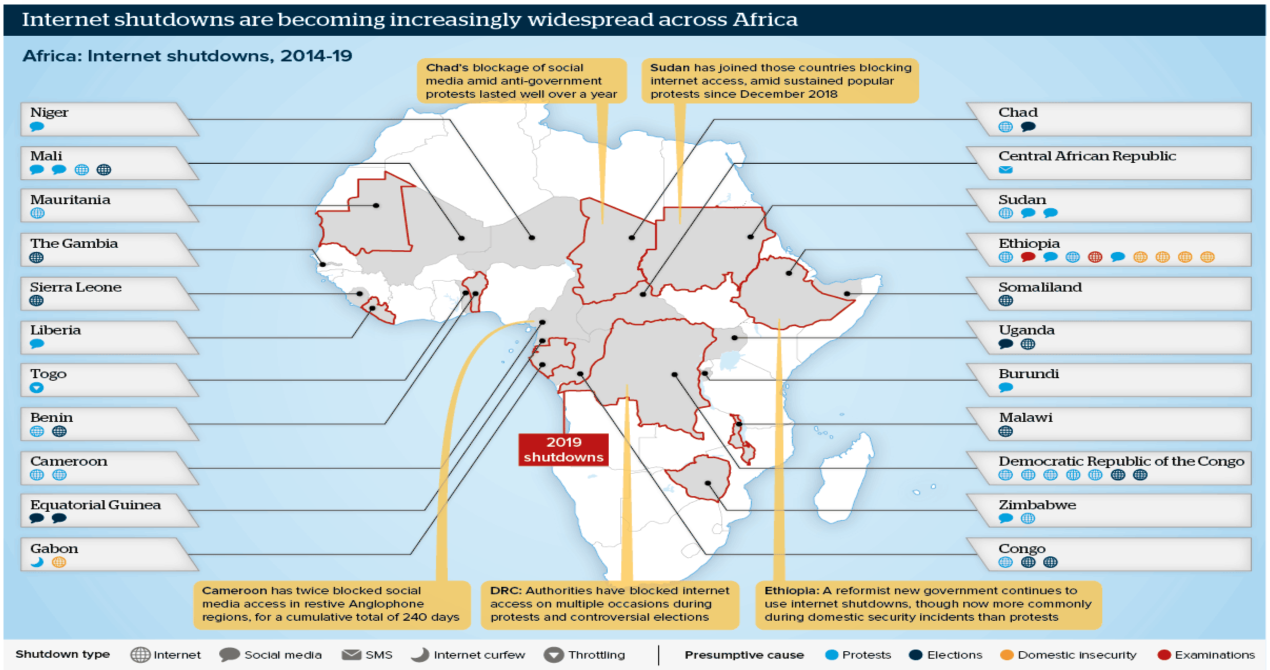
SSA GDP Growth Comparison		
Country	**Quarterly GDP Growth rate (%)**	**2019 GDP Growth forecast (%)**
Angola	-0.1 (Q2'19)	-1.4
Ethiopia	N/A	7
Ghana	5.7 (Q2'19)	6.8
Ivory Coast	7.4 (Q2'19)	7.1
Kenya	5.6 (Q2'19)	5.4
Nigeria	2.3 (Q3'19)	2
Rwanda	12.2 (Q2'19)	7.5
South Africa	0.9 (Q2'19)	0.5

Africans face most expensive internet charges in the world

Consumers in African countries are paying some of the highest rates in the world for internet access as a proportion of income, according to a new report released in late October. The Alliance for Affordable Internet (A4AI) assessed 136 low and middle-income countries for their annual Affordability Report. Middle-income examples from the report include Malaysia, Colombia, India, Jamaica, South Africa, and Ghana, while low income examples were Nepal, Mali, Haiti, Liberia, Yemen, and Mozambique.

The A4AI is an initiative of The Web Foundation, founded by inventor of the Web Tim Berners-Lee, with partner organizations that include Google and Facebook. The A4AI defines affordability as 1GB of mobile broadband data costing no more than 2% of average monthly income. But the average across the African continent is 7.12%, and in some cases 1GB costs more than a fifth of average earnings.

Such prices are "too expensive for all but the wealthiest few," the report states, citing cost as the primary reason why an estimated 49% of the global population remains offline. The report authors argue that sluggish markets and monopolies are a primary cause of high prices and offer several policy prescriptions to address the issue. African countries are subject to the least affordable internet prices in the world, according to A4AI data.



Citizens of Chad, DR Congo, and the Central African Republic must all pay more than 20% of average earnings for 1GB of mobile broadband data. By contrast, the most affordable rates in the continent are in Egypt at 0.5% and Mauritius at 0.59%.

Overall, the report found that costs are falling faster in low-income countries than middle-income counterparts, but in many cases prices remain prohibitive. A4AI's primary recommendation is for greater liberalization of markets and measures to increase competitiveness. "Competition is core to successful broadband markets," the report states.

The authors' estimate that moving from "consolidated markets" -- monopolies -- to multi-operator markets could drastically reduce costs of mobile broadband data. Recommended measures to increase competition include "fair rules for market entry and incentives to encourage new competitors," such as a liberal and transparent licensing regime.

A4AI has also created a Good Practices Database with case studies of low and middle-income countries improving access, such as Namibia, which has allowed new service providers to enter the market and seen costs decline. Kenya was also cited for making internet access available for millions of its citizens by eliminating a tax on handsets.

MARKETS ACROSS SUB-SAHARAN AFRICA

(November till date)[1]

Nairobi

The Nairobi Stock Exchange started out the month of November on a bearish streak. The ASI however recovered its gains to close at 150.11 on November 08.

Treasury Bills

	01 Nov(p.a)	08 Nov (p.a)	Variance
91-day	6.814	6.738	-0.076
182-day	7.578	7.487	-0.091
364-day	9.050	8.759	-0.291

Forex Market

The Kenyan shilling opened the month of November at KES100.35 but has so far appreciated by 1.25% against the US dollar to close at KES102.23 as at November 22. This was as a result of a rise in the demand for dollars especially among oil importers and excess liquidity in the local money market.

Tanzania

The ASI index lost 2.40% to close at 1,887.68 on November 21 from 1,974.54 on October 31.. The decline can be attributed to the banks, finance and investment index which declined by 3.26% to 2,056.39 from 2,125.58.

Forex Market

Tanzania shilling appreciated by 0.19% from TSh2,304.23 on November 01 to TSh2,299.88 as at November 17. The currency has appreciated by roughly 2.5% against the US dollar year-to-date. Tanzania is also helping Kenya and Uganda combat money laundering by banning exchange of its old bank notes.

Treasury Bills

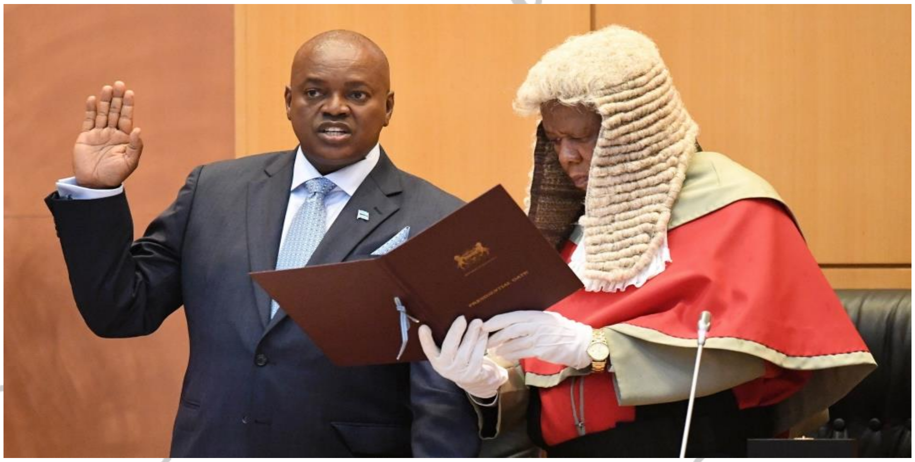
	02 Nov (p.a)	14 Nov (p.a)	Variance
91-day	4.12	4.25	0.13
182-day	5.07	5.19	0.12
364-day	9.05	9.09	0.04

The rate increased by 0.11bps, 0.06bps and 0.02bps for the 91-day, 182-day and 364-day instrument respectively from results on November 02 and November 14.

POLITICAL UPDATE

Mokgweetsi Masisi sworn in as Botswana's president for second term

Eric Mokgweetsi Masisi has been sworn in for another five-year term after winning the hotly contested October 23 election. Masisi promised to improve people's lives by creating jobs and diversifying the country's economy.



"Having been sworn in, I want to reiterate my determination to devote my time and energy to improve the lives of our citizens who are yearning for the social and economic transformation of our country. I wish to emphasise here that people of Botswana should always remain at the epicentre of our development agenda," President Masisi said, during the ceremony televised live.

The 58 year-old, who took the oath of office at the University of Botswana Indoor Sports Arena in the capital, Gaborone, said he would ensure that Botswana moves from a dependence on diamond and minerals to a knowledge-based economy.

Masisi was elected after his Botswana Democratic Party (BDP) won 67 per cent of the parliamentary seats.

His inauguration ceremony was attended by Zimbabwean President Emmerson Mnangagwa, Zambian President Edgar Lungu and representatives of other Southern African Development Community (SADC) regional heads of state.

Despite a resounding BDP win, the main opposition, the Umbrella for Democratic Change (UDC), is disputing the vote outcome, and says it is still gathering evidence to legally contest the results.

US removes Cameroon from trade pact over alleged 'persistent' human rights violations

The US is cutting Cameroon from a trade pact over allegations of human rights violations. President Donald Trump said the West African nation failed to address concerns over its "persistent gross violations of internationally recognized human rights'' allegedly committed by Cameroon's security forces. The US also cut more than $17 million in security aid and support to Cameroon in February over concerns about its human rights record.

In a letter addressed to Congress on November 7, Trump cited accusations of torture and extrajudicial killings of citizens by the country's military as reasons for removing Cameroon from the African Growth and Opportunity Act (AGOA).

AGOA helps sub-Saharan countries improve trade ties with the US. Eligible countries must meet criteria including a good human rights record to benefit from the trade.

Cameroon is reeling under the impact of an Anglophone revolt that began in its English-speaking provinces in 2016 after residents complained of being marginalized by the largely Francophone government. Security forces also have been in a standoff with separatists in these areas, and both sides have been accused of killing and torturing citizens in the crossfire. Cameroon's Minister Delegate at the Ministry of External Relations Felix Mbayu claimed the sanctions were not linked to its human rights record. "The simple truth is that the US is unhappy with a certain stance we take with China," he said.

In February, China wrote off some of Cameroon's debts. China also is carrying out projects in Cameroon to forge better ties with the government. In a statement reaffirming its commitment to West African nation despite the sanctions, the US Embassy in Cameroon valued the country's export to the US at $220 million in 2018. It added that more than a quarter of the exports came off the AGOA legislation with 90 percent from petroleum exports.

Islamist insurgency violence on the rise in Mozambique

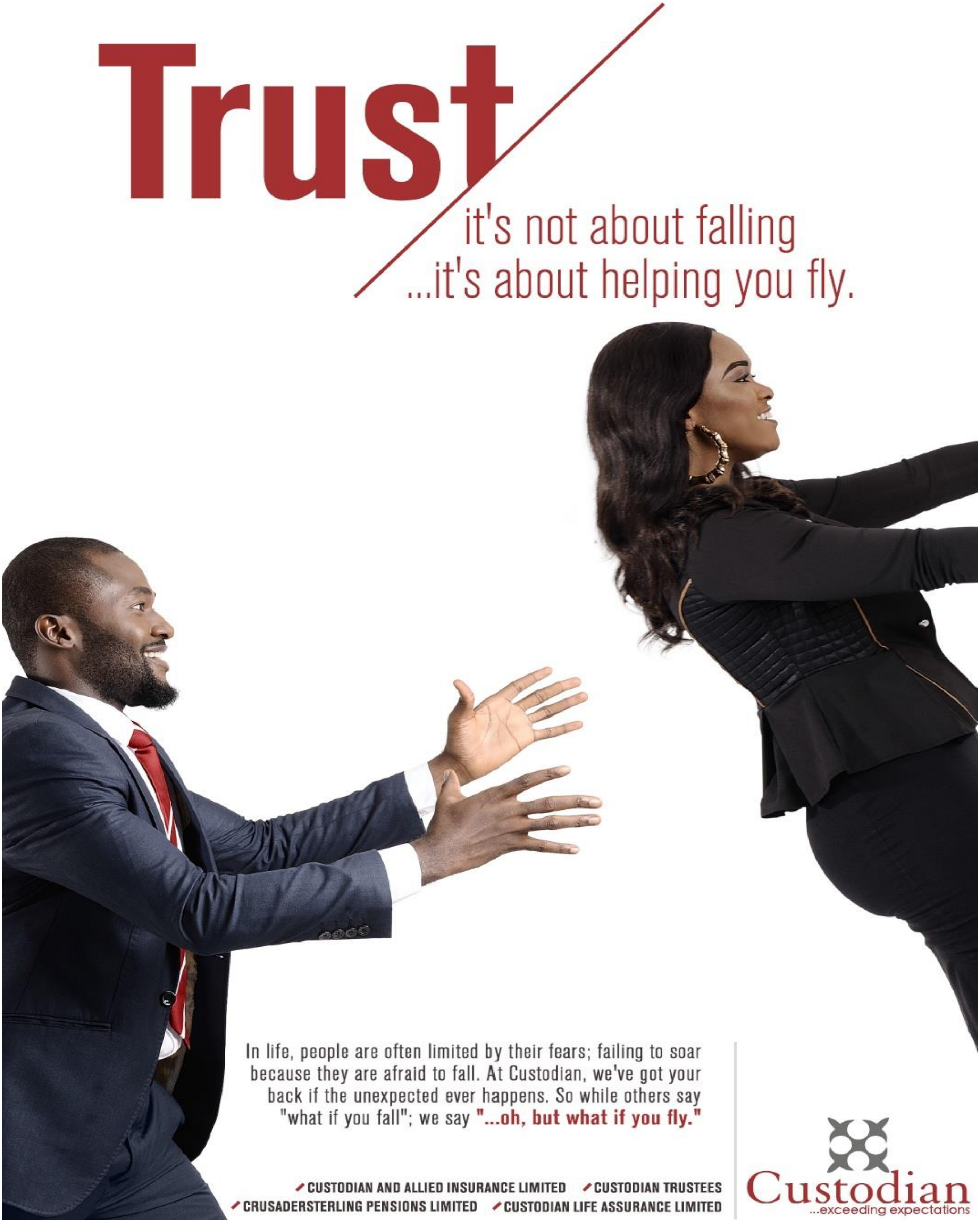
In recent weeks, 10 Russian private military contractors have been killed by gunmen reportedly linked to Islamic State (IS) in the northern Cabo Delgado province, as the group's violent insurgency has gained momentum.

The deaths of the mercenaries in two separate incidents (on October 31st and November 3rd) indicate that the Islamist insurgency is accelerating and has not been materially deterred by the intervention of the Russian private military contractor, the Wagner Group. The group has been contracted by the Mozambique authorities to aid the security forces' struggling counter-insurgency campaign. The Russian casualties—and more than 20 deaths among the Forças Armadas por Defesa de Moçambique (FADM)—have taken place less than a month after the arrival of Wagner and 200 Russian personnel and military equipment, including three attack helicopters. The terms of Wagner's involvement, and how it will be compensated, have not been disclosed. Russia's involvement in Mozambique is rising, and includes bilateral agreements on official and commercial co-operation.

The incidents in which the Russians died follow a week of sharp escalation in violence related to the insurgency; this includes two other violent attacks in which 14 civilians died and a number of transport trucks were destroyed on November 1st and November 3rd in the north-eastern part of the Cabo Delgado region in or near to Mocimboa da

Praia district. Civilian displacement from the area has surged as the local population has begun to flee to urban areas, where safety can be more easily assured.

The insurgency has caused an estimated 300 civilian deaths in the two years since it began in October 2017. Since then, the shadowy Islamist group has done little to communicate its views and objectives to the public or the authorities.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Ethiopian Airlines Retrofit Airbus A350 with Wi-Fi

Ethiopian Airlines has announced the fitting of a new Wi-Fi service aboard its Airbus A350 fleet. The Airbus A350 is the flagship of the state-owned enterprise, and there are currently twelve of them in service. All A350s have been upgraded with a Ka-band satellite broadband that will provide passengers with high-speed Wi-Fi during flights. Ethiopia Airlines plans to adopt this new Wi-Fi service on its other aircraft which operate long-haul routes. This is good news for passengers who are considering flying with Ethiopian Airlines as it provides greater value added than the typical African carrier.

Nigeria Has a New International Airport in Asaba

The capital of Delta state in Nigeria is once again ready to receive international flights after getting approval from the federal government. The Nigerian Minister of Aviation, Hadi Sirka, stated that the airport had met government requirements and that the government wanted no further delays in the commencement of flights. Asaba is situated around 500 kilometers east of Lagos and has had an airport for a long time, but poor infrastructure drove many to patronize the Benin City export instead. The airport's official purpose is to connect Asaba locals to the rest of Nigeria, but many consider it to be a vanity project started by the previous governor.

As of 2013, Asaba Airport was doing steady business, and averaged 6,880 passengers per month on 260 flights. In 2015, however, the Nigerian Civil Aviation Authority downgraded the airport's capacity over concerns of inadequate infrastructure. The lack of a perimeter fence, the poor personnel training and the rundown runway meant that larger aircraft like the 737 could no longer safely use the airport. The following year work commenced on restoring the runway to decent condition. The runway is 3.4 kilometers long, theoretically capable of receiving a 747 aircraft. It has been an eventful short life for Asaba International Airport, but Africa is in dire need of good aviation infrastructure. Issues with funding, governance, and management have held Asaba back. If these issues can be sorted, Asaba International has a fair chance of developing into a decent airport.

EgyptAir Takes Delivery Of Its First Airbus A220

The first of twelve Airbus A220s has been handed over to representatives at EgyptAir in Montreal, Canada. Two weeks ago the aircraft took its first flight, and now it has been ceremoniously handed over to its new owner. EgyptAir intends to put the plane into operation almost immediately.

EgyptAir has ordered twelve Airbus A220-300s from Airbus in order to replace 10 aircraft it has used for regional operations. However, the company can choose to expand its regional network with the Airbus A220 as it has options to order another 12 in place. The Airbus A220 will be fit with 140 seats, making it suitable for the 100-150 seat market. Of these, 15 will be premium economy seats while the remaining 125 will be standard economy seats.

Kenya Airways' Revenue Jumps 12% on Network Expansion Gains

Kenya Airways has recorded a 12.2% increase in revenue for the half year period ended June 30, 2019. This was attributable to good performance of the recently introduced routes. H1 revenue rose to Kshs. 58.55 billion from Kshs. 52.19 billion over the same period last year. The Kenya Airways board announced that the strategic investment initiatives that had been implemented over the past two years are gradually paying off. In particular, investments in new routes to Mogadishu, Rome, Libreville, New York, Mauritius, Malindi and Geneva caused passenger numbers to rise by 6.6% to 2.4 million. This in turn boosted passenger revenues to Kshs. 42.60 billion

Kenya Airways recalled two Boeing 787 aircraft that it had sub-leased to Oman Air. It expects to see positive returns from their employment. The CEO of Kenya Airways, Sebastian Mikosz announced that the airline still has plans to expand its strategic network. Furthermore, despite the increased flight frequency, Kenya Airways kept fuel costs low through a combination of its hedging program as well as favorable global fuel prices. Fuel costs rose by only 5.1% to Kshs. 15.70 billion from Kshs. 14.95 billion in 2018. Revenues from ancillary sources as well as Maintenance, Repair and Overhaul (MRO) jumped by 45.20% to Kshs. 10.65 billion this year from Kshs. 7.34 billion in 2018. Cargo revenues rose to Kshs. 4.22 billion.

15-year old Zimbabwean girl shines in Motocross tournament

Born in Harare, Zimbabwe, Tanyaradzawa 'Tanya' Muzinda is not your typical teenage girl. At the tender age of 15 she's one of Zimbabwe's Motorcross champions. Motorcross is an expensive and dangerous form of motorbike racing that takes place on off-road circuits. Inspired by her father, Tanya started riding at the tender age of 5. The sport has a significant risk of injury, and in 2017 Tanya hurt her hip and back while practicing for a race. Still, the young lady was far from dissuaded. She went on to finish third place in the 2017 HL Racing British Master Kids Championship in England. In 2018 she was named Junior Sportswoman of the Year in South Africa. Motorcross is an expensive sport and Tanya often misses championships since it is too costly to travel abroad to compete. Another challenge regarding international competitions that she faces is the stigma from coming from a relatively poorer country. However, with support from her family, friends and mentor, she remains upbeat. She also tries to find the time to give back to her community, and she often donates her winnings to support children from poorer families.

Osei Bonsu Assigned as International Art Curator in London's Tate Modern

In early October, Osei Bonsu, a British-Ghanian was assigned as the international art curator for the African arm of the Tate Modern in London. He joins Devika Singh and Nabila Abdel Nabi who will respectively oversee the Asian arm of modern art and the Middle Eastern arm of contemporary art respectively. The director of Tate Modern, Frances Morris has backed his appointment as playing a critical role in expanding the museum's knowledge of modern and contemporary art. Bonsu lectures on modern and contemporary art, and was the chairperson of the 2019 African Art in Venice Forum. Bonsu has written a catalog on African and South American art, and also curated an exhibition commissioned by Jeu de Paume in 2017.

FINANCIAL AND ECONOMIC INDICATORS

Country	GDP Annual Growth Rate (%)			Inflation Rate (%)			Interest Rate (%p.a.)	Exchange Rate ($)
	Current		2019f	Current		Trend	Current	Per $
Angola	-0.1	Q2'19	0.40	17.47	Oct	Upwards	15.50	343.69
Botswana	4.30	Q2'19	3.90	2.90	Aug	Upwards	5.00	10.62
Cameroon	4.60	Q4'18	4.40	2.30	Dec	Upwards	3.50	582.97
DRC	4.10	Q1'19	4.30	3.80	Aug	Downwards	9.00	1,649.89
Ethiopia	8.50	Q4'18	7.70	18.60	Sept	Upwards	7.00	29.12
Gabon	2.00	Q4'18	3.10	1.00	Aug	Downward	3.50	582.97
Ghana	4.20	Q2'19	7.20	7.70	Oct	Downwards	16.00	5.44
Guinea	5.80	Q4'18	5.90	9.90	Aug	Constant	12.50	9,245.00
Ivory Coast	6.70	Q1'19	7.00	1.20	Oct	Upwards	4.50	582.05
Kenya	5.60	Q2'19	5.80	6.27	Sept	Upwards	9.00	102.23
Liberia	2.50	Q4'17	0.40	29.90	July	Downwards	12.40	197.29
Mozambique	2.50	Q1'19	4.00	2.16	Oct	Downwards	13.25	62.22
Nigeria	2.28	Q3'19	2.30	111.61	Oct	Upwards	13.50	361.67
Rwanda	6.40	Q2'19	7.80	1.50	Sept	Upwards	5.00	897.50
Senegal	5.70	Q1'19	6.90	1.10	Sept	Upwards	4.50	582.05
South Africa	1.20	Q2'19	1.50	3.70	Oct	Downwards	6.75	14.06
Tanzania	6.80	Q1'19	4.00	3.50	Oct	Upwards	7.00	2,299.88
Uganda	6.30	Q2'19	6.30	2.70	Oct	Upwards	10.00	3,702.25
Zambia	3.70	Q4'18	3.10	10.70	Oct	Upwards	10.25	12.84
Zimbabwe	4.00	Q4'18	-5.20	288.85	Aug	Upwards	9.23	N/A

AGRICULTURE	Nov 22 ($)	Nov 01($)	% Weekly Change	YTD %
Cocoa	2,492.00	2,365.00	1.33	0.70
Wheat	524.00	527.25	0.51	2.14
Corn	441.25	431.50	2.26	17.67
Sugar	12.39	12.62	0.33	4.24
ENERGY				
Brent	62.29	63.85	0.41	18.62
WTI	57.40	56.47	1.93	26.27
LNG	2.59	2.57	0.87	22.11
METALS				
Gold	1,342.90	1,313.70	0.51	10.90
Copper	268.30	271.35	1.12	1.98
Silver	15.35	15.34	0.07	1.22

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