MACROECONOMIC AND FINANCIAL WEEKLY MONITORING

July 16th, 2021

OFFICE OF THE CHIEF ECONOMIST OF THE AFRICA REGION

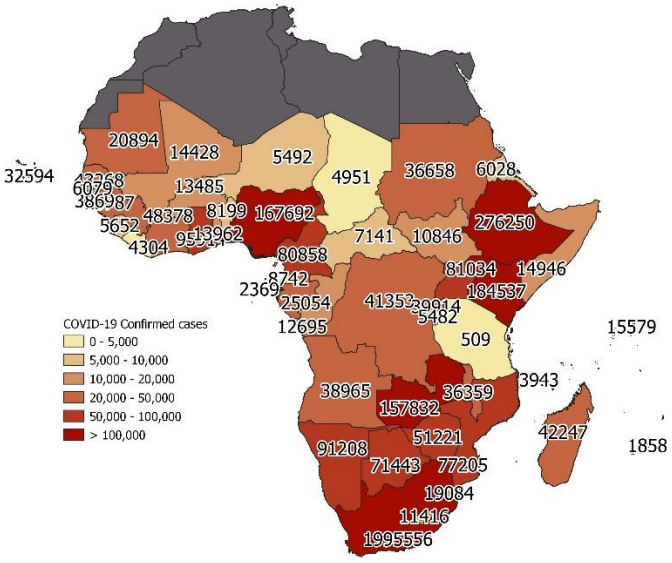
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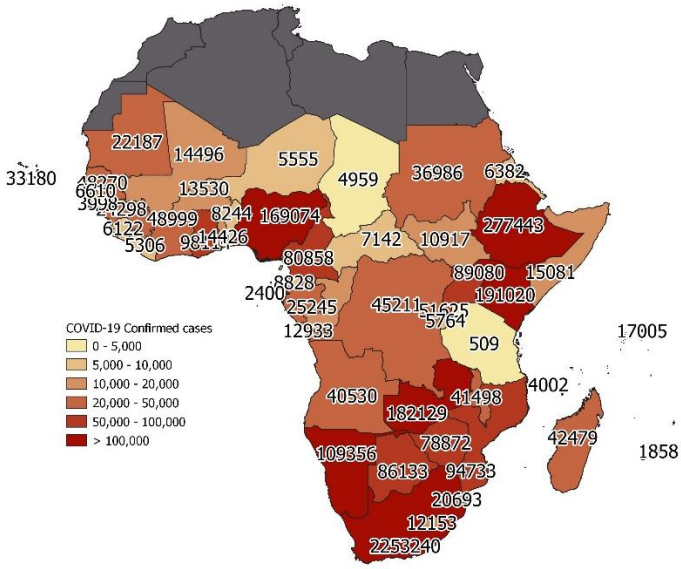
I. "COVIDONOMICS" WEEKLY UPDATE

FIGURE 1. MAP OF COVID-19 CASES IN SUB-SAHARAN AFRICA

Last Issue (June 2nd, 2021)



This Week (July 16th, 2021)



Source: Center for Systems Science and Engineering (CSSE) at John Hopkins University (JHU).

REGION

COVID-19 DEATHS SURGE 43% WEEK-ON-WEEK

Africa recorded a 43% rise in Covid-19 deaths this week compared with last week as infections and hospitalizations have jumped and countries face shortages of oxygen and intensive-care beds, said the WHO. Africa's case fatality rate currently stands at 2.6% against the global average of 2.2%. Matshidiso Moeti, WHO Regional Director for Africa said Covid-19 cases on the African continent have risen for eight straight weeks, topping 6 million on 13 July 2021. The surge has been driven by public fatigue with key health measures aimed at curbing the spread, and an increased spread of coronavirus variants. WHO said Africa has experienced one of the world's fastest surge in cases with an additional 1 million over the past month.

450,000 COVID VACCINES DESTROYED

A total of 450,000 Covid vaccine doses have been destroyed in nine African countries, said the WHO Africa's immunization program manager, Dr Richard Mihigo. He added that delayed shipment of the AstraZeneca vaccines, which is widely used in the continent, is to blame for this. "These vaccines are not necessarily wasted. They arrived with a very short shelf life that was very difficult to deploy at the end of the day," he said. The countries that destroyed vaccines are Malawi, South Sudan, Liberia, Mauritania, Gambia, Sierra Leone, Guinea, Comoros, and the Democratic Republic of Congo.

TECH TRANSFER DEALS TO BOOST COVID TESTING

Companies in Brazil and Senegal will produce antigen rapid tests for diagnosing Covid-19 from early 2022 under tech transfer

agreements aimed at boosting availability in Latin America and Africa. High-quality antigen tests are the primary diagnostic tool for detecting active infection in poorer settings where molecular testing is not available, said the global alliance for diagnostics FIND and health agency UNITAID. Agreements have been signed to transfer know-how from US-based diagnostics company DCN Dx to WAMA Diagnóstica in Brazil, and from Bionote and Britain's Mologic to DIATROPIX of the Institut Pasteur de Dakar. A separate partnership for commercialization and distribution was announced between Xixia Pharmaceuticals, a South African subsidiary, and Guangzhou Wondfo Biotech Co Ltd. The partnership has the potential to produce 144 million tests per year at a ceiling price of $2.50 each. In Senegal, DIATROPIX will seek regulatory approval for the tests transferred from Mologic and Bionote and commercialize them under its own brand, aiming to make 2.5 million tests per month in 2022.

FIRST U.S. DONATED COVID-19 VACCINES

Nearly 50 African countries are to receive 25 million COVID-19 vaccine doses donated by the United States, with the first shipments arriving to Burkina Faso, Djibouti and Ethiopia, said US officials. Nearly a million doses of the Johnson & Johnson vaccine will be delivered to Burkina Faso, Djibouti and Ethiopia in coming days. African Union Special Envoy Strive Masiyiwa said the US donation was appreciated "especially at this moment when we are witnessing the third-wave in a number of African countries".

EAST & SOUTHERN AFRICA

SOUTH AFRICA

RESTRICTIONS EXTENDED FOR 2 WEEKS

South Africa's cabinet extended strict restrictions on gatherings and movement for two weeks. For the past two weeks, the country has consistently recorded an average of nearly 20,000 daily new cases and more than 200,000 cases are active. More than 4,000 South Africans have died of Covid-19 complications in the past fortnight.

VACCINATION SITES SHUT DUE TO VIOLENCE

South Africa will temporarily shut vaccination sites at risk of violence, said the health ministry. Some sites would close out of a "precautionary principle" if they were damaged or in areas affected by the violence, which has swept Gauteng and KwaZulu-Natal, two of South Africa's most populous provinces, said the ministry. After a slow start, South Africa's vaccination rollout had been running at about 200,000 doses a day, but it has been severely disrupted as looters targeted clinics and pharmacies.

BRACE FOR COVID-19 SURGE AFTER RIOTS, WHO

South Africa should prepare itself for a surge in coronavirus cases after days of widespread rioting and looting in the two most populous provinces, the WHO's Africa director said. The deadliest and most widespread unrest since the end of apartheid followed the imprisonment of former President Jacob Zuma on July 7. The looting sprees have occurred amid the country's third and most severe wave of Covid-19 infections.

BOTSWANA

RESORTING TO OTHER VACCINES, OUT OF AZ SHOTS

About 15,000 people in Botswana will not be able to get their second dose of AstraZeneca's coronavirus vaccine in time and will be vaccinated with either Pfizer or Moderna, said the health ministry. Botswana, which is purchasing the vaccines from AstraZeneca under the COVAX scheme, had signed up for 940,800 doses of the two-shot vaccine. It has so far received only 62,400 AstraZeneca and 19,890 Pfizer doses under the scheme, according to official government numbers. Botswana has been administering the Chinese Sinovac vaccine as well as the Pfizer and AstraZeneca shots.

MAURITIUS

REOPENING BORDERS TO VACCINATED TOURISTS

Mauritius, a tourism-dependent economy, will reopen its borders to vaccinated tourists after being closed for 16 months. In the first phase inoculated visitors that have a negative PCR test result on arrival will remain in their resort for 14 days. Thereafter, following another test, they will be able to move around the country. Once the country has achieved herd immunity, no movement restrictions will be imposed on vaccinated visitors. As of Monday, 31.3% of the population of about 1.3 million people were fully inoculated and the country is set to reach 60% before September, according to Health Minister Kailesh Jagutpal.

MOZAMBIQUE

LARGEST HOSPITAL OUT OF COVID SPACE

The Mozambican health authorities have declared that "there is no longer any space to admit patients with Covid-19 at the Maputo Central Hospital," the country's largest facility. Fárida Ursi, clinical director of the Maputo Central Hospital, said the infirmary had space for 40 patients, but there were currently 53 needing treatment.

NAMIBIA

CONCERN OVER RISING COVID DEATHS

Namibia's health ministry has expressed concern over the number of Covid-19 cases as the number of confirmed deaths rose to 2,019. The country reported 1,284 new cases on Monday from a sample of 3,445 tests taken the previous day. Health Minister Kalumbi Shangula said the rise of the fatalities past the 2,000 mark was quite concerning.

RECEIVING SINOPHARM BOOST

Namibia, whose COVID-19 inoculation program was halted by lack of vaccines, received a boost with the arrival of 250,000 Sinopharm doses bought from China. Namibia paid to participate in the global vaccine distribution scheme COVAX but only received 67,200 doses out of 108,000 allocated by the facility. It has also received donations of 100,000 Sinopharm doses from China and 30,000 AstraZeneca doses from India. Namibia expects delivery of a further 40,800 doses of AstraZeneca vaccine from Covax later this month and 333,333 doses of Johnson & Johnson from the African Union's vaccine procurement program.

RWANDA

NEW LOCKDOWN AS COVID-19 CASES SPIKE

The Rwandan government has announced a 10-day lockdown in the capital, Kigali, and eight other districts amid a rising number of Covid cases and deaths. People have been ordered not to leave their homes from Saturday 17 July until Monday 26 July to try to halt the virus spread. The last four weeks have seen record numbers of cases - with nearly 1,000 per day - and the last seven days being the deadliest.

STUDENTS SIT FOR NATIONAL EXAMS

More than 250,000 primary school students in Rwanda have started taking their national exams as the country deals with a new wave of Covid-19. Students who test positive for coronavirus will sit for the examinations in separate rooms, the education ministry Education Minister Valentine Uwamariya said. Education authorities have set up 1,021 examination centers across the country, almost 100 more from last year, to allow social distancing.

SOUTH SUDAN

MORE THAN 50,000 VACCINATED

South Sudan's health officials say more than 50,000 people have had their first Covid-19 jab, and that vaccines have been sent to all of the country's regional states. But there is still a long way to go - given the country's total population stands at 11 million people and its chronic insecurity and infrastructure challenges.

UGANDA

TRADERS DENIED ACCESS TO THEIR BUSINESSES

Traders in Uganda's capital, Kampala, have been denied access to their businesses as security forces continue to implement tough health measures to curb the spread of coronavirus. On 18 June President Yoweri Museveni ordered a 42-day lockdown that restricted movement and closed businesses. Many people criticized the move, saying that it would deny millions of people their right to earn a living. Local newspaper Daily Monitor reports that several traders tried unsuccessfully to negotiate with the security forces manning Park View Shopping Centre to allow them in. President Museveni said imposing tough measures was necessary to deal with a surge of infections sparked by the Delta virus which has led to an increase in hospitalization and death.

TANZANIA

INOCULATIONS BEGIN WITH SINOVAC DOSES

Tanzania's semi-autonomous Zanzibar archipelago begun vaccinations against the coronavirus. Health authorities in the islands started administering Sinovac Biotech Ltd.'s shots on front-line workers last week, said Zanzibar's Health Ministry Omar Shajak, With Tanzania now inoculating people, Eritrea and Burundi remain the only African countries yet to start vaccinating against the deadly virus.

COVAX VACCINES TO FIGHT COVID

Tanzania is set to receive 300,000 Covid-19 vaccines from the UN-backed Covax scheme. Health Minister Dorothy Gwajima

said healthcare workers and all those on the frontline of the war against coronavirus would be first to be jabbed. The health minister added that Tanzania would now start releasing Covid-19 data every two weeks, publishing it online as recommended by the World Health Organization (WHO).

ZAMBIA

BURIAL NUMBERS LIMITED TO MEET COVID RULES

The authorities in Zambia's capital, Lusaka, have ordered a limit of 15 burials a day in the city's cemeteries to avoid overcrowding. Body viewing and religious services at the cemeteries have also been banned to prevent the spread of coronavirus, said Mwaka Nakweti, the public relations manager at Lusaka City Council. Last month Zambia's permanent secretary for health, Dr Kennedy Malama, said mortuaries were filling up as a result of people dying from Covid-19. He called the situation "unprecedented."

ZIMBABWE

A MILLION TARGETED IN COVID-19 VACCINE BLITZ

Zimbabwe is aiming to vaccinate 1 million people against Covid-19, said President Emmerson Mnangagwa as he extended tough lockdown measures by another 14 days. Faced with rising infections and deaths, Mnangagwa on June 29 introduced tough lockdown measures that included a dusk to dawn curfew and curbs on inter-city travel. Mnangagwa said infections were rising as the more transmissible Delta variant spreads locally. Zimbabwe received its single biggest shipment of 2 million COVID-19 doses last week that it hopes will boost its vaccine drive. It expects another 3.5 million shots by the end of July.

WEST & CENTRAL AFRICA

NIGERIA

RESTRICTIONS REIMPOSED ACROSS LAGOS

Coronavirus restrictions have been reimposed across Lagos, with the state governor warning that Nigeria's largest city faces a possible third wave of the pandemic. Face masks will once again be mandatory in public places and enclosed spaces will be limited to 50% of normal capacity. The state government aims to immunize 60% of the population, but Sanwo-Olu said that "only a fraction" had so far received two doses of the Oxford/AstraZeneca jab.

8 MILLION MORE COVID-19 VACCINES BY END-AUG

Nigeria expects to receive nearly 8 million additional doses of COVID-19 vaccines by the end of August, including from a US government donation, said Faisal Shuaib, head of the National Primary Health Care Development Agency (NPHCDA). Nigeria expects delivery of 3.924 million doses of Oxford/AstraZeneca shots from global vaccine-sharing scheme COVAX by the end of July or early August, Shuaib said, and an additional 3.93 million doses of either Pfizer/Biotech or Moderna, donated by the US government via COVAX, in August.

SENEGAL

VACCINE PLANT IN BID

Construction of a new plant in Senegal to manufacture COVID-19 vaccines is expected to begin later this year, and the facility should produce 25 million doses per month by the end of 2022, said the financers of the project. The Institute Pasteur in Senegal's capital Dakar, which will run the plant, and various European development partners said the facility would help Africa reduce its dependence on vaccine imports, which currently account for 99% of its needs. European countries and institutions, including the European Commission, European Investment Bank, France and Germany, committed €6.75 million ($8.01 million) in grants to support construction of the plant during a ceremony in Dakar. The investment comes on top of previous commitments by Germany and France and is part of a €1 billion ($1.19 billion) initiative announced by the European Commission in May to bolster access to vaccines and other medicines in Africa.

SENEGAL ADVISES AGAINST EID TRAVEL

Senegal's Covid committee has advised against travel during the upcoming Eid al-Adha holiday as virus cases in the country increase. The country has in recent days recorded the highest number of cases since the start of the pandemic. Health Minister Abdoulaye Diouf Sarr has urged people to wear masks, avoid mass gatherings and get vaccinated. The Eid al-Adha celebrations, also known as Tabaski in west Africa, is an Islamic festival to commemorate Abraham's willingness to sacrifice his son to God.

TOGO

PASSENGERS TO BE QUARANTINED

Passengers flying in from Brazil, South Africa, India, the United Kingdom, Russia, and Portugal will be systematically quarantined for 10 days. This was announced on July 13 by Prof. Moustafa Mijiyawa, the Togolese Minister of Health and Public Hygiene. The quarantine will apply, “regardless of the Covid test result” of the travelers concerned. Also, quarantined individuals will take care of themselves. Since Lomé’s airport reopened in June 2020, after 3-month temporary closure, the PCR Covid-19 test became mandatory for all incoming and outgoing passengers. For those flying out of the country, it must be carried out 72 hours before departure.

II. ECONOMIC AND FINANCIAL NEWS IN SUB-SAHARAN AFRICA

REGION

$100 BLN FOR IDA REPLENISHMENT

The World Bank said that leaders of 23 African countries called for a largest-ever $100 billion replenishment of the IDA. The leaders set the goal in a joint declaration after a summit meeting in Abidjan, Côte d'Ivoire. World Bank member countries normally replenish IDA every three years, setting its previous financing package at $82 billion to cover the 2021-2023 fiscal years. But in April, the bank launched an early replenishment cycle after massive assistance paid out to help countries deal with the Covid-19 pandemic drew down IDA resources. The World Bank aims to complete the 20th replenishment of IDA in December, covering the 2023-2025 fiscal years. The declaration from the African leaders marks the first request for a $100 billion replenishment goal. The leaders who met in Abidjan are from Angola, Benin, Burkina Faso, Cameroon, Ivory Coast, DRC, Ethiopia, Ghana, Guinea, Guinea Bissau, Kenya, Liberia, Madagascar, Mauritania, Mozambique, Niger, Nigeria, Uganda, Rwanda, Senegal, Sudan, Tanzania and Togo.

$250 MLN FOR E-MOTORBIKES, MICROGRID

Venture capital firm Ecosystem Integrity Fund raised $250 million that will go to sustainable startups, including two in Africa. The funding will go to about 20 early-stage green technology startups in industries ranging from hydrogen-powered aircraft to electric motorbikes and subscription scooters. They include Rwanda's Ampersand, Africa's first electric motorbike producer, and Ghana's Energicity, a builder of solar microgrids serving rural areas that aren't electrified. Investor interest in such firms is rising amid mounting evidence of climate change, from atmospheric carbon dioxide levels reaching unprecedented levels in May to last month's record for the hottest June measured in the contiguous U.S. Global spending on technologies to transition from fossil fuels reached a record $501.3 billion last year, according to BloombergNEF data.

MOBILE APP MARKET JUMPS BY 29%

African mobile app market showed strong growth, with overall installs increasing by 41%. The report by AppsFlyer and Google indicated that there is a booming African mobile app market, propelled by a growing fintech space, a rise in 'super apps', and the Covid-19 pandemic amongst other factors. This is after analyzing over 6,000 apps and 2 billion installs across South Africa, Nigeria, and Kenya, between 2020Q1 and 2021Q1. Nigeria showed the highest growth, with a 43% uplift, followed by 37% in South Africa, and 29% in Kenya. With people spending more time at home, the report found overall app installs increased by 20% in 2020Q2 compared to the previous quarter. South Africa and Nigeria saw year-on-year growth in finance app installs by 116% and 60% respectively, as the need to reduce social contact has led to even more users adopting digital solutions for their financial needs.

$8 BLN FUND TO OFFSET TRADE-PACT LOSSES

African nations plan to raise about $8 billion for a fund to help offset revenue losses for countries that lower cross-border tariffs, as part of a continent-wide free-trade agreement. The African Export-Import Bank, or Afreximbank, previously provided $1 billion for the fund after the African Union set it up to help cushion sudden revenue losses and encourage participation. The free-trade area went into effect on Jan. 1. Trade within the continent, which stands at more than $350 billion a year, is expected to grow by 52% in the next decade, according to David Luke, coordinator of the African Trade Policy Centre at the United Nation's Economic Commission for Africa.

EAST & SOUTHERN AFRICA

ANGOLA

POLICY RATE SET AT RECORD HIGH FOR REST OF 2021

Angola's central bank governor expects to keep the benchmark interest rate unchanged for the rest of the year after raising it to a record high earlier this month to curb inflation. Maintaining the rate until the end of the year will help ensure "greater stability" in the economy, said Jose de Lima Massano. The central bank will only consider altering borrowing costs if there is a significant change in the trajectory of inflation, he said. The central bank unexpectedly increased the key rate to 20% from 15.5% at a monetary policy committee meeting on July 2. Inflation in Angola accelerated the most in at least three years in June to 25.3%. The rate hike and rising oil prices should help ease the pressure on the exchange rate. The kwanza has gained just over 3% against the dollar since October, when it reached a record low.

SOUTH AFRICA

UNREST HITS FARMING, THREATENS FOOD SUPPLY

South African farmers have been hit by days of unrest and looting as trucks carrying produce are prevented from delivering to markets, threatening food supplies, said industry officials. Crowds have this week clashed with police and ransacked shopping malls, with dozens reported killed as grievances unleashed by last week's jailing of former president Jacob Zuma boiled over into the worst violence in years. Some of the country's major highways have been closed off. One of AgriSA's farmers has already reported the loss of 3 million rand ($205,333) of perishable produce that could not be transported. All sugar mills in Kwazulu-Natal—the main sugar growing area and one of the provinces hardest hit by the unrest—have closed after cane trucks were hijacked, mills threatened and cane farms set alight, said South African Canegrowers Chief Executive Thomas Funke. President Cyril Ramaphosa warned on Monday that disruption to supply chains could lead to food and medicine shortages in the coming weeks.

INDUSTRIAL PRODUCTION SLOWS

Growth in South Africa's industrial production has slowed as the restrictions associated with the latest wave of Covid-19 remain a risk to its third quarter performance. Data from Statistics South Africa (StatsSA) showed that manufacturing production advanced 35.3% y/y in May following an upwardly revised 88.1% record jump in April. This was partly due to low base effects from last year when production plunged amid the initial effects of the Covid-19 pandemic. StatsSA said the main positive contributions came from the manufacture of motor vehicles, parts and accessories, and other transport equipment . Basic iron and steel, non-ferrous metal products, metal products and machinery; food and beverages; and wood and wood products, paper, publishing and printing also went up. StatsSA added that industrial production fell 2.6% on a seasonally adjusted monthly basis, the most since April last year following a 1.2% decrease in April. Power outages in June, the onset of the third wave of Covid-19 infections and the ban on alcohol sales would hurt production over the next few months.

MINING INDUSTRY EXPANDS 22% IN MAY

The Department of Statistics of South Africa announced today that the domestic mining production increased by 21.9% y/y in May 2021. According to the report, the largest positive contributors were platinum group metals (27.0% increase, contributing 6.1 percentage points); gold (44.5% increase, contributing 4.8 percentage points); iron ore (48.4% increase, contributing 4.0 percentage points); and manganese ore (39.7% increase, contributing 3.2 percentage points). South Africa's seasonally adjusted mining production decreased by 3.5% in May 2021 compared with April 2021. This followed month-on-month changes of 0.2% in April 2021 and 4.5% in March 2021.

BOTSWANA

ADVISE AGAINST TRAVEL TO SA AND ESWATINI

The government in Botswana is advising citizens against travel to some parts of South Africa and Eswatini—countries that have been rocked by violent protests. Landlocked Botswana, which depends on food imports and other goods from its bigger neighbor South Africa, has also advised truck drivers to consider alternative routes to avoid protest areas. In Eswatini, dozens have been killed in pro-democracy protests in recent weeks. The country is Africa's last absolute monarchy.

WOOING CHINESE INVESTORS AS LENDERS SHUN COAL PROJECTS

At a time when funding for fossil fuel projects is drying up, Botswana is racing to develop six new coal mines and a rail link for exports. The country has more than 200 billion tons of untapped coal reserves. To kickstart the industry, it has turned to investors from the largest global coal consumer, China. The appeal to the group led by the Africa Guangdong Business Association comes as banks are increasingly shying away from funding coal projects because of its impact on global warming. Yet demand for the fuel, especially in Asia, remains high and prices have risen to a record because of tight supply. Botswana wants to take advantage of what it sees as a period when coal will still be in demand before being replaced by other cleaner forms of energy. The state is now willing to put its own money into projects to ensure they get to production. The government is determined to press ahead even though it only has one 300 megawatt coal-fired plant in its 20-year energy plan.

CONGO, D.R.

DEAL WITH BURUNDI ON TRADE AND SECURITY INKED

East African neighbors Burundi and the DRC have announced a joint plan to combat armed groups and foster economic growth. The presidents of both nations signed a series of agreements in

Kinshasa on security and also infrastructure—with plans for a railway to connect the nation's major cities and boost trade. No cost and deadline were made public today for the projects—but a joint commission of experts who will oversee its progress was announced.

IMF APPROVES $1.5 BLN LOAN PROGRAM

The International Monetary Fund approved a new three-year, $1.52 billion extended credit facility program for DRC to support the African country's economic reforms and pandemic recovery. The IMF said that the loan approval clears the way for immediate disbursement of $216.9 million to Congo to reinforce international reserves. The ECF follows emergency COVID-19 support to Congo under the IMF's Rapid Credit Facility totaling $731.7 million.

ETHIOPIA

NEGOTIATIONS TO RESTRUCTURE $1 BLN DEBT

Ethiopia plans to restructure an additional $1 billion of debt as the government seeks to free up funds to support its economic recovery. Restructuring of the debt will provide a grace period of as long as 6 years and extend the maturity by 10 years, said the Finance Ministry. "$2.5 billion in principal and interest payment has been postponed for 5 years by commercial creditors under the first external debt restructuring scheme," according to the report. The plan to restructure at least $1 billion more doesn't include Eurobonds, said State Minister of Finance Eyob Tekalign on July 7. Separately, the IMF urged Ethiopia to quickly create a creditor committee to support the nation's debt plans.

CREDITOR COMMITTEE TO BE FORMED – PARIS CLUB

The Paris Club of sovereign creditors called for a creditor committee to be formed quickly to restructure Ethiopia's debt, increasing pressure on China to engage under a new joint G20 framework to grant debt relief to poor countries. Before debt negotiations can take place, a country seeking debt relief first has to agree an economic program with the IMF aiming at restoring sound public finances. A committee involving the debtor country's main public creditors must then be formed and they have to come up with a debt relief outline consistent with guidance from the IMF. Paris Club chairman Emmanuel Moulin said that forming a creditor committee for Ethiopia was proving complex because one creditor needed formal internal approval to proceed.

ETHIO TELECOM REPORTS 18.4% RISE

State-run Ethio Telecom, which has invited private investors to buy a stake in it, reported a 18.4% rise in full year revenue to end-June to 56.5 billion birr ($1.29 billion), said CEO Frehiwot Tamiru. Ethiopia last month launched a tendering process for the proposed sell-off of a 40% stake in Ethio Telecom to private investors, part of the government's broader plan to open up the country's telecoms sector. Frehiwot said the company recorded a 22% jump in subscribers to 56.2 million. She also said 6.58 million customers had signed up to use its mobile money service, known as Telebirr, which it launched in May. The CEO said the expansion of 4G services outside the capital Addis Ababa was one of the reasons behind the jump in revenue despite it being a challenging year.

SAFARICOM TO START OPERATIONS

Safaricom has officially gotten a telecoms license from Ethiopian authorities, paving the way for its consortium to begin operations. The Safaricom-led consortium that won a bid to roll out telecommunications services in Ethiopia in May has been granted a 15-year operating license by the Ethiopian Communications Authority (ECA). The Global Partnership for Ethiopia (GPE) consortium, which is 56% owned by Safaricom, has registered Safaricom Telecommunications Ethiopia PLC for a period of 15 years, with an option of renewal for a further 15 years. GPE's other shareholders include Vodacom (6.2%), Japanese conglomerate Sumitomo (25%) and the UK sovereign investment fund, CDC (10%). ECA announced it has granted the consortium a nationwide full-service unified telecom service license. However, Safaricom will not roll out its mobile money service M-Pesa.

ADDIS TO HAVE SPECIAL ECONOMIC ZONE BY 2022

Addis Ababa City Administration Bureau of Mega Projects announced that it has planned to build Special Economic Zones (SEZs), in the metropolis to spur economic growth and enhance market access. City's Mega Projects Administrator Shimelis Eshetu (Engineer) said that the economic zone will be built around Gotera roundabout covering 34 hectares of land in partnership with the Chinese government. The total cost of the project is under study and direction is set to complete the construction of the project within a short time, the administrator added.

KENYA

CURRENT ACCOUNT DEFICIT WIDENS TO 5.5%

Kenya's current account deficit has widened to 5.5% in 12 months to May compared to 5.2% in the same period last year. The Weekly bulletin by the Central Bank attributed the drop to lower service receipts. This was the highest trade deficit since 2018 when the country recorded a 5.8% trade shortfall. The service sector which accounts for almost 45% of the country's GDP was almost crippled in the first four months after the country reported its first Covid-19 case. Hoteliers estimate the country lost in excess of Sh150 billion in tourism earnings to the Covid-19 pandemic. Tourism contributes 10% of Kenya's annual GDP and employs over two million people. Kenya's primary agricultural forex earners, tea and coffee suffered a major setback in the past 12 months. The country's earnings from tea in the first half of the year dropped by Sh5 billion. Diaspora remittances maintained an upward trend and reached an all-time high of $315.8 million in May this year, up 22% from $258.2 million in May 2020. Foreign currency reserves held by the Central Bank of Kenya rose for the third consecutive week to $9.59 billion as of July 9 from $9.49 billion the previous week.

CB SEEKS 'TEETH' TO REGULATE DIGITAL LENDERS

The Central Bank of Kenya needs "teeth" to rein in more than 100 lenders, who charge interest rates as high as an annualized 500% for loans disbursed over digital channels, according to Governor Patrick Njoroge. The regulator wants the mobile-phone based and online lenders to disclose more information. Commercial banks had 3.9 million mobile loan accounts as of April and about 50.6 billion shillings ($468.5 million) borrowed, according to the central bank. In comparison, unregulated digital lenders had an estimated 4 billion shillings, according to Njoroge. While the unsupervised lending accounts for less than 1% of the banking sector's 3.2 trillion-shilling loan book, about two million people use them, and on average eight times a year, he said. While the central bank is seeking general supervisory power over the lenders, it does not expect that they will be under oversight similar to commercial banks.

MORE THAN $2 BLN IN LOANS RESTRUCTURED SMES

Loans restructured by Kenya's small and medium-sized businesses jumped tenfold in 2020 compared with a year earlier largely due to the impact of COVID-19, the central bank said. The central bank took action last year to help these businesses to survive the economic slowdown brought about by the coronavirus, with many at risk of shutting down. As part of these measures aimed at cushioning distressed borrowers, the central bank allowed banks in March 2020 to restructure loans for those firms hit by the COVID-19 pandemic. The central bank said the amount of loans that small and medium-sized businesses restructured totaled 234.7 billion shillings ($2.17 billion) last year, up from 20.6 billion shillings in 2019. It said the trade sector accounted for 74.2% of the restructured loans in 2020. The period for banks to provide relief to customers ended on March 2 this year. The central bank said at that time the amount of loans whose repayment terms were changed by lenders was 569.3 billion shillings ($5.19 billion) by the end of February this year. That represented 19% of total loans, down from 57% of total restructured loans at the depth of the crisis, the bank said.

305,635 INTL TOURISTS IN FIRST HALF OF 2021

Kenya received 305,635 international arrivals in the period between January 2021 to June 2021, according to the Tourism Research Institute. Of the 305,635 arrivals, 94,241 came to visit family and friends, 92,828 for meetings, incentives, conferences, and exhibitions (MICE) purposes. Other include 87,629 for holiday, 15,811 were on transit, 8,637 for education, 3,592 for medical purposes, 1,722 for religious purposes, and 1,175 for sports. According to the report, the top five source markets are USA (49,178), Uganda (31,418), Tanzania (31,291), China (18,069), and United Kingdom (16,264).

SUDAN

$640 MLN RAILWAY REVAMP

Sudan is planning a $643 million revamp of its shattered railway network before connecting it to neighboring countries. The African Development Bank, China State Construction Engineering Corp. Ltd. and unspecified Gulf firms have expressed interest in helping restore about 2,400 km. (1,490 miles) of currently idled rail-lines, according to the state-run Sudan Railways Corp. The government will first spend $17 million making emergency repairs to parts of the other half of the national network already in use. Sudan plans to rehabilitate abandoned lines mainly in the country's south. That will restore links to the cities of Madani, Kosti and Sennar, as well as Nyala in the war-torn western region of Darfur, while establishing a cross-border connection to Wau in South Sudan. Part of the financing will be from a $75 million World Bank grant. A yet more ambitious third stage envisages connecting Sudan with neighboring Ethiopia, Chad, Eritrea and

the Central African Republic. One line that may be built by China State Construction Engineering would stretch from Port Sudan on the Red Sea across Darfur to Chad, while another that the AfDB may finance would connect the coastal city with Ethiopia's capital, Addis Ababa, Ahmed said.

SOUTH SUDAN

FIRST LOCAL TELECOM LAUNCHES OPERATIONS

South Sudan President Salva Kiir Mayardiit launched the first-ever locally-owned mobile telecom operator. The Digitel Network, the third telco in the country, is expected to fast-track connectivity of areas previously not served by foreign-owned telecom firms. President Kiir that South Sudan needs to catch up with the rest of the world in terms of digital technology. The President said the developments came as a result of government partnerships with the private sector.

TANZANIA

'PATRIOTISM TAX' ON MOBILE MONEY BEGINS

A new so-called "patriotism levy" imposed on mobile money transfers in Tanzania has come into effect amid criticism. The tax, which was approved last month by the country's parliament, will impose additional charges every time payments are sent or received via phones. The government is imposing a levy between Sh10 and Sh10,000 on mobile money transactions, depending on the amount sent and withdrawn. Some firms indicate that the patriotism levy has caused transaction fees to double. Tanzania's finance ministry has defended the tax, saying the money raised will be used to fund development projects. But the new fees have been widely criticized as unfairly targeting the East African nation's poor citizens.

UGANDA

TO END MONOPOLY ON KENYAN OIL ROUTE

Uganda is exploring options to cut reliance on Kenya for oil imports by reviving shipments through Tanzania, a move that potentially jeopardizes business for its Kenya's Mombasa port. Uganda accounts for about ¾ of Mombasa port's transit cargo, and any drop in shipments could further hurt the facility that's been fighting to stave off growing competition from Tanzania's ports of Dar es Salaam and Tanga. Last week, Uganda Railways Corp. began a trial delivery of 500,000 liters of petroleum products across Lake Victoria, resuming shipments after a 16-year break, said acting Managing Director Stephen Wakasenza. The fuel initially landed in Dar es Salaam and was transported by train to Mwanza port and onward to Uganda over the world's second-largest fresh-water lake.

ZAMBIA

DIGITAL PAYMENTS PLATFORM TINGG LAUNCHED

In an effort to foster growth for both the formal and informal sector in Zambia, Pan-African payments business Cellulant has rolled out Tingg, a digital payments platform enabling businesses and their consumers accept and make payments seamlessly. A single integrated solution, Tingg offers simplified payment tools and processes for a merchant to manage their payments. As a result, businesses can allow their customers to make payments for goods and services using locally relevant payment options. Cellulant aims to leverage its digital payments platform to boost growth for the retail sector by making it easy for businesses to accept payments and address the complex needs of managing payments conveniently and affordably.

WEST & CENTRAL AFRICA

CEMAC: FX RESERVES ROSE 3.2% MOM IN MAY 2021

As of May 31, 2021, CEMAC countries' foreign reserves was XAF4,137 billion, down from XAF4,951 billion at end May 2020. Despite this year-on-year drop, the June 2021 report of the Bank of Central African States (BEAC)'s monetary policy committee explains that month on month, the reserve has grown by XAF129 billion or 3.2%. For the BEAC, this monthly growth was due to the strict application of the new foreign exchange regulation in force in the community space. Since the new foreign exchange the BEAC is claiming to be the reason for such month on month improvement became effective, economic operators have been complaining of not being able to pay their foreign suppliers. After several complaints and pressures, the BEAC had to suspend the provision according to which wire transfer requests would be rejected if all the old documentary proofs justifying the aim of former transfers are not submitted.

NIGERIA

OIL BILL VOTE DELAYED

Nigeria's lower chamber postponed a vote on a reconciled version of a bill aimed at attracting billions to its ageing oil sector following disagreements over the amount of money it would channel to communities where oil is produced. The delayed vote does not necessarily scupper the package, but means those who support it must either convince reluctant house members to vote in favor, or they will have to amend the package and have the senate approve a new version. The senate approved the package, which has taken more than a decade to get this far. However, house members from southern oil-producing states objected to the smaller share of money for oil-producing communities. The reconciled bill approved by the senate included sending a 3% share of the annual operating expenditure of oil companies to communities where petroleum is produced. The house had approved a 5% share, and the difference was a sticking point in the reconciliation process.

BOOSTING REVENUE AS OIL EARNINGS FALL

The privatization agency in Africa's largest economy plans to sell or allow private investors manage 36 state-owned assets to boost government revenues that has come under pressure from lower oil earnings. Two free economic zones in the northern city of Kano and Calabar in the oil region as well as power generation assets are among assets marked for sale, Alex Okoh, director-general of the Bureau of Public Enterprises said. The power plants have the capacity to add 3,300 megawatts to the nation's electricity generation, while the economic zones will boost export earnings by about $2 billion over the next five to seven years. Oil earnings in Africa's top crude producer fell short of target by 49.5% in the first five months through May, the Ministry of Finance, Budget and Planning said. Non-oil revenue also fell below expectation by 24.9%. The privatization will help attract capital to revamp the assets and raise cash to support the government amid declining budget income.

INFLATION FALLS AGAIN AS FOOD PRICE HIKE SLOWS

Nigeria's inflation rate fell for the third consecutive month in June to 17.75% y/y from 17.93% recorded in May, amid an accelerating increase in food prices, said the National Bureau of Statistics. On a m/m basis, the headline index increased by 1.06% in June 2021, up from 1.01% recorded in May 2021. The NBS said the composite food index rose by 21.83% y/y in June 2021 compared to 22.28% in May 2021. This implies that food prices continued to rise in June 2021 but at a slightly slower speed than it did in May 2021. According to the NBS, this rise in the food index in June was caused by increases in the prices of bread and cereals, potatoes, yam and other tubers, milk, cheese and eggs, fish, soft drinks, vegetables, oils and fats and meat. It added that month-on-month basis, the food sub-index increased by 1.11% in June 2021, from 1.05% recorded in May 2021.

MILLIONS PUSHED INTO HUNGER

Since COVID-19 hit Nigeria, prices for some staples such as eggs, onions and palm oil, have risen by 30% or more. Millions of Nigerians, who were once on solid financial footing, can no longer reliably feed themselves. Roughly 18% of households in Nigeria have at least one adult who does not eat for an entire day at a time, compared with 6% before the pandemic, according to the World Bank. Inflation is near an all-time high, and food prices account for almost 70% of the rise. In Nigeria, galloping inflation is combining with the impact of a teetering economy, rising unemployment and insecurity in farming regions to pull even the formerly middle class into dire straits. The World Bank estimates that price shocks in 2020 pushed 7 million additional Nigerians into poverty, an increase of nearly 10%.

$37 BLN INFRASTRUCTURE FUND

Nigeria has picked 4 asset managers to run a $37 billion fund set up to drive investment in roads, railways and power projects. Investors in the Infrastructure Corp. of Nigeria Ltd., include Central Bank of Nigeria, Nigeria Sovereign Investment Authority and the Africa Finance Corporation. Following the conclusion of the hiring process, the infrastructure Corporation is expected to begin full operation by the third quarter of 2021, said Governor of the Central Bank of Nigeria, Godwin Emefiele. President Muhammadu Buhari earlier this year approved 1 trillion naira ($2.4 billion) for the company to help close the huge infrastructure deficit in Africa's largest crude producer. The nation needs at least $3 trillion over 30 years to build roads and power plants to close its infrastructure gap, according to Moody's Investors Service. The money managers will raise the rest of the funds. Nigeria hired KPMG LLP in March to act as transaction adviser for the company.

CAMEROON

FISH FARMERS HOPE TO EDGE OUT FROZEN IMPORTS

In Cameroon, around half of the some 500,000 tons of fish consumed per year is bought from abroad, while the rest is

almost all wild-caught. Market dominance is a distant dream, but fish farming is on the rise with over 10,000 tons produced in 2020 compared with 5,000 tons in 2018, according to Divine Ngala Tombuh, deputy head of aquaculture at the fisheries ministry. To support the country's 15,000 fish farmers, the government has introduced import bans or limits on certain species including red tilapia. As of 2021, it has also removed all customs duties on imports of aquaculture equipment to encourage the sector to scale up further, he said. Trained fish farmers are eager to share their expertise with peers in Cameroon and elsewhere on the continent.

TAX POPULATION INCREASED BY END-APRIL 2021

According to the Ministry in charge of Finance (Minfi), Cameroon's tax population has increased from 89,741 in 2015 to more than 140,000 professional taxpayers to date—a growth rate of 58%. To achieve this development, the tax administration proceeded to the "strengthening of the withholding mechanism at source which makes it possible to carry out deductions on the occasion of transactions carried out by companies in the informal sector with large companies." There has been the strengthening of the traceability of transactions carried out in cash, through the corporate tax ban on the deduction of charges of a value of at least CFAF 500,000 paid in cash. and in terms of VAT, the prohibition on deducting invoices of at least 100,000 FCFA paid in cash.

GHANA

NEWMONT APPROVES $850M GOLD DEVELOPMENT

Bullion major Newmont announced the approval of a new $750-million to $850-million gold project in Ghana, which would create about 1,800 jobs at the peak of construction and more than 550 permanent roles. The Ahafo North project would add more than three-million ounces of gold production over an initial 13-year mine life. Ahafo North would include four open-pit mines and a standalone mill. It would produce an average of 275 000 oz to 325 000 oz at an all-in sustaining cost of $600/oz to $700/oz for the first five years. The project exceeded its required internal rate of return, which at current prices were expected to be more than 30%.

TOGO

CFA110 BLN - WAMU SECURITIES MARKET IN 2021Q3

Togo's public treasury aims to raise CFA110 billion on the WAMU securities market during 2021Q3. To this end, it will issue 10-year fungible bonds on July 23 and August 20. Lomé eyes a turnover of CFA50 billion for these two issues - CFA25 billion respectively. To close the quarter, the country plans to undertake, on September 17, two simultaneous issues which should attract CFA60 billion (CFA30 billion per issue). The two operations will have distinct maturities: 7 years and 10 years. In 2021Q2, Togo raised CFA183 billion while it expected CFA165 billion.

III. GLOBAL ECONOMIC AND FINANCIAL NEWS

HEALTH

COVAX STRUGGLES TO MEET DELIVERY TARGETS

The COVAX vaccine-sharing program has struggled to meet vaccine delivery targets because some countries are able to offer more for scant supplies, the head of the World Trade Organization said. "The supply scarcity is driving behavior," said director-general Ngozi Okonjo-Iweala, without naming any countries. "Many of them (countries) supported COVAX but many of them bid away vaccines from COVAX and that is why COVAX has been struggling to deliver what it should." She also expressed hope that a major meeting this week would "kick us along the path towards agreement".

COVAX: TWO CHINA-MADE COVID-19 JABS

Two Chinese coronavirus vaccine makers have signed supply deals with the global Covax scheme for equitable vaccine distribution. Gavi alongside the Coalition for Epidemic Preparedness Innovations announced that it had reached agreements with state-run Sinopharm and privately owned Sinovac Biotech to supply at least 110m vaccines to the Covax program.

PFIZER: TRIALS FOR DELTA VARIANT VACCINE

Pfizer and BioNTech are preparing to start clinical trials on a version of their Covid-19 vaccine targeting the Delta variant. The companies would be the first to create a vaccine focused on targeting the Delta variant. Delta is now the dominant strain in the US, according to the CDC, and accounts for more than 90% of new Covid cases in the UK. Pfizer reiterated that a 3rd shot of its vaccine given 6 to 12 months after the second dose of its two-shot regiment would be needed in order to boost immunity against new variants. The company said it would publish more definitive data on the effects of a third shot, and also planned to apply for emergency use authorization from the US Food and Drug Administration in August for its booster shot.

STUDY: MORE ANTIBODIES IN PFIZER THAN SINOVAC

Antibody levels in people who received two doses of the BioNTech/Pfizer vaccine were far higher than in those who received both shots of China's Sinovac jab, a study published in The Lancet found. Researchers at the University of Hong Kong collected blood samples from 1,400 healthcare workers who had received one of the two vaccines, recording their antibody levels before vaccination, before the second dose, and 21 to 35 days after the second dose. Among the 93 people for whom there was complete data, the researchers found that those who were administered both shots of Pfizer's mRNA vaccine had more antibodies then those who were inoculated with Sinovac's inactivated virus vaccine.

STUDY: HEALTHY EATERS 40% LESS LIKELY TO BECOME SEVERELY ILL

People who eat healthily are less likely to develop Covid-19 or become severely ill, according to a study into the link between diet and the disease. Researchers at health science company Zoe, Harvard Medical School, and King's College London said that data collected since February 2020 on the eating habits of 600,000 people indicate that those with the highest quality diet are about 10% less likely to develop Covid-19 than those who ate worst. Healthy eaters were also 40% less likely to fall severely ill.

PANDEMIC TRIGGERS DROP IN CHILD VACCINATIONS

The Covid-19 pandemic has led to huge drops in childhood vaccinations, leaving countries more vulnerable to disease outbreaks, the WHO warned. At least 23m children worldwide missed out on routine jabs last year as health services were disrupted, according to WHO and Unicef. Vaccination rates fell in most countries, with south-east Asia and the eastern Mediterranean regions the most badly affected. In India last year, more than 3m children did not receive their first dose of the diphtheria, pertussis and tetanus combined vaccine, up from 1.4m who did not get jabbed in 2019.

WORLD

G20 TO URGE IMF RESERVE BOOST FOR VULNERABLE COUNTRIES

G20 finance ministers are to urge the IMF to quickly come up with ways for countries to steer resources. The IMF said that its executive board had backed a $650 billion allocation of IMF Special Drawing Rights, advancing the distribution of currency reserves to the IMF's 190 member countries towards a targeted completion by the end of August. Some countries, including France and the United States, have proposed that an additional $100 billion in SDRs that rich countries will get under the new allocation should be made available to poor countries.

PANDEMIC AND HIGHER FOOD PRICES FUEL RISE IN GLOBAL HUNGER

The economic fallout from the pandemic and rapidly rising food prices have fueled a sharp increase in the number of people going hungry around the world, according to the UN. The number who did not have access to adequate nutrition last year rose 320m to 2.4bn — nearly a third of the world's population — the UN said. The increase is equivalent to that of the previous five years combined. Almost 1bn people were severely food insecure, up by a fifth from 2019. The UN Food and Agriculture Organization's food price index has risen 34% over the past year, driven by droughts in key exporting countries as well as stockpiling by some governments and companies. Developing countries, which rely on agricultural imports and food that is less processed, have acutely felt the rise in prices. The IMF recently cited weather disruptions and strong demand for staple foods for humans and animals, along with a surge in shipping costs, as drivers of the trend.

OIL DEMAND AT PRE-PANDEMIC LEVEL IN 2022

OPEC stuck to its forecast for a strong recovery in world oil demand in the rest of 2021 and predicted oil use would rise further in 2022 similar to pre-pandemic rates, led by growth in China and India. According to OPEC, demand next year would rise by 3.4% to 99.86 million barrels per day (bpd), averaging more than 100 million bpd in the second half of 2022. Oil demand averaged 99.98 million bpd in 2019, according to OPEC. The report reflected OPEC's confidence that world demand would recover robustly from the pandemic, allowing the group and its allies to further ease record supply curbs made in 2020.

UNITED STATES

US POSITIVITY RATES RISE AS RESTRICTIONS EASE

New York state is recording double the positivity rates for Covid-19 compared with a month ago, as health experts raised concerns over a new rise in infections. The state reported another 661 cases on Saturday as the seven-day average positivity rate reached 0.79%, nearly twice the record low of 0.4% set last month. However, hospital admissions had nearly halved over the same period. Some health authorities have played down the rising rate. According to Johns Hopkins University research, areas of the US with low vaccination rates should prepare for a surge of infections. Localized hotspots are emerging, especially in the South, Midwest and West. Rates have risen over the past two weeks in Arizona, Florida, Illinois, Kentucky, Mississippi, Missouri, Nebraska, Nevada, Oklahoma, South Carolina, Texas, Wisconsin and Wyoming.

CPI JUMPS 5.4% FROM A YEAR AGO

The breakneck pace of US consumer price increases seen since the start of the year accelerated in June, challenging the Federal Reserve's case that the burst of inflationary pressures accompanying the economic reopening will prove temporary. The consumer price index rose 5.4% y/y in June—above the nearly 13-year high of 5% reported in May and surpassing the 4.9% increase predicted by economists. On a monthly basis, the Bureau of Labor Statistics showed price gains of 0.9%, well above the 0.6% seen in May. Stripping out volatile items like food and energy, "core" CPI rose from 3.8% y/y in May to 4.5% in June.

EUROZONE

DELTA VARIANT SHADOWS ECONOMIC REBOUND

The rapid spread of the Delta coronavirus variant is causing economists to worry that Europe's brightening economic outlook risks being undermined by rising infection levels and the reintroduction of travel and social restrictions. The lifting of most lockdown measures across the region in recent months has led to a surge in business activity, retail spending and household confidence, prompting many economists to upgrade their forecasts for European growth. However, those assumptions are being thrown into doubt now that the highly infectious Delta variant already accounts for new cases in many European countries and is driving infection rates up to their highest level for months. On Friday, Germany and France warned their citizens against travel to Spain, where the highest infection rate of coronavirus was registered in mainland Europe, dealing a blow to its tourism sector at the start of the crucial summer season. The Netherlands said it would reintroduce restrictions because of a more than tenfold rise in the country's daily infection rate to almost 7,000 in that period. Meanwhile, Portugal said holidaymakers must be vaccinated, have a negative test or have recovered from the virus to stay in its hotels or eat inside restaurants in many areas. The European Centre for Disease Prevention and Control said that the weekly Covid-19 infection rate for the EU had risen to 51.6 per 100,000 people, up from 38.6 the previous week. Hospitalizations and deaths from the virus remain very low, while more than 44% of EU adults are fully vaccinated.

EBC'S SCALING BACK BOND-BUYING

European Central Bank policymakers engaged in a lively debate last month over whether to slow the pace of its emergency bond purchases, in an indication that the argument will take center stage in their upcoming policy meetings. The central bank's more conservative "hawks" called for asset purchases to be scaled back in response to the brightening economic outlook and improved financing conditions. The more "dovish" proponents of loose monetary policy resisted. In the end, "a broad consensus" emerged in favor of maintaining the current level of monetary stimulus being delivered by its €1.85tn pandemic emergency purchase program (PEPP). The ECB stepped up the pace of PEPP to €80bn a month in March and has just over €660bn left to spend; the PEPP is due to last until at least March 2022. The debate at the ECB has also been playing out at other central banks, some of which have already decided to slow the pace of bond purchases, such as in Canada and Australia. Others like the US Federal Reserve are still debating when to wind down their stimulus.

FACTORY PRODUCTION FALLS 1%

Eurozone industrial production fell 1% in May from the previous month, as shortages of semiconductors and other materials continued to weigh on manufacturers' output, said Eurostat. The main drag on industrial output in the bloc was a 7.8% monthly fall in the production of motor vehicles, trailers and semi-trailers, which meant production in that area was 25% below pre-pandemic levels. Eurostat said non-durable consumer goods production fell 2.3% from the previous month, capital goods production declined 1.6% and intermediate goods dropped 0.2%. Durable consumer goods production rose 1.6%. Recent surveys of manufacturers in the eurozone have indicated that their order books are surging due to buoyant global demand.

ASIA

DELTA WAVE FORCES ASIA INTO RETREAT

Governments across the Asia-Pacific region are rushing to impose tougher lockdown measures to combat the spread of the highly infectious Covid-19 Delta variant. The sudden resurgence of coronavirus outbreaks is straining health systems and stoking public anxiety about vaccination programs plagued by delays and supply shortages. Indonesia is among the worst-hit countries in the region. The daily death toll has doubled over the past week to more than 1,000. Joko Widodo, the president, has extended lockdown measures in areas including Java, the main island, and Bali. In Australia, authorities have warned that thousands of people could die unless an outbreak in Sydney linked to the Delta variant was brought under control. A two-week lockdown in the city of 5m has failed to quell a cluster of active cases, prompting a tightening of restrictions. Australia and South Korea were among those countries that won international praise for suppressing the virus last year. South Korea instituted its highest level of virus-related restrictions across Seoul and the capital's surrounding areas, affecting about half the country's 52m people. Finally, Japan's government put Tokyo under its fourth Covid-19 state of emergency—with the measure to last until August 22, a period that will cover the duration of the Tokyo Olympics.

CHINA

UNCERTAINTY DESPITE MODERATE RECOVERY IN Q2

The pace of China's economic recovery rose modestly in 2021Q2 after signs of sluggishness in the economy had stoked expectations of greater policy support. On a q/q basis, China's GDP grew 1.3% in the three months to the end of June, up from a revised 0.4% expansion in the previous quarter. GDP in 2021Q2 was 7.9% y/y, compared with y/y growth of 18.3% in 2021Q1. Liu Aihua, a spokesperson for the NBS, told reporters in Beijing that the economy had continued to recover steadily but warned that the rebound was unbalanced. Signs of downward pressure on China's recovery have prompted speculation that Beijing will unleash more policy support to shore up business confidence and employment and lift spending.

HIGH FREQUENCY TABLES

Table 1. Evolution of the different high-frequency financial prices

Exchange rates (units of local currency per USD)

July 16, 2021	Previous Close	Variation (%)			
		1 Day	1 Week	1 Month	1 Year
Angola	651	0.0	-0.0	0.2	14.2
Botswana	11	-0.4	0.7	3.0	-5.1
Cameroon + Central CFA countries*	556	0.0	0.6	1.6	-3.1
Congo, Dem. Rep.	1974	--	-0.1	-0.2	0.9
Ethiopia	44	0.2	0.5	1.3	25.5
Ghana	6	-0.3	--	1.6	2.6
Kenya	108	0.0	0.2	0.6	1.1
Lesotho	14	-1.2	1.3	2.7	-13.7
Madagascar	3848	0.6	2.0	2.1	0.5
Malawi	806	--	0.0	0.7	9.8
Mauritius	43	0.6	0.6	5.1	7.7
Mozambique	64	-0.0	-0.1	1.1	-9.6
Namibia	14	-1.2	1.3	2.7	-13.7
Nigeria	411	-0.1	-0.2	-0.1	5.8
Rwanda	1004	0.3	0.3	0.6	5.7
Senegal + West CFA countries**	556	0.1	0.6	1.6	-3.3
Seychelles	15	3.4	1.2	-2.2	-13.5
Somalia	578	-0.3	-0.3	-0.0	-0.0
South Africa	14	-1.2	1.3	2.7	-13.7
Sudan	443	--	-0.4	3.7	6948.1
Sudan (South)	130	--	--	--	--
Swaziland	14	-1.2	1.3	2.7	-13.7
Tanzania	2317	-0.1	-0.0	-0.0	-0.1
Uganda	3558	0.1	0.2	0.7	-3.7
Zambia	23	-0.2	-0.3	0.1	23.8

** Central African CFA Franc (CAF, TCD, COG, GNQ, GAB)*

*** West African CFA Franc (BEN, BFA, GNB, CIV, MLI, NER, TGO)*

Stock Market Indices

July 16, 2021	Previous Close	Variation (%)			
		1 Day	1 Week	1 Month	1 Year
AFRICA					
Botswana	6631	0.1	0.1	0.1	-6.8
Ghana	2648	-0.5	-0.2	0.1	42.3
Kenya	1972	0.1	1.1	3.2	3.3
Mauritius	1975	-0.5	0.6	9.1	22.0
Namibia	1360	-2.3	-3.5	-4.3	23.7
Nigeria	37947	0.2	-0.1	-1.6	56.2
South Africa	8145	-0.5	0.7	-2.5	19.0
MSCI Indices					
Emerging Markets (1)	1348	0.8	2.4	-2.2	28.9
Frontier Markets (2)	635	0.5	-0.8	-1.5	31.8
Frontier Markets Africa (3)	473	0.3	0.1	-0.2	34.9
World (4)	3044	-0.5	0.7	0.9	33.0
Developed					
Dow Jones Industrial	34687	-0.9	-0.5	1.9	30.1
S&P 500 Index	4326	-0.8	-1.0	2.4	34.1
NASDAQ	14427	-0.8	-1.9	2.8	37.4
Euro Stoxx 50	4036	-0.5	-0.8	-2.8	19.9
FTSE 100	7008	-0.1	-1.6	-2.5	11.4
Nikkei 225	28003	-1.0	0.2	-4.4	23.4

(1) Market capitalization index covering over 800 securities across 23 markets

(2) Market capitalization index covering 24 out of the 33 Frontier Markets

(3) BWA, GHA, KEN, MUS, MAR, NGA, TUN, ZMB

(4) Large and mid cap representation across 23 Developed Markets

Government Bond Yield (in USD basis points)

July 16, 2021	Previous Close	Variation			
		1M	3M	6M	1 Year
Africa	6.6	0.2	-0.1	0.1	-1.3
Angola	8.1	0.2	-0.3	-0.8	-3.9
Cote d'Ivoire	5.1	0.2	-0.1	0.5	-1.1
Gabon	5.5	0.3	-0.3	0.0	-2.3
Ghana	7.9	0.3	0.1	0.6	-1.0
Namibia	3.2	0.2	-0.6	-0.1	-1.9
Nigeria	6.8	0.2	-0.0	0.4	-1.6
Senegal	6.1	0.4	0.1	0.7	-0.4
South Africa	4.8	0.1	-0.3	-0.3	-1.3
Zambia	28.0	1.8	-0.8	-3.4	1.7

1/ The Yields come from JPMorgan Emerging Markets Bond Index.

Indices include external issuances with a notional amount above USD500Mn that is sufficiently liquid.

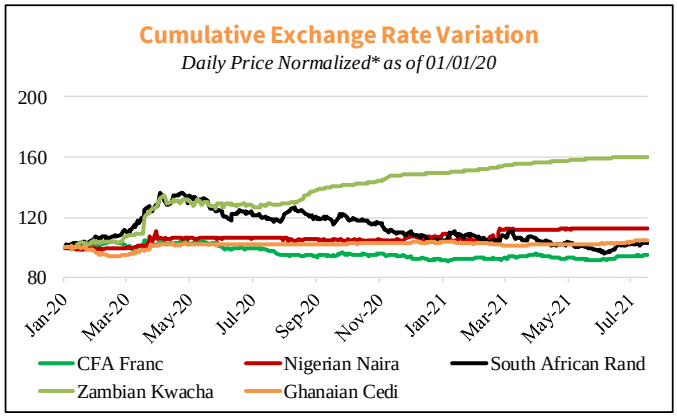
Other Global Indicators

July 16, 2021	Previous Close	Variation			
		1 Day	1 Week	1 Month	1 Year
Fed Funds Rate	0.3	--	--	--	--
3 month LIBOR	0.1	--	0.0	0.1	-0.5
6 month LIBOR	0.2	--	0.0	0.0	-0.5
3Mo US Govt Bond Yield	0.0	0.1	-0.1	0.8	-0.6
10Yr US Govt Bond Yield	1.3	-0.0	-0.0	-0.2	1.1
10 Yr Bund	-0.4	0.1	0.2	0.4	-0.2
High Yield Bonds (CS)	1759.7	--	-0.0	0.0	0.1
VIX	18.4	0.1	0.1	0.0	-0.3
USD/EUR Exchange Rate	1.2	-0.0	-0.0	-0.0	0.0
JPY/USD Exchange Rate	110.0	0.0	-0.0	-0.0	0.0

Table 1. Evolution of the different high-frequency financial prices (continued)

Domestic Rates

July 16, 2021	Previous Close	Variation 1M	3M	6M	1 Year
POLICY RATE					
Angola Bank Rate	15.5	--	--	--	--
Botswana Bank Rate	3.8	--	--	--	--
Ghana Policy Rate	13.5	--	-1.0	-1.0	-1.0
Kenya Central Bank Rate	9.0	--	--	--	--
Mauritius Repo Rate	1.9	--	--	--	--
Nigeria Central Bank Rate	11.5	--	--	--	-1.0
South Africa Repo Avg Rate	3.5	--	--	--	-0.3
Uganda C.B. Policy Rate	6.5	-0.5	-0.5	-0.5	-0.5
Zambia C.B. Policy Rate	8.5	--	--	0.5	-0.8
MARKET RATE					
Ghana 3M B.A. Avg. Yield	12.6	-0.1	-0.2	-1.5	-1.0
Kenya 3M B.A. Avg. Yield	6.5	-0.6	-0.6	-0.4	0.5
Namibia 3M B.A. Avg. Yield	4.7	0.3	0.5	0.5	-6.6
South Africa 3M Avg Yield	3.9	0.2	0.1	0.1	-0.1
South Africa 5Y Bond Yield	8.0	--	--	--	--
South Africa 10Y Bond Yield	9.3	0.2	0.3	0.5	-0.1



**The data series is set to zero on a specific date. The net change on each subsequent data point is added or subtracted from the value of the previous data point.*

International Commodity Prices

July 16, 2021	Previous Close	Variation (%) 1 Day	1 Week	1 Month	1 Year
ENERGY					
Crude Oil, WTI, US$/bbl	71.55	-0.1	-4.0	-0.8	76.3
Crude Oil, Brent, US$/bbl	73.26	-0.3	-3.0	-1.5	69.8
Natural Gas, m/btu	3.68	1.9	0.2	13.2	114.3
METALS					
Aluminum, USD/MT	2,518.00	--	0.7	2.0	51.5
Copper, $/mt	9,452.00	--	-0.3	-1.9	46.4
Gold, $/oz	1,811.29	-1.0	0.2	-0.0	0.0
Iron Ore, $/mt	219.77	0.5	1.8	2.9	105.0
Silver, $/oz	25.66	-2.6	-1.7	-4.9	32.8
Tin, $/mt	33,810.00	--	3.3	3.5	94.4
Zinc, $/mt	2,955.25	--	-0.2	-1.9	36.0
AGRICULTURE					
Cocoa, $/mt	1,592.00	2.4	1.7	-0.7	2.8
Coffee, $cents/lb	161.20	2.7	6.5	5.1	59.5
Cotton, USD/lb	89.93	1.0	2.5	4.6	44.0
Maize, $/bu.	246.00	1.5	4.9	-4.7	41.0
Raw Sugar, $/lb	17.71	2.2	2.5	3.9	51.0
Rice, $/cwt	13.21	-0.0	4.8	6.9	11.7
Soybean, $cents/bu	1,449.50	0.1	3.2	0.1	61.4
Wheat, USD/bu.	693.75	3.2	14.0	4.7	29.7

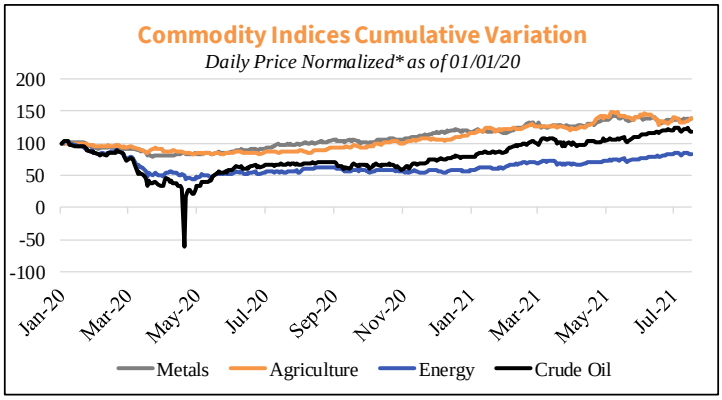
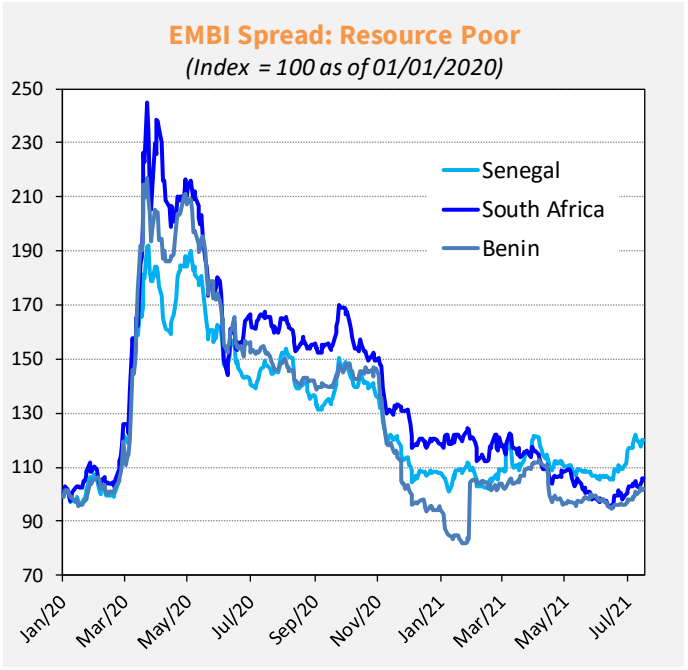
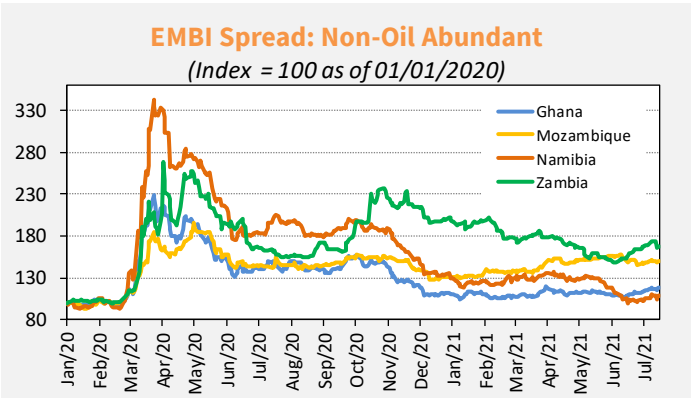


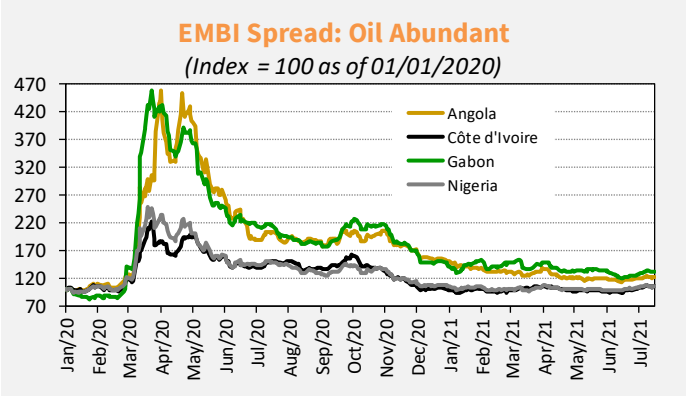
Table 2. Emerging Market Bond Index (EMBI) for SSA countries

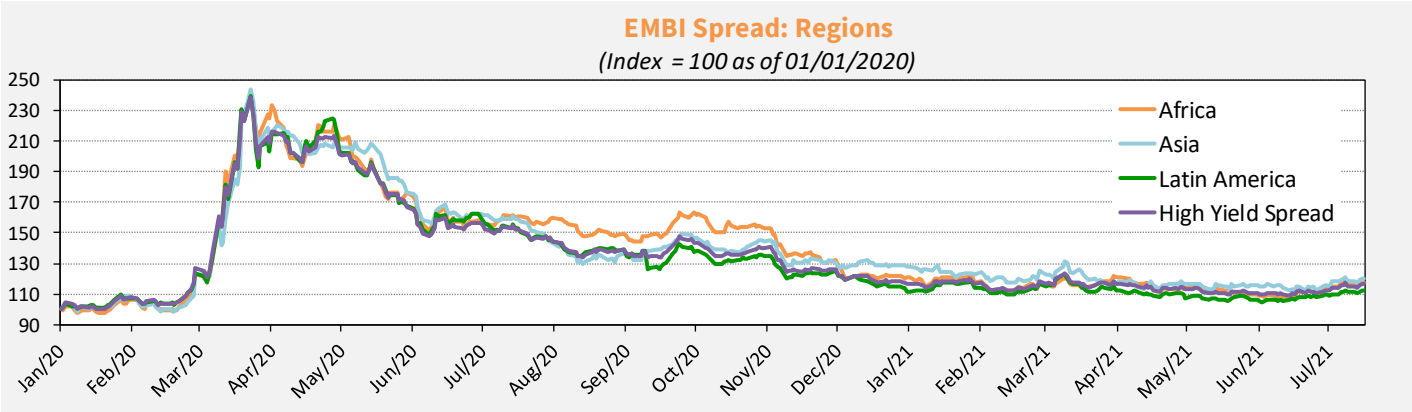
Global EMBI - Spread in basis points

July 16, 2021	Previous Close	Variation			
		1M	3M	6M	1 Year
Angola	683	45	-12	-94	-455
Benin	530	31	-11	89	-264
Côte d'Ivoire	402	45	12	38	-164
Gabon	463	48	-14	-13	-279
Ghana	674	54	27	43	-156
Mozambique	911	8	14	115	-28
Namibia	258	22	-58	-31	-225
Nigeria	544	40	17	22	-226
Senegal	466	57	29	55	-107
South Africa	337	33	-8	-43	-192
Zambia	2754	183	-83	-355	144
Africa	527	41	8	-5	-194
Asia	198	13	2	-8	-62
Europe	314	20	-11	24	-77
Latin America	390	21	11	-10	-131
Middle East	250	19	8	4	-50
High Yield Spread	372	8	-13	-54	-274









Source: Bloomberg

Table 3. COVID-19 Testing for select African countries

Cases and deaths as of July 15st, 2021

Country	Cases (number of people)	Deaths (number of people)	Cases (per million people)	Deaths (per million people)	Tests (number)	Tests (per 1,000)	Positive Test Rate	Latest Test Report
Côte d'Ivoire	48,999	319	1858	12	835,163	31.66	0.00	8-Jul
Congo, Dem. Rep.	45,211	984	505	11	..	..	0.11	7-Jul
Cabo Verde	33,180	294	59678	529	..	..	..	11-Jul
Ethiopia	277,443	4350	2413	38	2,920,624	25.41	0.02	11-Jul
Ghana	98,114	806	3158	26	1,309,608	42.15	0.03	4-Jul
Kenya	191,020	3746	3552	70	1,675,310	31.16	0.12	4-May
Madagascar	42,479	934	1534	34	216,591	7.82	0.04	3-Jul
Mozambique	94,733	1057	3031	34	622,539	19.92	0.27	7-Jul
Mauritania	22,187	503	4772	108	254,282	54.69	..	4-Apr
Malawi	41,498	1301	2169	68	284,517	14.87	0.21	12-Jul
Namibia	109,356	2270	43038	893	556,490	219.01	0.41	7-Jul
Nigeria	169,074	2126	820	10	2,362,757	11.46	0.03	12-Jul
Rwanda	51,625	616	3986	48	1,730,439	133.60	0.11	13-Jul
Senegal	48,270	1209	2883	72	601,904	35.95	0.17	12-Jul
South Sudan	10,917	117	975	10	164,472	14.69	0.01	26-May
Togo	14,426	134	1743	16	372,431	44.99	0.03	8-Jul
Uganda	89,080	2249	1947	49	1,373,065	30.02	0.13	6-Jul
South Africa	2,253,240	65972	37992	1112	13,937,470	235.00	0.29	12-Jul
Zambia	182,129	2991	9907	163	1,977,464	107.57	0.23	13-Jul
Zimbabwe	78,872	2418	5307	163	720,873	48.50	0.20	8-Jul

Source: *Our World In Data (OWID)*

Figure 2. Confirmed COVID-19 cases per million people

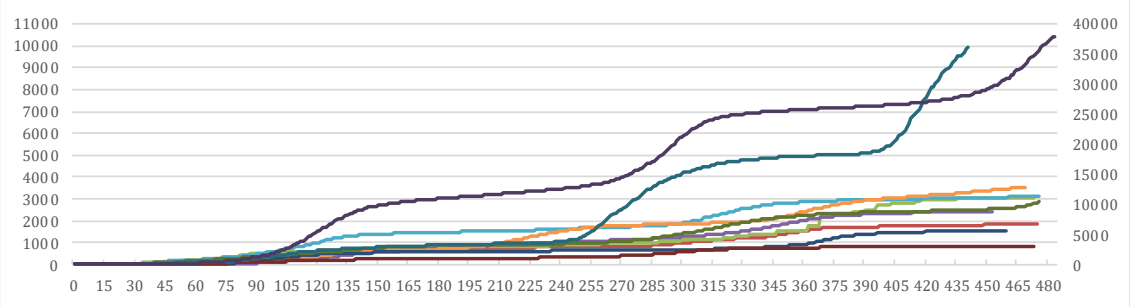


Figure 3. New daily cases

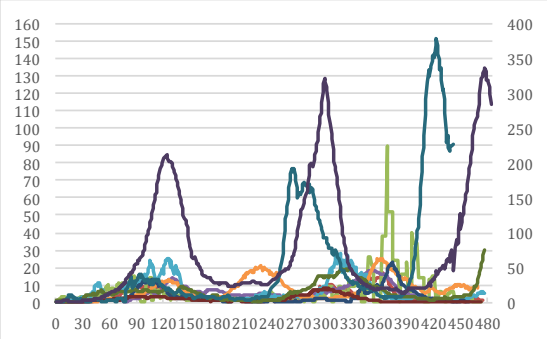
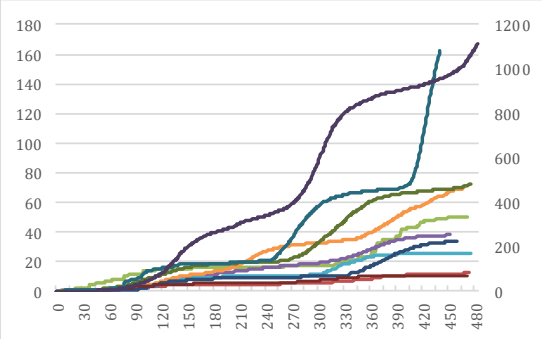
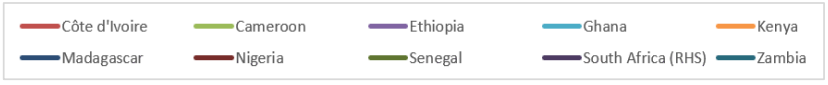


Figure 4. COVID-19 deaths per million people





**Note: Secondary axis corresponds to South Africa.*

Table 4. COVID-19 Community Mobility Report

(As of July 12th, 2021)

		Retail & Recreation	Grocery & Pharmacy	Parks	Train Stations	Workplaces	Residential
AGO	Angola	37	38	59	30	-1	-2
BFA	Burkina Faso	53	124	115	58	12	-7
BEN	Benin	14	103	68	13	-2	-3
BWA	Botswana	26	72	49	47	-5	2
CIV	Côte d'Ivoire	28	102	26	57	1	0
CMR	Cameroon	17	56	-2	56	-10	-4
CPV	Cabo Verde	-11	3	19	-36	-33	1
GAB	Gabon	17	17	81	17	-13	-12
GHA	Ghana	26	65	-5	30	2	7
GNB	Guinea-Bissau	..	..	..	..	-9	..
KEN	Kenya	24	38	-9	41	12	8
MLI	Mali	44	41	92	50	1	-15
MUS	Mauritius	-5	-5	-18	-28	-18	-3
MOZ	Mozambique	7	15	-7	-6	5	0
NAM	Namibia	-13	12	-22	-21	-23	2
NER	Niger	59	-7	44	50	-8	-11
NGA	Nigeria	17	31	2	33	5	10
RWA	Rwanda	-3	-7	25	-28	-27	27
SEN	Senegal	14	68	1	30	-5	-4
TGO	Togo	29	70	105	33	5	-5
TZA	Tanzania	24	44	36	24	2	6
UGA	Uganda	-48	-21	-23	-58	-33	31
ZAF	South Africa	-36	-16	-27	-47	-43	30
ZMB	Zambia	29	48	25	12	-6	7
ZWE	Zimbabwe	17	32	38	16	4	8

NOTES:

**Retail & Recreation: Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters. Grocery & Pharmacy: Mobility trends for places like grocery markets, food warehouses, farmers markets, specialty food shops, drug stores, and pharmacies. Parks: Mobility trends for places like national parks, public beaches, marinas, dog parks, plazas, and public gardens. Train Stations: Mobility trends for places like public transport hubs such as subway, bus, and train stations. Workplaces: Mobility trends for places of work. Residential: Mobility trends for places of*

Figure 5 Retail and Recreation

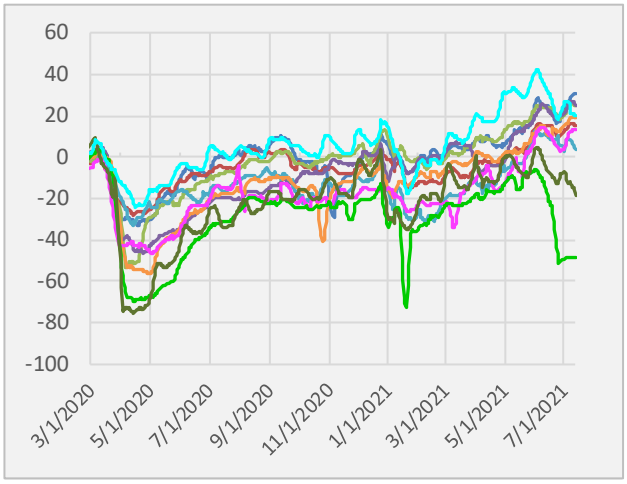


Figure 6 Grocery and Pharmacy

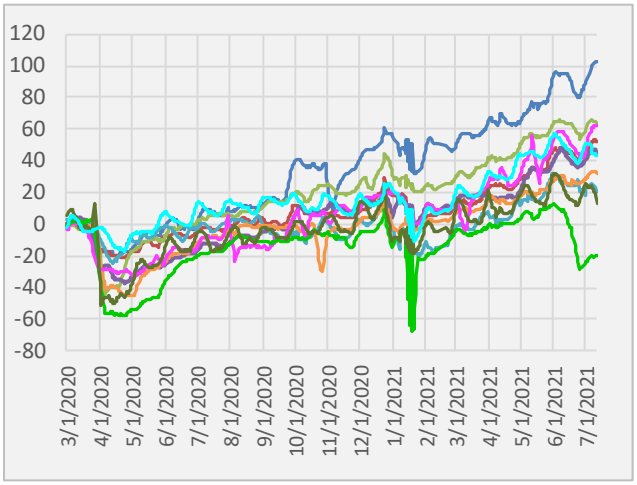


Figure 6 Parks

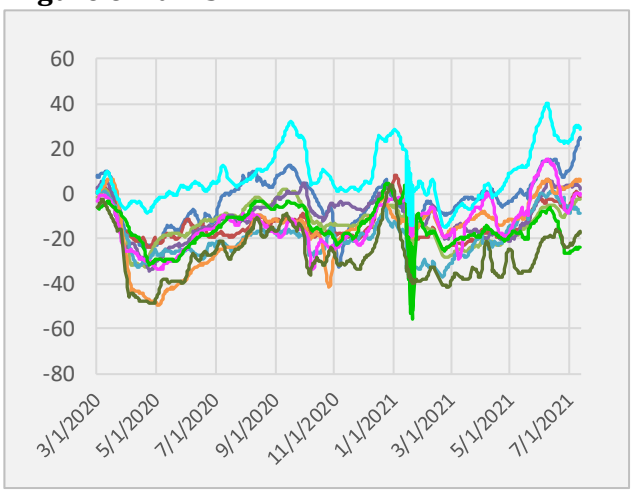


Figure 7 Train Stations

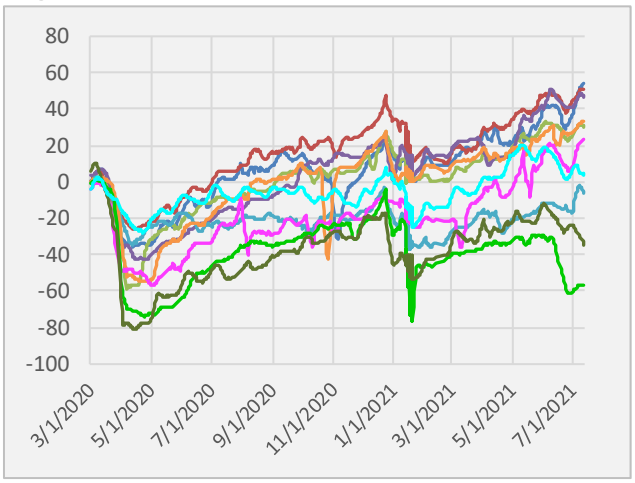


Figure 8 Workplace

