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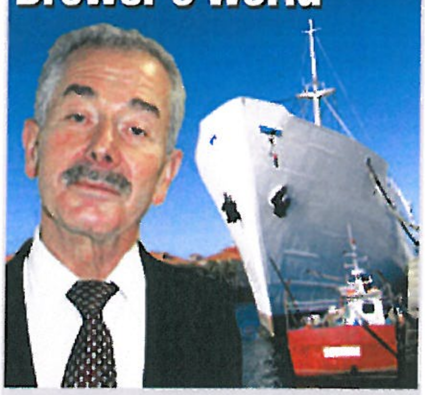
Brewer's World



FOR the past year, investors and trading companies – especially from Asia – have been pouring sizeable amounts of money into Africa. The patchwork of 50 nation states presents the most varied risk map of any of the continents but, despite all the obstacles, Africa's growth rate in 2011 is likely to exceed that of many mature economies.

Agricultural and mineral commodity prices have been soaring and Nigeria has pushed crude oil sales to more than two million barrels a day, well above its Organisation of the Petroleum Exporting Countries target.

While the risk factors are stark, they are well documented and – with the exception of Somalia and a few other poverty-rooted flashpoints – most of Africa has the capacity to score surprising successes in 2011.

The new promise will be meshed with the expertise of international finance centres. London, with its strengths in law, insurance, trade practice and maritime services, will find countless opportunities to be a transmission belt for Africa's commerce. It is precisely these specialities that are being harnessed by a networking group called Afrimari, founded in the City last spring. Its timely launch has made it a magnet for professionals of African origin and those with business dealings in the region. Founded by Temi Binitie and Gemina Cooper, chartered shipbrokers who work respectively for tanker company AET and shipping services firm Braemar Seascope, the group has been attracting around 40 people to its meetings. With a mainly young membership, Afrimari represents people who the two women say are "the future leaders of our industry".

To help everyone keep track of regulatory and commercial developments, Afrimari operates via a structure of three membership "houses", namely maritime and logistics; energy, trade and related finance; and legal and risk. "A key and unique feature of Afrimari is the desire to create a global framework," Cooper says. "We understand the importance of that connection between us here and those on the continent of Africa."

Significantly, its most recent meeting was hosted by the London office of Tokyo-based logistics empire MOL, which, via its Mitsui OSK shipping operation, has a strong commitment to serve the trade routes to Africa. MOL has long operated a daily car carrier operation to west Africa and these days each vessel calling at Lagos discharges 2,000 new cars branded Toyota, Nissan, Honda and Kia. Sales of new cars are rising again; meanwhile, MOL carries 3,500 second-hand vehicles a month from the US East Coast to west Africa. With South Africa having become a major car manufacturing country, some of the line's ships carry 300 to 400 units from Asia to Durban, loading another 1,000 there for west Africa.

Rival Maersk, which includes the South African line Safmarine and operates 100 vessels in the African trades, expects volume there to grow faster than in many traditional markets, albeit from a modest base.

With the exception of Ivory Coast, west African countries are seen as having become more stable. Liberia and Sierra Leone have cleaned up their ports and during 2010, APM Terminals, a subsidiary of Maersk, signed a deal to operate the port of Monrovia for 25 years, which it said reflected its positive view of the region's potential in freight. APM Terminals won a privatisation deal to upgrade facilities and equipment, and develop container and general cargo operations. Maersk is looking increasingly to serve Africa and Latin America directly from Asia.

Most eyes are on China, which has direct investment in Africa to the tune of $10bn and has signed dozens of bilateral agreements with African nations in the last couple of years. It is not all one-way traffic: African businesses are investing in China as well.

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MUNICH RE has acquired 40 wind turbines in 11 wind parks. The plants were bought by Meag, the company's asset manager. The investment is estimated by market sources at €150m ($200.4m). Munich Re did not comment on the sum. However, a spokeswoman said Munich Re would spend a total of €2.5bn on renewable energy and environmental technologies. The company has long been an advocate of "greener" energy production and is one of the sponsors of the Desertec project, which aims to build large solar power stations in North Africa for European consumers. The company firmly believes global climate change has to be stopped to contain storm risks and other phenomena. The wind turbines were sold by WPD of Bremen, one of Germany's leading project managers and developers, and are located in Thuringia, Brandenburg, Mecklenburg-West Pomerania, Saxony-Anhalt and Lower Saxony, with most of them already on the grid. The acquisition shows how Munich Re can profit from expertise in the group, board member Thomas Blunck said in a statement. "Our scientists determine the meteorological suitability of locations for wind power plants, while our engineers assess the technical aspects of the plants, their risks and performance," he added. Munich Re will use this know-how to build up more investments in renewable energy.

NEWS IN BRIEF

Torus appointments

TORUS has hired two business development representatives for its US business. Brian Blessing and Maryanne Swaim will report to Matthew Munson, Torus vice-president and regional chief operating officer for central and Midwest US regions. Blessing has joined the insurer from Marsh, where he was most recently vice-president and producer. His previous employers include Fireman's Fund and Chubb. Swaim has worked in the industry for more than 30 years and joins from the Lloyd's Illinois office, where she was president with responsibility for the protection of the Lloyd's licence, brand promotion and business growth in Illinois.

Kingsway and Atlas conclude deal involving ACIC and ASI operations

KINGSWAY FINANCIAL SERVICES and Atlas Financial Holdings have completed the previously announced deal regarding American Country Insurance Company (ACIC) and American Service Insurance Company (ASI). The two companies have become wholly owned subsidiaries of Atlas, although Kingsway retains around 75% of the equity and 30% of the voting rights of Atlas. In addition, Kingsway will hold some $18m of Atlas' preferred shares. As announced at the end of October, Scott Wolney is leaving Kingsway to become the president and chief executive of Atlas. At the time, he said: "This is an exciting opportunity for ACIC and ASI, as subsidiaries of Atlas, to build on the companies' significant heritage and expertise as specialty commercial motor insurers. Our outstanding team of employees are committed to working together with our agents and other business partners towards a successful future." While Wolney has left to join Atlas, another person leaving Kingsway is Colin Simpson, the Canadian motor insurer's former chief executive and president, who is stepping down from the company's board of directors.

Cars: Wolney said deal will 'build on [ACIC and ASI's] significant heritage as motor insurers'

Arista brings in trio to boost business in UK

ARISTA INSURANCE has hired three underwriters to bolster its regional UK business. Andy Gillen has joined from Aviva, Natalie Hooper-Smith from Travelers and Matthew Flynn from RSA. Gillen and Hooper-Smith will be responsible for developing relationships in the south-east region, while Flynn will be based in Birmingham. Gillen worked for NIG before joining Aviva, while Flynn has previously served at Norwich Union. Hooper-Smith's eight-year insurance career has been spent solely with Travelers.

Antares adds Macdonald-Brown to finance

ANTARES MANAGING AGENCY LTD has appointed James Macdonald-Brown to its finance team. Macdonald-Brown has been appointed project manager and has assumed his new responsibilities with immediate effect. He had previously spent a decade with Axa in a number of roles. In his new position, Macdonald-Brown will report to Richard Sutlow, the group's finance and operations director. Antares said Macdonald-Brown will play a key role in the implementation of Solvency II.