

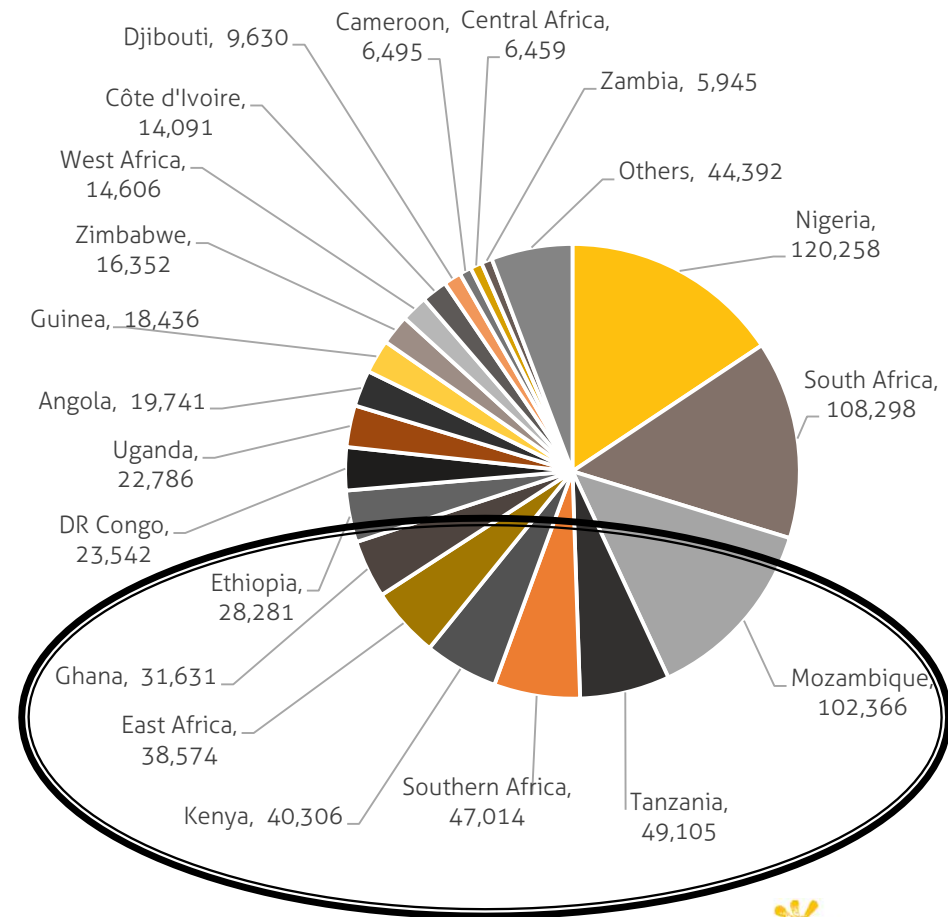


AFRICA HOUSE

Insight & Access. Projects & Trade.

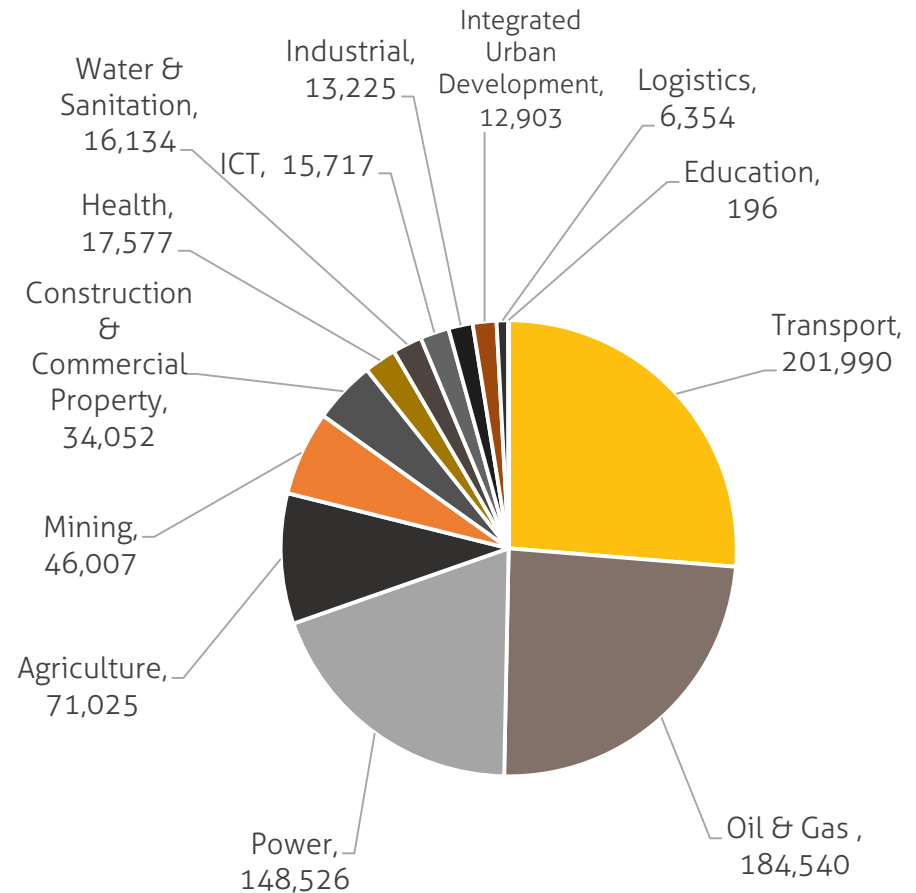
Project Activity: Current and Future (US\$ Millions)

- Data is from Africa House Project Database;
 - Many more projects, but without defined values as yet;
- Nigeria has abundance of projects, as does SA:
 - Both in weak economic position, however;
- 'Energy Axis' from Mozambique to Ethiopia providing excellent long-term opportunities;
 - Strong regional project focus in Southern Africa and East Africa – integration of infrastructure;
- Ghana, Guinea, Cote d'Ivoire add to West Africa's basket – seeing signs of more co-ordinated regional approach there too;
- Central Africa largely revolves around Cameroon and regional projects;



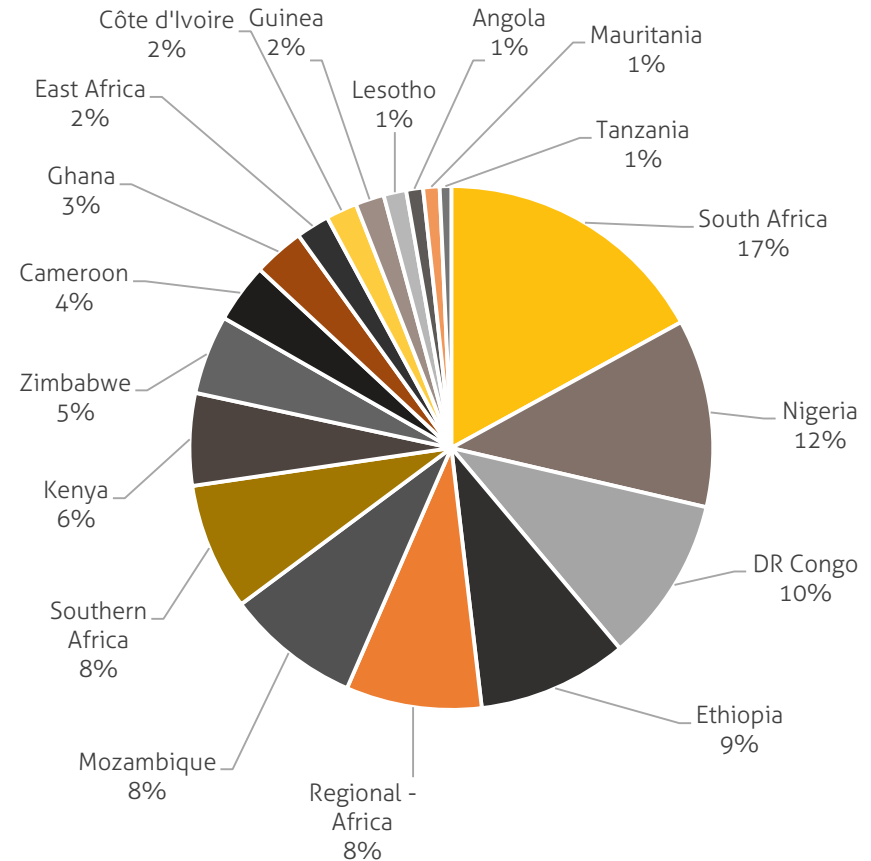
Project Activity: Current and Future (US\$ Millions)

- Transport, Oil & Gas and Power account for 70% of declared value of projects:
 - Sectors are critical to African industrial development and growth, as well as trade competitiveness;
- Agriculture seeing a resurgence in interest:
 - Basic foods, export crops and value-added for domestic, regional consumption;
- Mining has seen many projects 'parked' recently, due to commodity crisis:
 - Seeing beginnings of uptick;
- 'Urban Development':
 - Construction, property, healthcare, water & sanitation, Integrated Urban development, accounts for 10.5% of the total or US\$81bn – a definite growth area across the region;



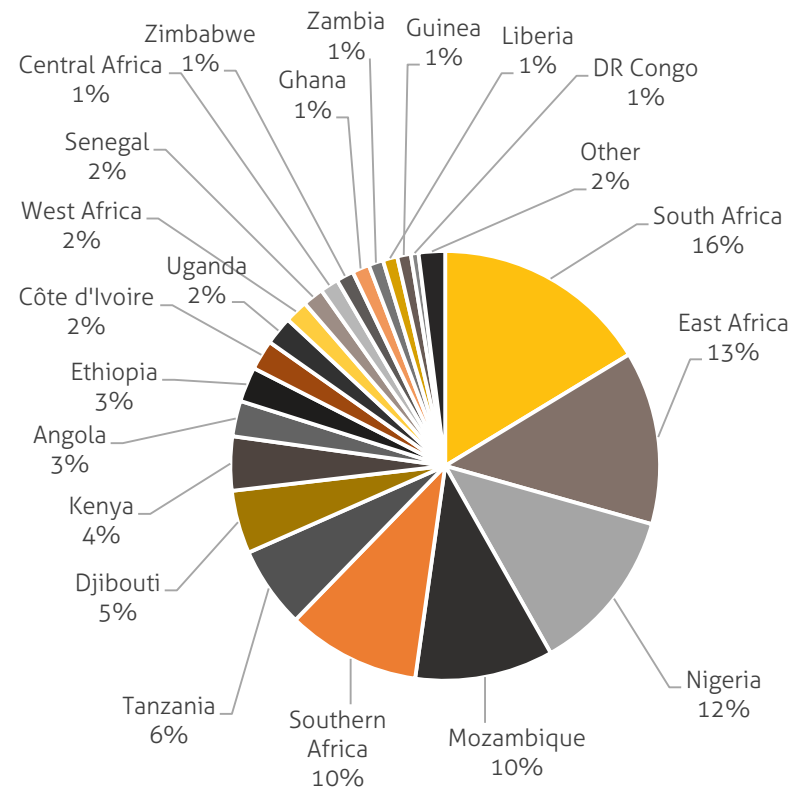
Power Split

- SA's share includes large renewable portfolio, as well as recently completed large coal-fired projects;
- Nigeria has major basket – country is on track to surpass renewables targets by 2020;
- DRC figures exclude Grand Inga, but include Inga 3;
- Ethiopia has substantial basket (and mix) outside of GERD;
- Very strong presence of projects on eastern seaboard of Africa, from Mozambique to Ethiopia and the hinterland – good mix of hydro, geothermal, wind, coal and gas;
- Ghana, Cote d'Ivoire and Guinea show promise in West Africa (outside of Nigeria);
- Cameroon key in Central Africa;



Transport Split

- SA once again largest share – most projects have a value attached, also major parastatal spend plans;
- Transport has a major cross-border component – over 25% of transport projects include more than one country;
 - Can be more complex and time consuming, but good news for service providers who deal with these complexities!
- Eastern seaboard and hinterland again very prominent – over 50% by value (excl. SA), with major rail, port and to a degree roads projects linking inland areas to the coast;
- Nigeria again is very prominent in West Africa;
- Ghana, Cote d'Ivoire, Guinea, Liberia all have projects linked to agriculture and mining, with a very regional focus to unlock potential in Burkina Faso, Mali etc as well;
- Angola will hopefully come back on line soon;



ENGAGE, ENHANCE, ENTRENCH

- ❑ Companies prepared to make the necessary commitment to these developments will be best placed to take advantage of them through their proximity, partnerships and position as local players.
- ❑ The time is ripe for South African-based companies to adopt a new way of interacting with the region. This comes at a time of deepening global integration and the global village becoming smaller, but paradoxically also a drive to create local benefit and local supply into the multitude of exciting developments across Africa. The purpose of local content is thus to:
 - Develop local skills across the oil and gas, mining, power etc value chain;
 - Use the multiplier effect to promote the establishment of local industries;
 - Creating training and sustainable employment opportunities;
- ❑ **ENGAGE** looks at ways of establishing a presence in countries either directly or through identifying credible local partners in countries with exciting projects and programmes in order to both have 'feet on the ground' as well as to be able to meet growing local content regulations in key markets.
- ❑ **ENHANCE** takes this relationship beyond that of supplier/buyer to a partnership level, with transfers of skills and capacity development for local staff into these markets that benefits both the recipient company and country, as well as the supplier through demonstrated commitment to the local partner and market.
- ❑ **ENTRENCH** takes the relationship beyond that of a single project or supply opportunity, to that of a longer-term vision for the development of both the host country and the partners that have forged links.



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