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MOZAMBIQUE

► Afonso Dhlakama is playing with fire

Since he lost by a landslide in the general election on 28 October, **Afonso Dhlakama**, the leader of **Renamo** (opposition) has been playing a dangerous game of verbal jousting. He has made a show of being prepared to use violence to contest the election results, which he claims are stained with fraud. Many irregularities did indeed take place, but even the most critical observers evaluate them as affecting at most 5% or 6% of the votes. They therefore do not have a significant effect on the balance of force in the final outcome. In fact, Dhlakama is making a lot of noise to try to gather the ranks of Renamo around him, as he knows he is increasingly contested within the party.

Guebuza tries to reassure. Last week President **Armando Guebuza** took endless initiatives to prevent his election victory together with that of **Frelimo** (governing party) from being tarnished by post-election violence, which would have been disastrous for the international image of his country. He is worried just as much by Dhlakama's calls to contest the election results as he is by the risk that Dhlakama might be dramatically ousted from the Renamo leadership by an internal settling of scores within the party. Guebuza therefore asked the representatives of the international community in Maputo as well as Dhlakama's "friends" abroad to persuade him to tone down a bit. The presidential office, via the Mozambican embassies in Lisbon, Washington and Rome, took up the task of passing this message on to **Matteo Zuppi** of the **Santo Egidio** community (close to the Vatican), **Maria Barroso** (the wife of the Socialist former President of Portugal **Mario Soares**) and the Archbishop of Beira, **Jaime Gonçalves**. Mrs Barroso phoned Dhlakama for this reason, as did the Portuguese Secretary of State for Foreign Affairs and Cooperation **Joao Cravinho**. For her part, Prime Minister **Luisa Diogo** began a tour of Europe, via Lisbon, to reassure the foreign investors.

Game over for Dhlakama? For his part, the leader of Renamo is going through a moment of high stress within his party. For the last few weeks he has been living as a virtual recluse in Nampula, in the hands of the local party official, **Lucia Afate**, who is providing his secretarial service, filters his calls and pushes him to remain intransigent. Last week, several groups of representatives of Renamo's rural wing, the section of the party that has the deepest roots in its ethnic strongholds, had meetings with him in Nampula, hence contributing to keeping him isolated from the rest of the country. This "Renamo of the countryside" faction supports violent protest against the election results. But the same cannot be said of "Renamo from Maputo", whose members are now particularly preoccupied to prepare for the future by ousting Dhlakama and recovering several of their party's historical leaders that the latter had pushed out over the years, namely **Raul Domingos**, the elderly and sick Commander **Ungwenya** and, naturally, the rising star **David Simango**. Nevertheless, in spite of this election defeat, Dhlakama still has international support among from the conservatives, via men like the Portuguese **Jaime Nogueira Pinto**, parties like the **Centro Democratico Social** de **Paulo Portas**, NGOs like the **Heritage Foundation** of the United States and members of the Portuguese intelligence service. The majority of them feel the time is not right to fight over the succession for the leadership of Renamo. But others, on the other hand, believe that Dhlakama is "finished" and that Guebuza would be well-advised to offer him a "consolation prize" such as an honorary post or a diplomatic appointment abroad.

Simango ready for 2014. The son of **Urias Simango**, a historical leader of Frelimo who was assassinated many years ago by his own comrades, David Simango has partly succeeded in his risky move of leaving Renamo and running in the election on 28 October. He polled half of Dhlakama's score in the presidential election and his new party won 8 seats. He is now beginning to have international support from American conservatives who are looking for an alternative to Dhlakama. But while he does well in urban areas, Simango is much less popular than Dhlakama in deprived rural regions. Moreover, in the future he will have to contend with some rising stars in Renamo, like **Herminio Morais** (of mixed race, from the southern part of the country) and the party spokesman **Fernando Mazanga**, who will not fail to come out of the wood as soon as the race is on to succeed Dhlakama.

■ BEHIND CLOSED DOORS

MAPUTO ▶ Two offspring of Mozambican dignitaries are constant business partners. **Celso Cadmiel Mutemba**, the son of the minister for fisheries, and **Pascoal Mahiteke Mocumbi**, the son of a former Prime Minister, are already in partnership in **Top Tours, Viagens Serviços et Turismo Lda** and in the property company **Oaktree Investments Lda**. They have now just founded **Sal & Pimenta Lda**, a company specialised in catering, together with two joint shareholders, **Salomao Cossa** and **Paul Lord**. The latter, who is already a partner in Oaktree Investments, is the CEO of **Quintessentially** in Mozambique and a shareholder in **Tahiluk Lda**.

DAR ES SALAAM ▶ The squabble between two businessmen in the **Chama cha Mapindunzi** (CCM) is to end up in the courts. To be sure, **Reginald Mengi**, the chairman of the firm **IPP Ltd**, decided to take legal action against the CCM MP **Rostam Aziz**. The reason for Mengi's action is an article that he considers libellous, published in the Swahili language tabloid *Mtanzania* owned by Aziz. The article stated that the authorities had called for Mengi and others to be sacked from the board of the **National Investment Company Ltd** and indicted for attempting to falsify the company accounts. Mengi has instructed the firm **Ngalo & Company Advocates** to file proceedings against Aziz.

ANTANANARIVO ▶ The French Ambassador to Madagascar, **Jean Marc Châtaigner**, has shifted into top gear. The signature of the recent agreement in Addis Ababa between the four Malagasy political sides recognised **Andry Rajoelina** as the President of Transition, even though he is accompanied by two joint presidents. Châtaigner therefore lost no time in presenting him his letters of accreditation, doing so on 10 November. In this way he wanted to send a strong message in favour of rapidly setting up a new government of national unity and the other institutions, as set out in the Addis Ababa agreement. Châtaigner then devoted one of his first actions as an accredited Ambassador to visiting the French-Malagasy **Ralitera Randrianandraina** in prison. This former director of security of the Constitutional High Court, the husband of the chairwoman of the "legalist" women supporters of ousted President **Marc Ravalomanana**, had been arrested in April for illegally possessing weapons. He should normally have been freed in August under the terms of the Maputo agreement.

▶ UMP revival in Madagascar.

The fever to split the party that had afflicted the partisans of the **Union pour un Mouvement Populaire** (UMP, French presidential party) in Madagascar during the election for *Assemblée des Français de l'Étranger* (AFE) last June (ION 1263) has now healed. For **Xavier Desplanques** the time has come to revive this party's political activity in Antananarivo ahead of the French parliamentary election in 2012. To be sure, in this future poll, the French Indian Ocean voters will all be considered as part of the same electoral constituency as those in several other African and Middle East countries. But in view of the large number (25,000) of French or holders of dual French-Malagasy nationality and electors in the Indian Ocean islands (Comoros, Mauritius and the Seychelles), the UMP could hope "to hope to field a candidate from the Indian Ocean" in the French parliamentary election. Desplanques therefore formed a provisional board for UMP Madagascar. This consists of eight members, including **Patric Touzeau** (his rival in the AFE election) in the post of general secretary and **Patrick Charron**, the manager of **Car Center Andraharo**, as deputy general secretary. The team is completed by **Jean Paul Lictevoet** (owner of the security company **SAS**), **Olivier Aigle** (economic operator on Nosy-Be), **Edmont Lepont** (a former engineer in the French electricity company **EDF**), **François Vitoz** (director of a security company) and **Franck Legrand**, the owner of the **Rossini** restaurant in Antananarivo where the second meeting of the new UMP Madagascar will be held on 17 November. Legrand is the nephew of the late Malagasy Prime Minister **Francisque Ravony**.

▶ Arab magnates don't like the Seychelles coco de mer.

The stamp used by the Seychelles immigration services for foreign visitors' passports will no longer represent the coco de mer. Sometimes referred to as the sea coconut, coco fesse or the Seychelles nut, this palm is endemic in the archipelago and has become its national emblem. The official reason for replacing it by a completely anonymous square stamp is that it took up too much space on passports. Not very easy to believe, because it had been used for nearly five years. In fact, the change of official stamp follows complaints from certain wealthy Arab visitors who took offence from an image that too explicitly resembles a pair of buttocks. It should be said that President **James Michel** can refuse nothing to certain Arab magnates who invest heavily in the Seychelles, beginning with the Emir of Abu Dhabi and the President of the Union of Arab

Emirates (UAE), Sheikh **Khalifa bin Zayed Al Nahyan**, who owns two large properties and several villas on Mahé. Last week, President Michel visited him in Abu Dhabi to ask him to speed up the disbursement of a \$30 million gift to finance the construction of housing in the Seychelles.

■ An Ethiopian town under high surveillance.

In the afternoon and evening of 3 November, the town of **Harar** in the eastern part of the country was under high military surveillance. Some army vehicles carrying machine guns drove through the town, checking the streets. The reason for this movement was that arms had been stolen from a military depot in the town. A certain Major **Hassan Warsame Mohamed** was arrested and transferred to Addis Ababa, accused of collaborating with agents of the **Ogaden National Liberation Front** (ONLF, armed opposition) to carry out the theft. According to certain local observers it is not unusual for government army officers, including **Tigrayans**, to be involved in illegal arms deals in Ethiopia.

▶ Norway interested in oil in Zanzibar.

In July the Zanzibar government decided to take over the management of searching for oil on its territory, which had hitherto been under the control of the government of the Union of Tanzania, based in Dar es Salaam. In the same stride, Norway accepted to sponsor a conference on prospecting for oil and gas on the island. This is to be held on 12 and 13 November in Zanzibar at the invitation of the local ministry for energy. The Norwegian government should finance the travelling expenses of delegates from Pemba and the daily allowance for Zanzibar MPs and ministers as well as for the experts attending this event.

▶ Gideon Gono under NGO surveillance in Zimbabwe.

After the affair in which the firm **Nestlé** bought milk from a farm owned by President **Robert Mugabe's** family, **United Nations** agencies have become very attentive about companies owned by **Zanu-PF** heavyweights. **Gideon Gono**, the governor of the **Reserve Bank of Zimbabwe** (RBZ), is in their line of site. His trading empire is already under surveillance by the Zimbabwe Finance Minister **Tendai Biti**. **Unicef** consequently cancelled a major contract with **Zimbabwe Publishing House** (ZPH) suspected of belonging to Gono.



■ KENYA

KACC investigates a minister

The management practice of the Minister of Education **Sam Ogeri** could soon be the subject of an investigation by the **Kenya Anti Corruption Commission (KACC)** concerning a sum of 261 million shillings (€2.2 million). This sum had been intended to be used for the procurement of equipment for use in secondary schools throughout the country by the **Kenya Schools Equipment Authority (KSEA)**, a State body depending on the ministry of education and run by one of the minister's relatives, **Ben Anyona**. KSEA had received this sum at the beginning of the year, but only spent 75 million shillings (€640,000) to acquire a part of the school equipment from the firm **Valcum Ltd**. The KACC wanted to know what happened to the remaining 186 million shillings (€1.6 million) after the auditors of the ministry of education brought the subject to the attention of the permanent secretary **Karega Mutahi**. The KACC investigators have already questioned Anyona and now want to hear Ogeri's account of how the money was spent. However, they need to obtain an authorisation from the attorney general **Amos Wako** if they want to question the minister of education.

DJIBOUTI

The Afar sultan's sons come to visit

► **The Djibouti authorities want to persuade the sons of Ali Mirah, the Sultan of Awsa, to help them resist against Eritrea and fight the Djibouti FRUD rebels.**

Invited by the Djibouti authorities, **Hanfareh Ali Mirah**, the son of the *Afar* Sultan of Awsa in Ethiopia, went to Djibouti twice, in September and October 2009, after not having set foot there for many years. On 9 September the Djibouti government even issued him a diplomatic passport so that he could go to Riyadh to visit his sick father. His brother **Omar** who lives in exile in the United Kingdom went to Djibouti around the same time. After a stay in Riyadh, the two brothers went back to Djibouti again in the second half of October, where the local authorities made them separate offers to cooperate. Hanfareh may even have been received by President **Ismail Omar Guelleh**. Afterwards, they may have had discussions with the chief of security, **Hassan Saïd** who may have suggested recruiting Afars from Awsa. The latter would then be trained and armed so that they could defend Djibouti against Eritrea and bring the **FRUD** Afar rebels in northern Djibouti to heel.

The third son of the Sultan of Awsa, **Habib Ali Mirah**, who lives in Ethiopia, also went to Djibouti to meet with his brother Omar. While Habib and Omar appear to have categorically rejected the Djibouti authorities' proposal, Hanfareh may not have been totally opposed to the idea, at least to begin with. He did subsequently take on a more cautious stance, following the advice of his partisans. He is believed to have declared to the Djibouti Minister for Foreign Affairs, **Mahmoud Ali Youssouf**, whom he met in Cairo on 25 October, that he would prefer to play a role of mediator between President IOG and the armed FRUD.

TANZANIA

The tradition of double allocations

► **The PCCB's anti-corruption investigation on the double payments received by MPs has revealed a widespread practice within the government.**

The MPs could soon no longer be the only people concerned by the investigation of the **Prevention and Combating of Corruption Bureau (PCCB)** on the double allocations they are paid. Indeed, MPs are not the only people who combine these financial advantages, paid simultaneously by their party and by Parliament. Nor are they alone in keeping their travelling expenses, even when their costs are covered by the organisations or countries that have invited them. In this way, some former ministers manage to combine allocations or retirement pensions from the **Chama cha Mapinduzi (CCM)**, governing party), Parliament and the government.

Some heavyweights in the presidency appear to do likewise, keeping their unused travelling expenses. That is what happened when President **Jakaya Kikwete** went on an official visit to Libya two months ago. He and his retinue are believed to have taken 300 million shillings (€149,000) for their expenses, but did not spend them because they were the guests of **Muammar Gaddafi**. There is nothing to show that on their return, the unspent money was returned to the presidential budget.

MADAGASCAR

Roland Ratsiraka's support in Paris

► **The outgoing Vice President of the High Authority for Transition (HAT), Roland Ratsiraka, kicked off his campaign for the 2010 presidential election.**

Something that everybody in Antananarivo believes: money is what will make the difference between the candidates in the 2010 presidential election. A trip to Paris is considered a necessary exercise for the pre-candidates, whether it be to canvass potential donors or to make themselves known on the international stage.

After the former Deputy Prime Minister **Pierrot Rajaonarivelo** last month, it was now the turn of **Roland Ratsiraka** to try his hand. On 4 November he presented himself in a conference room hired for him at the **Hôtel Hilton Arc de Triomphe**, where the hundred or so present included two French MPs from opposite ends of the political spectrum. One was the Member for Aisne **Jacques Desallangre**, a member of the **Parti de Gauche** (opposition) led by **Jean-luc Mélenchon** and deputy chairman of the France-Madagascar friendship group in Parliament. The other was the **Union pour un Mouvement Populaire (UMP)**, French presidential party), **Jean François Mancel**, just back from a trip to Madagascar at the end of September at the invitation of the Malagasy businessman **Sylvain Rabetsarioana**.

Yves Corchia, the chief executive officer of **Agrunord** (a family business importing lychees from Madagascar), **Thierry Bardonnaut** of **Adoc Ingénierie** (a consulting company specialising in "high added-value projects") and **Bruno Vignal** of **Trans-Shipping Agencies** were also present at the Hilton for the soiree. So were several members of management from **Accor** (hotels) and **Vinci**.

KENYA

Administration Police takes to the air

► **The government security force known as the Administration Police will soon have an airborne unit to patrol the country's borders.**

The original plan was for the **Administration Police** (AP) and the **Kenya Police Force** (KPF) to merge, but this would not appear to be going through, because the AP will soon have its own airborne unit. It will acquire three aircraft for this purpose, which will be used for air patrols to help the Kenyan army monitor the country's borders and respond to certain security emergencies. This 10,000-man strong government security force will therefore get the upper hand on the regular police force, the KPF. Particularly as the AP will also modernise its arms: it will abandon its G-3 guns in favour of AK-47 assault weapons. Already equipped with modern anti-riot gear, the AP will also have boats for its unit patrolling lakes Victoria and Turkana as well as the Kenyan coast in the Indian Ocean.

Taking effect just when logically AP should have merged with KPF, this modernisation has caused friction between the commander of the AP, **Kinuthia Mbugua** and the former chief of police, General **Hussein Ali**, who was dismissed from his post a few weeks ago. The improvement in conditions of service for AP staff and the modernisation of their equipment has sparked allegations of ethnic favouritism from among the 30,000 "regular" policemen in the KPF. To be sure, Mbugua is a *Kikuyu*, as is President **Mwai Kibaki**, and certain KPF officers consider that this has helped the AP obtain funds from the ministry of finance and the office of the Head of State.

DJIBOUTI

President IOG's family network

► **We focus on the many of the Djibouti President's close relatives who have made their way in business or hold important posts in the civil service.**

President **Ismail Omar Guelleh's** (IOG) many brothers and sisters constitute a veritable family elite, who very often have a helping hand from the Head of State. IOG has, for example, imposed his brother, **Youssef Omar Guelleh** known as **Yuyé**, as a top civil servant in the **Intergovernmental Authority on Development** (IGAD) in Djibouti. Yuyé is moreover active, in a private capacity, in the port of Djibouti (transit and handling). Another of the President's brothers, **Guirreh Omar Guelleh** is at the head of **Guirreh Business Group** and of several other companies: **Madalmetal**, **Djibouti Steel Co** and **Goubet Trading Services**. For his part, **Saleh Omar Guelleh**, who works for the Djibouti water authority **ONED**, is also involved in the ports business. Meanwhile, **Saad Omar Guelleh**, a retired serviceman, is the head of the Djibouti port maintenance service and often plays a "clandestine" number two in this public body run by **Dubai Port World**.

One of the President's sisters, **Fatouma Omar Guelleh** is married to Colonel **Houssein Djama**, who has private activity in victual supplies. Another of IOG's sisters and former wife of Colonel **Omar Bouh**, **Muluka Omar Guelleh** has just remarried with a Canadian singer, **Omar Indayere**.

Aynache Omar Guelleh, the Djibouti presidential couple's only son, is still too young to follow in his parents' footsteps.

The two other children borne of IOG's marriage with **Kadra Mahamoud Haïd** are both daughters, one of whom is beginning to make her way in the property business in her mother's footsteps. IOG has a son by a previous marriage, **Liban Omar Guelleh**, who has made his way in business. The head of the firm **Cemex** (specialised in importing chinese vehicles), he works with Asian firms (like the South Korean **Hanaro Telecom**) and is active in real estate. But his relationship with his stepmother – the First Lady – is rather strained. She is even reported to have barred him from entering the presidential palace.

One of IOG's close cousins, **Djama Ali Guelleh**, has been the general manager of **Electricité de Djibouti** (EDD) for over twenty years. IOG also has a nephew, **Bouh Idriss Omar Guelleh**, the son of his late brother **Idriss**, who has taken over his father's business interests and formed ties with the East European financiers who a few years ago created the **Investment Bank of Africa** in Djibouti. He is currently connected with the firm **Africa Invest** which invited a Tanzanian bank to set up in Djibouti (ION 1270). IOG also has a niece who is married to the Minister for Agriculture, **Abdoulkader Kamil Mohamed**.

MADAGASCAR

Negotiations for a unity cabinet

► **The Addis Ababa agreement still leaves some issues to be settled. Certain ministries are sought by more than one camp and wheeler-dealing is taking place over the choice of people.**

A poignant example is the justice ministry, which is claimed by the camps of **Marc Ravalomanana** and of **Andry Rajoelina**. The same goes for the ministry of communication. All four political camps want the ministry of education, but the mediators believe they can satisfy everybody by carving it up into primary, higher, vocational training, etc. The camps of **Didier Ratsiraka** and of Rajoelina are concentrating on the ministry of mines and energy; so it is likely that this too may be split into mines on the one side and energy and oil on the other. **Ny Hasina Andriamanjato** who must relinquish his post of Minister for Foreign Affairs, wants to become President of the *Conseil Supérieur de la Transition* (CST). There is one problem however: the former Speaker of the National Assembly **Jean Lahiniriko** also wants the post.

The wheeler-dealing is only just starting over who is to get which job in the future government. **Manandafy Rakotonirina** would like to be Deputy Prime Minister. Meanwhile, the name of **Roland Ravatomanga**, the uncle of the head of the **Sodiati** group, **Mamy Ravatomanga**, is widely tipped as a possible Minister for Agriculture. The former director general of the **Banque Centrale de Madagascar** (BCM), **Ferdinand Velomita** is in the race for the ministry of finance, which is attributed to the Ratsiraka camp. Some men from the coastal regions will be appointed Minister of the Interior (possibly **Serge Radert**) and fisheries, both ministries going to the **Albert Zafy** camp. Rajoelina should maintain the current incumbents at the heads of the armed forces and the ministry of security. At least two potential candidates are in the running for the ministry of foreign affairs, which is attributed to the Ravalomanana camp: the present Ambassador to South Africa, **Denis Andriamandroso** and the former PDS (a kind of governor) of Antananarivo, **Guy Rivo Randrianarisoa**.



▶ **REA VIPINGO PLANTATIONS (Kenya/Tanzania)** The firm **REA Vipingo Plantations Ltd** (RVP), listed on the Nairobi Stock Exchange and specialised in growing sisal in Kenya and Tanzania, is expected to announce positive results for 2008-2009, with a turnover of almost \$ 65 million. This holding company is the umbrella for the Kenyan plantations of **DWA** and **Vipingo**, as well as the two Tanzanian sites of **Amboni Plantations Ltd** and **Wigglesworth Exporters Ltd** in Mombasa. RVP had considered selling its subsidiary **Amboni Spinning Mill**, based near Tanga (Tanzania), at the height of the economic crisis last year. Luckily, it had good advice and did not go through with the move. After losing 30% of its price on the world market, sisal has now recovered its value and sells for around \$1000 a tonne. The majority of RVP's equity is now held by the British family **Robinow** via its holding company listed on the London Stock Exchange, **REA Holdings Plc**. RVP employs 3,000 people a total of in Kenya and Tanzania. Its leading client is China.

■ **AG WELL DRILLING DJIBOUTI** The German national **Ulf Wewetzer**, who previously worked in Addis Ababa, has just created his own company in Djibouti. Called **AG Well Drilling Djibouti**, this firm – as its name suggests – specialises in geological studies for exploration and drilling for water. Wewetzer was previously the manager of **Al Nile Business Group** (ANBG-Drilling) in Ethiopia, a joint venture between the German company **Cellier Brunnenbau GmbH** and **Said & Bin Hermal Drilling Establishment** of the United Arab Emirates. ANBG operates in drilling wells for water in several countries in East Africa.

▶ **TRANSCENTURY GROUP (Kenya)** The investment company **Transcentury Group**, which is owned by a group of businessmen close to President **Mwai Kibaki**, has revised its business plan and should not be listed on the **Nairobi Stock Exchange** (NSE) quite as soon as it had originally planned. This group, which owns stakes in companies active in various sectors of activity, has decided to remain a closed club and not open its capital to outsiders straight away. Transcentury nevertheless reshuffled its executive last March, designating as its CEO 33 year old **Gachao Kiuna**, who previously worked for **McKinsey & Company** in South Africa. This choice was not by accident: Gachao Kiuna is believed to be

a close relative to one of the company's directors, **Peter Kanyago**. Separately, the CEO of Transcentury, **James Gachui**, who is in poor health, should soon take up his retirement and be replaced by one of the directors of the company.

▶ **WESTMINSTER GROUP (Sudan)** After winning a first contract last year worth \$4.7 million attributed by the South Sudan government to install a security system in the international airport at Juba, the British firm **Westminster Group Plc** has just obtained an additional deal worth \$2.72 million. This sum will be used to finance an extension to the previous contract and concerns the construction of a 6 km fence around Juba airport as well as the installation of various pieces of equipment: automatic licence plate recognition, surveillance cameras, lighting for parking areas, etc.

▶ **FIARO (Madagascar)** The director general of **Fiaro**, **Patrick Razafindrafito**, is currently in the process of reorganising the activity of this State-owned company specialised in the hotels sector with **Aro Hotel** in Antsirabe. He has just entrusted the Fiaro-Tourism branch into the hands of **Léon Ravelomantsoa**, who had already been running the Aro Hotel since 1993. The aim is to integrate two activities into this new branch: on the one hand tours based on the regions of Antsirabe and Tulear, and on the other hand hotel accommodation. The purpose of all this is to try to make up for the financial losses the firm has made since the beginning of the year due to the political crisis in Madagascar.

▶ **BELLO & MANCHAU INC. (Africa)** The Nigerian born American **Remi Bello** and the Frenchman **Melvin Manchau** went into partnership last month. They launched a consulting company in Austin, Texas, specialising on political risks exclusively centred on Africa. Called **Bello & Manchau Inc** (B&M), it will provide consulting services indifferently for private companies, NGOs, multilateral organisations and governments. These services will cover all kinds of sectors, but will nevertheless begin with mining and energy. The two partners have also launched **B&M AfriRisk Index** which compares the risks in various African countries based on a basket of data going from the variation in the price of commodities to the risks of coup d'état.

▶ **LONRHO (Mozambique)** The British company **Lonrho** can hardly be unhappy about the results recorded for the first three quarters of this year by **Hotel Cardoso** in Maputo. Lonrho both

operates this hotel and owns 59% of its equity. The occupancy rate is continuing to exceed previsions and almost reached 80% in July 2009. The results on average price per overnight stay are also on the up, reaching \$100, compared to just \$73 in July 2008. This is attributed, to a large extent, by the increase in the number of tourists from South Africa.

■ **ETHIOPIAN TELECOM-MUNICATION CORP.** The Ethiopian government's shortage of foreign currency is a serious handicap for the **Ethiopian Telecommunication Corporation** (ETC). This company had ordered a telecommunications development programme worth \$1.5 billion from the Chinese company **ZTE** which is currently carrying out the contract. ZTE had advanced the funds and is being paid by ETC in parallel as the work is progressing. However, according to information obtained by *The Indian Ocean Newsletter* in Addis Ababa, ETC is now finding it difficult to pay ZTE and has been obliged to sign promissory notes recognising the debt and promising to pay them at a later date. In the light of this news, it is easier to understand the scale of the task of the international consultant who will soon be selected to improve ETC's management and help the company increase its revenue.

▶ **IBI CORP. (Uganda)** The Canadian company **IBI Corp** which is working to devise a strategic partnership in uranium with the Ugandan government has just announced a new appointment to its board of directors: **Aldine Coffman**. Mr Coffman is currently the principal technical advisor on IBI's Uranium and Nuclear Strategy Advisory Board, and will continue in that role in addition to his new responsibilities as a director. Separately, **James Misener** has been appointed senior advisor to the board. For their part, **Henry Wildeboer** and **Paul Mack**, have left the board of IBI Corp. Since then they have had the opportunity to go on several field missions to Uganda.

▶ **SOGIR (Mozambique)** The State-owned company **Sogir** whose capital is 90% by the **Gabinete do Plano de Desenvolvimento da regio do vale do Zambeze** (GPZ) wants to start prospecting for limestone. It has therefore filed a request for a permit with the ministry for mines, for the Machaze region, Manica Province, in the central part of the country.

■ COMOROS

Sambi stands up to Bashar Kiwan

In general, the chairman of **Comoro Gulf Holding** (CGH), **Bashar Kiwan**, calls the shots in the Comoros, where he has a real hold over the government of the Union and on the President, **Ahmed Abdallah Sambi**. The Comoros authorities therefore more often than not attend to his every need. But there is one point on which President Sambi will not budge: CGH's promise to refurbish four small secondary ports in the archipelago in return for the licence to operate the mobile telephone service in Moroni which has already been attributed to him. However, while everything is in place to deploy the cell network, the same cannot be said of the work on the ports, which are still at the stage of "laying the first stone", carried out to much ceremony on the three islands on 21 September. President Sambi would find himself in an embarrassing position if the mobile telephone contract starts while the construction work on these secondary ports has not yet been completed. He would be vulnerable to criticism from his detractors who accuse him of "*selling off the country's assets cheaply to Bashar Kiwan*". This would not look very good for him, with the forthcoming elections in December for the islands' MPs and counsellors; Sambi makes no secret of the fact that he wants the newly elected members to subsequently accept his prolongation of the presidential mandate. Hence his apparently firm stance with the chairman of CGH over the mobile telephone issue. *Quod erat demonstrandum!*

KENYA

Considerable interest in NBK

► **Several local investors and international banks are interested in the forthcoming privatisation of the National Bank of Kenya.**

The good results of the **National Bank of Kenya** (NBK) for the first nine months of this year (net income grew by 8.9% and profit is also on the up) will stimulate interest in acquiring a majority stake when the State sells off its equity in this tenth bank in Kenya by March 2010. At present, the government in Nairobi owns 22.5% of NBK equity directly, but owns a further 48.05% via the **National Social Security Fund** (NSSF). Among the local banks interested are the **Equity Bank** and the **Standard Bank of South Africa** (Stanbic) which changed its name to **CFC Stanbic** after its merger in Kenya with **CFC Bank**. The South African **Nedbank** is also in the race in the hope of getting a foothold in the Kenyan banking market. Some individual investors also have their eye on NBK, including the Kenyan magnate **Naushad Merali**, the main shareholder in the **Sameer Africa Group**, in **Commercial Bank of Africa** and in the firm **Sasini Tea and Coffee**.

The government's sale of its shares in NBK should take two forms. A portion of the equity will be put on sale on the **Nairobi Stock Exchange** (NSE) while the remainder will be sold to a strategic partner. The ministry of finance has taken on the services of **PricewaterhouseCoopers** to advise the Kenyan government on this transaction. This consulting com-

pany should produce a report on this subject so that it can be discussed during a Cabinet meeting in February 2010. Once the State has made its decision on the conditions for selling its stake, it will issue an international call for tenders to find NBK's future strategic partner.

MOZAMBIQUE

Brazil pulls out all the stops

► **Before leaving the Brazilian presidency, Inacio Lula da Silva approved \$300 million of funding for Mozambique, repayable over fifteen years.**

While visiting Maputo this week accompanied by an extensive trade delegation, the Brazilian Minister for International Trade, **Miguel Jorge**, confirmed his country's undertaking to the Mozambican government to invest \$300 million in a variety of projects. This sum will be allocated to the Mozambican government in the form of consecutive loans, repayable over 12 or 15 years. One project alone, the renovation of Nacala airport in Nampula Province in the north of the country, accounts for an investment of \$50 million. The Brazilian authorities want to back their mining giant **Vale** in the export of coal from Moatize by funding the construction of a coal terminal in Beira.

Another project that Brazil wants to fund in Mozambique concerns the construction of a 1000 km high tension line crossing the country to connect electricity power stations in the north of the country to consumers in the south. It would thus break with the present situation in which this region in Mozambique gets its electric power from the South African company **Eskom** after it has been purchased from Mozambique. Finally, the Brazilian government is also prepared to finance the renovation of the dam at Moamba in the south of the country.

ERITREA

Louis Michel got it all wrong

► **While he was a member of the European Commission, Louis Michel wrote to President Issayas Afeworki to ask him for some positive signals. Nothing came of it.**

The Internet web site *Awate.com* run by Eritrean opponents has just put on line a copy of an undated letter sent to President **Issayas Afeworki** by **Louis Michel** while he was a member of the **European Commission**. In this document he announced that the **European Union** (EU) would soon adopt the 2009-2013 programme for Eritrea, valued at €122 million, thus giving the impression that it dates from early May 2009. In it, Michel asks the Eritrean President to create a more attractive climate for European investors. He suggests, for example, that certain restrictions could be lifted on private construction firms, the regulation of imports and the protection of foreign investments.

In his stride, he reminded that the EU should resist pressure for it to reduce cooperation with Eritrea. In the name of the Commission, Michel therefore asked the Eritrean President to make a positive gesture on matters of human rights (freeing political prisoners, including the journalist **Dawit Isaak**) and Somalia (supporting the "inclusive" Somali government). However, Louis Michel's request fell on deaf ears.



MADAGASCAR

A bookmaker in uranium

► **The London based company LP Hill Plc, hitherto without any significant operations, has decided to invest in exploring for uranium in Madagascar.**

In the past the British company **LP Hill Plc** had provided its services as a bookmaker on horse races in the United Kingdom and Ireland, via both the Internet and its call centre. But last July, its executive director **Leo Knifton** resigned to be replaced by **Gerard Nealon**, an expert in the mining sector who is also a non-executive director of **Magnum Mining & Exploration Ltd** and the executive chairman of **Bezant Resources Plc**. From that day on, LP Hill began to diversify into acquiring interests in the mining sector and began by setting its sights on a British company founded in August 2009 and holding permits to mine uranium in Madagascar. The directors of this **Tranomaro Mineral Development Corporation (TMDC)** are **Grant Aylward** and **Kenneth Aylward**. The former, aged 38, has several years of experience in the Madagascan mining sector, initially as general manager of the firm **SIAM**, and afterwards as project manager for **MDC**, TMDC's local subsidiary.

Through this acquisition, LP Hill has become the owner of the permits to mine uranium and thorium held by MDC on a total of 38 blocks, covering an area of almost 15 sq km in the Tranomaro region in the southern part of the island, about 60 km north east of Tulear. LP Hill has undertaken to finance an exploration programme over two years, worth \$250,000.

SEYCHELLES

David Savy gets a little more cash

► **The Seychelles Parliament has attributed a measure of financial aid to Air Seychelles, which made a loss in 2008-2009, so that it can make new investments.**

Just as it is celebrating its twentieth anniversary, the firm **Air Seychelles** has been obliged to ask the State for 30 million rupees (€ 1.7 million) of aid after making heavy losses in the financial year 2008-2009. This State loan was approved by Parliament in Victoria this week, giving the opposition the opportunity to denounce the "bankruptcy" of the national airline. This was not the opinion of Air Seychelles' strong man, its executive chairman **David Savy**. He reminded that the loan agreed by the State corresponded to just 3% of the airline's turnover of \$ 107 million. Savy continued to point out that the Seychelles is under surveillance by the **International Monetary Fund (IMF)**, so the State-owned airline cannot call on loans from commercial banks. It therefore turned to the Seychelles government for the first time in twelve years, in order to contribute to financing the purchase of a **Twin Otter** to use on domestic routes (\$4.5 million), to be delivered in January 2010, and to install sleeper seats for business class on three **B767** by March 2010.

This has been the first time in ten years that Air Seychelles has made a loss, amounting to about \$5 million for the financial year ending June 2009. This is also the first time that its domestic flights have lost money, a loss that is attributed to the considerable increase in the price of fuel in 2008 (the bill was \$5.2 million more than had been expected) and

the impact of the economic reforms under way which have resulted in a strong fall in the Seychelles rupee against the US dollar. Fortunately for Air Seychelles, which makes 25% of its sales in rupees, the rate of exchange of the Seychelles rupee subsequently firmed to around 10 rupees to the dollar, compared to 18 rupees to the dollar when it was at its lowest ebb. Air Seychelles managed to reduce the cost of the **Boeing 767** aircraft it leases: it now has to repay \$14.8 million a year for five aeroplanes, whereas it formerly had to pay \$4 million a year more for only three aeroplanes. This drop in expenditure should improve its accounts for the current financial year ending in June 2010. The company's debt is at present estimated at \$1.65 million.

ERITREA

European Union walks on a tightrope

► **How can democracy be fostered in Eritrea but without imposing international sanctions on the Asmara regime? The must tread carefully.**

The **European Commission** is planning to make a € 35 million grant to Eritrea out of the 10th **European Development Fund (EDF)** resources, which total € 122 million. The proposal will be put before a future EDF committee. To be sure, the Commission has been authorised to enter into deals of this kind since it signed an agreement with Asmara in September 2009 for a cooperation strategy with Eritrea. This agreement had already been approved by the **European Union (EU)** Council of Ministers in May 2009.

According to information *The Indian Ocean Newsletter* obtained in Brussels this week, the decision to offer this € 35 million grant to fund projects in the food security area that may transit via **UNICEF** had been difficult to reach. The matter was particularly delicate for Sweden, which has held the rotating EU presidency since July, because the Eritrean born journalist with Swedish nationality **Dawit Isaak** is still being held in prison in Asmara. Moreover, the Swedish Members of the European Parliament, including the Liberal **Olle Schmidt**, criticised the decision of the EU Council of Ministers to allocate these funds to Eritrea. In fact the decision had been made following Asmara's threat to take the Council and the Commission to the **European Court of Justice** if the cooperation agreement signed in September was not executed.

During a conference funded by **EuropeAid** held in Brussels this week by the Belgian NGO **Europa External Policy Advisors (EEPA)** entitled *Joining up EU and US Policy towards Eritrea and the Horn for the Promotion of Democracy and Human Rights*, several officials considered that excessive diplomatic isolation of Eritrea would be counterproductive. **Roger Moore**, the Horn of Africa director of the European Commission DG for Development, **Robert Houdek**, the former American Ambassador to Ethiopia and Eritrea, and the former Prime Minister of Norway, **Kjell Magne Bondevik** each in turn stated that international sanctions were unlikely to be effective against Eritrea's human rights violations and infringements of the rule of law. But a level of consensus came out of the meeting on the need to prepare for the future and political change by supporting the Eritrean opposition.

Linus Gitahi

KENYA

The CEO of the **Nation Media Group** (NMG), **Linus Gitahi**, has been much less worried since his contract at the head of this press group was finally renewed for three years this week. This renewal coincides with the return of the group's former CEO, **Wilfred Kiboro**, who has just been appointed the group's chairman. According to Gitahi's relatives, he is intending to run in the parliamentary election in 2012, thanks to a deal struck with **Francis Nyamu**, the current Member for the Tetu constituency who incidentally is also a shareholder and chancellor of **Inoorero University** in Nairobi. Nyamu does not want to run for a new mandate and may be prepared to back Gitahi for his constituency. It remains to be seen whether he does indeed go through with this plan!

Belete Etana

ETHIOPIA

The deputy chairman of the Public Accounts Committee of the Ethiopian House of Representatives, **Belete Etana**, has defected and taken asylum in the United Kingdom. This MP for the **Oromo Peoples' Democratic Organization** (OPDO, member of the governing coalition **EPRDF**) justified his decision by the stronghold held by the **Tigray Peoples' Liberation Front** (TPLF, hard core of the **EPRDF**) on the Ethiopian judiciary system and the fact that *Oromo* MPs who question government policies are systematically accused of sympathising with the **Oromo Liberation Front** (OLF, armed opposition) and are considered terrorists and criminals. Etana also pointed out on 30 October that PAC investigations had revealed that several of the government's financial practices did not comply with existing legislation. It found that in 2008 the Ethiopian ministry for foreign affairs and the **National Electoral Board** (NEB) topped the league of the score of government institutions making inappropriate expenditure, with a total of Birr 192.5 million (just over € 10

million). The same went for the Birr 226.5 million (almost € 12 million) of purchases made by government agencies in irregular conditions.

Sylvain Issembert

FRANCE/MADAGASCAR

A 59-year old French dental surgeon, currently resident in Madagascar in early retirement, **Sylvain Issembert**, wants to launch a **Business Club House** in Antananarivo along the lines of **Club 600** in New York, which is a network of French-speaking entrepreneurs active in the United States, founded in 1984. Issembert is currently in charge of three companies under Malagasy law: the rims **Mami** (services), **Mami et Joana** (mining land) and **Mami Bat Guano** (organic fertilizer). The Madagascar Club House will provide various services for its members and foreign investors arriving in Antananarivo. But note, strict criteria will be applied "to guarantee the VIP quality of Club House members": they must be expatriates of any nationality; they must be in a management post; and they must be sponsored by an existing member. The first launch meeting will be held on 8 December in the **Le B** restaurant in Isoraka. Take note.

Jacky Radavidra

MADAGASCAR

The present chairman of the **Groupe-ment des Entreprises Franches et Partenaires** (GEFP), **Jacky Radavidra**, is not intending to run for a new mandate at the head of this organisation. For the time being, no other candidate has come to the fore, particularly as the GEFP's deputy chairman, **John Hargreaves** has no intention of running for chairman. One of the reasons Radavidra has given is that he wants to spend more time on his company **Bois & Construction** whose management is somewhat neglected. But one can also be forgiven for thinking that it is also related to his relationship, via his son, to the ousted President **Marc Ravalomanana** who is now living in exile in South Africa. Meanwhile, the GEFP's general secretary, **Julie Ratsimisetra**, is in charge of the organisation

in the interim period. Trained in law and close to the family of the former Minister for Foreign Affairs **Marcel Ranjeva**, she has been an advisor to the former Deputy Prime Minister **Zaza Ramandimbarison**.

Maurice Vigier de Latour

MAURITIUS

The former general manager of **Denim Vigier de l'Île Ltd** (company specialised in manufacturing jeans), **Maurice Vigier de Latour** is to join **Espral Ltd** on 23 November. This company is a subsidiary of **ENL Property Ltd**, the real estate arm of the **Espitalier-Nöel** group. In his new job as the marketing manager of Espral Ltd, he will have the task of finding buyers for the various real estate projects of the parent ENL Property group, which is expanding its land portfolio in the centre and south of the country via its subsidiaries **Savannah** and **Mon Désert Alma**. Maurice Vigier de Latour has in the past been the CEO of **Mauritius Development Freeport Company Ltd**, and has had a long career in the **Floreal Knitwear** group where he ran the international marketing department. While he was there, he played a key role in lobbying the United States so that Mauritius could take advantage of the AGOA Act. This led to his being nicknamed "Mr AGOA"!

Mick Raveloson

MADAGASCAR

As soon as the political agreement was signed in Addis Ababa, **Mick Raveloson**, the general secretary of the industry association **Textile Mada**, began to prepare a three-year action plan for 2009-2011 in order to revive this sector weighed down by the political crisis. Textile Mada had 25 members (most of them exporting to Europe) at the beginning of the year, but now gathers only a dozen textile firms. This organisation hopes to obtain finance from the French development agency **Agence Française de Développement** (AFD). Raveloson, 35, studied aeronautics in Toulouse (France) before becoming a senior manager for **Air Madagascar** and subsequently sales manager for the firm **Sicor**. He then became general secretary of Textile Mada in 2005.

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