

August 09, 2019

nurmara.

News Worth Knowing

The Daily Brief is taking a summer break from August 12 - August 23, and will be back on August 26.

Editor's note

Ethiopia's central bank has [granted its first financial services licence](#) to a foreign-owned company. Ethio lease, part of New York-based African Asset Finance Company (AAFC), will supply industrial equipment to local companies.

This comes just over a week after the government passed a bill allowing an estimated 5 million members of the diaspora to buy shares in local banks, and start lending businesses.

The steps are part of a liberalization drive announced by reformist prime minister Abiy Ahmed in 2018, aimed at boosting growth and investment into its state-led economy. It's a plan international business has long been waiting for, eager to move into one of Africa's biggest untapped markets.

Key sectors like [telecoms and aviation](#) are already being opened to foreign investors, and it looks like financial services are next.

Tentative steps like the Ethio lease deal are encouraging, but the big question is when, and how, the country will open its banking sector. This remains off limits to foreign lenders, and [officials have cautioned](#) that the process will take years.

The government's line is that it wants to make sure it gets it right, reflecting Ethiopia's preference for China-like piecemeal liberalisation.

This will frustrate prospective investors, but the approach is prudent, and considering that it's only been a year, progress is encouraging.

Today's picks

From the continent

Kenya's KCB Group, the country's biggest bank by assets, plans to ramp up investment into South Sudan, following the signing of a peace deal ending a crippling five-year civil war. The country, home to significant oil reserves, is hoping to attract more than \$1bn of investment this year, up from \$250m in 2017. **More:** [Bloomberg](#)

The construction of a huge new oil refinery near Nigeria's commercial capital Lagos is reportedly facing delays due to logistics, and will not be completed until 2020. The refinery is being built by billionaire Aliko Dangote, and is touted as a solution to chronic fuel shortages in Africa's largest oil producer and biggest economy. **More:** [Reuters](#)

The Daily Stat

\$16.89bn

The estimated cost of providing universal healthcare in South Africa, according to a new draft National Health Insurance bill. **More:** [Reuters](#)

The Global Perspective

Johannesburg-based Standard Bank is selling its 20% stake in ICBC Argentina to focus on its African business. This includes plans to expand into new markets on the continent. **More:**

[Business Day](#)

The UN's Intergovernmental Panel on Climate Change has warned that rising global temperatures are fueling drought and soil erosion, as well as diminishing crop yields in tropical regions. This is adding to already deteriorating food security, which has seen the number of people affected by hunger globally increase in the last three years, to 820m. **More:** [UN](#)
