



Insight & Access. Projects & Trade.

Insights & Access: Notes from Africa
Issue 284, January 2019

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Africa House is a research & consulting company based in Johannesburg, South Africa. Working exclusively in sub-Saharan Africa, we offer insight and access into the African trade and project environment through the provision of intelligence on projects and bespoke research on opportunities in markets.

Our Services:

Africa House provides:

Projects: On-going research and intelligence on greenfield and brownfield projects to a dedicated subscriber base

Trade: Market and partner identification, export strategy development and commercial feasibility

Access: To the world's fastest growing markets through a team that has worked in 30 countries across the continent over a period spanning 30 years

Insights: What is driving the continent and targeting regions of high opportunity going forward.

Compliments of the season, we wish you all a successful and positive 2019.
We look forward to working with you for another year in Africa.

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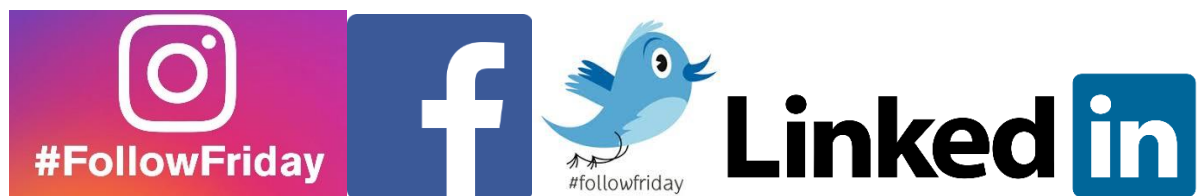
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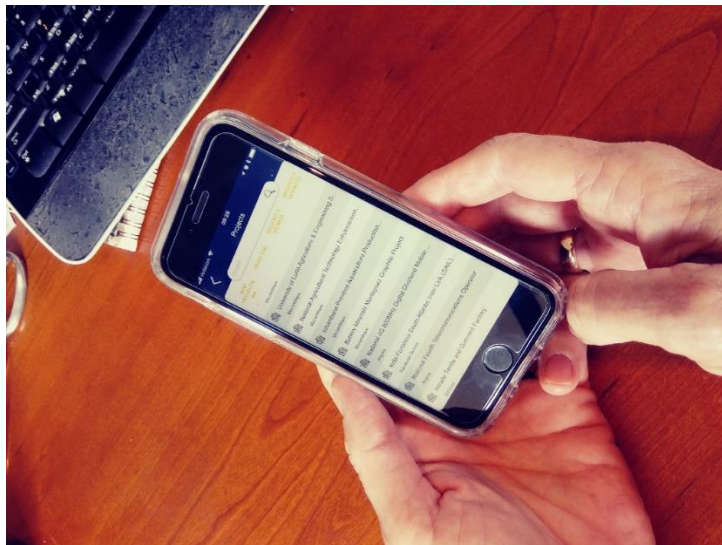


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2. Project Tracking, Ventures ONSITE: (3 users per company covered in the subscription fee and USD 100 per additional user)
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We also offer complimentary training on how to use the Ventures Onsite website, please let Nicole know a date that you would like to do this. (either online or by coming to our offices in Houghton).

Please confirm with Nicole on 011 728 5878 or nicole@africainfo.co.za



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Africa Today: Renewed Competition, Greater Opportunity

Much attention is given (quite rightly) to China's involvement in Africa and much debate, again correctly, on the impact of Chinese loans and investment in Africa takes place on a regular basis. The USA responded robustly in December to perceived moves by China and Russia in Africa, but there are many other countries and groups that are playing an increasingly important role in Africa, outside of the traditional DFIs and their sponsors. Africa House will be engaging with a number of these countries and their institutions over the course of the next year to look for opportunities and access for Africa House subscribers. This is a snapshot of some of the key players:

Global and Regional Powers Plays:

Increasing hostility between the USA on the one hand, and China and Russia on the other is the most obvious example of global powers seeking to exert their own influence or curb that of their adversaries in Africa:

- **China's** FOCAC engagements and the Belt and Road Initiative sees around US\$60 billion pledged to African countries for infrastructure and related investment in the next three years, despite concerns over the ability of countries to pay debt and China's willingness to fund vanity projects.
- **Russia** has moved quickly in the last few years to sign a number of pacts in Africa, as well as looking for opportunities in the oil and gas, rail, power and mining sectors as it positions itself for a major re-engagement with the continent. It is also very keen to supply technology and infrastructure solutions to the region, as well as agri-industrial capacity.
- **The USA** has the long-standing AGOA trade regime in place (for now), as well as other instruments through the likes of the *International Development Finance Corporation (IDFC)*, the new successor to *OPIC* and elements of
 - **USAID**, with a budget of US\$60 billion (globally), *USAID* and programmes within it. Donald Trump has also signalled a remarkable U-turn in his views of Africa in announcing a new strategy for the continent – 'Prosper Africa' to counter Chinese and Russian influence.
- **The EU** remains a key player in Africa, accounting for around 36% of Africa's trade and 40% of FDI stock. The EU's Africa-Europe Alliance, recommitted to in 2018, sees US\$5.5 billion being used to leverage investment of around US\$50 billion by 2020. The budgetary period from 2021 to 2027 sees dedicated grants for Africa rising to US\$46 billion over the period, with other funds leveraged from this taking the total to around US\$70 billion for this period.
 - **Individual EU countries** such as the UK, France, Germany, Italy, Spain and others have long-standing aid, trade and investment profiles but most are accelerating these programmes, usually with the intention to double trade and investment in key markets over a three to five year period.
- **Japan**, which hosted its Tokyo International Conference on African Development (TICAD VI) in Kenya in 2016, hosts the next version in 2019,

with commitments at TICAD VI rising to US\$30 billion over three years, from US\$32 billion over five years previously. Surely this will be matched or exceeded in August?

- **India** has over 180 lines of credit to 40 African countries exceeding US\$11bn and Prime Minister Modi stated that this will increase, as India's diplomatic and trade presence across Africa continues to grow. At the last Africa-India Forum Summit (IAFS-III), India committed an additional US\$11 billion in loans and credits to Africa. Moreover, Indian companies had invested US\$54 billion in Africa with close Diaspora ties facilitating much of this.
 - **India and Japan** have also launched a joint Asia-Africa Growth Corridor initiative, to create synergies between the countries and their approach to Africa.
- **BRICS** will form part of the overall approach of members of that organisation to delivering their own agendas on the continent, although thus far, financial commitments are small by comparison to other players.
- **Other Key Players** are growing in both numbers and diversity. These include:
 - **Brazil** first crafted a coherent Africa policy under President Lula, which saw large Brazilian companies enter into markets in Lusophone Africa and other strategic countries, but scandals at state-owned companies and a new President are likely to curtail much new impetus from there.
 - **The UAE** is rapidly emerging as not only a key trading partner, but also investor in Africa, especially in the Horn and East Africa. The UAE, along with Turkey and to a degree Egypt and others, are seeing Middle Eastern battles for influence (with Iran and Saudi Arabia) spill over into Africa. Africa's bilateral trade with the UAE has soared from US\$800

million in 2 000 to reach US\$22 billion in 2016, making it a key African partner.

- **Turkey** is leading a group of countries from the Mediterranean Basin into Africa and has emerged as a formidable player in a number of African countries and it is forging diplomatic and trade links well beyond traditional markets in North Africa. Bilateral trade with Africa has risen from US\$4 billion in 2000 to reach US\$18 billion by 2017, but with Sub-Saharan Africa this has been even more marked – a tenfold rise from US\$700 million to US\$7.2 billion as Turkish companies extend their reach south of the Sahara. Others include:
 - **Egypt, Morocco and Tunisia**, are increasingly active in the rest of Africa, with Morocco seeking to become a pivotal player in ECOWAS and the AU, whilst Egypt's ambitions now extend to countries such as Tanzania (hydropower) and Mozambique (oil and gas infrastructure). Total trade with the Sub-Saharan Africa is not yet that significant, but has risen from US\$700 million in 2 000 to over US\$5 billion by 2016.
 - **Pakistan** developed a 'Look Africa' plan in 2017 to increase bilateral trade between itself and 10 key African countries, which was approved by the Ministry of Trade. Joint Working Groups are being established to foster this.
 - **Canada and Australia** don't have aggressive 'Africa policies' as such, but they are key players in the extractives industries of many countries, with Canadian companies also active in power and other infrastructure as well. They tend to source much of the up-front project development needs from their home markets, thus bringing their suppliers into Africa with them

AFRICA HOUSE GROUP VISIT REPORTS

Available exclusively to Africa House Subscribers

Rwanda: Transport, Power & Tourism

Nigeria: Power Sector

Botswana: Kazungula

Uganda: Kampala, Lake Albert

Côte d'Ivoire: Abidjan, San Pedro Port Development

Tanzania: Dar es Salaam, Mtwara, Lindi

South Africa: Saldanha Bay, Richards Bay

Mozambique: Nacala, Maputo, Pemba, Palma Tete, Beira

DR Congo: Kinshasa-Matadi & Katanga, North-Western Province

Zimbabwe: Harare

Zambia: Lusaka, Solwezi, Mpulungu, Luapula Province

Cameroon: Douala, Kribi

Congo Republic: Pointe-Noire

Kenya: Nairobi, Lamu

Ethiopia: Addis Ababa

Ghana: Accra, Tema, Takoradi Ports

DR Congo: Lubumbashi-Likasi-Kolwezi

IN THIS EDITION

- *International Fund for Agricultural Development (IFAD)* to Implement Angola's Rural Development Programme
- *AfDB* Grants to Provide Funding for Roads Upgrade Programme Between Burundi & Tanzania
- *European Investment Bank* to Assist in financing the Refurbishment of Railways, Cameroon
- Plans to Plant Fruit Trees to Launch Natural Juice Production, Cameroon
- Real Estate Company to Build 209-Room Apartment Project, Ghana
- *Twiga Foods* to Expand Operations, Kenya
- Pilot Project Underway to Identify Diamonds Resource, Lesotho
- Plans to Establish Vegetable Oil Refinery in Cuamba, Mozambique
- China to Build New Hospital in Maputo, Mozambique
- Optimisation Studies Launched at Langer Heinrich Uranium Mine, Namibia
- Gas Transportation Agreement between Nigeria and Togo
- Drilling Programme to Begin at the Dalafin Gold Project, Senegal
- First Phase of the Gamsberg Zinc Mine to Begin Soon, South Africa
- South African Government to Construct Oil Refinery in South Sudan
- Plans to Build Oil Refinery at Port of Sudan, Sudan
- *Medical Stores Department (MSD)* Use Drones to Deliver Medical Supplies & Drugs to Remote Areas in Tanzania
- Construction Launched of Multi Facility Economic Zone, Zambia
- Zambian Government to Invest in Twin Palm Mixed-Use Real Estate Development Project, Zambia
- World Bank Provides Financial Support to Zimbabwean Health Sector

PROJECTS

Africa House subscribers are welcome to contact Bulbul
Johannesburg telephone 27 11 728 5878
Email: bulbul@africainfo.co.za

For templates/further details/contacts pertaining to specific Projects listed below

Templates including contact details of the projects below will follow in the *Africa House* Database in approximately 7 days, exclusive to *Africa House* subscribers.

Alternatively you can track them on the Ventures Onsite Project Tracker.
<https://africahouse.venturesonsite.com/login>

ANGOLA

President of the *International Fund for Agricultural Development (IFAD)*, *Gilbert Fossoun Hougbo* has announced that the organisation will be implementing **ANGOLA'S RURAL DEVELOPMENT PROGRAMME**.

BURUNDI

The *African Development Bank (AfDB)* has approved US\$322.35 million in loans and grant to Burundi and Tanzania to finance the **RUMONGE-GITAZA (45 KM) AND KABINGO-KASULU-MANYOVU (260 KM) ROAD UPGRADING PROJECT**.

CAMEROON

The *European Investment Bank (EIB)* has announced that it will be financing the **REFURBISHMENT OF THE RAILWAYS LINES** linking the localities of Belabo, Pangar and Ngaoundéré, in the East and Adamaoua regions.

CAMEROON

Board Chairman of *Société Camerounaise de Fermentations (Fermencam)*, *Samuel Foyou* has announced his company's intentions to plant 4 942 acres of fruit trees to launch **NATURAL JUICE PRODUCTION**.

GHANA

Full services real estate company, *Capemay Properties*, a subsidiary of the *Kasapreko Group Limited*, has announced its plans to build a 209-room **APARTMENT CONSTRUCTION PROJECT** in Accra.

GHANA

The government of Ghana is seeking international funding of US\$100 million to facilitate comprehensive voice and data connectivity in rural areas. The **RURAL TELEPHONY PROJECT** is set to begin in mid-2019, as soon as financing has been secured.

KENYA

Kenyan company, *Twiga Foods* has received a US\$10 million financial boost from the *International Financial Corporation (IFC)*, a member of the *World Bank Group*, *TLcom* and the Global Agriculture and Food Security Program (GAFSP) for expansion of its operations. *Twiga Foods* is a Kenyan-based start-up company that connects smallholder farmers in rural areas to informal retail vendors in cities. The platform uses mobile phone technology to match supply and demand, aggregating market participants and finding buyers for farmers' produce in Africa's large, but highly fragmented fruit and vegetable market. *Twiga's M-COMMERCE PLATFORM* enables vendors to order fresh produce as and when needed, from farmers across Kenya.

KENYA

The **NAIROBI COMMUTER RAIL MASTER PLAN which falls under the Nairobi Metropolitan Master Plan provides for commuter lines from Nairobi city to Ongata Rongai, Tala/Rual Ngong, Kiambu and possibly Kenoi.

LESOTHO

Gem Diamonds Ltd is conducting a pilot project to identify diamonds within kimberlite ore at its **LETŠENG DIAMOND MINE** in Lesotho.

MOZAMBIQUE

The *Niassa Cotton Company (SAN)* is proposing to invest US\$2 million towards establishing a **VEGETABLE OIL REFINERY** in Cuamba City of Niassa Province in Mozambique.

MOZAMBIQUE

The Chinese government has announced its plans to assist Mozambique to build a **NEW CENTRAL HOSPITAL** in Maputo.

NAMIBIA

Paladin Energy has launched optimisation studies at its **LANGER HEINRICH URANIUM MINE** in Namibia, in preparation to resume operations.

NIGERIA

Nigerian gas and power portfolio company, *Axxela Limited* has signed a **GAS TRANSPORTATION AGREEMENT** with the *West African Gas Pipeline Company Limited* to transport over 15 million standard cubic feet per day of natural gas via the West African Gas Pipeline (WAGP) to Lomé, Togo.

SENEGAL

Toronto-based mining company, *Iamgold Corporation* will start a 3 000 metres reverse circulation drilling programme at the **DALAFIN GOLD PROJECT** in Senegal.

SOUTH AFRICA

In order to achieve its production target of 600 000 tons/year, *Vedanta Mining* is set to launch the first phase of its Northern Cape-based **GAMSBURG ZINC MINE**.

SOUTH SUDAN

The South African government has signed a Memorandum of Understanding (MoU) to invest US\$1 billion towards the oil industry in South Sudan. The project will include the construction of an **OIL REFINERY** in South Sudan and also exploration of several oil blocks across the country.

SUDAN

The Sudanese Government is in discussion with American and Russian firms to build a US\$6 billion **OIL REFINERY** at its main port (Port of Sudan) on the Red Sea.

TANZANIA

Plans are underway for *Medical Stores Department (MSD)* to implement a **DRONE MEDICAL DELIVERY PROGRAMME**.

TANZANIA

The government of Zanzibar has signed a production sharing agreement with UAE firm *RAK Gas* for the **EXPLORATION OF NATURAL GAS** in the Zanzibar block.

TANZANIA

With an aim of improving supply, affordability and reliability of electricity in Kigoma region, the government of Tanzania has set aside US\$81 million to cater for the **KIGOMA POWER PROJECT**.

TANZANIA

The *African Development Bank (AfDB)* has approved US\$322.35 million in loans and grant to Burundi and Tanzania to finance the **RUMONGE-GITAZA (45 KM) AND KABINGO-KASULU-MANYOVU (260 KM) ROAD UPGRADING PROJECT**.

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ZAMBIA

Zambian President *Edgar Lungu* has launched the construction of the first **MULTI FACILITY ECONOMIC ZONE** in Chibombo in the Central Province.

ZAMBIA

The Zambian government is set to invest US\$120 million towards the **TWIN PALM MIXED-USE REAL ESTATE DEVELOPMENT PROJECT**.

ZIMBABWE

The *World Bank* has approved a US\$15.5 million fund to the Zimbabwean government in order to boost its **HEALTH SECTOR PROGRAMME**.

REGIONAL

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First Brick Holdings, a *Roha Group* company has announced its plans to boost the digitalisation of East and Southern Africa with the funding and development of several **REGIONAL DATA CENTRES** across the region.

COMMERCIAL PROPERTY, CONSTRUCTION, HOTELS, LEISURE DEVELOPMENTS AND TOURISM-RELATED PROJECTS

(Projects in North Africa/Maghreb Countries are included in this section)

Full services real estate company, *Capemay Properties*, a subsidiary of the *Kasapreko Group Limited*, has announced its plans to build a 209-room **APARTMENT CONSTRUCTION PROJECT** in Accra.

The Zambian government is set to invest US\$120 million towards the **TWIN PALM MIXED-USE REAL ESTATE DEVELOPMENT PROJECT**.

PROJECT-RELATED ACHIEVEMENTS AND/OR ACTIVITIES OF AFRICA HOUSE NEWSLETTER SUBSCRIBERS, ASSOCIATES AND CONTACTS

WEBBER WENTZEL has appointed *Warren Hero* into a newly created role of chief information officer. This signals the firm's increased commitment to technology as a means of providing efficient and innovative legal solutions to its clients.

SPOTLIGHT ON AID AGENCIES, INTERNATIONAL DEVELOPMENT FINANCE INSTITUTIONS, FUNDS & SELECTED RELATED ORGANISATIONS

The **AFRICAN EXPORT-IMPORT BANK (AFREXIMBANK)** has launched a pan-African customer due diligence platform that will facilitate African trade by providing the single trusted source of primary data required to conduct due diligence checks on counterparties in Africa. The *Mansa Platform* is being positioned as the centralised go to platform for fulfilling client due diligence (CDD) and know your customer (KYC) requirements throughout the African continent. This will result in the prevention of subjective evaluation of customers as well as the perceived and often unfair, risk in trading with African counterparties. The platform is named after former Malian leader, *Mansa Musa*.

TRAVEL NOTES

MOOVE RENT A CAR is a chauffeur drive service in Luanda. US\$100 per day a car with a driver is available. An airport transfer costs US\$30. (Supervisor: Edson Duarte, 244 934 785 825 / 244 912 224 490, e-mail: reservas@moove.co.ao)

The 40-minute **ACCRA-TAKORADI-ACCRA TWICE DAILY FLIGHTS** are on a small Africa World Airlines Embraer aircraft and are very full. Early booking is essential. The flights are comfortable but expensive at around USD250.

South African passport holders entering Angola for the purposes of exploring and researching the market do not require a **VISA FOR ANGOLA**. On a recent trip, the process at Quatro de Fevereiro Airport in Luanda was painless and officials were not even asking the purpose of visiting before simply stamping the passport. Individuals intending to provide services in Angola are still required to apply for a visa prior to departure.

SOUTH AFRICA AIRWAYS has created an extended flight schedule to replace the capacity lost with the grounding of the *SA Express* airline. The extended flight schedule will be in effect for 12 months until 29 May 2019.

AFRICA & THE WORLD

According to a report by market intelligence firm, *Sagaci Research*, Africa is witnessing a surge in the **DEVELOPMENT OF SHOPPING MALLS**, with numbers more than doubling over the past eight years. Factors such as urbanisation, population growth, increased interest from international retailers, changing consumer lifestyles and rising household incomes have boosted the growth of malls on the continent. The continent currently has 579 malls, up from 225 in 2010, with Egypt having the highest number at 106, followed by Kenya with 66 and Nigeria with 53. During the 12 months to June 2018, a total of 41 malls were opened on the continent, with Lake Basin Mall in Kisumu, Kenya, being the largest among the new entrants. The report states that new mall development in Africa is currently concentrated in countries that already have a significant number of malls, particularly Egypt, Nigeria, Kenya, Morocco and Zambia. In contrast, very little new development is planned in Southern or Central Africa, with Douala Grand Mall in Cameroon being the only notable exception.

The South African Government has ratified the agreement establishing the **AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)**. According to South African Trade and Industry Minister, *Rob Davies*, the country is expected to deposit the instrument of ratification in

February 2019. The agreement will enter into force once twenty-two member states have deposited their instruments of ratification. As a flagship project of the *African Union's Agenda 2063*, the AfCFTA aims to build an integrated market in Africa that will see a market of over one billion people with a combined GDP of approximately US\$3.3 trillion.

ADDITIONAL SERVICES FOR SUBSCRIBERS & ACTIVITIES OF AFRICA HOUSE

Roelof van Tonder of Africa House undertook a group visit to Mozambique, 30 October – 2 November 2018 to identify opportunities in and around Nacala.

Roelof van Tonder of Africa House conducted a virtual visit of Nacala, Mozambique 30 October 2018.

Duncan Bonnett of Africa House presented at the Africa 2019 Business Breakfast Seminar at the Johannesburg Chamber of Commerce and Industry (JCCI), 7 November 2018. The seminar explored and discussed the political and economic outlook in the African continent for 2019.

A Côte d'Ivoire roundtable discussion was held at the Africa House offices in Houghton, 15 November 2018, and the lead participants were Paul Runge of Africa House, Mbiya Baudouin of the Export Credit Insurance Corporation (ECIC) of South Africa and Ian Davis of the Industrial Development Corporation (IDC) of SA Ltd.

Paul Runge of Africa House attended East Africa Rail 2018 held in Nairobi, 21-22 November 2018.

Africa House hosted a business seminar on the political, economic and business trends in Africa for 2019 at the Development Bank of Southern Africa (DBSA) offices in Midrand, 27 November 2018.

QUOTABLE QUOTES

*"We no longer talk of 'brain drain' but rather of 'brain circulation'."
(Dr Daan du Toit, Deputy Director General, South Africa Department of Science & Technology on harnessing the skills of African diaspora innovators)*

FACT OF THE MONTH

13% of the world's population is estimated to live in sub-Saharan Africa today. That number is projected to more than double by 2050. Four billion (or 36% of the world's population) could live in the region by 2100, according to the UN Population Division. Africa is projected to have over 840 million youth by 2050 with the continent having the youngest population on earth.

FURTHER INFORMATION & INDEMNITY

***IN-DEPTH PROJECT INFORMATION
IS AVAILABLE
FOR THE FOLLOWING PROJECTS ABOVE MARKED **
(NO CHARGE FOR SUBSCRIBERS)***

- Nairobi Commuter Rail Master Plan, Kenya

INDEMNITY

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FORTHCOMING EVENTS

Inserts in bold and italics font indicate participation by Africa House:

The list of Forthcoming Events will be sent to subscribers as a separate document.

