



## A look at **business, economic and regulatory activity** across the African continent



### country focus

### Angola

- Angola has a population of around 30 million, with annual population growth of 2.8% and life expectancy of 50 years
- Capital: Luanda
- Languages spoken: Portuguese (official language), English, French and Spanish
- Currency: Kwanza (AOA)
- Economic data (*IMF DataMapper, October 2018*):
  - 2019 Projected Real GDP growth (% change): 3.1
  - 2019 Projected CPI (% change): 15.8
- Angola is the second largest oil producer in Africa, second only to Nigeria. The country also holds the third largest oil reserves in Africa. Current crude oil production is around 1.7 m barrels per day.
- Angola is a constitutional democracy. The current government elected in August 2017 seems committed to strengthening governance and fighting corruption
- The next presidential elections are scheduled for 2022
- The government supports and promotes investment by national and foreign investors in strategic sectors - agriculture, construction, energy and water, infrastructure, ITC
- The new Private Investment Law (PIL) governs foreign investments. Angolan partners must retain a minimum 35% share capital in investment projects
- The Financial Institutions Law regulates banking and nonbanking activities, such as insurance
- Social Security: Both employers & employees must make monthly contributions to the INSS at 8% and 3% respectively



### recent regulations

#### DRC

- New contribution rates to the National Social Security Fund (NSSF) from 01 Jan 2019.
  - 6.5% for family contributions
  - 10% (divided equally between employer and employee) for retirement contributions
  - 1.5% for professional risks contributions (unchanged and to be borne by the employer).

#### Ghana

- The National Health Insurance Scheme Levy (NHIL) contribution is no longer subject to an input tax deduction
- Persons who are taxable under the VAT scheme at a flat rate of 3% are exempt from NHIL contributions.

#### Mozambique

- The basis of assessment of contributions to the National Social Security Institute (NSSI) is expanded to require embassy employees, artists and sportsmen, to make contributions

#### Namibia

- Amendment of regulations: Long-term and Short-term Insurance Acts, 1998 and the Medical Aid Funds Act, 1995
  - Short-term and long-term insurance business must invest in domestic assets, not less than the following percentages of the market value of their total assets; and
  - Registered medical aid funds must keep in Namibia, assets of a minimum of the following percentages of the total value of assets:
    - 31 August 2018, not less than 40%
    - 30 November 2018, not less than 42.5%
    - 31 March 2019, not less than 45%.



## economic news

### South Africa

- Finance Minister Tito Mboweni presented his maiden Budget in February that aligns with President Cyril Ramapoza's vision to set the country on a bold new path. Key focus areas are:
  - Reform of SARS, the revenue collection agency
  - Reduction in government expenditure
  - Restructuring of state-owned enterprises, specifically Eskom the power utility
  - Consolidated fiscal framework
  - Educational system development
- Consumer inflation eased to 4,0% y/y in January from 4,5% y/y in December and 5,2% y/y in November
- S&P Global Ratings revised its outlook for Eskom to "Stable" from "Negative"
- The first solar-powered seawater desalination plant in South Africa has produced more than 10 000 kilolitres (kl) of drinkable water

- Nearly 60% of South Africans think the government is not managing the economy well (Ipsos poll)

### Rest of Africa

- Fitch Ratings changed its outlook on Namibia's "BB+" credit rating to "negative" from "stable" on 21 February
- S&P Global Ratings revised Zambia's sovereign credit rating outlook to negative from stable and affirmed the debt grade at 'B-'
- Moody's revised Mozambique's sovereign credit outlook to stable from negative and affirmed a debt grade at 'Caa3'
- Mozambique's economy expanded by 3,1% y/y in the fourth quarter after a 3,2% y/y gain in the third quarter
- In 2018 the Nigeria economy expanded by 1,9%, after a 0,8% gain in 2017
- The Tunisian economy expanded by 2,2% y/y in Q4 after a 2,8 y/y gain in Q3



## business update

- Fund for Export Development in Africa (FEDA), a subsidiary of AfreximBank, will provide capital to SMEs in key focus sectors including technology, travel & tourism; transport & logistics and industrial parks
- Millennium Bank signs a EUR30-million financing agreement with Germany's Commerzbank to support investment projects aimed at diversifying the Angolan economy
- The IMF revises Sub Saharan countries' 2019 and 2020 growth downward
- AfreximBank supports Orascom Investment Holdings with a USD170-million loan to expand telecoms to Rwanda, Togo and Nigeria
- Italy to contribute EUR5.8-million to 3 new UNIDO agro-industry projects in Mozambique, Tunisia and the MENA region

- World Bank Group and Germany launch collaboration on Africa development projects in 6 countries in north Africa and Sub-Saharan Africa
- Completion of the power line interconnector project linking the Eastern Africa Power Pool (EAPP) and Southern Africa Power Pool (SAPP) is targeted for June 2020
- The governments of Ethiopia and Djibouti agree to build a 765km pipeline to transport gas from Ethiopia to Djibouti
- Sida invests USD50-million to increase off-grid energy access in Africa in the sub-Saharan Africa region to Burkina Faso, Liberia and Mozambique. The project will give 5 to 15 million people in rural and slum areas access to electricity

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### Sources

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