

September 13, 2019

nurmara.

News Worth Knowing

Nigeria's government has approved a [plan to increase the country's VAT rate](#) from 5% - 7.2%, part of efforts to raise revenues as Africa's biggest economy [faces a fiscal crisis](#).

[Expected to squeeze incomes](#) and raise prices for goods and services amid already widespread economic hardship, the move won't go down well with Nigerians.

It's austerity they will have to get used to.

Mounting debt and sluggish growth mean that cash-strapped Nigeria has little choice but to boost domestic revenue. The wisdom of the VAT increase is debatable, but some form of austerity is inevitable.

The country is not alone.

Across Africa, governments are cutting spending and raising taxes to stave off fiscal trouble.

From IMF-backed austerity in Tunisia and Egypt, to mining royalty hikes in Zambia and Democratic Republic of Congo, as well as unpopular new taxes on digital services in places like Uganda and Kenya, people and businesses are feeling the strain.

In places like [Gabon](#), Zimbabwe, and [Tunisia](#) this has led to strikes and protests. In Sudan austerity proved to be an important [catalyst for mass protests](#) resulting in the ousting of longtime ruler Omar al-Bashir.

Against the backdrop of fragile growth, generally poor public finances, a dimming global outlook, and a looming debt crisis, Africa needs to brace itself for more of the same.

Today's picks

From the continent

Leaders from the Economic Community of West African States are meeting in Burkina Faso's capital on Saturday for talks on faltering efforts to counter Islamist militants in the Sahel region. This includes a review of the internationally backed G5 Sahel force, which has struggled with funding and coordination problems. **More:** [The National](#)

Kenya has announced spending cuts aimed at curbing non-core expenditure such as overseas trips by government officials to help cut its deficit to 5.6% in 2019/20 from 7.7% the previous year. The cuts are part of austerity measures introduced amid growing concerns about debt sustainability. **More:** [Reuters](#)

The Daily Stat

2.4%

The percentage by which mining output in South Africa rose in July, the first increase in nine months. **More:** [Bloomberg](#)

The Global Perspective

Members of the OPEC+ alliance on Thursday asked over-producing Nigeria and Iraq to bring their production in line with levels agreed in the organization's ongoing output reduction deal. This comes amid renewed fears of a glut due to soaring US production and weakening global demand. **More:** [Business Day](#)

Mobile telecom tower infrastructure provider Helios Towers has revived plans to list in London, having cancelled an IPO last year expected to value the company at around \$2.47bn. Active in Democratic Republic of Congo, Republic of Congo, Ghana, South Africa and Tanzania, it plans to raise \$125m through issuing new shares. **More:** [Reuters](#)

