Newsletter

CASABLANCA FINANCE CITY
القطب المالي للدار البيضاء

October 2013

Casablanca Finance City
Your Gateway to Africa

In This Issue

Editorial

From Casablanca to Cape Town to Libreville, the message is clear: Africa is on the rise. The continent has confirmed its entrance in an era of emergence and progress. In the club of fast growing countries, Africa's lions have now joined the Asian tigers and are likely to take the lead by 2015.

Not only does Africa provide the highest rate of return on foreign investment than any other developing region, but the continent is also developing a new local economy with more added value, thus moving the world economy gravity center to the southern hemisphere. With Africa having a 6% growth rate in 2013, this new momentum is supported by regional integration in response to still fragmented markets.

Morocco fully contributes to this vision of an integrated Africa and firmly believes in financial integration as a powerful tool for growth. It is also believed that this option allows for a better financing of the economy and ensures sustained economic dynamism.

In this respect, His Majesty the King Mohamed VI conducted a visit in March 2013 to the Republic of Côte d'Ivoire. In order to consolidate the economic relations between the two countries, several trade and economic cooperation agreements have been signed.

Under the impetus of President Alassane Ouattara, the first economic power in French-speaking West Africa is moving towards achieving its sociopolitical and institutional transition, hence our choice in placing Côte d'Ivoire "Under the radar" for this edition.

As to CFC's activities, we have participated to the International Financial Forum 2013 hosted by our partner Paris Europlace (more in the CFC News section). Also, more CFC Statuses have been granted this last quarter, bringing the total number to circa thirty. For the upcoming quarter, we will continue undertaking numerous marketing events to promote and develop the financial center such as a US Roadshow in October and a London Reinsurance Roundtable in November.

Finally and most importantly, we are honoured to interview a great believer in Africa and an active player in the region, Mathieu Pigasse, CEO of Lazard France and Vice-Chairman of Lazard Europe. Mr. Pigasse defines Africa as « an absolute priority for many companies worldwide" and CFC as "a regional asset".

I wish you a great read and invite you to contact us for any query regarding investment in GNWA. With a thought to our cooperation opportunities, I would like to leave you with this quote from Henry Ford: 'Coming together is a beginning, keeping together is progress, working together is success.'

Best wishes,

Said Ibrahimi
Said Ibrahimi,
Chief Executive Officer of CFCA

About CFC Authority

CFCA, formerly Moroccan Financial Board, is a public-private partnership dedicated to positioning Casablanca as a regional financial center and a premier gateway into African markets for multinationals, financial institutions and professional services firms. CFCA is empowered by law with the overall management and promotion of Casablanca Finance City.

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GNWA News
Q3 2013

UAE Abraaj Group sells stake in HFC Bank in Ghana

Abraaj sold its stake of 8.9% in HFC Bank to the Republic Bank Limited. The group announced that the investment in HFC was well timed as the group capitalized on the rapid growth in the banking sector in Ghana. The successful execution of the bank's strategy has attracted a lot of strategic interest creating an attractive exit opportunity for the group.

Source: Ghana Business News

Investment One acquires Nigeria International Growth Fund "NIGFUND"

Investment One, the previously-owned investment management subsidiary of GTBank, acquires NIGFUND from Fidelity Bank. The acquisition came following the Central Bank of Nigeria policy to direct all banks to divest from non-core financial services. The acquisition for Investment One is geared towards fulfilling its vision to be a one-stop shop for comprehensive investment services. The Organization also called investors to embrace the fund announcing that it has balanced investment in equities, fixed income securities and real estate, and would embark on massive investment in education across the country.

Source: AllAfrica

Mazars, the seventh largest accountancy firm operating in Africa, enters Ghana through a merger

Mazars has officially introduced its brand presence in Ghana, following a successful merger with ET Akonor and Co, a local private company, to deliver accounting services for the rapidly developing Ghanaian economy. Ghana, according to Mazars Group, is a very important step to expand into the non-Francophone states.

Source: The Africa Report.com

Old mutual acquires the Ghanaian Provident Life Assurance Company

Ralph Mupita, CEO of Old Mutual Emerging Markets, described the transaction as an impetus to the firm's expansion in West Africa. Provident Life Assurance distributes in Ghana, Kumasi, Takoradi and Tema.

Source: Stock Market Wire

Two tenders for the construction of 2 concentrated solar plants in Morocco will be launched by September 2013

The two concentrated solar plants, located near Ouarzazate, will have a capacity of 200 and 100 MW. Saudi Arabia is already building a 160 MW plant in Ouarzazate under a government initiative to produce 2 GW of solar power by 2020. The World Bank's Clean Technology Fund, the European Investment Bank and German state-owned KfW Bank have given their initial agreement to help finance the project encouraged by the 7% annual growth of the Moroccan power consumption.

Source: Reuters

GDF Suez and Mitsui obtained Coal Power Plant Contract in Morocco

Safi Energy Company, a joint venture of GDF Suez SA, Japan's Mitsui & Co. Ltd and Nareva Holding, has been awarded a contract to operate a coal-fired power plant in Morocco that is expected to start producing in 2017. The power plant, located near Safi, will be built by South Korea's Daewoo Engineering & Construction Co. Ltd and will have a total capacity of 1,386 megawatts.

Source: Wall Street Journal

Total agreed to buy Chevron's retail fuel business in Egypt

France's Total SA bought Chevron Corp.'s retail fuel stations, oil depots, and aviation business in Egypt. The deal includes 66 service stations, 2 oil depots and aviation fuel operations at the Cairo and Marsa Alam airports, with an annual sales volume in excess of 1.4 million tons. As such, the deal creates Total's largest marketing and services unit outside of Europe.

Source: Reuters

Vivo acquires majority shares in Shell Ghana

Vivo energy is expected to be revamped Vivo Energy Ghana after the acquisition of majority shareholding in Shell Ghana. The acquisition is motivated by the high caliber workforce and the large and diversified customer base in Ghana as well as the company long history in the country.

Source: AllAfrica

Wall Mart targets growth markets such as Nigeria and Angola

Wal-Mart's South African arm plans to open 90 new stores across sub-Saharan Africa over the next three years as it targets growth markets such as Nigeria and Angola. The company invested USD 2.4 billion last year to buy 51% of a South African retailer. This move is considered as a springboard for the company to expand in the continent. The company also announced that it will open a trial stand-alone food store in West Africa by the end of the year, in hopes of expanding to East Africa.

Source: The Wall Street Journal

The Lybian funds, LAP GreenN, is in talks to buy 35% of Tunisie Télécom from Dubai Holding's arm, Emirates International Telecommunications

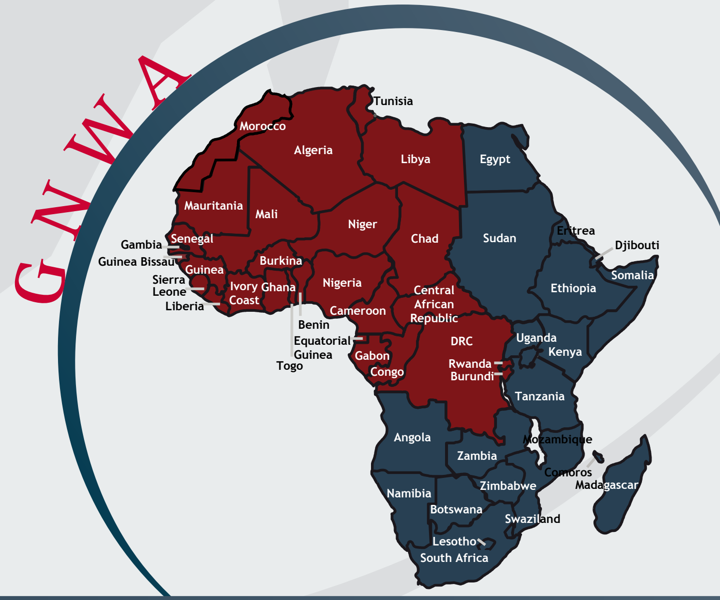
In an attempt to reduce debt, Dubai Holding's arm, Emirates International Telecommunications is set to take a huge hit on the stake it bought for USD 2.25 billion in 2006 and that J.P. Morgan Chase valued at only USD 650 million last July. LAP Green said it is doing due diligence on the potential purchase and has hired an international investment bank to advise it.

Source: Jeune Afrique

HM King Mohammed VI visited Mali on Thursday, September 16th to take part in the inauguration of the newly elected President

The inauguration of the new President Keita who was elected on the 15th of August with nearly 80% of the votes was attended by HM king Mohammed VI. The visit is meant to further consolidate the ties between the two countries. Morocco has both humanitarian and economic interests in Mali. The Monarch visit was preceded by the installation of a military hospital in Bamako and the transfer of a humanitarian aid package. Furthermore, major Moroccan economic players have branches in Mali including Maroc Telecom, Attijariwafa Bank, BMCE Bank, and Banque Populaire.

Source: Morocco World News



Republic of Côte d'Ivoire

Overview

The Republic of Côte d'Ivoire has been faced with both a damaging divide between the South and the North over the last decade and a post-electoral crisis in 2010 that marked the end of President Laurent Gbagbo mandate. Despite these serious challenges, the country has been able to achieve considerable progress in terms of economic and political stability. The West African country is now run by the economist and politician Alassan Ouattara. Head of the Rally of the Republicans party, Ouattara assumes both the roles of President and Minister of Defense.

With a return to institutional and political stability, Côte d'Ivoire is back on track as one of the fasted growing African countries. Thanks to healthier public finances, the country has reached the completion point of the Heavily Indebted Poor Countries program in June 2012. Economic activity and local consumption have also picked up driven by a public effort to rebuild basic infrastructure.

In 2012, GDP reached USD 24.68 billion making Côte d'Ivoire the 4th largest economy in West Africa. Performance has exceeded expectations realizing a growth rate of 9.8% with an average inflation of 1.3%. Growth is set to remain strong in 2013 and 2014 at around 8.9% and 9.8% respectively. This performance marks a contrast with the past decade and ushers an encouraging economic and social outlook.

The economy of Côte d'Ivoire is primarily dependent on agriculture; the sector represents 26.6% of GDP and engages 68% of the Ivoirian people. The country is the world's largest grower and exporter of cocoa. It produced 1.5 million tons, 35% of the world's production during the season 2011-2012. Côte d'Ivoire is also amongst the world's largest producers and exporters of coffee, palm oil, rubber, and banana.

Mining contributed 4.7% to GDP in 2011. Currently, the country is the 5th largest gold producer in West Africa. With government efforts to regulate the sector, the current annual production capacity of 7 tons is expected to almost double to 13 tons in 2013.

Energy is a promising source of growth given important natural gas reserves, large electricity generation capacity, and offshore oil gas discoveries. Côte d'Ivoire is the 4th largest producer of oil and the 3rd producer of natural gas in West Africa. In 2011, total production of oil and natural gas reached 38.5 thousand barrels/day and 0.15 billion cubic feet per day respectively. Aiming to enhance sector's yield, Government has put the Petroleum Investment Code and the Mining Code under review. As to the tertiary sector in Côte d'Ivoire, it contributed 48% to GDP in 2012. The sector is dominated by trade and transportation, two segments that performed well in 2012 thanks to the improved security environment and the return of household confidence.

The country has adopted a new investment code in 2012 providing a number of financial and tax incentives to foreign investors. FDI inflow in 2011 was USD 344.2 million, and thanks to public efforts to improve the business climate, it is expected to grow at 9.2% and 11.1% in 2013 and 2014, respectively.

As a result of efforts to rehabilitate the country, public expenditures have exceeded revenues making the budget deficit 3.5% of GDP in 2012. As to external debt, it was reported at USD 8.145 billion at the end of 2012.

Côte d'Ivoire economic performance since the return of peace to the country has boosted investor's confidence and households' consumption, and more importantly encouraged the government to maintain its development initiatives.

General Information	
Capital city	Yamoussoukro
Official Languages	French (official), and 60 indigenous languages
Area	322,462 sq km
Coastline	515 km
Population	20.6 Million
Currency	West African CFA franc
Time zone	UTC +00:00
Macroeconomic Indicators	
GDP (official exchange rate)	USD 24.63 billion
GDP (PPP) - per capita	USD 1,800
GDP composition by sector:	
Agriculture	26.6%
Industry	21.8%
Services	51.5%
FDI	USD 344.2 million
GDP growth rate	9.8%
Inflation rate	1.3%
Unemployment rate 15- 35 y.o	60%
Labor force	USD 8.188 million
CPI (2010)	121.2
Country risk assessment	B
Business Climate Assessment	C
S&P Credit Ratings	Not rated
Human Development Index	0.432
Monetary data	
Reserves of foreign exchange and gold	USD 3.928 billion
Central bank lending rate (2010)	4.25%
Market Cap (31/12/2011)	USD 6.288 billion
Currency conversion rate	USD 0,0020
Bank account penetration rate	NA
Natural Resources	
Oil Production	45,000 bbl/day
Natutal gas production	1.6 billion cubic meter
Electricity production	5.533 billion kWh
Arable lands	28,989 sq km
Trade/ FDI	
Imports	USD 8.589 billion
Exports	USD 12.25 billion
FDI (2011)	USD 344.2 million
Infrastructure	
Total Road Length	80,000 km
Annual airports traffic (2010)	NA
Container port traffic (2016 est.)	8,000 twenty-foot containers (TEU)
Paved Roads Length	6,500 km
Infrastructure investment as % of GDP	15%
National Account	
National expenditures	USD 6.062 billion
Public debt (% of GDP)	43.7%
Public debt	USD 8.145 billion

Source: The world Bank, IMF, CountrySTAT, CountryWatch

Under the Radar
Republic of Côte d'Ivoire

Emerging Côte d'Ivoire

Côte d'Ivoire's leader Alassane Ouattara is determined to make the country a West African economic power and raise it to emerging economy status by 2020. In order to realize this ambition, the National Development Plan (NDP) was designed in 2012 as the frame of reference for public action.

The plan relies on a set of driving principles, mainly strengthening the safety of Ivorians, maintaining the political system's stabilization, improving the business climate, and finally adopting a public investment policy strategically focused on the nation's engines of growth. The objectives of the NDP are to reach a constant average GDP growth of 10% over the 2012-2015 period relying on both public and private investments. The plan would require a total investment of circa USD 20 billion over the above period.

Public Investments in prioritized sectors represent 81% of the total public budget and are distributed as shown on the table on the right.

Important measures will be implemented in key sectors. Measures in the energy sector include refurbishment of the electrical grid, strengthening of power infrastructure and generation means, and harnessing the national renewable energy potential. As to agriculture, initiatives will target the major agricultural commodity chains; establish low-cost financing alternatives to farmers, renew coffee and cocoa farms, and support the creation of new intensive plantations, revive declining productions, and finally strengthen the system of export of fishery and tuna products.

Equipped with a firm and decisive public policy and a strategy that is tailored on the country's comparative advantages, Côte d'Ivoire is expected to reverse a decade of economic decline and prove as a West African economic powerhouse.

Sectors	Public Investment %
Economic Infrastructures	26%
Agriculture and Fisheries	12%
Education and Scientific Research	11%
Urban Infrastructure and Housing	10%
Mining and Energy	8%
Health	5%
Economy and Finance	4%
SMEs, Handicraft, Transport, Telecom	6%
Other	18%

Bi-lateral agreement between Morocco and Côte d'Ivoire

Agreements signed between Morocco and the Côte d'Ivoire in a chronological order:

- **May 5, 2006:** Signature in Rabat of a cooperation agreement in the field of vocational training between Morocco and Côte d'Ivoire.
- **July 20, 2006:** Signature of an agreement for the avoidance of double taxation in order to deal with income tax fraud.
- **24 November 2006:** Signature in Casablanca of a partnership between the Moroccan National Office of Airports and the Ivoirian «Société d'Exploitation et de Développement Aéroportuaire, Aéronautique, et Météorologique».
- **21 November 2007:** Signature in Abidjan of an agreement of USD 8.6 million for the management of the information systems of the property holding of the Ivoirian State in Côte d'Ivoire by the Moroccan company Involys.
- **24 October 2011:** Signature in Marrakech of a framework partnership agreement between ANAPEC and the commune of Plateau in Côte d'Ivoire with the aim to promote transfer of expertise in labor market prospection.
- **August 24, 2012:** Signature in Rabat of a cooperation agreement between the agency Maghreb Arab Press (MAP) and the Ivorian Press Agency (AIP) in order to revive their professional relations and grant each other the right to receive and use their respective information.
- **September 21, 2012:** Signature in Rabat of a cooperation agreement aiming at fighting against money laundering and terrorism financing.
- **December 6, 2012:** Signature in Paris of an agreement between the Ivorian government and the Moroccan group Alliance Construction for the building of the Ivorian police housing.
- **January 29, 2013:** Signature in Abidjan of a credit agreement between Chaabi International Bank and the Ivorian Refining Company (SIR). This agreement commits to support the liquidity needs of the SIR.

Signature of 6 agreements during the visit of HM the King Med VI to Côte d'Ivoire in **March 2013**:

- A memorandum of understanding on the cooperation between the foreign ministries of the two countries.
- A cooperation agreement between Morocco and Côte d'Ivoire for the promotion and protection of reciprocal investments in the two countries.
- An agreement for bilateral cooperation in fisheries and aquaculture.
- An agreement covering air services between the two countries.
- An agreement on vocational training in the field of tourism.
- An agreement covering the Moroccan-Ivorian cooperation in civil protection.
- **September 9, 2013:** Signature in Casablanaca of an agreement between the Moroccan Capital Market Authority (AMMC) and the Regional Council for Public Savings and Financial Markets (CREPMF) of west Africa to promote the listing on various stock exchanges and facilitate securities investment

CFC News

Casablanca Finance city has participated in July to the International Financial Forum 2013 hosted by our partner Paris Europlace. Mr. Said Ibrahimi, CEO, was amongst the guest speakers at the conference on International Financial Cooperation and more precisely to the Roundtable on International Financial Centers and Global Cooperation, where participants have underlined the positive impact financial centers have on businesses, citizens, and overall international economic growth. Each year, this forum gathers more than 1000 international participants, including corporate issuers, investors, bankers, asset managers, and European markets Authorities. The Forum offered a framework for international market players to discuss the new investment opportunities in the post-crisis context and the new European initiatives in terms of regulation and financial markets innovation.
Several meetings on key financial topics such as capital market and liquidity issues took place between Moroccan stakeholders and their French counterparts.

Casablanca Finance City has participated in September to the G8 Deauville Partnership Investment Conference in London during which were discussed opportunities and challenges in Arab countries in transition.

Several CFC statuses have been granted in the last quarter to international companies including Baker & McKenzie, Euler Hermes, Coface, Monitor Deloitte, and Essilor and many others are in the pipeline such as BNP Paribas Regional Investment Company, Société Générale Africa Technologies & Services...

As part of the partnership with Luxembourg for Finance, Casablanca Finance City organised in August various meetings with key players in the private banking field based in Luxembourg and Switzerland, to develop the Moroccan regulatory and tax framework in this sector.

Casablanca Finance City has participated in September to the international reinsurance Rendez-Vous de Septembre in Monte Carlo. Since 1957 the major players in the world Reinsurance market have met at the RVS in Monte-Carlo. For fifty years now, the Rendez-Vous de Septembre has brought together the major players in the world Reinsurance markets in Monte-Carlo including reinsurers, insurers and brokers and also attracted a large number of lawyers, bankers, accounting and rating companies, and specialist journalists. More than 2600 professionals from 80 countries meet in Monte-Carlo.

Upcoming Events

8th-13th October 2013

CFC Roadshow in USA

CFC Roadshow in New-York and Washington DC on the sidelines of the IMF/WB annual meetings and the Ai Africa Summit.

12th November 2013

London Reinsurance roundtable

CFC will co-organize a reinsurance roundtable with the Insurance Insider around the theme "regulatory and tax benefits of global reinsurance hubs, more specifically in Africa".

13th-16th November 2013

MEDays forum

This year edition of MEDays forum will be held under the general theme of " What emergence in an unstable world?" taking place in Tangier, Morocco

3rd-5th December 2013

Super Return Africa

Super Return Africa Private Equity in Accra, Ghana.

For further information about the above events, please contact us.

3 Questions to...
Matthieu Pigasse

Matthieu Pigasse is CEO of Lazard France and Vice-Chairman of Lazard Europe, Managing Director, in charge of Mergers & Acquisitions, and Global Head of the Government Advisory Group of Lazard.
Prior to Lazard, he was Chief of Staff of Laurent Fabius, French Minister of Economy, Finance and Industry (2000 – 2002). Before that, he was the Cabinet adviser to Dominique Strauss-Kahn at the Ministry of Economy, Finance and Industry (1998 – 2000), and he worked at the French Treasury (1994 – 1998) in charge of the debt and cash management of the French State.
He graduated from the Ecole Nationale d'Administration and the Institut d'Etudes Politiques de Paris.

1/ What do you think of the potential of Africa and in particular Greater North West Africa?

As it has been well publicized, the World's perception of Africa has changed over the last years from "the hopeless continent" to a region which is now taking off. Indeed, most African economies are flourishing and performances have been robust with more than 5% of average growth over the last 10 years, mainly driven by Sub Saharan Africa, where GDP has been multiplied by four since 2000 and which has an expected average annual growth of c.7% to 2020.

Contrarily to widespread belief, Africa's growth is not only due to natural resources, which actually account for less than a half of the growth to date. The major driver is demography, with populations that are not only increasing in numbers, but becoming more and more urban, and therefore creating a new category of consuming middle-class. By 2025, 40 African countries will be considered as having a middle class versus 27 countries as of today. This is why Africa has been isolated from the Eurozone crisis, unlike other emerging zones, and is so attractive to investors worldwide.

> *"CFC must be seen as a regional asset"*

African businessmen have proven to be innovative and audacious, with the iconic example of wireless payment solutions, where Africa is at the forefront of innovation. The increasingly stable African political and business environment should allow major African countries to further diversify away from natural resources and develop other industries and services.

North African companies, in particular in Morocco, have been quick to perceive the Sub Saharan opportunity, and have successfully developed southward, first in the banking and finance sectors, and then in other sectors as well.

The continent will certainly need more infrastructures, more regional integration and more financing capacity to fully emerge, but with 11 of the 20 fastest-growing worldwide economies expected to be located in Africa by 2017, it is undoubtedly the world's next growth engine.

2 / Can you please describe in few lines the success story of Lazard in Africa?

Lazard has been involved in Africa for more than 40 years and was actually the first international investment bank to provide financial advisory services on the continent.

Lazard has organized its African platform a year ago, with the creation of Lazard Africa, a unit in which we have regrouped professionals who are most involved in Africa, i.e. dedicated sovereign advisory specialists on the one hand, and mergers & acquisitions bankers on the other hand.

During the last twelve months, we visited 22 countries, both English and French speaking, such as Cote d'Ivoire, Gabon, RD Congo, Senegal, South Africa, Morocco, Uganda, Congo, Mauritania or Nigeria. As a result, we reinforced, or in some cases initiated, strategic relationships with key African corporate or political leaders.

We are currently quite busy in Africa, executing transactions on behalf of our clients, but also actively promoting Africa to our worldwide clients, who are looking for new growth opportunities, as Africa is an absolute priority for many companies worldwide.

We are very proud that Lazard ranks second in the African M&A league table over the last year, which shows our commitment to the continent as well as the need for quality and conflict less advisory in Africa, to contribute to build the African leaders of tomorrow.

3/ What is your opinion about Casablanca Finance City and more generally on Morocco?

Morocco has a fantastic potential for economic prosperity, as demonstrated by the 40% FDI rise during the first semester of 2013 and the country's recent ranking as one of the best African FDI destinations. Despite a slowdown in 2012, sound Moroccan macroeconomic policies allowed to deliver sustained economic growth, mainly based on services and agribusiness sectors, with low inflation over many years now.

However, CFC is not only about Morocco. CFC must be seen as a regional asset.

One of Africa's major challenges is regional integration. Today, Casablanca has a unique opportunity to truly become a regional hub, with the impressive development of airline connections by RAM, the expansion of Moroccan companies on the continent, and last but not least, Casablanca Finance City.

Casablanca offers all that international companies need: a strategic geographical position, being de facto a gateway between Europe and Africa, with a stable political environment, a solid banking sector and a world class infrastructure.