



AFRICA HOUSE

Insight & Access. Projects & Trade.

INSIGHTS & ACCESS

Notes from Africa

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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:

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

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

FACT OF THE MONTH

According to the French-based think tank and research agency, *Centre d'Etude et de Réflexion sur le Monde Francophone* (CERMF), Gabon has the highest GDP per capita in Africa at US\$ 7 006.

Some Observations Relating to the Upstream Petroleum Resources Development Bill 2021

The Upstream Petroleum Resources Development Bill (UPRDB) of 2021 is an attempt by the South African government to achieve a dedicated world class upstream oil and gas regime in the country. It will replace chapter six of the Mineral and Petroleum Resources Development Act (MPRDA) of 2002 which deals with hydrocarbons. The MPRDA is mainly concerned with the mining sector. The new bill is complex and there are numerous comments and questions arising from it. In this brief editorial, an effort is made to draw attention to just some salient aspects and a few implications that may not be receiving as much attention as maybe they should.

South Africa has considerable mining experience but relatively little oil and gas history. 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. Yet the major investors in exploration and production such as *Total* and *Shell* will know that they are venturing into near-virgin territory. They will have expected delays in the establishment of an enabling legal and fiscal environment which require actions such as the appointment of a regulator (the Petroleum Agency of South Africa – PASA) and the creation of a national oil company. However, the delays in the delivery of sufficient security for investors have been too long and there are still too many uncertainties. There is no clear timetable for the UPRDB and as a result, exploration has to date been limited.

The oil and gas sectors are characterised by their global/international character, their highly technical nature with for example strict supply criteria and their high and intensive capital requirements. The truism is the oil and gas operations require a lot of money! And security of tenure is always a major issue. The South African authorities must take full cognisance of these characteristics.

Investors are keen for advance knowledge of the taxes and royalties involved. However the fiscal aspects of the UPRDB have been omitted because that is the domain of the National Treasury and is to follow later. This separation is understandable practice but it still does not address investor uncertainties. The Income Tax Act can only provide limited predictability for investors with regard to

payments to be made to government. Major discoveries may require different, especially tailored tax and royalty levies.

The South African authorities have set the Black Economic Empowerment (BEE) level at ten percent. The super majors and independents that are conducting operations all over the world are not accustomed to this stipulation. Black partners will often not hold the required capital and this evokes questions of farming down and questions around 'once empowered always empowered.' Will international investors have to ensure that their BEE credentials are constantly maintained irrespective of later developments? Will the government impose an oil and gas sector BEE charter as it has done for other sectors?

BEE is sometimes confused with other industry phenomena. Local content is logically required by the governments of developing countries. But BEE and local content are not the same. BEE effectively adds largely to the investor's burden in meeting local requirements. The investor/operator is now obliged not only to source as many local services and products as possible but also identify the correct BEE partners with whom to share ownership. Some of these partners will lack capital and sector knowledge. The UPRDB includes a domestic market obligation whereby some percentage of production must be fed into the local market. The need for the use of local partners will be deepened. The requirement in this regard is currently too vague.

The government is pushing for more exploration activity and drilling. Independent oil and gas companies (something akin to the juniors in the mining sector) are particularly active in exploration. But once again considerable financial muscle is required and these companies are international in character. In the short term at least, local black-owned companies are not necessarily the 'juniors' who can singly fulfil this role.

Other terms of the UPRDB that require stronger definition include state participation in operations and especially that of the envisaged state oil company including the role of *PetroSA*, qualifications for the bidding round system and environmental criteria (as made prominent by the Karoo shale gas controversy.) There are reportedly some 25 exploration and production companies

holding rights to South Africa's reserves. As the UPRDB is enacted, so the pressure will increase on these investors to 'use it or lose it'.

A final suggestion that may have been receiving insufficient attention is the need for the South African authorities to learn from the experiences of evolving and new oil and gas countries. Neighbouring Namibia is making strong efforts to develop its oil and gas industries and is trying to create a strong investor-friendly environment. Apart from the long-mooted Kudu gas field, there is the offshore Venus-1 well that could be spud in the third quarter of 2021. What have the Namibians done to progress these new industries and establish legislative certainty in their country?

A white paper on energy policy was initially produced. There have been four petroleum acts and agreements and a new gas act evolved. The Petroleum Exploration and Production Act 2 was enacted in the early 1990's. In 1999, an open licensing system was adopted. The *National Petroleum Corporation of Namibia (Namcor)* was confirmed as the national petroleum company. However, it should be noted that no investor applicant is compelled to offer a share in a license to *Namcor*.

South Africa's current efforts to develop an oil and gas industry are taking place within the context of many countries starting to prioritise a quicker movement towards zero emission economies. *United Nations* reports and a seeming increase in extreme weather events will ensure stronger voter and civil society support for cleaner energy sources pushing politicians to act more decisively. Like Mozambique, South Africa has a limited window of opportunity to develop this sector and it would not be beneficial if the South African authorities were to take too long to create an enabling environment.

QUOTABLE QUOTES

"While gas is not my favourite, if we want to transition to renewables we need flexibility in the system and gas can provide that."

(Mandy Rambharos, General Manager at Eskom's Just Energy Transition (JET) office.)

"There is no such thing as clean energy – only cleaner energy."

(Representative of a gas production company at a recent gas conference on the environmentally negative aspects of solar and other renewable energies.)

"We must never ever bring politics into the private sector."

(New Zambian Minister of Mines and Mineral Development on the previous government's efforts to liquidate *Konkola Copper Mines*.)



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HIGHLIGHTS FROM THIS EDITION

- Update on Lamu Port Development, Kenya
- PV Solar Plants for *Sibanye-Stillwater* and *Amplats* Mines, South Africa
- New Manganese Export Terminal for Ngqura Port, South Africa
- *BW Energy* to Produce Electricity from Kudu Gas Field, Namibia
- *Google* Announcement of Five-Year 'Google for Africa' Programme
- Major Potable Water Supply Programme, Southern Angola
- New *Dairibord* Dairy Manufacturing Plant, Zimbabwe
- Update on Kiswishi Mixed Use Urban Property Development, Lubumbashi, DR Congo
- Regional Hospital Centres Development Programme, Côte d'Ivoire
- Update on the Walvis Bay Industrial Development Initiative, Namibia
- Update on the Rusumo Falls Hydro Power Project, Tanzania & Rwanda
- Expansion of Coola Rare Earths Project, Angola
- *Eni* to Develop Baleine Oil & Gas Discovery, Côte d'Ivoire
- New *Africell* Data Centre, Luanda, Angola
- Potable Water Production Line at *Varun Beverages* Bottling Plant, Zimbabwe
- Commissioning of *Serengeti Breweries* Alcoholic Spirits Production Plant, Tanzania
- New International Standards Football Stadium Planned for Rwanda
- New Covid Vaccination & Cancer Initiative, South Africa

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



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PROJECT OF THE MONTH

There are reports that the [LAMU PORT DEVELOPMENT](#) on the northern coast of Kenya is experiencing funding difficulties. The first of three berths was officially inaugurated in May 2021 but some US\$ 150 million is required by the [Kenya Ports Authority \(KPA\)](#) for completion of the first phase which pertains inter alia to the cargo handling equipment still required. The port is struggling to attract shipping lines as vessels wishing to use Lamu have to have their own offloading facilities. Banks are reportedly now calling for government guarantees. The port is a major component of the regional [LAPSSET Corridor Development Programme](#) involving Kenya, South Sudan and Ethiopia.

Editor's Note: Africa House has investigated and visited Lamu port. Subscribers are welcome to request further information.

AGRICULTURE



NIGERIA

The *National Agricultural Land Development Authority (NALDA)* is developing a 20 hectare [POULTRY PROJECT](#) in Yobe State, northern Nigeria. The project includes ten enclosures with a total capacity of 30 000 chickens plus an egg incubation centre. The plant will have a production capacity of 250 000 chickens per annum.

TANZANIA

Serengeti Breweries Limited (SBL), part of *East African Breweries*, has recently commissioned its first [ALCOHOLIC SPIRITS PRODUCTION PLANT](#) at its brewery in Moshi, north-eastern Tanzania. The cost is about US\$ 6,8 million. The project is part of the company's three-year expansion programme. The new plant will draw on cereals supply from local growers. *SBL* has breweries in Dar es Salaam, Mwanza and Moshi.

ZAMBIA

The German-Zambian agri-industrial company, *Amatheon Agri Zambia Limited* has recently inaugurated [SPICE AND SUPER FOOD PROCESSING PLANTS](#) at the company's farm in the Mumbwa District of the Central Province. Smallholder farmers will supply the raw products under the Outgrowers Programme which will then be milled, whole-dried or flaked at the factories. Super foods are products such as berries, leafy dark green vegetables, beans, legumes, nuts and seeds which have maximum nutritional content with minimal calorie counts. The beneficiated products will be mainly exported.

ZIMBABWE

Dairibord Holdings of Zimbabwe has announced that it will be commissioning its new [DAIRY MANUFACTURING PLANT](#) before the end of 2021 within the context of its expansion drive. The cost is estimated at US\$ 1,5 million. The plant will produce ice creams and yoghurt. The company previously decommissioned a food production plant in Harare. The company also produces beverages and sauces. It holds 40% of the dairy market in Zimbabwe.

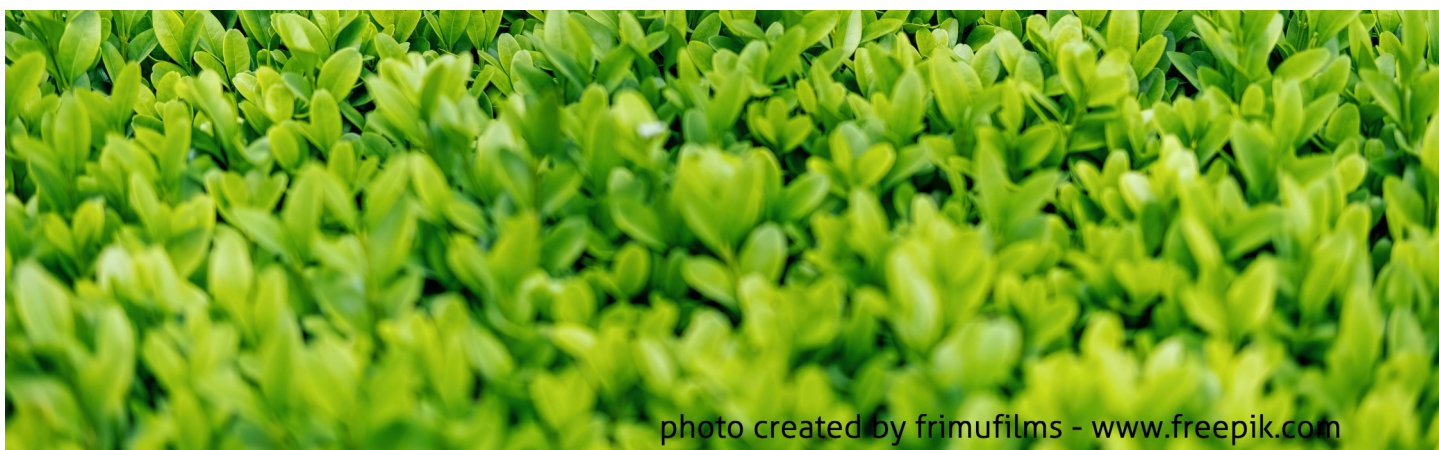


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HEALTH



REGIONAL

The *African Business Coalition for Health (ABCHealth)* together with the *National Institutes for Health (NIH)* and the *United Nations Economic Commission for Africa (UNECA)* has launched the **WEST AFRICA AfCFTA PHARMA INITIATIVE**. The objective of the initiative is to foster and promote local production of drugs and medical equipment in West Africa and ultimately all of Africa. *ABCHealth* is a coalition of companies and organisations involved in the global health sector.

COTE D'IVOIRE

The new **ABOISSO REGIONAL HOSPITAL CENTRE** has recently been inaugurated in the town of Aboisso in the South Camoé region of south-eastern Côte d'Ivoire. The 198-bed facility was constructed on a 10 hectare site in the town. The cost was US\$ 53,1 million. Services include surgery, paediatrics and gynaecology. The government has expressed its intention to establish regional hospital centres throughout the country at a total cost of US\$ 1,5 billion.

SOUTH AFRICA

The US healthcare and technology company, *NantWorks* has launched a new **COVID-19 AND CANCER VACCINE INITIATIVE** in South Africa. The initiative includes a biologics manufacturing facility, a centre for epidemic response and innovation and clinical centres of excellence. Local partners include the *Council for Scientific and Industrial Research (CSIR)* and the *South African Medical Research Council (SAMRC)* as well as a number of South African universities. The research and production is aimed at benefitting the African continent as well as South Africa.



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HOTELS/COMMERCIAL & INDUSTRIAL PROPERTY



CAMEROON

The US hotel group, Hilton has concluded an agreement with the local company, Société Nouvelle des Cocotiers (SNC) for the rebuilding of the hotel Douala Rabingha and the establishment on the site of a new **DOUBLETREE BY HILTON HOTEL** in the country's commercial capital of Douala. The opening is scheduled for 2023. It will be situated in the Bonanjo business district. The hotel will have 141 rooms, 5 restaurants, a ball room and a wellness centre.

The Nairobi-based pan-African housing funding agency, Shelter Afrique has concluded an agreement with the Cameroon authorities for the establishment of a **PRE-FABRICATION AND BUILDING MATERIALS PRODUCTION PLANT** in either Yaoundé or Douala. The cost is estimated at US\$ 15 million. The factory will be owned 51% by Shelter Afrique and 49% by the newly established Industrial Housing Corporation (IHT).

CONGO (DEMOCRATIC REPUBLIC)

According to the property management company, Rendeavour, the main development of the **KISWISHI MIXED USE URBAN PROPERTY DEVELOPMENT** 12 kilometres downtown from Lubumbashi in southern DR Congo is expected to commence in January 2022. The project covers an area of 4 400 hectares. The first phase entails the development of 110 hectares. The development will include a light industrial area and a solar farm. The project was initiated in 2012 but was delayed. The master plan has been completed and the area has been accorded Special Economic Zone (SEZ) status. Geniland is the South African property management affiliate company. The site is conveniently situated on the Likasi road.

Editor's Note: Rendeavour recently addressed an Africa House Commercial Property Sector Focus Group meeting on the project. Africa House subscribers are welcome to request further information.

RWANDA

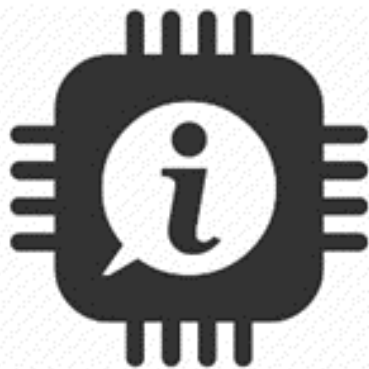
The Confederation of African Football (CAF) has reportedly promised the Rwanda Football Federation (FERWAFA) promotion of the construction of an international standard **FOOTBALL STADIUM** in Rwanda. In 2020, the world football body, the Fédération Internationale de Football Association (FIFA) and CAF agreed to identify partners to build to build modern football infrastructure in Africa. The objective is to ensure that each African member country has an international level football stadium.

TANZANIA (ZANZIBAR)

JHIL Enterprises of India and Zanzibar has acquired 37 acres of land on Zanzibar Island for the development of the **ZANZIBAR INTERNATIONAL CRICKET CLUB SPORTS COMPLEX AND TOURISM HUB (ZICCSC)**. The company holds a 33-year renewable lease on the property. JHIL is collaborating with the Zanzibar Ministry of Sports as well as the Ministry of Tourism on the project. The inauguration is scheduled for November 2021 and completion of the first phase is targeted for the end of 2023. The initial investment is US\$ 40 million. The project includes private villas, an international cricket ground, a world cricket museum, a five-star hotel, food court and shopping arcade, student accommodation, an olympic-sized swimming pool, a theatre and cultural centre, a hospitality institute, medical facilities and green spaces. JHIL is looking for long-term partners in some of the major sporting codes.

Editor's Note: JHIL recently addressed an Africa House Sector Commercial Property Focus Group meeting on the project. Africa House subscribers are welcome to request further information.

ICT / TELECOMMUNICATIONS



REGIONAL

Google has announced its US\$ 1 billion, five-year '[GOOGLE FOR AFRICA' PROGRAMME](#). The objective is to support digital transformation in Africa through inter alia equity investments in African ICT start-ups, low interest loans to ICT small and medium-sized enterprises, grants to relevant NGO's operating in Africa and training in digital skills. The group's Africa Investment Fund will be utilised. The landing of the Equiano subsea cable from Portugal to South Africa through St Helena Island, Namibia and Nigeria will enforce the initiative. The benefits will be faster internet and lower communication costs in the continent.

ANGOLA

Angola Telecom is in the process of identifying a private sector partner with the necessary expertise to assist with the management and operation of [NATIONAL TELECOMMUNICATIONS BACKBONE INFRASTRUCTURE](#). The emphasis will be on fibre optic cable infrastructure connecting urban centres. An international tender aimed at identification of the partner was launched by the Ministry of Telecommunications, Information Technology and Social Communication on 14 September 2021. Candidates are subject to capital and turnover level requirements.

The mobile communications company, Africell has announced the opening of a new [DATA CENTRE](#) in Luanda. The Cloud-based centre is situated in the Kings Tower building in central Luanda. The centre will provide faster global digital connectivity for its mobile user customers and innovators. The project has been developed in collaboration with technology partners such as Oracle as well as local companies. Africell is a recent entrant to the Angolan mobile communications market.

LIBERIA

The South African private equity firm specialising in the ICT sector, Convergence Partners is supporting the [C-SQUARED LIBERIA ICT INFRASTRUCTURE PROJECT](#). The initiative is a Public-Private-Partnership (PPP) aimed at developing broadband infrastructure in Monrovia and Liberia. The partners are the pan-African broadband technology company building internet service providers (ISP's), C-Squared, the United States Agency for International Development (USAID) which is subsidising capital expenditure on infrastructure and the Liberian government which is the offtaker. The project involves an investment of US\$ 12 million. It is aimed at the health, education and general government systems. At the time of initiation of the project, only 5% of Liberians had internet access.



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MINING



ANGOLA

Pensana PLC of the UK has commenced the second phase of its [COOLA RARE EARTHS PROSPECT](#) in Huambo Province, central Angola. The company is prospecting a concession area of 7 500 square kilometres to determine the extent of mineralisation. Scandium and fluorite are two of the rare metals identified. The resource at Coola could complement *Pensana's* operation of its neighbouring Longonjo rare earths project. The company is developing a US\$ 125 million rare earths processing hub in the UK.

COTE D'IVOIRE

Fortuna Silver Mines of Canada has indicated that production at its newly-acquired open-pit [SEQUELA GOLD MINE](#) in western Côte d'Ivoire will commence in mid-2023. A feasibility study was completed in early 2021. Production will be 133 000 ounces per annum. Construction of the mine has begun. Pre-production capital cost was originally estimated at US\$ 142 million. *Fortuna* recently acquired the interests in the project held by *Roxgold* also of Canada.

NAMIBIA

AfriTin Mining has secured a US\$ 6,1 million five-year loan agreement with *Standard Bank Namibia* to fund the phase 1 expansion of its pilot processing plant at the [UIS TIN MINE](#) in the Erongo region of central Namibia. This will increase the mine's production to 1 200 tons per annum. The company is also in discussion with *Standard Bank Namibia* for a guarantee to the *Namibia Power Corporation (NamPower)* for the supply of electricity to the mine.

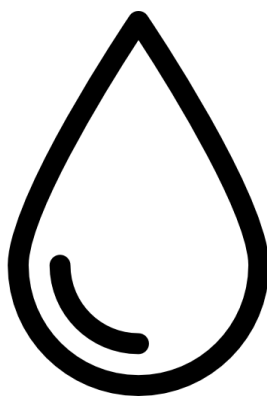
SOUTH AFRICA

The *Coega Development Corporation (CDC)* has issued a Request for Proposals (RFP) from experienced contractors to submit proposals for a new [MANGANESE EXPORT TERMINAL](#) at the port of Ngqura in the Eastern Cape Province. In June 2021, the *Transnet National Ports Authority (TNPA)* appointed the *CDC* as the agency responsible for the relocation of the manganese terminal and liquid bulk terminal from the port of Port Elizabeth to the port of Ngqura. The new manganese terminal at Ngqura will be designed to meet higher environmental standards.



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OIL & GAS



COTE D'IVOIRE

Eni of Italy has indicated its intention to develop the [BALEINE OIL AND GAS DISCOVERY](#) in offshore Bloc CI-101. The estimated resources are 2 billion barrels of crude and 2 TCF of associated gas. Eni is operating in collaboration with the national oil utility, Petroci Holding. Drilling is being undertaken by the Saipem drill ship. The government authority is the Ministry of Petroleum, Energy and Renewable Energies (GUCE). Côte d'Ivoire is already producing quantities of natural gas.

MAURITANIA

Chariot Oil and Gas of the UK has announced that several feasibility studies will soon commence for the establishment of the 10 000 MW [NOUR GREEN HYDROGEN POWER PROJECT](#) in northern Mauritania. The company has recently signed an agreement with the Mauritanian Ministry of Petroleum, Energy and Mines. The hydrogen will be produced from solar and wind resources in a large offshore and onshore site which has been allocated to the company. Indications of project cost have not been provided. The objective is to establish Mauritania as an exporter and world leader in green hydrogen production.

NAMIBIA

Bermuda-based BW Energy has announced that it will be drawing natural gas from the [KUDU GAS FIELD](#) to produce electricity. The gas will be extracted and fed from a repurposed Aquadrill floating drilling platform. The electricity production will reduce the company's capital investment requirement. The cost of the initiative is US\$ 14 million. BW Energy is developing the offshore Kudu gas field with the state utility, Namcor holding a small minority stake.

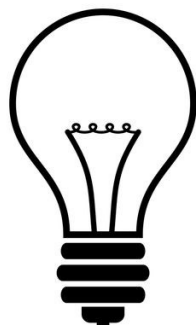
TANZANIA

The gas production company, Aminex has appointed Africa Geophysical Services (AGS) of Oman to undertake a 3D seismic evaluation for the **NTORYA GAS DEVELOPMENT** in the Rovuma Basin in southern Tanzania. Aminex is trying to monetise its operations in the 338 square kilometre Ntorya exploration zone and confirm the location of the Chikumbi-1 well. The company expects operations to commence from October 2021.



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POWER



REGIONAL

The 80 MW [RUSUMO FALLS HYDRO POWER PROJECT](#) situated on Kagera river on the border of Tanzania and Rwanda will now only be completed in 2023. The 2-year delay has reportedly been caused by procurement problems which have increased the overall cost of the project. It was initiated in early 2012 as a partnership between the countries involved: Tanzania, Rwanda and Burundi. Some US\$ 468 million has been raised from a range of funders including the [World Bank](#) and the [African Development Bank \(AfDB\)](#).

GABON

The state-owned power utility, the [Gabon Power Company \(GPC\)](#) has signed a concession agreement with [Wärtsilä Development and Financial Services \(WDFS\)](#) of Finland for the construction of a 120 MW [NATURAL GAS AND THERMAL POWER PLANT](#) in the industrial area of Owendo. A special purpose vehicle, *Orinkohas* has been established to administer the project. The cost is estimated at US\$ 137 million. The offtaker will be the *Société d'Energie et d'Eau du Gabon (SEEG)*. Owendo is the strategic port serving Libreville. The government's special investment fund, *Rise Gabon* has recently allocated US\$ 107 million for the 17 kilometre Owendo-Libreville road.

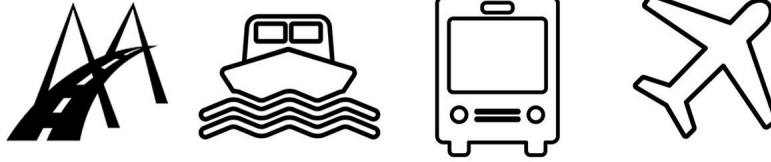
SOUTH AFRICA

[Sibanye-Stillwater](#) is planning the installation of 175 MW [RENEWABLE ENERGY AT ITS PLATINUM GROUP MINES](#) in South Africa. The cost will be about US\$ 170 million. PV solar plants will be established at Rustenburg (80 MW), at Karee (65 MW) and at Bushveld (30 MW). One of the benefits of the programme will be the offsetting of future carbon taxes.

[Anglo American Platinum \(Amplats\)](#) has appointed a consortium comprising [EDF Energy Renewables South Africa](#) and [Pele Green Energy](#) of South Africa to develop a 100 MW [PV SOLAR POWER PLANT](#) to feed power to its Mogalakwena platinum mine in Limpopo Province and to the local community. Construction is expected to begin at the end of 2022 and completion is scheduled for the latter part of 2023. The cost of the project has not been stated.



TRANSPORT



REGIONAL

The Ghana Ministry of Railways Development and the Ghana Ports and Harbours Authority (GPHA) recently held a bid opening ceremony for the [GHANA-BURKINA FASO RAILWAY INTERCONNECTIVITY PROJECT](#). The project involves the construction of a 1 200 kilometre rail line linking Ghana's ports to land-locked Burkina Faso. Main construction is scheduled for early 2022. There were earlier reports that three potential private sector partners had pre-qualified.

MALAWI

The **LIMBE CONTAINER TERMINAL** should be operational very soon. The terminal cost US\$ 5,5 million and is being promoted by Nacala Logistics which is the consortium operating the Nacala Railways Corridor between Malawi and Mozambique. The terminal covers an area of 30 000 square metres, has a capacity of 1 200 containers and can offload 40 wagons at a time. It will greatly reduce offloading time for cargo from Nacala. The Corridor is a rail link between the coal production area of Moatize through Malawi to Nacala Velha port on the Mozambican northern coast.

NAMIBIA

The Namibia Investment Promotion and Development Board (NIPDB) is supporting government plans for the [WALVIS BAY INDUSTRIAL DEVELOPMENT INITIATIVE \(WIDI\)](#). The objective of the initiative is to increase container throughput at Walvis Bay port through development of a Special Economic Zone (SEZ) near the port. The SEZ will also facilitate the conversion of local raw materials into finished and semi-finished products. At the end of August 2021, the government invited private operators specialising in container terminal management, shipping and logistics to respond to its request for Expressions of Interest (EOI's). The authorities want to improve efficiencies and establish Walvis Bay as a regional logistics hub.

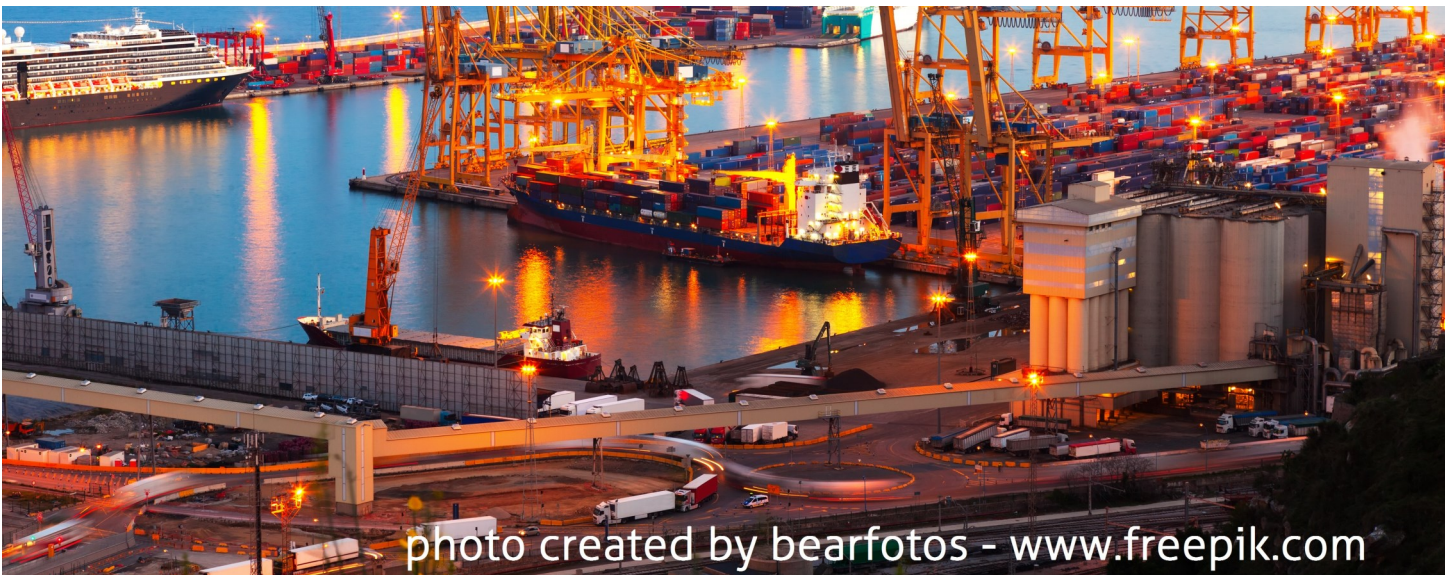


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WATER & SANITATION



ANGOLA

The Angolan government has signed a Memorandum of Understanding (MOU) with *Sun Africa* and *AfricaGlobal Schaffer* of the USA for a major [WATER SUPPLY PROGRAMME](#) in southern Angola. Potable water will be supplied to the southern provinces of Cuando Cubango, Huila, Namibe and Cunene. The deal includes installation of solar power systems in the provinces. The total value of the agreement is US\$ 1,5 billion. Funds from the *US Eximbank* will be mobilised. The estimated duration of the project is two years.

KENYA

The *Lake Victoria South Water Works Development Agency (LVSWWDA)* has resolved disputes with the local community and the [KISUMU WATER SANITATION AND SEWAGE TREATMENT PLANT](#) on the edge of Lake Victoria can now proceed. The cost is estimated at 800 million Kenya Shillings or about US\$ 7,24 million. The project includes 110 kilometres of water supply distribution network, an additional 70 kilometres of sewer networks and an 8 700 cubic metre waste water treatment plant. The project will supply water services to about 350 000 Kisumu residents. Funding is from the Kenya government, the *European Union (EU)*, the *Agence Francaise de Développement (AFD)* and the *European Investment Bank (EIB)*.

SOUTH AFRICA

The Premier of KwaZulu-Natal Province has recently launched the **KWAZULU-NATAL WATER MASTER PLAN** as well as the Borehole Intervention Programme for the province. The objective of the Plan is to provide safe, running water to rural communities. Both initiatives are strongly supported by the national [Department of Water and Sanitation](#).

ZIMBABWE

The bottler of *Pepsi* in India, *Varun Beverages Limited* has recently launched a **POTABLE WATER PRODUCTION LINE** at its bottling plant in Harare. The line will produce 15 million bottles per month. The cost is US\$ 12 million. The company is planning another production line for sparkling water that will produce 18 million bottles per month. *Varun* began operations in Zimbabwe in 2018 and is also active in Zambia.



WHISPERINGS - FOOTNOTES

- **ESKOM** is hoping to raise funds required for projects falling under its Just Energy Transition (JET) strategy through a multi-lender syndicate of inter alia development finance institutions (DFI's) and specialised funds. It is estimated that the utility needs some US\$ 10 billion to repurpose its coal plants and support greenfield lower carbon renewable energy initiatives. A number of DFI's have expressed strong interest in supporting *Eskom's* move away from coal-fired energy.
- The **MINING SECTOR IN COTE D'IVOIRE** has grown considerably. It is reported that the government has thus far granted 414 mining licenses and authorisations between 2016 and 2021.
- Delays in **SPECTRUM LICENSING** by African governments is holding back the implementation of 5G technology in the continent. The *International Telecommunication Union (ITU)* is pushing 5G regulation so that all countries can be benchmarked globally.
- The recently signed cooperation agreement between **SOUTH AFRICAN AIRWAYS (SAA) AND KENYA AIRWAYS** is an attempt to help restore cash flow to these two financially stressed airlines. The two parties announced their long-term objective to create a Pan-African airline. There is reference in their announcement to a 're-organisation of assets' which will include routes. In relative contrast, *Ethiopian Airlines* declared itself earlier this year to be 'cash-positive'.
- Concerns over **MINE SECURITY IN THE SAHEL REGION** have deepened since the recent attack on a mine convoy in southern Mali. Five gendarmes were killed when a guarded convoy transporting equipment to the Morilla gold mine was attacked. The mine is operated by *Firefinch* of Australia. The attack took place only some 130 kilometres from Bamako.
- The Seychelles is experiencing a **TOURISM BOOM** following the vaccination of a high percentage of its population. Visitor arrivals are up 8% on 2020 so far this year. In 2019, the country received 384 204 visitors. The Seychelles Rupee is currently one of the best global currency performers.
- There are media reports that the **SOUTH AFRICA-SOUTH SUDAN OIL SUPPLY DEAL** will be re-activated before the end of 2021. An oil exploration agreement between the two countries was signed in 2019. South Africa needs energy security and South Sudan seeks to increase its crude oil output. Much clarity on this deal is required.
- Advantages to the industrial and resource sectors of installing **RENEWABLE ENERGY PLANTS** are multiple. Apart from enhancing the security of power supply and benefitting from the generally lowering of RE's, there is also inter alia the offsetting of the new carbon taxes.
- **RESTAURANT GROUPS** appear to be rallying as Covid restrictions are eased. *Spur Corporation* of South Africa is planning to open 32 new restaurants in South Africa and seven in other African markets including the DR Congo. Zimbabwe-based *Simbisa Brands Limited* is embarking on a US\$ 19,2 million expansion drive with 92 new stores especially in Zimbabwe, Kenya and Ghana.
- The South African sugar industry is in negotiations with the government over a possible subsidy to convert a major percentage of the country's sugar production into **BIOFUEL**. The national annual output of just over 2 million tons is reportedly exported at a loss. A national Master Sugar Plan has been concluded by a wide range of role players in the industry.
- The South African and Palestinian foreign ministers are collaborating in an effort to reverse the recent *African Union (AU)* decision to admit **ISRAEL AS AN OBSERVER TO THE AU**. Israel has made strong efforts to promote its developmental technologies and experience in the continent in areas such as agriculture and information and communication technology.
- Recent developments in **ANGOLA'S OIL INDUSTRY** point to a potential resurgence in the fortunes of sub-Saharan Africa's second largest producer. Renewed exploration activity, both onshore and deep water, look promising whilst the imminent development of refineries and possibly pipelines to neighbouring countries is seeing renewed confidence in the sector in Angola.
- **UGANDAN COFFEE EXPORTS** have risen considerably in recent years. It has become a major supplier to the Italian market. Uganda's success can be attributed to improvements in bean quality and the global tendency to diversify sources of supply away from South America and South-East Asia. Uganda is Africa's largest coffee exporter while Ethiopia remains the continent's largest producer.

WEBSITES



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The “Digital Trends in Africa Report 2021” of the **INTERNATIONAL TELECOMMUNICATION UNION (ITU)** can be found on the site: www.itu.int It provides insights into ICT trends in the continent.

The **HOTEL YEARBOOK** can be found on www.hotel-yearbook.com It includes articles with useful insights into the hotel industry.

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

The **DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)** has just received a clean audit report from the South African Auditor General for its financial year ending 31 March 2021.

BOLLORE TRANSPORT & LOGISTICS has been named “Best Regional Cargo Logistics Provider ” at the recent East Africa Maritime Awards event.

The **RADISSON HOTEL MANAGEMENT COMPANY** intends opening six new hotels in Africa this year. The company already manages some 80 hotels in the continent.

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

The **EXPORT CREDIT INSURANCE CORPORATION (ECIC)** of South Africa has supported capital and project-related export goods and services but has now had its mandate expanded by the Department of Trade, Industry and Competition (DTIC) to cover non-capital goods and related services. It can now assist small and medium-sized enterprises (SME's) and first-time exporters to enter into trade deals within the context of the Africa Continental Free Trade Area (AfCFTA). Certain sectors have been prioritised including metal fabrication, automotive, textiles, furniture, bitumen, sugar and poultry. The **ECIC** is currently addressing trade supportive products including short-term credit facilities and performance and advance payment bonds and guarantees. Investment insurance is included. The **ECIC** is in discussion with the *South African Reserve Bank* on expanding cover for Euro-based transactions in addition to those using the SA Rand and US Dollar.

Editor's Note: Africa House collaborates closely with the ECIC and can facilitate direct contact for more in-depth queries relating to its services.

The **EXPORT BARRIERS MONITORING SYSTEM (EBMM)** was launched by the South African Department of Trade, Industry and Competition (DTIC) in August 2020. It invites South Africa-based exporters to report such barriers and to receive governmental assistance to redress these.

DP World and the **CDC Group Plc** have entered into a partnership for the development of **PORTS** in Africa. They have committed to spending US\$ 1,72 billion over the next few years on the related infrastructure.

The **DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)** allocated R25,7 billion (about US\$ 1,83 billion) to the 'Rest of Africa' for its financial year ending 31 March 2021. This compared with R28.9 billion (about US\$ 1,93 billion) in 2020. The bank's total development funding for the year amounted to R84 billion (about US\$ 5,59 billion).

The **EUROPEAN UNION (EU)** is reportedly mobilising R170 million (about US\$ 11,28 million) for a technical assistance facility for infrastructure development in South Africa. The *EU* is funding the Infrastructure Investment Programme of South Africa (IIPSA).

The International Renewable Energy Agency (IRENA) and the Italy-based oil and gas company, *Eni* have concluded a three-year partnership agreement to collaborate on the **PROMOTION OF RENEWABLE ENERGY** and to assist with energy transition in fossil fuel exporting countries. It will also assist private sector investment in renewable energies and help integrate African countries in the biofuel value chain.

The United States administration has announced that the **PROSPER AFRICA INITIATIVE** which was launched in 2019 under the *Trump* administration, will be renewed and improved to increase bilateral trade. Priority sectors will include infrastructure, energy and healthcare.

The Zürich and London-based company, *FOX* is facilitating trade finance and money markets through the production of **ELECTRONIC PROMISSORY NOTES (E-NOTES)**. *FOX* is working with trade platforms in Africa in particular to accelerate usage of e-notes. Apart from negating the need for paper and ink, the benefits include a new money market instrument and new asset class that will improve efficiencies in trade finance. The product is a payment instrument similar to a guarantee. Companies can improve liquidity and accelerate cash flow through its usage.

Editor's Note: Africa House has a new relationship with FOX and can facilitate direct contact for more in-depth queries relating to its services.

The Morocco-based **AFRICA50 INFRASTRUCTURE FUND** is raising US\$ 500 million for catalyzing investment flows into African infrastructure.

TRAVEL NOTES



*Editor's Note: The following are travel notes supplied by a contact who visited **RWANDA** from South Africa 1-12 September 2021.*

A Contact Form should be completed prior to departure. It can be found online and the traveller is required to provide personal details that will be used for the PCR Covid test on arrival at Kigali airport. If the traveller has not filled in this form, it can be done on a smartphone at Kigali airport (but this will delay passing through airport formalities.) A PCR Covid test must be done in South Africa less than 72 hours before departure. Another PCR test is given on arrival at Kigali airport. The traveller is required to stay at his or her hotel for up to eight hours until the results of the second PCR test are received. The South African authorities require a third PCR test in Rwanda prior to departure back

to South Africa. The cost of the PCR tests in Rwanda is US\$ 50 per test. It is recommended that travellers take their South African vaccination cards with them albeit that the Rwandan authorities do not always ask for this document.

XAI-XAI AIRPORT in southern Mozambique will be inaugurated later this year. The airport will be able to land smaller aircraft and will enhance tourist inflows into the area. Its capacity will be 200 000 passengers per annum.

Contrary to recent reports, **INHAMBANE AIRPORT** in southern Mozambique has not been closed and charter flights are still catered for. Activities at the airport were reduced in accordance with a drop in passenger arrivals.

Latest travel protocols for travellers to **NIGERIA** can be found on [Nigeria International Travel Portal](#)

TAAG ANGOLA AIRLINES has recently recommenced its flights to Johannesburg, Cape Town, Lagos, Sao Tomé, Maputo, Windhoek and Kinshasa.

Airlink has recently launched direct three-times weekly **JOHANNESBURG-LUANDA FLIGHTS** using *Embraer E-190* jetliners.

AFRICA & THE WORLD



The *World Bank* now estimates that the **GDP OF SUB-SAHARAN AFRICA** will grow by 3,3% in 2021. This is up on the bank's April 2021 estimated of 1%.

According to the latest report by the *International Telecommunication Union*, a specialised agency of the *United Nations*, there were 62 **DATA CENTRES** in sub-Saharan Africa and the number is increasing considerably. The estimated number of data centres in the world is around 7 million.

RECENT ACTIVITIES OF AFRICA HOUSE

Roelof van Tonder of *Africa House* hosted a virtual **Transport & Logistics: Airports Focus webinar** on 12 October 2021.

Guest speakers included: **Emanuel Chaves**: CEO, *Aeroportos de Mocambique* | **Paul Mojalefa**: Business Development, *Export Credit Insurance Corporation* | **Frank Wendt**: Executive Chairman, *FQX AG*

Roelof van Tonder of *Africa House* hosted a virtual **Water & Sanitation Focus webinar** on 20 October 2021.

Guest speakers included: **Paul Mojalefa**: Business Development, *Export Credit Insurance Corporation* | **Frank Wendt**: Executive Chairman, *FQX AG* | **Aaron Radman**: Business Development and Investments Executive, *Pumula Capital (Pvt) Ltd* | **Louis Serfontein**: Head Business Development, *The Sun Exchange*

During October, a Podcast discussion was produced for *Africa House* clients on Agri Industry Development & Opportunities. Duncan chatted to **Mark Taylor** from *TEMAMII* about themes and trends in developing African agriculture and some of the opportunities for engagement

INDEMNITY

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COMMODITIES OF AFRICA

TYPE OF COMMODITY	COMMODITY	UNITS	PRICE: September 2021	PRICE: October 2021	PRICE: November 2021
Agriculture	Cocoa	US\$ per Kilo-gram (US\$/kg)	1.73	1.84	1.72
	Coffee	US\$ per Kilo-gram (US\$/kg)	1.97	1.94	2.00
	Cotton	US\$ per Ounce (US\$/oz.)	0.95	1.02	1.14
	Rice	US\$ per Metric Ton (USD/MT)	414.00	403.00	400.00
	Sugar	US\$ per Kilo-gram (US\$/kg)	20.20	18.94	19.61
Base and Precious Metals	Cobalt	US\$ per Ton (US\$/t)	50,110.00	52,975.00	55,755.00
	Copper	US\$ per Ton (US\$/t)	9,310.48	9,173.85	9,857.75
	Gold	US\$ per Troy Ounce (US\$/t oz.)	1,815.56	1,731.14	1,793.83
	Iron Ore	US\$ per Dry Metric ton (US\$/DMT)	159.58	119.70	121.94
	Platinum	US\$ per Troy Ounce (US\$/t oz.)	1,014.50	962.00	1,022.00
Energy	Coal: Industrial	US\$ per Metric Ton (USD/MT)	122.33	137.29	146.05
	Coal: Coking	US\$ per Ton (US\$/t)	171.3	212.00	223.7
	Gas: Natural Gas	US\$ per million British Thermal Units (USD/MMBtu)	4.33	5.54	5.79
	Oil: Crude Oil	US\$ per Barrel (US\$/bbl.)	72.26	78.30	84.12

Source: Various

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