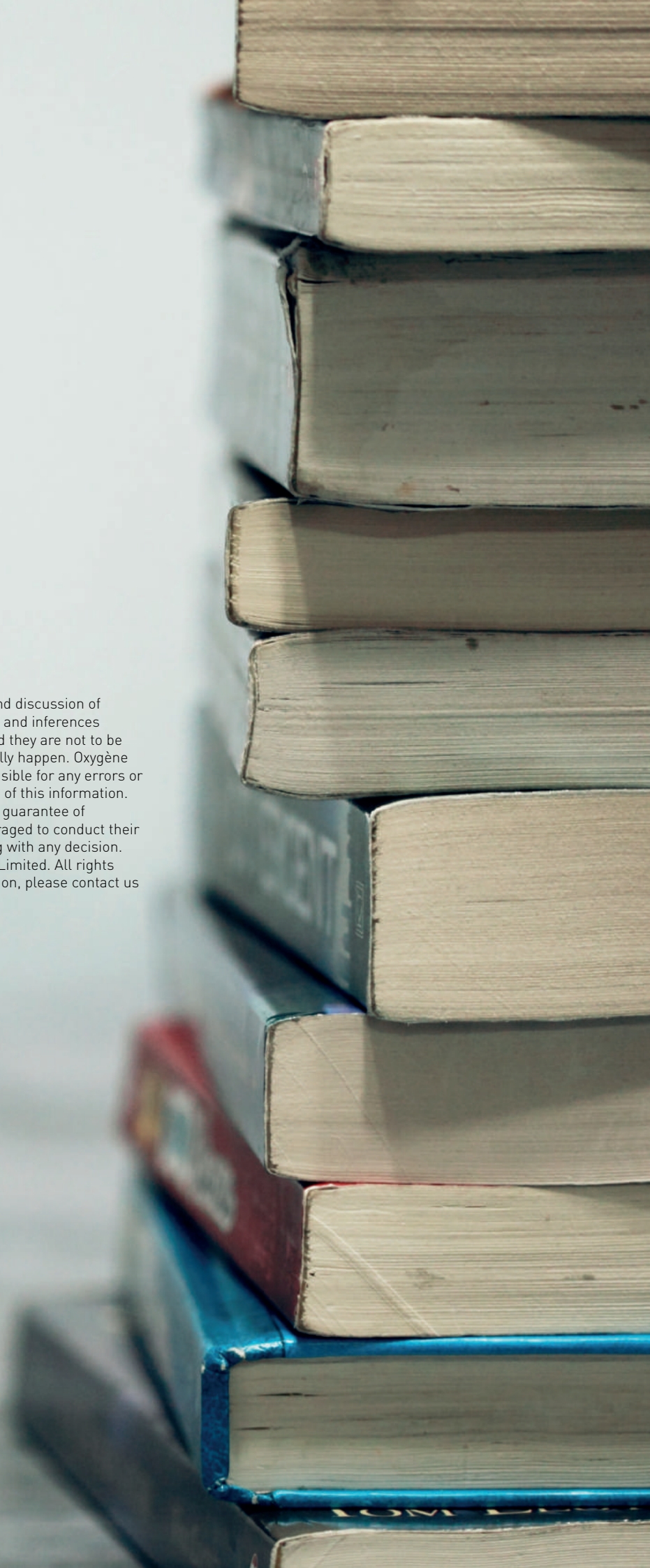
Vellum Weekly

THURSDAY, 30TH APRIL 2020

OXYGÈNE

OXYGÈNE



Disclaimer

After a good run, trouble at Afya House

the politics of the health sector and the apparent misuse of resources have become talking points.

The Ministry of Health has been on the receiving end of criticism after it sent its spending for Covid-19 response to a National Assembly committee.
Health Cabinet Secretary Mutahi Kagwe has also been criticised over his demotion of a senior officer at the Kenya Medical Research Institute because of delaying the release of results.
On the other hand, infighting between the Institute and the National Influenza Centre, with the billions involved in the Covid-19 response, has also become a talking point.

While the country has done well in the fight against the pandemic, and has started opening up some sectors of the economy, the politics of the health sector and the apparent misuse of resources have become talking points.
The likely result is a muddying of the situation and a loss of public confidence in the efforts, which have also been undermined by the police brutality at the start of the curfew and the reported bribery at roadblocks.
There is still no firm response from the ministry over the allegations of careless and inflated spending but the problem is likely to catch the attention of authorities higher up if it persists.

The likelihood of scandal does not bode well for the Government's relationship with donors and the corporates who have come out to back the fight, some of them keen on directing their cash to specific rather than broad efforts.
With the Covid-19 crisis already a political burden for the President, and his government's management of the issue under the spotlight, there would be a legitimate expectation that action will be taken.

Sonko's defiance grows, but how long?

Nairobi Governor Mike Sonko has challenged his critics and tormentors, who he says are based at Harambee House and who he says have been misleading the President.

"I still have a political life and I MUST finish and launch all my development projects," he said on Twitter on Thursday.

The governor has promised to start a process in court to reverse the transfer of key functions to the Nairobi Metropolitan Service and continues to frustrate the transfer of funds to the national government institution.

It is likely that Sonko has more wind in his sails from having seized control of the Finance Department at City Hall, but it is also possible that his are the kicks of a horse on its way out.

MANY WORDS FROM THE CENTRAL BANK

The Monetary Policy Committee(MPC) met on 29th April 2020 and the Governor of CBK briefed the public today on the outcomes of that meeting.

New global data

Global trends and projections indicate that the global economy is in recession and is expected to contract in 2020. The IMF projects an unprecedented 3% decline. Advanced economies are projected to contract by 6.1% and Medium and Emerging economies decline by 1%. These declines will be significant.

Surprisingly, for the first time in a long time both the large and emerging markets are both contracting putting the global economy in a season of synchronized drowning. Projections for decline include the US by 5.9% and Germany by 7% while China will experience modest growth of 1.2%. Sub Sahara Africa economies are expected to decline by 1.6% dominated by the larger economies SA & Nigeria.

Yesterday US Authorities released the first Quarter meeting. MPC did not look at these as they were released yesterday. Actual data released shows the US economy has contracted by 4.8%. This is significant as it is the worst sort of contraction in a while especially since lockdown in the US just came into effect toward the end of March. Part of the effects of lockdown in the US include the loss of 26 million jobs -16% of the US labor force, have been lost.

Governments and Central Banks have advanced to make several interventions. After the announcement yesterday in the US, the financial market indicators were stronger, which was not the expected response . There may have been other positive developments leading up to stronger market responses but it is clear the markets did not respond as expected.

The oil market has been greatly affected during this season. Prices have plummeted due to decreased demand. There have been discussions around production cuts. In the US oil prices fell up to USD negative 30.00, the main driver being a shortage of storage space. The oil market is expected to remain weak in terms of price which will affect producers and importers. Our benchmark oil is currently price at 18.1 USD per barrel compared to April 2019 price of 73.1 dollars per barrel.

Spotlight on Kenya

Domestically, there have been some developments brought by the release of 2019 Actual data. The Kenyan economy grew by 5.4% in 2019 compared to 6% in 2018. Agriculture was sluggish at3.6 % compared to 6% previously. It was below forecast of 4.8% due to delayed rains at the beginning in March as well as insufficient rain fall. There were downward revisions for agriculture due to the rainfall issues. The economy in 2019 indicates there is some buoyancy in the economy, though not as strong as in 2018, but in light of the circumstances, it was a good outcome.

Industry growth was quite slow despite a very active construction sector coming in at 6.6% in 2019 compared to 7% growth experienced in 2018. Industry was not as strong as in 2018 but it was a good outcome.

Looking into the Crystal Ball: New Forecast 2020

The MPC looked at the new forecast information as presented by the CBK staff including global trends and numbers and particularly the IMF global projections as well as the actual numbers for 2019 and the leading indicators that CBK has as of now. The current projection is overall growth of 2.2% for 2020 much lower than our projection in January of 6.2% and March projection of 3.4% due to the wide uncertainties of how things will turn out during and after COVID. There is a wide margin for change of this projection.

SECTOR ANALYSIS

ICT expected to grow by 5%

Health expected to grow by 3%

Accommodation and Restaurant sector is expected to contract by 51%

Transport Sector is expected to contract by 10%

Agriculture is expected to contract by 2%

2.3%
Overall growth

We expect 2021 to be a year of rebound with economic growth projected at 6.4% but subject to revision.

Balance of payments

Horticulture exports have fallen by 25% for flowers owing to restrictions in Amsterdam where flowers are auction and sold as well as cargo space issues from travel restrictions. This has affected the export of fresh vegetables and cut flowers.

Tea grew strongly in January and February while Coffee declined substantially.

The auction restrictions in Amsterdam are being lifted and there has been a lot of work to increase the number of cargo flights and Kenya has begun delivering flowers in the EU region. Currently demand is at around 30% of normal demand. We expect it to increase ahead of Mother's day celebrations. This is a significant development for Kenya in terms of value of our exports.

Imports are expected to decline largely because of oil. The CBK expects to see a 1 billion+ price drop in Kenya's overall import bill due to the global decline in oil price.

There have been some adjustments in the primary income portion for adjustment of payments as advised by some experts. This has led to a revision over the last 5 years, increasing the current account in the last 5 years. The current account is projected at a 5.8% deficit, and a 5.6% deficit in 2021.

We expect some significant capital inflows. The World Bank made a disbursement to support our health sector by USD 50Million. We expect another disbursement of USD 1 billion in the next couple of weeks. We also expect emergency assistance from IMF of 750 million USD.

Remittance Trends

Remittances from diaspora increased from USD 219 Million in Feb 2020 to USD 229 Million in March 2020, a 4.5% increase. Remittances haven't yet been significantly reduced by the impact or onset of COVID in the UK and the US. Declines were however noted in flows from South Africa, UAE and Mauritius. CBK projects a decline of 12-15% in remittances this year.

Banks

Capital adequacy is overall at 18.5% compared to the statutory minimum of 14.5%. The ratio of Non performing loans (NPLs) to Gross fell from 12.7% Feb to 12.5% in March. This is a modest decline on account of higher loans compared to the increase in loans during the monitored period.

We are monitoring what banks are doing and the impact of Corona on banking. CBK expects credit risk to increase as well as some strain in liquidity due to the increased non- payment of loans. These is why MPC reduced the Cash Reserve Ration (CRR) by 1% and injected 35.2 billion into the economy but targeted to the borrows affected by the pandemic, therefore the banks had to explain how they are going to use that money. CBK has released 15.3 billion (44%) in the past few weeks.

Main sectors that have benefited from the released flow of 15.3 billion:

- Tourism 50%
- Real estate 14%
- Trade 12%
- Agriculture 10%

And these are the main sectors we expect to be affected by the pandemic and the money is going where it should have been sent.

The demand for credit remains largely unchanged in Q1 of 2020. Private sector credit growth was 8.9% to March, the highest it has been since July 2016. Kenya is heading in the right direction even though CBK expects the curve to flatten in the coming months and then improve as Kenya overcomes the hurdles from the pandemic.

Restructuring of loans

Some emergency measures we introduced on 18th March 2020 with regard to restructuring of loans. As of March 30th, loans amounting to 9.9 billion had already been restructured and dealt with. This is the beginning and a long way from the overall 800 billion. This is very good progress for a period of 2 weeks. CBK encourages all borrowers to reach out to their banks proactively to restructure their loans. Government will not be delivering a blanket statements or adjustments of loans.

CBK's focus is to make sure the health crisis is reduced and it does not morph into an economic and financial crisis

The Human Factor

CBK has been working with banks to ensure that banks have the right approach to the pandemic. The biggest issue is really the human factor. Banks have to put in mechanisms to ensure, their staff are safe and can adjust to pandemic developments appropriately. This is completely different from the standard Business Continuity Plans due to the people centric nature of the required interventions.

CBK has sent out guidance to banks and CBK is quite happy with how banks have been behaving in this area.

What is in it for MSMEs?

The MPC observed that a weak point in the remedial measures taken so far is the response that the authorities have put forward for MSMEs. We all need to support MSMEs. There is an urgent need for some sort of credit guarantee scheme, properly structured to endure that MSMEs can actually borrow at rates that are affordable to them. There is some ongoing work in this area and CBK expects this to come into fruition some time in the near future

Fiscal interventions

There was a supplementary budget approved earlier in the week and it indicates that the Government revenues will really be low. This is not surprising considering corona's impact on the economy, the restrictions in place as well as external demand. Revenues will be down. Expenditure also needs to be redirected to health and social support. We expect the deficit will increase to 8.2% of GDP compared to 7.7% in the previous financial year.

In the supplementary budget, the National treasury proposed removal of all exemptions. National Treasury wants to ensure exemptions are correctly targeted. But parliament retained some of the exemptions.

CBK focus

The fiscal response measures by Government are incremental and targeted. Other countries have had a sort of 1 package but in Kenya authorities are putting package in place incrementally and have them targeted to the neediest and vulnerable for increased impact.

CBK's focus is to make sure the health crisis is reduced and it does not morph into an economic and financial crisis. From that perspective, the measures put in place seem to be effective but they have not run their full course.

The MPC decided to reduce the CBR rate also as a signal to everyone how significant this thing is (by half a percentage point) in addition to the 1 percentage point reduction last month. MPC will continue monitoring this and review next month.

CBK/MPC will do their part and look forward to seeing how these measures are impacting positively on the population and Kenya's response to the pandemic.

In other developments, President Uhuru Kenyatta has this evening at State House, Nairobi signed into law the Supplementary Appropriation Bill, 2020. The new law paves way for the Supplementary appropriation Bill, 2020. The new law paves the way for the utilization of KES 107,504,647,525.00 from Consolidated Fund for delivery of public services in the current Financial Year.

CAN WE HOST AGMs ONLINE?

The High Court issued an order yesterday allowing listed companies to host Annual General meetings online owing to the Covid 19 restrictions on movement and gatherings. This order was issued by the Court to endorse a consent in a case between Bharat Kumar Thakar and the Capital Markets Authority.

The court order permits any company listed on the Nairobi Securities Exchange ("Public Company") which finds it impracticable to conduct its general meeting as required by its Articles of Association on account of the ongoing novel Coronavirus 2019 (COVID-19) pandemic and related public health laws, regulations and directives currently in force and as may be passed by the Government of Kenya from time to time, including but not limited to the Public Health (Covid-19) Restriction of Movement of Persons and Related Measures) Rules, 2020 precluding inter alia public gatherings or for any other reasons, be allowed **subject to a No Objection from the Capital Markets Authority** subject to the following terms;

a. Any Public Company seeking to hold a general meeting outside the provisions of its Articles of Association on account of COVID-19 must, at least 14 days prior to issuing to its shareholders the statutory notice of the intended general meeting, first obtain a No Objection in writing, from the Capital Markets Authority.
b. Such Public Company must, in its request to the Capital Markets Authority for a No Objection as aforesaid, set out in detail, the manner in which the Public Company intends to hold the general meeting, including the manner in which the virtual and/or electronic technology or any hybrid means of holding the meeting, will be applied.
c. All notices, to the Capital Markets Authority provided under clause (a) above must confirm and demonstrate that Shareholders of the Public Company shall be provided with:
   - Notice of the general meeting as provided for under the Companies Act, 2015 and the applicable regulations;
   - Sufficient information to make informed decisions on any resolutions placed before the general meeting;
   - Sufficient opportunity to ask any questions and seek any clarifications that they require from the directors;
   - An opportunity to vote and that the registration and voting procedure are made clear to them;
   - Any other grounds as may be deemed appropriate in the circumstances.

Any meetings convened, held and conducted in accordance with this order and under section 280 of the Companies Act, 2015 be will be taken for all purposes to be a general meeting of the company properly convened held and conducted, subject to the foregoing conditions being met.
Any party affected by this order may apply for any other or further order or directions.
AGMs can therefore be held online with the blessings of the courts and the CMA.

COVID INTERVENTIONS AT THE CAPITAL MAKRET

The Capital Markets Authority (CMA) has provided the appropriate regulatory flexibility to help listed companies and market intermediaries address the challenges posed by the need for social distancing occasioned by COVID-19 while ensuring that market integrity and investor protection principles are maintained.

The CMA is allowing the progression of some of the activities usually sanctioned during Annual General Meetings (AGMs) for listed companies. Given the need to postpone AGMs, to help eligible shareholders access dividends during these difficult circumstances, the respective Boards of issuers of securities have been allowed to proceed to declare and pay the dividends to their shareholders.

> **This regulatory flexibility follows an earlier decision by the Authority to relax disclosure obligations**

This will be subject to the companies' dividend policies, procuring all other relevant internal approvals, and making available the audited financial statements to CMA, Nairobi Securities Exchange (NSE) and the public in the prescribed channels as explained in an earlier guidance.

The Boards of listed companies have also been allowed to progress the appointment and remuneration of auditors. Board decisions on these matters will need to be tabled at the AGMs, once convened, for ratification.

This regulatory flexibility follows an earlier decision by the Authority to relax disclosure obligations in relation to publication of financial statements in two newspapers of national circulation until 30 June 2020.

To ensure timely and seamless flow of the required information to the investing public, CMA directed that all required disclosures be published on the following platforms; issuers and licensees own websites and social media platforms; the NSE website for all issuers and trading participants; and the CMA website by all entities affected by this guidance. However, firms that do not have any challenges publishing their financial statements as normal in the newspapers are encouraged to do so.

To ensure normal operations continue at the Nairobi Securities Exchange (NSE), the NSE Chief Executive, Mr. Geoffrey Odundo, said the business continuity plan of the Exchange has been operationalized to support online and mobile trading with a URL available on NSE's website. Mr. Odundo added that the URL leads investors directly to the trading participants online or mobile portals for ease of trading from the comfort of their home. Additionally, market players have successfully been working remotely with trading systems accessed via Virtual Private Networks.
Mr. Odundo added that the industry is encouraging local firms capable and approved by the Ministry of Health to produce supplies required to combat the Covid-19 pandemic to raise capital through the NSE including Ibuka, with some of the compliance requirements eased for them by the CMA.

The Central Depository and Settlement Corporation (CDSC) Chief Executive, Mr. Nkoregamba Mwebesa, added that through its Business Continuity Plan, CDSC has ensured settlement continues through secure remote links with all settlement participants. Investors are also able to check their portfolios using the CDSC Mobile App, and their various queries are being addressed through the social media platforms. The CDSC is still offering all other depository services to Central Depository Agents and other stakeholders. These measures are aimed at ensuring that investors have remote access to the market through various channels, with the ability to easily buy or sell their securities with minimal physical movement and contact in line with the Ministry of Health Directives.
The Kenya Association of Stockbrokers and Investment Banks (KASIB) Chief Executive, Mr. Willie Njoroge, welcomed the support from the Authority, which has authorized and shall continue to guide, monitor and regulate the use of automated customer onboarding processes to reduce the need for physical verification of documents and in-person visits while facilitating easy access to the market by investors.

The Fund Managers Association (FMA) Chairman, Mr. Jonathan Stichbury, said the association through its member firms will continue to operate and actively invest in the Kenyan capital markets on behalf of their institutional and retail clients - and to support the proper functioning of the capital markets. FMA is already working with its members on CSR initiatives to support Kenyans affected by the COVID-19 outbreak and its economic effects.

CDSC, NSE, CMA and KASIB are also consulting with industry players to determine what other measures can be put in place to support investors in the capital markets, and these will be announced in due course.

Investors are also able to check their portfolios using the CDSC Mobile App, and their various queries are being addressed through the social media platforms.

ETHIOPIA

- Ethiopia moved closer to liberalising one of the world's final frontiers for telecommunications by publishing the final draft of directives that mention spectrum permits will be valid for 15 years. The Ethiopian Communications Authority will hold consultations on the proposed rules for 14 days ending 11 May 2020, the agency said in a statement on its website. It will review and consider the comments in adopting the directives on issues including licensing, consumer rights and dispute resolution.

- The government of Ethiopia has awarded a yearlong study to a United States company, GreenComm Technologies, to realise conversion of its natural gas deposit into liquid petroleum gas (LPG) and other petrochemicals. The one yearlong study includes finding ways on how Ethiopia can have a processing plant to convert its natural gases into LPG, airplane fuel, and other petrochemicals, according to the information from Ethiopia's Ministry of Mines, Petroleum and Natural Gas.

KENYA

The Central Bank of Kenya will face a fresh test at the monetary policy meeting today as the economy continues to be battered by the Covid-19 pandemic. The apex bank is expected at the Monetary Policy Committee meeting to assess the impact of a raft of measures it rolled out on 23 March 2020 to help the economy blunt and navigate the effects of the pandemic while possibly announcing new ones.

Built environment professionals say Kenya can fast track economic recovery after the pandemic if it preserves construction contracts among other public-funded projects for nationals. Speaking when she released Architectural Association of Kenya (AAK) study on Covid-19 impact on the construction sector, AAK president Mugure Njendu said local contractors should be empowered via patient loans to implement various public projects thereby generate more jobs and demand for goods as well as services across sectors.

The Ministry of Agriculture will not renew the trading licences of the tea and coffee auctions if they fail to permanently migrate trading to an online platform in two months. Agriculture Secretary Peter Munya has asked Mombasa tea auction and the Nairobi Coffee Exchange to move to digital trading, pointing out the current disruption in trading following Covid-19 would have been avoided if the auctions had been automated.

Kenya's economy will have a strong rebound in 2021, growing by about 5.2 percent, the World Bank projects in a new Economic Update. The multilateral lender pegs the recovery on the expected rise in private sector investment and improved credit access in the post-crisis period.

The number of formal jobs generated by the economy fell to a seven-year low in 2019, dimming the hopes of school and college leavers in a year when economic growth slowed down to 5.4 percent. However, the decline was counterbalanced by the growth in informal jobs, which rose from 744,000 in 2018 to 767,900 last year, according to data released by the Kenya National Bureau of Statistics in Nairobi yesterday.

Many city hotels and restaurant owners are yet to take up the State's offer allowing them to operate from 5 am to 4 pm, a spot check by the Business Daily shows. The businesses which opt to resume operations are required to adhere to stringent social distance measures such as ban on buffet services and having their guests sit at least one metre apart, amid other requirements on social distancing.

Citizens have redeemed KES 131 million (approx. USD 1.2 million) from Safaricom's customer loyalty awards scheme, mainly for household shopping, over the past three weeks, new data shows, an indication of the liquidity challenges facing many families in the wake of economic disruptions caused by the Covid-19 pandemic.

Cash-strapped companies can now apply for suspension or discontinuation of employer-retirement contributions to pension schemes until the coronavirus pandemic eases. The Retirement Benefits Authority said employers in hardest hit sectors such as travel and hospitality can notify it of measures taken to contain costs, among them suspension, reduction of contribution rates or stoppage.

Pay-TV operator StarTimes has ventured into online trading with a platform to sell branded television sets, solar power systems and set-top boxes. The platform, StarTimes GO will tap into the operator's PayTV clientele where products on sale will be advertised on its Rembo and Triple P channels.

Cement consumption recovered from a dismal run to a surprise 17-month-high in January, taking pressure off manufacturers of the commodity who have been increasing production capacity over the years. Data from the Kenya National Bureau of Statistics shows that January consumption hit 528,904 tonnes, marking the second straight month of recovery. The last time consumption was above this level was in August 2018 at 531,119 tonnes.

The health of Kenya's economy will be known today as the State releases national statistics on last year's performance and predicts the post-corona trajectory. The Kenya Bureau of Statistics is set to release the Economic Survey 2020, detailing key growth areas as well as the vulnerable segments.

The Court of Appeal has restored a section of law that gives the Kenya Revenue Authority (KRA) powers to attach property and seize documents of suspected tax cheats. A Bench of three judges agreed with KRA that the sections of the Tax Procedures Act, which were nullified two years ago, should be subjected to a second opinion before the law is amended.

RWANDA

- Rwanda is seeking to postpone debt repayments for at least two years to deal with the economic fallout from the coronavirus pandemic, President Paul Kagame said. The economy will probably only grow 3.5 percent this year, from an earlier projection of at least 8 percent, Kagame said Monday in a virtual media briefing. The central bank has said last year's expansion reached double digits.
- President Paul Kagame has said that cabinet will meet this week to analyse available information on the progress in containing COVID-19, which will inform the next course of action. Addressing a virtual press conference that brought together members of the local and international press corps on Monday, 27 April 2020, the president said that opening up the economy from the ongoing lockdown will be a phased exercise.
- The Rwanda Standards Board has trained local firms on how to ensure production of quality facemasks in an effort to support the country's bid to stave off the spread of coronavirus. The training comes in the wake of a Government directive compelling Rwandan to wear facemasks when going out for essential services or activities. Following the directive, Rwanda Food Drug Authority released a list of over 20, mostly garment companies allowed to manufacture barrier and medical masks, along with wide ranging guidelines.
- The coronavirus outbreak has left businesses counting costs, disrupted trade and supply chains. As a way of adjusting to the current crisis, investors as well as individuals are increasingly shifting focus to banks. In response, banks have developed approaches to support the economy. On top of slashing interest rates and easing loan repayment conditions, local banks have sustained their operations and have continued to inject money into the economy.
- Rwanda is trying to mobilise resources to revive the economy from the impact of the COVID-19 epidemic that has put economic activities in the country at a standstill. The projected economic growth for this year has gone down to an estimate of around 3.5 percent, according to the president. The government is coming up with a comprehensive plan, looking at every aspect of the economy and prioritising the social and economic life of Rwandans.

UGANDA

- Uganda is making final deliberations in trading off its surplus sugar to neighbouring Tanzania with the first consignment of 20,000 tonnes being agreed upon. A State House statement issued on Tuesday said the consignment of brown sugar will be exported to Tanzania by the end of May 2020.
- The Cabinet has agreed to lift the lockdown, but in a phased manner. In a meeting chaired by President Museveni, the Cabinet agreed that each sector of the government will develop a plan for the phased reopening of the country.
- With the need to keep supply chains open for essential imported goods from neighbouring countries, experts have called for the use of railway and water transport to minimise the risk of transmitting the spread of coronavirus through cargo truck drivers. This comes after more transit cargo drivers tested positive for Covid-19 in the past one week, bringing the total cases in the country to 79
- As the government is still contemplating the post Covid-19 economic recovery plan for the country, the Private Sector Foundation Uganda has proposed to the government a number of proposals they believe will help resuscitate the economy. Sectors such as manufacturing, banking, construction, tourism, trade, transport and generally the service sector are facing a recession and strategic mitigation measures are needed to rescue the situation to avoid total collapse.
- Kenyan truck drivers and companies have protested a decision by the Uganda government to stop foreign truck drivers at entry points and hand over the trucks to Ugandan drivers. The proposal will see Ugandan drivers deliver the cargo to its final destination within the country or hand it over to another driver in case the truck is still in transit.

ALGERIA

- Algeria on Monday announced extending the lockdown measure until 14 May 2020, as infections with COVID-19 have been increasing, APS news agency reported. The government further urged citizens and merchants to strictly follow the preventive measures, including social distancing and hygiene rules. This is the second time the government has decided to extend the nationwide lockdown.
- Algeria's annual inflation stood at 1.8 percent in March, unchanged from the previous month, as prices for most products stabilized, official data showed on Tuesday. On a monthly basis, the consumer price index rose by 1.2 percent in March, according to the National Statistics Bureau.

EGYPT

- Egyptian President Abdel-Fattah al-Sisi extended on Tuesday the nationwide state of emergency for another three months, according to the country's official gazette.
- The collapse of a deal designed to allow the restart of Egypt's idled Damietta LNG export facility was triggered by an inability of workers to access the plant due to the coronavirus and a significant devaluation of the asset due to falling prices.
- Egypt's agricultural exports tapped into the global markets, including the US and European markets during the coronavirus crisis period because of their high quality, the Agriculture Ministry said on Monday.
- Egypt says it has revoked the license of a leading hotel in South Sinai's Sharm El-Sheikh after it laid off workers amid the coronavirus pandemic, a statement by the tourism and antiquities ministry read. According to a statement on Sunday, Tourism and Antiquities Minister Khaled El-Anany revoked the hotel's license over its failure to adhere to directives issued by the ministry to protect trained labour from layoffs during the coronavirus crisis.
- The collapse of a deal designed to allow the restart of Egypt's idled Damietta LNG export facility was triggered by an inability of workers to access the plant due to the coronavirus and a significant devaluation of the asset due to falling prices.
- Egypt's agricultural exports tapped into the global markets, including the US and European markets during the coronavirus crisis period because of their high quality, the Agriculture Ministry said on Monday.

SUDAN

- The Sudanese government has dismissed reports about the control of the country's largest port terminal of Port Sudan by Dubai's DP World, one of the world's biggest port operators. On Saturday Aljazeera TV reported that the Sudanese government is undertaking measures to hand over control of Port Sudan seaport to the United Arab Emirates's DP World.

MALAWI

- The Agriculture Research and Extension Trust said it has developed new burley and flue cured tobacco varieties that are high yielding and disease resistant. The new varieties would help growers increase yield while reducing hectares under production and further enhance crop diversification among tobacco farmers.
- The Malawi Stock Exchange registered a slump in both traded volume and value in February due to seasonality factors. The market liquidity is usually lean in February because investors also await results on the financial performance of listed companies.
- Investment management and advisory firm, Alliance Capital, has said it expects Malawi's economic growth to be heavily weighed down by the effects of the coronavirus. In its first quarter economic report released on Friday, Alliance Capital say fiscal spending pressures are envisaged to mount further mainly emanating from the health sector and also as government tries to widen its social safety nets in response to the coronavirus pandemic.
- Economic experts have warned that headline inflation may swell back to a double digit band and interest rates may increase if the government continues to spend beyond its means. UK-based Malawian expert, Sane Zuka and local economic think-tanks, Economics Association of Malawi, said this when commenting on economic trends as reported by the Reserve Bank of Malawi's monthly economic review for February 2020.
- The African Institute for Corporate Citizenship has said the country's cotton marketing system has been greatly crippled by a shortage of buyers, a development that has left the farmer at the expense of vendors. However, Cotton Council of Malawi Chief Executive Officer, Cosmas Luwanda, said the council expects the situation to normalise in the coming weeks as it has licenced three buyers this year.

MAURITIUS

- The prices of additional basic commodities and sanitary products will be controlled in a bid to prevent profiteering and hoarding. Those additional basic commodities include rice, cereals, butter, cheese, pasta products, and pulses. As regards sanitary products for which prices will be controlled, these are baby and adult diapers, sanitary towels, and washing products.

MOZAMBIQUE

- The International Monetary Fund approved a USD 309 million emergency loan to help Mozambique meet its fiscal needs following the outbreak of the new coronavirus that's dashing the southern African nation's prospects of recovering from the impact of two cyclones last year.
- Oxford Economics has revised slightly upwards the inflation forecast for Mozambique, now anticipating a rise in prices of around 2.9 percent, driven by product shortages due to disruptions in supply chains.
- The Bank of Mozambique decided to extend, on an exceptional basis, the period of liquidation of Nosso Banco Bank, for a period of 90 days from the date of the end of the state of emergency, according to a statement issued by the Central Bank on Monday in Maputo. The measure, according to the central bank, took into consideration that the process of liquidation of the bank is in its final phase, that the measures resulting from the state of emergency will affect the normal working processes of public and private institutions, and is recommended to preserve the interests of creditors.
- Taking stock of the first 15 days of state of emergency measures imposed to counter the spread of the new coronavirus, companies are reporting dozens of constraints on production. The Confederation of Economic Associations of Mozambique said that businesspeople were unanimous in pointing out the high cost of fuel as contradicting expectations created by the fall in the price of oil in international markets, including in countries in the SADC region, such as Malawi.
- A partnership consisting of Portugal's Mota-Engil and Besix of Belgium has secured a contract for the Total-led USD 20 billion Mozambique LNG export project. Under the deal, the 50/50 partnership will build a pier bridge and an offloading facility for about USD 365 million, according to a Mota-Engil statement.
- In a drive to reduce the volume of imports by around 46 percent, the government is to invest in training and monitoring agricultural producers, Deputy Minister of Agriculture and Rural Development Olegário dos Anjos Banze has said. After having visited Inhambane over the weekend, Banze is now in Maputo, appraising himself of the current state of the 2019/20 agrarian campaign, and says that, despite drought and the cyclones that hit parts of the centre and north of the country, the balance of the first season is positive.

SOUTH AFRICA

- SA Express has become the first state-owned entity to be placed under provisional liquidation after the failure of its business rescue process. The Department of Public Enterprises, which oversees the operations of SA Express as its sole shareholder, did not oppose the provisional liquidation application.
- A weaker dollar and renewed risk sentiment saw the rand claw back 1 percent against the dollar on Tuesday, with markets now awaiting further signal from the Fed regarding the recovery of the US economy. The rand was trading at ZAR 18.57 to the dollar, ZAR 23.16 to the pound and ZAR 20.15 to the euro.
- The latest data from the Central Energy Fund points to a massive cut in the petrol price for motorists in May, which presents good news for some sectors of the economy due back at work beginning next week.
- As part of South Africa's amended Level 4 lockdown restrictions, the government plans to introduce a curfew which will limit the times when South Africans will be allowed outside of their homes. First announced as part of a draft framework, the curfew will place limitations on the times when South Africans are allowed to leave their homes and travel.
- Risk assets rallied on Monday as more countries outlined plans to start easing their lockdown states. However, these economies are all still very much in lockdown, and it could take months to reach full economic activity, while the risk of a second wave of the virus remains a real threat. The rand continues to seesaw, with further short-term downside on the table as the re-balance of the World Government Bond Index approaches at month end.

GHANA

- The President has announced plans by the Government to invest heavily in healthcare infrastructure, across the country, to ensure that every Ghanaian has access to quality healthcare. President Nana Addo Dankwa, who announced this said, this year, it will begin the construction of 88 hospitals in the districts without hospitals. The beneficiary districts in Ashanti-10; Volta-nine; Central-nine; Eastern-eight;Greater Accra-seven and Upper East-seven.

NIGERIA

- Ahead of this year's Workers' Day, popularly known as May Day, frontline organisations in the organised private sector have called on the Federal Government to support the sector with stimulus packages. The organisations include the Lagos Chamber of Commerce and Industry and the Nigeria Employers Consultative Association.
- Nigerians should be ready to pay high or low prices for petrol following the price liberalisation scheme currently in place, the Petroleum Products Pricing Regulatory Agency said on Monday. The PPPRA is also engaging with the Central Bank of Nigeria to determine the applicable foreign exchange rates for the importation of petroleum products by oil marketers.
- The Bank of Industry on Monday said it has reduced the interest rates on all its funded projects from 10 percent to 8 percent per annum. The bank said the decision, which took effect from 1 April 2020, had been communicated to customers and partnering commercial banks.
- The Nigerian National Petroleum Corporation has delayed publishing its future oil export plans as it negotiates with international oil companies and local players on how to cut output in line with a global deal on production curbs.
- Nigerians should be ready to pay high or low prices for petrol following the price liberalisation scheme currently in place, the Petroleum Products Pricing Regulatory Agency said on Monday. The PPPRA is also engaging with the Central Bank of Nigeria to determine the applicable foreign exchange rates for the importation of petroleum products by oil marketers.
- The Bank of Industry on Monday said it has reduced the interest rates on all its funded projects from 10 percent to 8 percent per annum. The bank said the decision, which took effect from 1 April 2020, had been communicated to customers and partnering commercial banks.
- The Nigerian National Petroleum Corporation has delayed publishing its future oil export plans as it negotiates with international oil companies and local players on how to cut output in line with a global deal on production curbs.

COTE D'IVOIRE

- Aim-listed IronRidge Resources has started Phase 2 of a drilling programme at the Zaranou gold project, in Côte d'Ivoire. The company will test mineralisation continuity over an initial 3 km strike target zone, within the 8 km gold corridor that was tested in Phase 1 of the drill programme.
- The government plans to help the cocoa industry and other agricultural export crops, such as cashew and coffee. Cocoa accounts for 10 percent of Côte d'Ivoire's GDP and 40 percent of its export earnings. Although prices on the world cocoa market are at a good level at the moment – they were even slightly higher last week – fears of a fall caused by the drop in demand, particularly from China persist.
- The Executive Board of the International Monetary Fund on Tuesday approved USD 3.4 billion in emergency financial assistance to the Federal Government in addressing the severe economic impact of the COVID-19 pandemic. The financial assistance, approved under the Rapid Financing Instrument, is also to enable Nigeria to address the sharp fall in oil prices.

KENYA GAZETTE REVIEW

LEGISLATIVE SUPPLEMENTS

Senate Bills
- The Pandemic Response and Management Bill, 2020
- The County Allocation of Revenue Bill, 2020

National Assembly Bills
- The Supplementary Appropriation Bill, 2020

Acts
- The Tax Laws (Amendment) Act, 2020
- The Division of Revenue Act, 2020

Legal Notices
- The Registration of Titles (Fees) (Amendment) Rules
- The Government Lands (Fees) (Amendment) Rules, 2020,
- The Registered Land (Amendment) Rules, 2020
- The Land Titles (Registration Fees) (Amendment) Rules, 2020
- The Public Procurement and Asset Disposal Regulations, 2020
- The Public Order (State Curfew) (Extension) Order, 2020
- The Kenya Defence Forces (South Africa Visiting Forces) Order, 2020

Public Notices
- The Capital Markets Authority has listed companies who are authorised to operate in the following categories:-
- Securities exchange, Central Depository, Credit Rating Agencies, Investment Banks, Stockbrokers, Non Dealing Online Foreign Exchange Brokers, Online Foreign Exchange Money Manager, Authorised Securities Dealers, Fund Managers, Investment Advisers, Authorised Depositories, Real Estate Investment Trusts (REITS) REIT Managers, REIT Trustees, Collective Investment Schemes, Employee Share Ownership Plans (ESOPS)
- The Chairman of the National Lands Commission has made a notice of further land acquisition of land for the construction of Thwake Multipurpose Dam.
- The Council for Legal Education has listed 46 individuals who have passed their exams and fulfilled the pupilage requirements.
- The Agriculture and Food Authority proposes to grant licenses to a number of applicants.
- An extension of term has been granted for the liquidator of Drumvale Farmers Cooperative Society Limited for a further period of one year.

KEEPING YOUR FINGER ON THE PULSE

CURRENT STATISTICS

QUICK FACTS

384
confirmed Corona Cases in Kenya

124
Recoveries

15
deaths

As at 29/04/2020

It is understood that data represented here on Covid-19 is rapidly fluid and data may have changed at the time of its publication

STATE OF THE KENYAN MEDIA

The Kenyan media industry, which has been grappling with onslaught of digital media in recent years, now has a fresh headache as the COVID-19 pandemic disrupts business with fears of an economic slump in the horizon.

The pandemic has further shrunk advertiser base as firms retreat to cash preservation positions. In essence, Coronavirus has kicked an industry that is already on the floor, leaving it even more exposed. Little wonder that the major media houses, including Nation Media Group, Standard Group, Mediamax and Royal Media Services have announced pay cuts ranging from 20% to 50%.

Further afield, Mail & Guardian Africa, a weekly published in South Africa took the unprecedented step of making a public appeal to readers for support to rescue it from tough times due to COVID-19. In an editorial, the paper said it might not even be able to pay salaries, attracting massive reader support, that translated into a spike in subscriptions.

The pandemic's threat to the media industry in Kenya and the rest of the world, is vivid, coming as it fights an existential battle. It is competing for eyeballs and advertisers' purse strings with the ubiquitous, more agile and adaptable digital outfits. Unlike the past, traditional media have limited scope to break news, a role that social media channels and blogs have ably taken up. This leaves them with analysis and features and context. The digital threat has seen major multimedia houses venture into convergence experiments in an attempt at collapsing editorial and advertising silos between print, electronic and digital platforms. These have largely failed to gather steam and deliver the hypothesis - cutting the cost of gathering content while presenting a more robust offering to entice advertisers.

Just as old habits die hard, newsrooms have tended to revert to default settings even within this converged structure. Besides, whereas the major media houses have set up formidable online platforms, monetizing them through a bankable business model, still remains a challenge. This has led to cycles of massive layoffs periodically in attempts at managing operating costs. As the pandemic persists, another cycle could just be in the offing.

Generally, newsrooms have remained understaffed. There are fewer reporters and correspondents expected to fill up the newspaper or bulletins. Most of them are younger, less experienced but cheaper resources. As a result, quality of coverage has suffered from lack of institutional memory on one hand, and time to process stories on the other. There is barely time for reporters to invest in specializing in a beat and understanding it fully to report more meaningfully. Working from home as means of containing the virus has sometimes translated into delays in pushing content through the pipeline. Newspapers particularly have slashed their pagination with heavier focus on stories related to the pandemic to assuage readers' thirst for this kind of stories.

With traditional advertising shrinking over time, media houses have in recent years, taken a rather bold step of blurring what was previously a sacred boundary between editorial and advertising. Content partnerships is one such innovation where brands can tell their stories under themed special reports, presented as news, backed by advertising. A lot more innovations could be on the way as media houses brave the pandemic that risks claiming some of them.

With what appears to be shaping up as a void of sorts in information mediation, brands have the opportunity to take control of their narratives. The universe seems to be aligning to make this a reality – internet penetration is huge, significant population of social media users. This has democratized storytelling. Brands need to seize this opportunity to take control of their narratives by investing in platforms for this. This goes, not only for corporate storytelling but also packaging news in the form of audio and video from events for distribution.

It is also time for a paradigm shift, beyond the focus on traditional media. Blogs, for instance, are emerging as alternative platforms for story-telling that brands can utilise.

PARLIAMENTARY ROUND UP

NATIONAL ASSEMBLY ROUND UP

Motions
- Approval Of Nominees For Appointment To The Teachers Service Commission
- Consideration Of A Nominee For Appointment As Chief Executive Officer Of The National Government Constituencies Development Fund Board

Statements
- Measures To Address The Effects Of The Covid-19 Pandemic

First Reading
- The Supplementary Appropriation Bill, 2020
- The Small Claims Court (Amendment) Bill (National Assembly Bill No. 4 Of 2020)

Second reading
- The Small Claims Court (Amendment) Bill (National Assembly Bill No. 4 Of 2020)
- The Supplementary Appropriation Bill, 2020
- The Public Finance Management (Amendment) Bill (National Assembly Bill No. 2 Of 2020)

Committee Of The Whole House
- The Small Claims Court (Amendment) Bill (National Assembly Bill No. 4 Of 2020)
- The Supplementary Appropriation Bill, 2020
- The Public Finance Management (Amendment) Bill (National Assembly Bill No. 2 Of 2020

Upcoming Business 6th May 2020

Motions
- Approval Of The Mediated Version Of The County Governments (Amendment) Bill (Senate Bill No. 11 Of 2017)
- Approval Of The Mediated Version Of The County Governments (Amendment) (No. 2) Bill (Senate Bill No. 7 Of 2017)
- Facilitating Virtual Sittings Of The House consideration Of Report Of The Procedure & House Rules Committee

First Reading
- The County Allocation Of Revenue Bill, 2020 (Senate Bill) - (If Any)
- The Finance Bill, 2020 - (If Any)
- The County Allocation Of Revenue Bill, 2020 (Senate Bill) - (If Any)

SENATE ROUND UP

Statements
- Statement on Government actions with regard to Covis-19 situation in Kenya
- Statement of Burial of Oyugi Onyango

Motions
- Third Progress Report Of The Ad-Hoc Committee On Covid – 19 Situation In Kenya
- Approval of Senators to serve in Respective Sessional and Standing Committees
- Adoption Of The Report Of The Standing Committee On Finance And Budget Regarding The Implementation Status Of The Senate Resolution On County Governments' Infrastructure Projects

Upcoming Business 6th May 2020

Second reading
- The County Allocation Of Revenue Bill (Senate Bills No. 7 Of 2020)
- The Fisheries Management And Development (Amendment) Bill (Senate Bills No. 22 Of 2019
- The Pandemic Response And Management Bill (Senate Bills No. 6 Of 2020)
- The National Drought Management Authority (Amendment) Bill (National Assembly Bills No. 26 Of 2019)
- The Reproductive Healthcare Bill (Senate Bills No. 23 Of 2019)
- The Wildlife Conservation And Management (Amendment) Bill (Senate Bills No. 24 Of 2019)

Committee Of The Whole House
- The County Allocation Of Revenue Bill (Senate Bills No. 7 Of 2020)
- Consideration Of The National Assembly Amendments To The Office Of The County Attorney Bill (Senate Bills No. 3 Of 2018)
- Consideration Of The National Assembly Amendments To The Petition To County Assemblies (Procedure) Bill (Senate Bills No. 22 Of 2018)
- The National Drought Management Authority (Amendment) Bill (National Assembly Bills No. 26 Of 2019
- The Fisheries Management And Development (Amendment) Bill (Senate Bills No. 22 Of 2019)
- The Independent Electoral And Boundaries Commission (Amendment) (No. 3) Bill (National Assembly Bills No.35 Of 2019)

COUNTY ROUNDUP

The Nyamira county assembly has resumed the county assembly plenary sittings

The following counties have special sittings of the County Assembly:

- Laikipia
- Mandera
- Narok
- Isiolo
- Homa bay.

The county government of Machakos has appointed a chairman of the pending bills committee

Vellum Weekly

OXYGÈNE