



AFRICA HOUSE

Insight & Access. Projects & Trade.

Notes from Africa

Issue 317, October 2021

©Copyright AFRICA HOUSE

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:

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

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

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

FACT OF THE MONTH

GREEN HYDROGEN has much future potential but there are currently high costs of its commercialisation and less than 0,1% of hydrogen available today is produced through electrolysis.

Insights into the Application of Mining Experience by South African Companies to the Upcoming Oil and Gas Opportunities in the Southern and Eastern African Regions

Africa House has been conducting a series of interviews with clients and associates who are involved in the monitoring of and supply to the oil and gas sectors in the southern and east African regions. The editorial below is based on its own experiences of these sectors as well as the relevant interviews including an interview with Niall Kramer, retired Chief Executive Officer of the South African Oil and Gas Alliance (SAOGA) and previously a senior global executive with Chevron and Shell.

South Africa has a long history of mining activities and its companies and institutions have built up considerable savoir-faire in this sector. However there are relatively recent developments that may compel these companies to adapt these mining experiences and skills to another component of the resources sector: oil and gas.

The country has to follow the global imperative and reduce its carbon emissions and its reliance on coal-fed power generation. Specialists like *Kramer* believe that gas will play a critical role in South Africa's future energy mix albeit that its role in the future energy mix determined in the 2019 Integrated Resource Plan is small at 3 000 MW. Liquefied natural gas (LNG) is seen as a fuel of choice for the future.

The country is now effectively endeavouring to establish a new upstream oil and gas sector. Recent gas and gas condensate discoveries at Brulpadda and Luiperd in the Orange Basin have evoked considerable interest and reaction from the government and the operators. South African companies are already looking at LNG as a source of energy for their manufacturing. A prominent example is the LNG supply agreement concluded by *Consol Glass* with *Reenergy* for its glass manufacture over the next five years. *Sasol* and the *Central Energy Fund (CEF)* recently signed an agreement for the development of gas solutions in South Africa.

Within the regional context, there are the major oil and gas developments in Mozambique, Uganda and Tanzania. In Mozambique, apart from the Pande and Temane gas fields operated by *Sasol*, there are the Rovuma Basin Coral South offshore, Mozambique LNG Area 1 and the Rovuma LNG Area 4 projects.

These involve major investments by *Total*, *Exxon* and *ENI*. There are also plans for an LNG terminal at Matola port that will supply gas-fired power to the industries of Maputo with the possibility of feeding supply to South Africa too. Then there is also the East African Crude Oil Pipeline (EACOP) which involved the extraction of oil from Lake Albert in Uganda to be transported by heated pipeline to the Tanzanian port of Tanga. Tanzania continues to develop its Rovuma Basin gas reserves and oil has been discovered in northern Kenya. *Duncan Bonnett* of *Africa House* estimates the total opportunity on the eastern side of Africa over the next decade to be between US\$ 150 billion and US\$ 180 billion. Existing and developing oil countries in Central and West Africa also offer good opportunities.

Quite a few South African companies have products and services that are applicable to multiple sectors but because they were mining focused for so long, they have no track record of supply into oil and gas and hence no traction in the broader market because of it. Nevertheless, a good number have supplied to *Sasol* projects and developed some knowledge of gas in Mozambique. Areas in which there is an easy cross-sectoral application are for example, steel products, ancillary infrastructure, waste treatment, camp site development, logistics, communications, training and security.

It is however necessary to delve deeper and more specifically into the requirements of the oil and gas industries and what it will take to develop a gas-based economy in South Africa.

During the early stages of the Lake Albert oil development in Uganda, *Total*, *CNOOC* and *Tullow* produced a useful document entitled 'Planning for the Future and Promoting National Content – A Survey to Foster Opportunities for Ugandans in the Oil and Gas Sector'. The survey contained a matrix mapping selected industries according to complexity and potential for local industry development. The high complexity category included pipe installation, heavy equipment and steel pipe manufacture, drilling services cement additives, oilfield chemicals and specialised engineering consultancy. The easiest category included the obvious site security, catering and transport services that can be supplied relatively

easily at a local level. However, the survey also included an intermediate category for local supply that included cement manufacturing, waste management, civil and road construction, safety equipment and light equipment manufacturing.

Africa House interviewees emphasised the strong need for welding skills including underwater welding. Other required skills that were mentioned included electrical skills, specialised fabrication, rigging, heat treatment processes, machine operation and even drone piloting. It was emphasised that the monetisation of gas necessitates strong skills especially in welding. There is a strong need for technical and artisanal training and a training frame work should be established.

Niall Kramer pointed out that South Africa has strong expertise in the mining sector. Mining has certain inherent attributes that are applicable to oil and gas. Miners generally know hard work and discipline, have strong awareness of health and safety, have technical understanding and have the ability to adapt. South Africa has also developed strong marine skills which are applicable to oil and gas. There remains the need to re-skill to meet oil and gas requirements.

A major difference between mining and oil and gas is that the latter has more stringent and higher technical requirement for goods and services. There are high quality requirements for the manufactured components required. "Hydrocarbons are dangerous" and there are environmental risks related to pressure rather than just weight. Health and safety are high priorities. Engineers and operators need to understand the oil and gas industry codes that are far more stringent and "with less wriggle room."

The mining sector is currently enjoying a strong boom. However, such booms are followed by dips and South Africa would do well to develop its oil and gas competencies as a major alternative. Technology is also reducing jobs in mining. Respondents believe that there is an "attitudinal" problem. The oil and gas industries need to be rendered more attractive. Blue collar work should be more enticing. A 'Phakisa' (meaning 'hurry up' programme) that was formulated for South Africa's offshore 'blue' marine economy is urgently required again for oil and gas. Big gas projects dwarf mining developments in scale, complexity and cost and provide more opportunity to the mid to upper end of the value chain over longer periods.

"Policy and partnership" are required says *Kramer*.

On policy, South Africa's Integrated Resource Plan (IRP) needs to be reworked so that it becomes a practical working document and guide rather than a political aspirational work. The major operators and investors in the oil and gas sectors play on a world stage with huge capital investments and South Africa has to ensure that its investment regime is as conducive as possible to attract the major role players that will inter alia finance and construct the future gas import terminals in Richards Bay or Saldanha or Coega or elsewhere in the country. The development of the oil and gas sectors will take time and politicians tend to seek shorter-term benefits. The oil and gas industry needs are not evident right now but lie on the horizon.

An interesting suggestion by *Kramer* under partnership relates to the labour unions. South Africa is highly unionised and there is now considerable competition between unions. As jobs are lost in the mining sector and union membership drops, the unions could well have an interest in the development of an oil and gas economy in the country. Re-skilling and training for future oil and gas requirements could lead to improvements in their situation. Greater collaboration between the specialised industries and labour would be mutually beneficial. Mentorship programmes could be effective in this regard.

It would be a major opportunity lost should South Africa not comprehensively prepare itself for a new gas economy and greater involvement in the regional oil projects. In the view of one respondent, "It will be a pity if the major operators import the skills from Indonesia and we only sell mielies and potatoes outside the terminal gates!"



Image created by macrovector - www.freepik.com

QUOTABLE QUOTES

"A transition is not an overnight change. How do we navigate through that? Eskom gets excited and says they are closing power stations and are going to open renewables, which obviously will take far fewer people to run than coal. So I ask what are they excited about? That they will have renewables destroying lives instead of coal? My own view is, let's have a discussion about developmental needs and not reduce ourselves to killing coal and opening renewables."

(Gwede Mantashe, South African Minister of Mineral Resources on Eskom's plans for utilisation green energy and a reduction in coal-fired power plants.)

"We need to look at our return on investment and therefore have made the decision to exit some of these countries. And we are now left with ten countries which we can return back to profitability. The profitability of the non-RSA segment has increased four-fold in the last year. That was our short-term target to attain and we were happy to achieve that."

(Pieter Engelbrecht, Chief Executive Officer, Shoprite on the company's departure from some African markets including Nigeria, Kenya, Uganda and Madagascar in a SABC interview.)

REMINDER: New features on the Africa House Project Platform

Africa House has added two new features on our Ventures Onsite Project Platform. The two new features will provide you with a complete online ecosystem that will reduce the time, risk and money spent on gaining access and insight into projects.

The most important of the two new features is the **"Lead Management"** system which can best be described as a tailored Customer Relationship Management system. The Lead Management system provides a space on the Project Platform where subscribers can identify, record, develop and manage future business opportunities. The system allows users to manage relationships with existing and potential clients through a system that is connected with the wider Africa House ecosystem of services such as Focus Group Meetings, the new supporting document feature and Group Visits. The Lead Management system is linked to projects and stakeholders already listed on the Project Platform and can be supported through separate bespoke research assignments aimed at identifying and populating the system with new and verified project linked leads. Bespoke research assignments fall outside of the current subscription service and Africa House can provide a priced proposal in this regard.

To view a tutorial of the Leads Management System please click [here](#).

The second new feature is the **"Supporting Documents"** facility where project related documents can be made available to subscribers for downloading. These documents could be PowerPoint Presentations, Requests for Proposals, Project Appraisal Documents or any other document that will help our subscribers gain access or insight into a project. The documents will be loaded on an ongoing basis as and when they become available.

The two new features are live on the Project Platform. On logging in you will see a new heading called "Lead Management" in the menu bar on the landing page and a tab labelled "Supporting Documents" will appear on each project profile. The new features on the system will add a new dimension to the ability of subscribers to track and manage projects and we would suggest attending a training session with an Africa House staff member.

[Click here to register for Project Platform training](#)



[Armando Alvarez](#) is a family group that diversifies its activity in various sectors: industrial and agricultural plastic, transportation, renewable energy, wood and hotel activities. Since 1964 its main activity has been the transformation of polyethylene plastic material, where it is a European leader. The location of its factories, its commercial structure and distribution to over 120 countries make it a Global Company, committed to YOUR success, which is our vision. We are based on tradition, respect for people, integrity and environmental awareness as the main values of our company.

The Agricultural Plastic Division of the Armando Alvarez Group is present in the international market with a complete technical range for agriculture in different climates, as well as plastics for construction, mining and environmental projects. With the most stringent quality control systems in place, we can guarantee a high quality of our products.



[Tesmec](#) designs, manufactures and sells products, technologies and integrated solutions for the construction, maintenance and efficiency of infrastructures related to the transport and distribution of energy, data and material (oil and derivatives, gas, water).

In detail, the product portfolio consists of rock trenching equipment, surface miners, stringing equipment, railway equipment and electronic devices for smart grid management.

HIGHLIGHTS FROM THIS EDITION

- Bill Approved for East African Crude Oil Pipeline
- Funding Secured for Abidjan-San Pedro Coastal Road, Côte d'Ivoire
- Planning of More Coal-Fired Power Plants in Nigeria
- Development of a New Bauxite Mining Industry in Ghana
- Final Investment Decision on Oil Kenya Project Expected before End 2021
- *NetOne* to Build Some 300 Base Stations in Zimbabwe
- Strong Funding Support for Bitá Water Supply Project, Luanda, Angola
- Funding Raised for Spice Products Export Programme, Nigeria
- Two Smart City Projects in Nigeria
- Programme for Building and Equipping 12 Hospitals in Ghana
- Plans for Rehabilitation of Bujumbura Port, Burundi
- Launch by *Eskom* of its Renewable Energy Tariff Pilot Programme, South Africa
- Revival of Kayelekera Uranium Project, Malawi
- Tender Process Still Underway for LNG Supply to Mossel Bay Refinery, South Africa
- Zimbabwe Announces Launch of First Communications Satellite
- Update on Jukskei River Clean Up Project, Gauteng, South Africa
- New Animal Feed Production Plant, Sudan
- Progress of Atlantis Special Economic Zone, Western Cape, South Africa
- Repairs to Charlotte Maxeke Hospital, Gauteng, South Africa
- Loan Approved for Development of Kribi Port, Cameroon

PROJECTS

Africa House subscribers should note that the projects listed below in this publication are a selection from our Project Database. Templates on many more projects can be found on the

Ventures Onsite Project Platform.

<https://africahouse.venturesonsite.com/login>

*Africa House subscribers are welcome to contact **Keagan** on Johannesburg 27 11 7285878 or e-mail: keagan@africainfo.co.za for templates/further details/contacts pertaining to specific projects listed below.*

Projects & Opportunities



Background photo created by freepik - www.freepik.com

PROJECT OF THE MONTH

The Côte d'Ivoire government has announced that it has raised US\$ 550 million for the rehabilitation and rebuilding of the 353,5 kilometre [ABIDJAN-SAN PEDRO COASTAL ROAD \(LA COTIERE\) PROJECT](#). The project has been inaugurated and completion is scheduled for completion in December 2022. San Pedro port in western Côte d'Ivoire is being developed through the [Port Autonome de San Pedro \(PASP\)](#) as both an alternative to the highly congested Abidjan port and as a sea outlet for mining imports and exports for the mines operating in western Côte d'Ivoire, eastern Guinea and Liberia as well as southern Mali and Burkina Faso. The project has previously been marketed as a Public Private Partnership (PPP) with the objective of establishing a dual carriageway toll road as an integral component of the West African coastal road system. The road has deteriorated into disuse over time and travellers on this key route have been compelled to take a much longer inland option.

Editor's Note: Africa House has visited San Pedro and led a business mission there. AH subscribers are welcome to contact us for further information and insights.

AGRICULTURE



GHANA

Guinness Ghana Breweries Limited (GGBL) has installed a new production facility at its brewery in Achimota in the greater Accra area at a cost of US\$ 24 million. The company has been implementing its [LOCAL RAW MATERIAL SUPPLY PROGRAMME](#) over the past few years. The new facility will increase local sorghum supply from 20 000 tons per annum to 45 000 tons. Local product supply will also be increased for maize and cassava feedstock. *GGBL* is an affiliate of the *Diageo* group of the UK.

A new [RUBBER PROCESSING FACTORY](#) has been inaugurated in Wassa East in the country's Western Region. The factory has a production capacity of 20 tons of latex per day. The products will be exported mainly to Asia. The stated cost was US\$ 2,8 million. The factory was built by *Narubiz Limited*. It falls under the national 'One-District-One-Factory' policy. This is the country's second rubber processing plant. Another major role player in the industry is *Ghana Rubber Estates Limited (GREL)*.

NIGERIA

The Nigerian spice production company, *Agricorp International* has raised US\$ 17,5 million to help realise the company's [SPICE PRODUCTS EXPORT PROGRAMME](#). It has a spice production plant in Kaduna, central Nigeria. The plant will increase production to 7 000 metric tons per annum with priority given to the export market. The funds were raised from a number of specialised funds including *Vami Nigeria*, *One Capital* and *AFEX*. *Ernst & Young* were the transaction advisers. Nigeria is the world's third largest producer of ginger but production has not met local demand and there has been limited capacity for exports.

SUDAN

The Turkish grain milling company, *Alapala* has announced that it will be constructing an **ANIMAL FEED PRODUCTION MILL** in Khartoum from February 2022. The plant will have a production capacity of 10 tons per hour and its silos will be able to store 12 400 tons. The mill will process a wide range of inputs including sorghum flake, groundnut cake, ground straw and molasses. *Alapala* has a number of plants in the region including a second feed mill.



photo created by frimufilms - www.freepik.com

HEALTH



COTE D'IVOIRE

The *Banque Arabe pour le Développement en Afrique (BADEA)* has concluded a loan agreement of 25 billion CFA (US\$ 45 million) with the Ivorian government for the construction and equipping of the [ABOBO UNIVERSITY TEACHING HOSPITAL](#) in Abidjan. The main contractor is reportedly the *Arabian Construction Company* of Lebanon.

GHANA

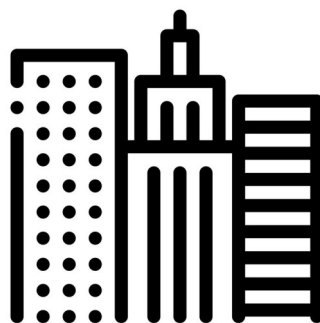
The government will be embarking on a programme for the building and equipping of 12 [NEW HOSPITALS](#). These include: Kpone Katamanso, Jumapo, Kwabeng, Achiase, Manso Nkwanta, Nkwatia, Adukrom, Suame, Drobonso, Sabronum and Twedie. The contractor is *Vamed Engineering* of Austria which specialises in the medical sector. Funding is from the East European banks, *Erste Group Bank* and *Ceska Sporitelna*. The project includes construction of staff accommodation.

SOUTH AFRICA

The cost of repair to the **CHARLOTTE MAXEKE HOSPITAL** in Johannesburg is estimated at about R1,1 billion (approximately US\$ 77 million). The hospital was closed after a fire in April 2021. The absence of comprehensive building plans is delaying the repair project. The *Gauteng Department of Infrastructure Development* is undertaking 3D scans to facilitate the drawing up of fuller building plans. Structural repair is required. Structurally sound parts of the hospital could be re-opened at an earlier stage.



HOTELS/COMMERCIAL & INDUSTRIAL PROPERTY



NIGERIA

Delta Mega-Trend Nigeria Ltd is developing and promoting [THE PLANTATION CITY](#) in Warri, Delta State, southern Nigeria. The 120 hectare mixed development will have 1 700 housing units. The project includes an hotel, school, mall and artificial lake. The complex will have its own independent power plant (IPP). It is 40% completed and should be finished by 2025.

The Nigerian cement company, Madugu Cement is partnering with the Sinoma International Engineering Company of China for the construction of the [MADUGU CEMENT PLANT](#) in Akko, Gombe State, north-eastern Nigeria. The project will be implemented in two phases of 2,5 million tons of production capacity each. There are only four established cement plants in northern Nigeria.

The ground-breaking ceremony was recently held for the [EDMARK SMART CITY](#) which is being built on the Lagos Epe Express Road in Lekki Phase 2, Lagos. The project comprises a twin 20-storey apartment building as well as a second building for offices, shops and an event hall. It is being developed by the Edmark City Development Company Limited with support from the Lagos State Commission for Physical Planning and Urban Development. The cost of 5 billion Naira or about US\$ 12,15 million.

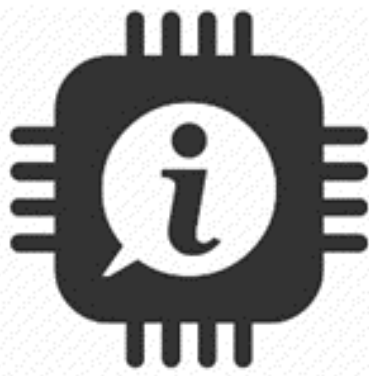
SOUTH AFRICA

According to the Western Cape Government, as of early 2021, the **ATLANTIS SPECIAL ECONOMIC ZONE (ASEZ)** had attracted R680 million (about US\$ 47 million) from five new investments. The Atlantis industrial zone was established between Saldanha and Cape Town port. The SEZ was officially launched in July 2019. The aim is to establish a world-class export-orientated facility to attract green technology and especially renewable energy component manufacturers and suppliers as investors. The investment target is R1,2 billion (about US\$ 83 million) per annum. In December 2020, the Atlantis SEZ Company (ASEZ Co) was given authority by the Western Cape Government to purchase land in the designated area. The project is being coordinated by the Department of Trade, Industry and Competition (DTIC), the Western Cape Government and the City of Cape Town.



photo created by rawpixel.com - www.freepik.com

ICT / TELECOMMUNICATIONS



REGIONAL

Internet Technologies Angola (ITA) of the Paratus Africa group has announced the operation of its 600 kilometre high-speed [ANGOLA-DR CONGO FIBRE OPTIC CABLE](#). The link is from Noqui in Angola to Matadi in the DR Congo. Cheaper internet services will be provided in municipalities along the route and in particular Zaire Province in the DR Congo. Kinshasa will also be reached. More links from Angola to neighbouring countries are planned as Angola develops its status as a regional communications hub.

SOUTH AFRICA

Teraco Data Environments of South Africa is planning investments totalling R6 billion (about US\$ 411 million) over the next four years for new and expanded [VENDOR-NEUTRAL DATA CENTRES](#) in South Africa. The NAPAfrica neutral internet exchange system is aimed at helping to establish South Africa as the leading interconnection hub in the continent. The company has announced the completion of its JB3 data centre in Ekurhuleni, Gauteng Province which comprises 12 000 square metres of data hall space. Clients include networks, global content and cloud providers.

ZIMBABWE

Zimbabwe has announced the launch of its **FIRST SATELLITE, ZIMSAT-1** in February 2022. The responsible agency is the Zimbabwe National Geospatial and Space Agency (ZNGSA) while technical support is from the Kyushu Institute of Technology of Japan and the Japan Aerospace Exploration Agency (JAXA). The satellite will assist the country in managing its natural resources and monitoring climate change and predicting natural disasters.

The state-owned mobile network operator, NetOne is undertaking a programme that will make it Zimbabwe's first provider of 5G technology. Phase 3 of the [NATIONAL MOBILE BROAD BAND \(NMBB\) PROGRAMME](#) was recently launched by NetOne. The programme provides for the establishment of 300 base stations throughout the country.



photo created by freepik - www.freepik.com

MINING



ANGOLA

The [SAURIMO DIAMOND DEVELOPMENT HUB](#) in Lunda Sul Province, north-eastern Angola has been officially inaugurated. The hub includes four diamond cutting factories as well as polishing and processing facilities. US\$ 77 million is the cost of phase one of the project which will enhance the country's cutting capacity from a total of eight cutting factories. About 5 500 carats will be polished monthly. The initiative has been prioritised by the Ministry of Mineral Resources and Petroleum.

GHANA

The state-owned company, *Ghana Integrated Aluminium Development Corporation (GIADEC)* and *Rocksure International* of Ghana are partnering for the development of an integrated project for a [BAUXITE MINE AND REFINERY](#). The cost is estimated at US\$ 1,2 billion. The mine is at Nyinahin-Mpasaaso in the Ashanti Region of central Ghana. The country is keen on developing its untapped bauxite reserves that are estimated at 900 million tons. The shareholders will be *GIADEC* (70%) and *Rocksure* (30%).

MALAWI

The [KAYELEKERA URANIUM MINE](#) in northern Malawi is being revived. The previous operator, *Paladin Energy* placed the mine on care and maintenance in 2014. However the new license holder, the Australian junior miner, *Lotus Resources* has recently commissioned a feasibility study aimed at reviving operations as the global uranium price has improved considerably. It is reported that US\$ 50 million will be required for the restoration. The Malawi government has also extended the mining permit until 2037.

TANZANIA

The *Tanzanian Gold Corporation (TGC)* of Canada has entered into an agreement with the *State Mining Company, STAMICO* for a drilling programme at the [BUCKREEF GOLD PROJECT](#) situated in north-central Tanzania. *STAMICO* has a 45% share in the mine. The programme will cost about US\$ 1,7 million and will determine the levels of mineralisation of the ore. A new sulphide processing plant will increase production to around 160 000 ounces of gold per annum. *TGC* won the tender for the mine in December 2010.

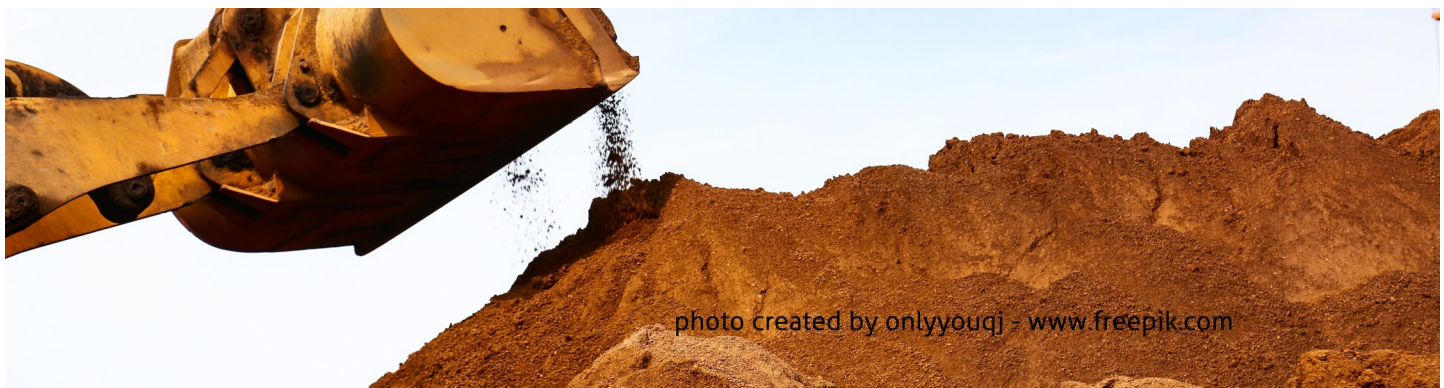
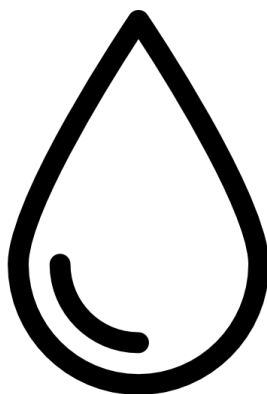


photo created by onlyyouqj - www.freepik.com

OIL & GAS



GABON

The French oil and gas company, *Perenco* has announced that it will be constructing a [LIQUEFIED PETROLEUM GAS \(LPG\) PRODUCTION PLANT](#) at Batanga in Ougououé Maritime Province. The plant will produce 10 000 tons of domestic gas per annum from 2023. The technical studies have been completed and procurement of materials, equipment and services will commence soon. The responsible authority is the Ministry of Oil, Gas, Hydrocarbons and Mines.

KENYA

The final investment decision (FID) on the [OIL KENYA PROJECT](#) in the Turkana Basin of northern Kenya is expected before the end of 2021. The cost of the project is estimated at US\$ 3,5 billion. An updated study by *Gaffney, Cline & Associates* now estimates a higher production level than originally surmised at 120 000 barrels per day. The partners in the project are *TotalEnergies*, *Africa Oil* and *Tullow Oil*. *Tullow* has indicated that it may sell its interest and new partners are sought.

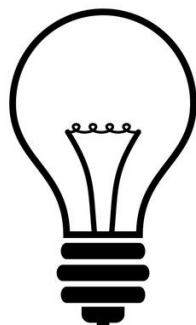
SOUTH AFRICA

The South African state oil and gas utility, *PetroSA* has indicated that the tender process is still underway for the supply of liquefied natural gas (LNG) to the [MOSSEL BAY REFINERY](#) situated on the South African southern coast. The refinery has been dysfunctional due to lack of gas supply. The gas-to-liquids (GTL) plant has the capacity to produce 45 000 barrels of crude oil per day from gas. It is estimated that R1,4 billion or about US\$ 96 million is needed to fully restore the refinery. There are media reports that Gazprom of Russia working with *Delta Natural Gas (DNG)* of South Africa are being considered for the long-term supply contract. There are hopes that the new Brulpadda and Luiperd fields will eventually provide gas while the established off-shore fields are reportedly running out. A major sea pipeline would have to be built.

UGANDA

The Ugandan government has approved a bill leading to a law that will provide clarity and enhance confidence in the [EAST AFRICAN CRUDE OIL PIPELINE \(EACOP\)](#). The law will supersede all other legislation pertaining to the pipeline. It could protect the major operators (*TotalEnergies* and *CNOOC*) as well as other investors and suppliers. The law will determine the fiscal regime and regulate the participation of local companies supplying goods and services to the project. Issues such as double taxation loopholes will be addressed.

POWER



CAMEROON

The Ministry of Water Resources and Energy has announced the results of a tender for pre-qualification for the 350 MW [LIMBE THERMAL GAS PLANT](#) situated on the south-west coast of Cameroon. There is considerable participation by Chinese state companies in the five joint ventures that have been listed. They are the *China Energy Engineering Corporation (CEEC)*, the *China Machinery Engineering Corporation (CMEC)* and the *Power Construction Corporation of China (Power China)*. The next development will be the nomination of three contenders on a short list. The winning joint venture will undertake the project on a Build Operate Transfer (BOT) basis. The plant is expected to be operational by 2024.

ETHIOPIA

The geothermal power sector in Ethiopia is advancing rapidly. The current power production from geothermal is only 2,5 MW from the existing Aluto Langanano plant but this will increase substantially with the new US\$ 800 million [TULU MOYE GEOTHERMAL PROJECT](#) situated 140 kilometres south-east of Addis Ababa in central Ethiopia. An engineering, procurement and construction (EPC) tender was issued by the *Ethiopian Energy Authority (EEA)* at the end of November 2020. The *Kenya Electricity Generating Company (KenGen)* has recently completed first drillings. The implementing agency is *Ethiopian Electric Power (EEP)*. The first phase will enable generation of 50 MW increasing to a total of 150 MW by estimated completion in 2025. The targeted start is September 2022. The *Tulu Moya Geothermal Operations Plc (TMGO)* is owned by the main investor, Paris-based investment firm, *Meridiam SAS* and *Reykjavik Geothermal* of Iceland. The *US International Development Finance Corporation (US DFC)* has recently allocated funding for technical assistance to the project.

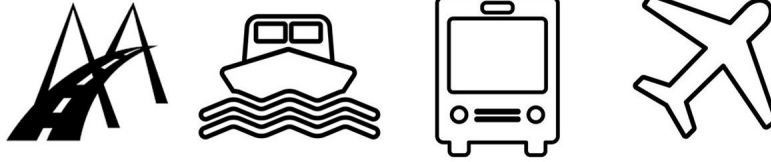
NIGERIA

The Nigerian federal government through its Ministry of Mines and Steel Development, is planning a [COAL-FIRED POWER PLANT PROGRAMME](#) that makes provision for the establishment of six coal power plants by 2037. 23 such plants already exist in the country. These are: Enugu (2 000 MW), Benue (1 200 MW), Ramos (1 000 MW), Nasarawa (500 MW), Ashaka/TPGL (500 MW) and Ashaka (64 MW). Nigeria is trying to revive its long-neglected mining sector. The country is estimated to have over 2 billion metric tons of coal reserves.

SOUTH AFRICA

Eskom has launched its **RENEWABLE ENERGY TARIFF PILOT PROGRAMME** which will run until 31 March 2023. The utility will be offering blended renewable energy to its business customers to power their plants and production facilities and meet renewable/green energy targets. The programme involves contractual implementation of a declining block tariff thus leading to a reduction in electricity costs for the businesses. The benefits include avoidance of long-term power purchasing agreements (PPA's) and avoidance of initial capital investment in own renewable energy generation. The renewable energy for the programme will be drawn from *Eskom's* 100 MW Sere wind farm located in the Western Cape.

TRANSPORT



REGIONAL

The Angolan authorities have just launched their tender in Lobito for the award of a 30-year concession for the management and maintenance of rail infrastructure and support logistics for the [LOBITO CORRIDOR RAILWAY AND TRADE FACILITATION PROJECT](#). The approximately 1 300 kilometre link from Lobito port into the DR Congo will inter alia transport mining ore, liquids and gas. The rail line extends from Lobito to Luau on Angola's border with the DR Congo. There are plans for extensions in to the DR Congo Copperbelt and a further phase that encompasses a branch to the New Copperbelt in Zambia. The integration of the Lobito Minerals Terminal is included. The project is being supported by the [African Development Bank \(AfDB\)](#).

BURUNDI

The European Union (EU) has indicated that it could co-fund the [REHABILITATION OF BUJUMBURA PORT](#) on the northern end of Lake Tanganyika before the end of 2021. It would be joined by partners such as the [African Development Bank \(AfDB\)](#). The EU is in the process of lifting sanctions on Burundi that were imposed in early 2016 at the commencement of a political crisis there. The project is vital for the full realisation of the [Lake Tanganyika Transport Corridor Development Project](#) which will strengthen the existing inland lake trade route from Mpulungu at the southern end of the lake in Zambia to Bujumbura with utilisation of Tanzanian and DR Congo lakeside ports.

CAMEROON

The [African Development Bank \(AfDB\)](#) has announced its approval of a loan of 219 billion CFA or about US\$ 392 million for the development of the Kribi Deep Sea Port and Industrial Complex on the coast of south western Cameroon. [Royal Haskoning](#) was previously commissioned to produce a master plan and development strategy for the [KRIBI INDUSTRIAL PORT COMPLEX](#). The industrial and residential complex will be developed over an area of 260 square kilometres. It will cater for heavy, medium and light industry. Construction of a 1 million ton per annum cement plant costing US\$ 70,6 million in the Complex will begin before the end of 2021. The residential city will accommodate 300 000 people by 2040 and will inter alia include a hospital, schools and shopping centres. The development of the deep sea port is underway. The [Port Autonome de Kribi \(PAK\)](#) recently announced that it is seeking 101 billion CFA (about US\$ 180 million) for six development projects.

Editor's Note: Africa House has visited Kribi and led a business mission there. AH subscribers are welcome to contact us for further information and insights.

GABON

The Ministry of Public Works and Infrastructure has announced the tarring of the first 81 kilometres of the 780 kilometre [TRANSGABONAISE HIGHWAY](#). The [Société Autoroutière du Gabon \(SAG\)](#) was awarded the contract to operate and maintain the highway. SAG is owned by the main financiers, the French investment fund, [Meridiam](#) and [Arise Investments](#). The construction company, [Colas](#) has been sub-contracted for the civil works. The total cost of the project is estimated at US\$ 1 billion. Completion was scheduled for 2023 but there have been delays. The highway will improve communications with the Republic of the Congo, Cameroon and Equatorial Guinea.

WATER & SANITATION



ANGOLA

There is considerable funding support for the [BITA WATER SUPPLY PROJECT](#) which will service some two million inhabitants of the urban and peri-urban areas of Luanda. The total cost is estimated at US\$ 1.09 billion. Lenders include [Standard Chartered Bank](#) of the UK, [BNP Paribas](#) of France, [Société Générale](#) of France, [Crédit Suisse](#) and [Crédit Agricole Corporate and Investment Bank](#). The project is partially guaranteed by the [World Bank Multilateral Investment Guarantee Agency \(MIGA\)](#) and the [Africa Trade Insurance Agency \(ATI\)](#) is providing support.

SOUTH AFRICA

The Cape Town Mayoral Committees for Water and Waste and Special Planning and Environment are undertaking capacity upgrades at the Potsdam, Zandvliet and Macassar waste water treatment plants. It is reported that the **CAPE TOWN SEWERAGE SYSTEM** is struggling to cope with increase in population and the development of designated areas has had to be delayed.

The [City of Johannesburg's](#) Office for Environment and Infrastructure Services is collaborating with a number of NGO's and private engineering companies on the **JUKSKEI RIVER CLEAN UP PROJECT** in Gauteng Province. The Johannesburg-based NGO, [Water for the Future](#) is a leading role player and is coordinating the Upper Jukskei River Regeneration Project that includes rehabilitating the river's green corridor. Other participants include [Fourth Element Consulting](#) which is providing advisory services and [SRK Consulting](#) which is contributing technical expertise. It is reported that if rehabilitated, the river could service the water needs of some 20-25% of the households in Johannesburg, Pretoria and Ekurhuleni. The cost of rectifying the infrastructure backlog for the province is estimated at over R20 billion or about US\$ 1,37 billion.



WHISPERINGS - FOOTNOTES



- The Mozambique Minister of Energy has confirmed that production from **ENI's CORAL SOUTH OFFSHORE GAS PROJECT** in northern Mozambique will commence in 2022. As an offshore operation, it is less affected by the insurgent-related instability in Cabo Delgado Province.

- The development finance institutions (DFI's) are keen to increase their portfolios in the **WATER AND SANITATION SECTOR**. As these projects are particularly complex,

they appear to be willing to practise some flexibility with regard to their normal project funding criteria. An example of this is the approval of water and sanitation projects in middle income countries such as Gabon.

- Delays of **WATER SUPPLY PROJECTS IN SOUTH AFRICA** are of considerable concern. Major examples include the phase 2 of the Lesotho Highlands Water Project and the Giyani Bulk Water Supply Project in Limpopo Province. There are unfinished projects in all of the country's provinces. Smaller examples include the Baden Powell Drive Bulk Water Supply Project in Khayelitsha in the Western Cape and the project for the raising of the Hazelmere Dam in KwaZulu-Natal.
- The **GEOTHERMAL POWER SECTOR IN EAST AFRICA** is growing rapidly. Kenya currently generates 865 MW of geothermal power but this is only 8% of its potential and major projects are in the pipeline. The Tulu Moyo geothermal project in Ethiopia will add 150 MW to its current meagre production of only 2,5 MW. Tanzania is gearing up and could be purchasing its own rig. There is geothermal potential in Uganda and Rwanda.
- The colonel leading the recent **MILITARY PUTSCH IN GUINEA** has assured investors that business deals will not be affected by the take-over. The vital mining sector will nevertheless fear revision of concluded mining deals. There have been a number of historical precedents for this! The country is one of the world's largest producers of bauxite and the development has initially increased the global alumina prices due to perceptions of lack of security of supply.
- *Pieter Engelbrecht*, Chief Executive Officer of **SHOPRITE** explains his company's departure from some African markets by referring inter alia to logistics problems, currency devaluations leading to inflation and the inability of consumers' wages to keep up. *Carrefour* of France is taking up six *Shoprite* stores in Uganda.
- The Kenyan government is prioritising support to the **ARID AND SEMI-ARID ZONES OF NORTHERN KENYA** where drought has been particularly severe. The area which includes Tana River, Embu and Machakos is important inter alia for its cattle industry. Funds have been allocated for irrigation equipment.
- There is a strong need to dualise the Groblersbrug bridge at the **MARTINS DRIFT BORDER POST** between South Africa and Botswana. Freight specialists indicate that the post and bridge can only handle a maximum of 200 trucks per day. However the completion of the Kazangula Bridge in the north is leading to increasing en route freight traffic through Martins Drift.
- **KENYA AIRWAYS** has indicated that it is technically insolvent and is unlikely to recover before 2024. The airline along with *South African Airways* (SAA) plays an important role in providing multiple African destination options to travellers. By contrast, *Ethiopian Airlines* stated in mid-2020 that it was profitable and in early 2021, confirmed that it was cash positive. It is filling the gaps in African routes.

WEBSITES



designed by Freepik

The **AFRICAN DEVELOPMENT BANK (AfDB) PROJECTS PORTAL AND MAP** can be found on www.afdb.org/en/ under "Projects and Operations".

Data on some 3 000 cities and sub-regions in the world including **AFRICAN CITIES** can be found on the *Oxford Economics* site: www.oxfordeconomics.com/microsites/cities

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

The **STANDARD BANK GROUP** has been selected for multiple awards in seven categories in *Global Finance* magazine's 2021 Best Digital Banks Awards in Africa.



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

TRADE FORWARD SOUTHERN AFRICA is a programme that falls under the *Global Trade Programme (GTP)* of the *UK Prosperity Fund* and is being implemented by [DAI](#). The programme supports trade growth and an increase in export performance in Botswana, Eswatini, Lesotho, Mozambique, Namibia and South Africa. One of the trade opportunities identified by the programme is green technology manufacturing in South Africa.

Editor's Note: Africa House is involved in the Trade Forward Southern Africa programme and can provide further information to subscribers.

The **ENERGY ACCESS RELIEF FUND (EARF)** has attracted capital of US\$ 68 million to help finance some 90 companies in Africa and Asia involved in energy projects. The *EARF* provides short-term loans. It comprises 16 governments, investment foundations and development finance institutions and is managed by [Social Investment Managers and Advisers \(SIMA\)](#).

The [African Export-Import Bank \(Afreximbank\)](#) has announced that five African states have ratified the agreement for the operation of the **FUND FOR THE DEVELOPMENT OF EXPORTS IN AFRICA (FEDA)**. They are Rwanda, Guinea, Mauritania, South Sudan and Togo. *FEDA* was initiated in 2019 and the *Afreximbank* hopes to mobilise US\$ 1 billion for *FEDA*. The fund will support companies involved in key export sectors by inter alia expanding industrial infrastructure required for the generation of exports.

The US-based, non-profit venture capital organisation, **BEYOND CAPITAL VENTURES** has made its first investment in East Africa by funding the Rwanda-based *Viebeg Technologies*. *Viebeg* supplies medical supplies and equipment to the East African markets through a data-driven procurement platform. [Beyond Capital Ventures](#) specialises in key sectors such as health and agriculture in East Africa.

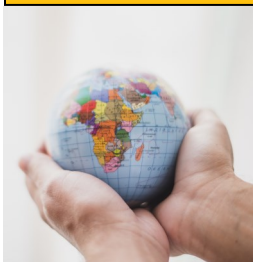
The [INTERNATIONAL FINANCE CORPORATION \(IFC\)](#) has almost doubled its disbursements to small and medium enterprises (SME's) in Africa and the Middles East. For the 2021 financial year, the total was US\$ 10,4 billion compared to US\$ 5,6 billion for the previous year. Support is mainly for private infrastructure, energy and health.

[Sasol](#) and the [Industrial Development Corporation \(IDC\)](#) of South Africa have concluded an agreement to jointly develop an enabling environment to advance South Africa's **GREEN HYDROGEN ECONOMY**. An objective is to develop pro-active industry plans.

The [PUBLIC INVESTMENT CORPORATION \(PIC\)](#) of South Africa is looking to support feasible and bankable regional transport projects falling under the North-South Corridor Development Programme and is a member of the steering committee promoting the Corridor.

The [Walton Family Foundation](#) of the USA has committed US\$ 25 million to the Johannesburg-based NGO, **AFRICAN PARKS** to support African national parks. [African Parks](#) manages 19 national parks in Africa.

AFRICA & THE WORLD



According to the *Economist Intelligence Unit (EIU)* of the UK, only seven African countries will reach a sufficient **COVID VACCINATION LEVEL** (60% of the population) by the end of 2022. The listed countries are South Africa, Mauritius, Gabon, Ethiopia, Kenya, Egypt and Morocco. South Africa, Mauritius and Morocco could reach the mark by the end of 2021. The remaining countries could achieve the herd immunity level by the end of 2023.

TRAVEL NOTES



While *South African Airways (SAA)* has announced the resumption of its African routes to Maputo, Harare, Lusaka, Kinshasa and Accra from 23 September 2021, travellers from South Africa are compelled to find alternatives for other important African destinations. An associate planning to visit **ANGOLA** from South Africa reports that he now has the choice of a private flight, *TAAG Angola* business class or a commercial flight that operates from Johannesburg only on Wednesdays.

According to the *Skyscanner* travel website, as of 8 September 2021, travellers from South Africa were subjected to major Covid-related **TRAVEL RESTRICTIONS** in 79 countries. In future there may be moves to allow fully vaccinated travellers from the country and Canada has just made an announcement to this effect.

Rwandair has announced that it will be launching its new **KIGALI-LUBUMBASHI ROUTE** from 20 September 2021. Another new flight route between Kigali and Goma will follow. The existing Kigali-Kinshasa route has reportedly met with considerable success.

South African travellers will reportedly be permitted to visit **MAURITIUS** from 30 September 2021. There are however some restrictions. These travellers must be fully vaccinated and will have their movement restricted to the area of the resorts where they stay. Flights from South Africa to the island will only recommence from 1 October 2021.

RECENT ACTIVITIES OF AFRICA HOUSE

Duncan Bonnett of *Africa House* hosted a virtual **Power Focus webinar** on 01 September.

Guest speakers included: Mike Huth: Managing Director, CSI Energy Group | Alastair Herbertson: Director, Emerging Africa Infrastructure Fund (EAIF)

Roelof van Tonder of *Africa House* hosted a virtual **Roads & Bridges Focus webinar** on 15 September.

Guest speaker was John Rocha: Chief Director Trade and Investment Africa (TIA), Department of Trade and Industry and Competition

Duncan Bonnett of *Africa House* hosted a virtual **Hotels & Commercial Property Focus webinar** on 21 September.

Guest speakers included: Danny Zabusu Kambo: Country Head—DRC , Rendeavour | Andre Snyders: Industry Specialist, Standard Bank | Ish Anand: CSO and Head - Global Fund Raise, Investor Relations & Sports Infrastructure Development, JHIL Enterprises – Zanzibar | Simone Kuhn: Manager, Development, Radisson Hotels

Roelof van Tonder of *Africa House* hosted a virtual **ICT / Telecommunications Focus webinar** on 28 September.

Guest speakers included: Envir Frazer: Chief Strategy Officer, Convergence Partners | Silvio do Carmo: Managing Director, PCCW Global | Mark Schoeman: Principal, Center of Digital Excellence, Genesis Analytics

COMMODITIES OF AFRICA

TYPE OF COMMODITY	COMMODITY	UNITS	PRICE: August 2021	PRICE: September 2021	PRICE: October 2021
Agriculture	Cocoa	US\$ per Kilogram (US\$/kg)	1.64	1.73	1.84
	Coffee	US\$ per Kilogram (US\$/kg)	1.97	1.97	1.94
	Cotton	US\$ per Ounce (US\$/oz.)	0.91	0.95	1.02
	Rice	US\$ per Metric Ton (USD/MT)	466.00	414.00	403.00
	Sugar	US\$ per Kilogram (US\$/kg)	18.50	20.20	18.94
Base and Precious Metals	Cobalt	US\$ per Ton (US\$/t)	52,430.00	50,110.00	52,975.00
	Copper	US\$ per Ton (US\$/t)	9,709.15	9,310.48	9,173.85
	Gold	US\$ per Troy Ounce (US\$/t oz.)	1,825.27	1,815.56	7,731.14
	Iron Ore	US\$ per Dry Metric ton (US\$/DMT)	214.44	159.58	119.70
	Platinum	US\$ per Troy Ounce (US\$/t oz.)	1,080.50	1,014.50	962.00
Energy	Coal: Industrial	US\$ per Metric Ton (USD/MT)	112.93	122.33	137.29*
	Coal: Coking	US\$ per Ton (US\$/t)	149.2	171.3	212.00
	Gas: Natural Gas	US\$ per million British Thermal Units (USD/MMBtu)	3.80	4.33	5.54
	Oil: Crude Oil	US\$ per Barrel (US\$/bbl.)	77.72	72.26	78.30

Source: Various

Please see our [Privacy Notice](#) for more information about how we process personal information.

INDEMNITY

Some of the information contained in this document is of a confidential nature and is supplied to subscribers on the understanding that contents will be treated with appropriate discretion. Please note that while every effort is made to ensure the accuracy of the information contained in this specialised publication, neither Africa House nor its affiliate bodies and associates will be held responsible for any loss or inconvenience resulting from application of this information.