



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

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

According to *Climate Transparency International*, South Africa has the highest **CARBON INTENSITY** of the *Group of 20 (G20)* countries. 74% of the country's primary energy supply is derived from burning coal.

ESKOM'S Just Energy Transition (JET) Strategy: A brief outline

The Just Energy Transition (JET) strategy is *Eskom's* plan for its phased transition from fossil fuels (coal) to renewable energy resources achieving net zero carbon emissions by 2050. JET is aligned with South Africa's Integrated Resource Plan (IRP) of 2019. The utility has stated that it will be decommissioning ten power stations by 2040 and a further three by 2050. *Eskom Holdings* has established a special JET office to coordinate the implementation of the strategy.

The JET Programme entails grid expansion, coal plant re-powering and re-purposing, support for Greenfield lower carbon projects, re-industrialisation through local manufacture of components required for renewable energies, job creation and consequently social upliftment. It is hoped that cost-reflective tariffs will be achieved in the process.

In July 2021, *Eskom* initiated its Strategic Supplier Engagement Forum to achieve mutually beneficial collaborative partnerships with key suppliers. This initiative would enhance the re-industrialisation drive. In 2020, the utility called for Expressions of Interest from potential public private partnership (PPP) entities for the re-purposing of the Komati, Grootvlei and Hendrina coal-fired power stations.

While natural gas is not a renewable, it is included in the strategy as it will provide greater "flexibility" at least in the medium term in the process of the move away from coal-fired power. There is general agreement that gas is "cleaner" and will cause far less environmental damage than continuation of the practice of burning coal. Recent offshore gas finds in South Africa as well as the abundance of natural gas in northern Mozambique have strengthened the motivation for the inclusion of gas.

The South African Department of Mineral Resources and Energy (DMRE) is continuing with the Renewable Energy Independent Power Producer Procurement Programme (REIPPP) and Minister *Gwede Mantashe* recently announced winning bidders for 25 wind and solar power projects.

There are energy sector analysts who point out that while renewables are required and now demanded by many of the major funding agencies, their efficiency is dependent upon the degree of prevalent sun and wind and a base load is still required. In South Africa's case, this base load is coal-fired!

Eskom is sitting with a R450 billion (about US\$ 29 billion) plus debt burden. Nevertheless, the JET office has emphasised that there is no shortage of development finance institutions (DFI's) and other funding agencies that are willing to participate and assist *Eskom* in achieving its energy transition. The JET strategy includes a plan for the establishment of a "multi-lender syndicate" that will provide concessional funding for JET projects and initiatives. This financial assistance will be on a "pay for performance" basis and comprises "progress payments made for the different project stages." A number of DFI's including France's *Agence Francaise de Développement* (AFD) have been providing *Eskom* with technical assistance over past years.

At the time of writing, the Chief Executive Officer of *Eskom*, *Andre du Ruyter* is reported to be at the COP26 *United Nations* climate change summit seeking a deal for the borrowing of over US\$ 30 billion in concessional funding. An announcement was made at COP26 that South Africa is set to receive US\$ 8,5 billion from developed countries for projects and initiatives to move the country away from coal dependence. The details of this reported deal are still to be provided.

QUOTABLE QUOTES

"Announcing the death of the Africa Continental Free Trade Area (AfCFTA) may be premature, but the patient is in the ICU. On a ventilator. With barely a pulse. Yet manically preaching like a faithful healer on tik. But it's all noise and no substance."

(Donald MacKay, Founder and Director at XA International Trade Advisors.)

"Where do you buy a 5 GW of base-load renewable energy plant? No-one has answered this question satisfactorily. So if you ask a barber whether you need a haircut – what answer will you get? And if you ask a renewable energy consultant, what answer will you get?"

(Power plant engineer in a letter to the editor of The Citizen.)

REMINDER: LEAD MANAGEMENT SYSTEM ON THE AFRICA HOUSE PROJECT PLATFORM

At no extra charge, we have added a new dimension to your ability to timeously identify opportunities within projects and to subsequently manage these project leads across Sub Saharan Africa. The new "Lead Management" system gives subscribers access to a comprehensive software programme that can best be described as a tailored Customer Relationship Management system for projects. View a demo [here](#) and make sure to book a training session with the Africa House Team on the link below.

[RSVP Lead Management Training](#)



HIGHLIGHTS FROM THIS EDITION

- Establishment of Walvis Bay as Green Hydrogen Export Hub, Namibia
- Funding Secured for Nairobi Integrated Transport System, Kenya
- Completion Underway of Morupule B Power Station, Botswana
- Permit Granted for Balama Central Graphite Project, Mozambique
- Calls for Expressions of Interest for New Gas Pipeline and Power Station, Zambia & Tanzania
- Approval for *MTN* Mobile Money Services, Nigeria
- Funding Secured for Potable Water Supply to Dakar, Senegal
- New Mobile Yoghurt Production Plant, Nigeria
- Commercial Property Development of Natal Command HQ Site, Durban, South Africa
- New Pharmaceuticals Manufacturing Plant, Côte d'Ivoire
- Progress on Dar es Salaam Maritime Gateway Project, Tanzania
- Funding Secured for Electricity Metering Programme, Zimbabwe
- Mining License Granted for Kabanga Nickel Project, Tanzania
- New Natural Gas Liquefaction Plant, Ghana
- New Mobile Handset Assembly Plant, DR Congo
- Additional Funding for Giyani Water Supply Project, South Africa
- New Investment in Dairy Packaging Plant, South Africa
- New *Radisson* Hotel in Douala, 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



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PROJECT OF THE MONTH

The Namibian Ports Authority (Namport) and the Port of Rotterdam (PoR) of the Netherlands have signed a Memorandum of Understanding (MOU) for the establishment of Namibia as a **GREEN HYDROGEN EXPORT HUB** for Europe. 350 hectares have been allocated at Walvis Bay port for green hydrogen industries including a facility for the conversion of hydrogen into ammonia. There are plans for the production and distribution of green hydrogen at Lüderitz port too. Additional port infrastructure will be required. *PoR* has developed a master plan for its establishment as a green hydrogen export hub for Europe and this initiative would be enhanced by the realisation of a supply chain from Namibia to Rotterdam. Namibia is well suited for the project given its wind and solar renewable energy potential as well as its availability of land.

Editor's Note: Africa House maintains strong contact with various Namibian public agencies and can assist Africa House subscribers with further information.

AGRICULTURE



ETHIOPIA

The *Midroc* subsidiary company, *Ethio Agri-CEFT* has announced its intention to invest some US\$ 1 billion in the establishment of a new [COOKING OIL PRODUCTION PLANT](#) in the outskirts of Addis Ababa. By-products of the plant will be used for animal feed. The production will replace imports of cooking oil from Egypt, Turkey, Malaysia and other supplying countries.

NIGERIA

The Dutch dairy cooperative, *FrieslandCampina* will be launching a [MOBILE YOGHURT PRODUCTION PLANT](#) in early 2022. The plant will have interconnecting containers and will produce 18 million long-life yoghurt sachets per annum using locally produced milk. The project is being undertaken in Nigeria by the cooperative's local affiliate, the *West Africa Milk Company*. The initiative is part of the national Dairy Development Programme.

SENEGAL

The Japanese government has declared that it will be contributing about US\$ 70 million through the *Japan International Cooperation Agency (JICA)* towards phase three of the [SENEGAL RIVER VALLEY RICE PRODUCTIVITY IMPROVEMENT PROJECT](#) (*Projet d'Amélioration de la Productivité du Riz dans la Vallée du Fleuve Sénégal*). This third phase is scheduled to be launched in March 2022. The project which commenced in 2010, involves the development of 4 500 hectares of irrigated rice plantations in the Saint Louis area of northern Senegal. It includes irrigation and outgrower schemes as well as the installation of storage facilities. The *European Investment Bank (EIB)* is also assisting with finance.

SOUTH AFRICA

The Swedish food processing and packaging group, *Tetra Pak* has announced an additional investment of R500 million (about US\$ 32,5 million) in its [DAIRY PACKAGING PLANT](#) situated in Pinetown near Durban, KwaZulu-Natal. The upgrade will commence early 2022. Product is acquired from dairy producers such as *Clover* and the packaged product is distributed to the major supermarket chains. Production at the plant will be increased and upgraded. There are plans to use locally supplied sugar cane for the production of bio-based plastic material.



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HEALTH



COTE D'IVOIRE

The France-based pharmaceutical company, *Tridem Pharma* has announced that it will be developing a new **PHARMACEUTICALS MANUFACTURING PLANT** in Côte d'Ivoire. The cost is estimated at a little over US\$ 88 million. Construction will begin in January 2022 and the duration will be one year. The plant will supply the domestic and regional markets. *Tridem* has been acquired by *Fosum International* of China.

SOUTH AFRICA

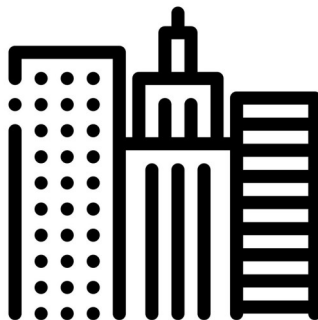
There is uncertainty relating to the project for the **REFURBISHMENT OF ANGLOGOLD ASHANTI WESTERN DEEP LEVELS HOSPITAL** in Carletonville, Gauteng Province. The original R50 million (about US\$ 3,2 million) tender was awarded to two local companies by the Gauteng Provincial Department of Health but the *Special Investigations Unit (SIU)* has suspended the contracts while investigations relating to the ballooning costs are underway. The contract provided for 200-250 new beds, refurbishment of the radiology unit and the procurement of new theatre equipment. The hospital re-opened in May 2021 with minimal occupation. *AngloGold Ashanti* ceded this hospital as well as the West Vaal hospital in Orkney, North West Province to the authorities within the context of the Covid-19 epidemic.

TOGO

The local renewable energies group, *Kya-Energy* has commenced the installation of off-grid **SOLAR POWER FOR TWENTY HEALTH CENTRES** in the country. The programme costing US\$ 2,6 million is being funded by the specialised US energy fund, *Power Africa* and *USAID*. All the solar energy components are being locally assembled.



HOTELS/COMMERCIAL & INDUSTRIAL PROPERTY



CAMEROON

The *Radisson Hotel Group* of the USA has confirmed that the [RADISSON BLU DOUALA HOTEL](#) will commence operations around mid-2023. The five-star hotel in Douala will have 180 rooms and apartments. The hotel was initially intended to open in early 2021 but Covid-19 and technical structural problems in the conversion of a commercial building caused the delay. The project is a collaboration between *Radisson*, the *Cameroon National Social Security Fund (CNPS)* and the African financial group, *Financia Capital*. The estimated cost is 25 billion CFA or almost US\$ 43 million.

CONGO (DEMOCRATIC REPUBLIC)

The *African Development Bank (AfDB)* has approved a concessional loan of US\$ 70,7 million towards the development of the **NGANDAJIKA AGRO-INDUSTRIAL PARK** situated in Lomami Province, central DR Congo. The *PRODAN* project is part of the national programme for the development of agro-industrial parks in each of the country's 22 provinces.

SOUTH AFRICA

The *eThekweni Municipality* for Durban in KwaZulu-Natal is inviting comments on the proposed rezoning of the land previously occupied by military **NATAL COMMAND HEADQUARTERS** for a R 6 billion (about US\$ 390,5 million) development. The project includes high-end hotels including a 400-bed establishment, 1 900 apartments, restaurants and a shopping centre. Key to the development will be a film studio for the stimulation of a local film industry. Public comments are invited up until mid-November 2021. The 250 000 square metre site is well located between the Moses Mabhida soccer stadium, the Suncoast casino and the beach. The property will be developed in three phases. Once the rezoning has been approved, building plans will be submitted. The name, "Freedom Square Commercial District" is being considered.

The development of the **MUSINA-MAKHADO SPECIAL ECONOMIC ZONE (MMSEZ)** in Limpopo Province could be jeopardised by the Chinese government's declared intention to exit its cross-border coal power projects. There are over 40 such projects. The planned 1 320-3 300 MW coal-fired power plant in the SEZ was expected to receive funding from China. The 8 300 hectare SEZ is specialising in heavy industries such as cement, steel and ferrochrome. It is being developed by the *Limpopo Economic Development Agency (LEDA)*. The environmental impact report for development of the MMSEZ was released in September 2021. There has been considerable opposition to the project from environmental NGO's.

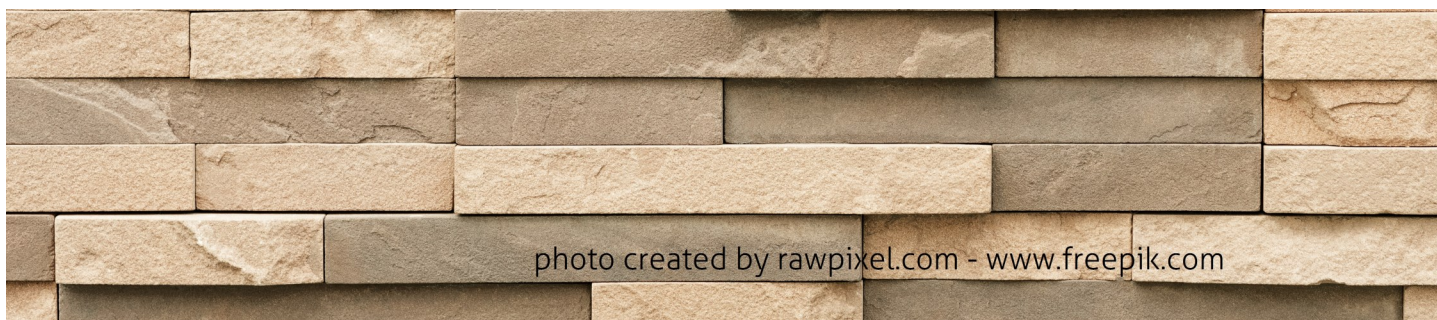


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ICT / TELECOMMUNICATIONS



CONGO (DEMOCRATIC REPUBLIC)

The UK-based mobile telecommunications operator, *Africell* has appointed the US IT component and equipment manufacturer, *Industry Five* to establish a [MOBILE HANDSET ASSEMBLY PLANT](#) in Kinshasa. The plant should produce 30 000 *Africell* units by February 2022 as a first phase pilot project. Thereafter, with quality assured, production could reach 500 000 units per annum. Other plants could be set up in Lubumbashi and Goma.

COTE D'IVOIRE

The *Raxio Group* (a subsidiary of the *Roha Group* of the USA) and the French investment company, *Meridiam* have announced plans for the development of a new [DATA CENTRE](#) in Abidjan. The 1,5 MW carrier neutral co-location data centre will be built in the city's Village of Innovation and Technology. The centre should be operational from 2023. It will enhance local and international connectivity. The project partners are taking advantage of the status of Abidjan as a fast-growing regional hub.

NIGERIA

The Nigerian authorities have approved a banking license for *MTN* for **MOBILE MONEY ACCOUNTS** in the country. This allows the company access to the largest unbanked population in Africa. License conditions include an obligation to operate in rural areas, to enter into direct partnerships with credit card system providers and to employ point of sale/ATM devices. A minimum capital payment of US\$ 12,2 million is also required. Basic banking needs will be satisfied – even in remote areas of Nigeria. The company's major competitor, *Airtel* has an Airtel money service.

RWANDA

MTN Rwanda has appointed *Ericsson* of Sweden to develop its [NETWORK OPERATIONS CENTRE](#) for the purpose of improving customer service by rapid identification and rectification of mobile communications infrastructure problems. Service quality will be improved through a range of applications. The two companies have concluded a five-year contract. The *Rwanda Utilities Regulatory Authority (RURA)* has been monitoring *MTN's* service levels.



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MINING



CAMEROON

The Cameroon subsidiary of *LafargeHolcim* of France, *Cimencam* has begun construction of a new production line at its [FIGUIL CEMENT PLANT](#) situated in northern Cameroon. The cost is US\$ 89 million. The new line will produce 500 000 tons per annum for the domestic market as well as for Chad and the Central African Republic. Completion is scheduled for 2024.

GUINEA

A recent pre-feasibility study by *High Power Exploration (HPX)* of Canada has indicated that the [MOUNT NIMBA IRON ORE MINE](#) in south-eastern Guinea could produce 30 million tons of ore per annum. The estimated cost of the project is about US\$ 2,8 billion. Exports are scheduled to commence by 2026. *Royal Haskoning* of the Netherlands previously undertook a study for the port location and design for iron ore exports from the Simandou and Mount Nimba mines.

MOZAMBIQUE

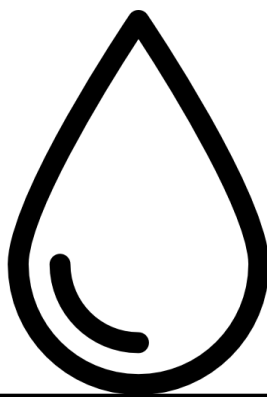
The Mozambican authorities have granted a mining permit to *Tirupati Graphite Plc* of the UK and *Battery Minerals* of Australia for the development of the [BALAMA CENTRAL GRAPHITE PROJECT](#) situated in Cabo Delgado Province, northern Mozambique. The mine will be able to produce 50 000 tons of graphite concentrate per annum. *Tirupati* recently acquired rights to the project held by *Battery Minerals*.

TANZANIA

An affiliate of *Kabanga Nickel* of the UK, *Tembo Nickel Corporation Limited (TNCL)* has been granted a special mining license for the development of the [KABANGA NICKEL PROJECT](#) in the Kagera region of north-west Tanzania. The investment is US\$ 412 million. Production from the mine will initially be 600 000 tons per annum ramping up to 2,2 million tons. A refinery will be built at Kahama and will produce just over 33 000 tons per annum of refined nickel. Nickel is highly prized as a strategic product due to its use for battery manufacture and reduction through these batteries of carbon emissions. The mine will also produce copper and cobalt.



OIL & GAS



REGIONAL

Two permits may now be available for operating [LAKE ALBERT OIL CONCESSIONS](#). These are for Blocks 1 and 2 on the western side of the lake in the eastern DR Congo. The South African junior oil company, *DIG Oil* has won two court cases, one at the Paris-based International Court of Arbitration and the other more recently in the USA confirming the company's rights to the concessions. However the new DR Congo government has yet to finalise a deal with *DIG Oil* although it has indicated that it will do so. There is some conjecture that the French super-major, *Total* could collaborate with *DIG Oil* as the junior partner in developing the concessions. A 2012 seismic study has indicated that the DR Congo side of the lake could yield three billion barrels. Project implementation has been delayed for some 15 years due to disputes between the government and previous concession holders. Implementation of the concessions on the Ugandan side of the lake have moved faster partly because there is less of a geophysical embankment problem on that side.

GHANA

Kosmos Energy of the USA will be installing a **NATURAL GAS LIQUEFACTION PLANT** in Ghana. It will have a capacity of 2,5 tons per annum and will draw gas from the Jubilee and TEN offshore fields. The plant is expected to commence operations in 2023. *Kosmos* recently acquired a larger share in the two fields though the purchase of the interests held by *Occidental Petroleum*.

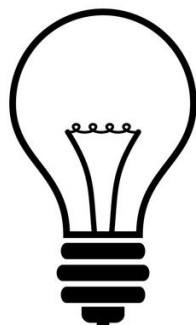
NIGERIA

The Dutch gas production company, *Euro LPG* is reportedly planning the construction of a **GAS TREATMENT PLANT** in Kogi State, southern Nigeria. The company specialises in the production of liquefied natural gas (LNG) and liquefied petroleum gas (LPG). Despite Nigeria's large gas reserves, there has been little direct investment in the sector although the new petroleum code may boost gas initiatives.



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POWER



BOTSWANA

The state power utility, the *Botswana Power Corporation (BPC)* has stated that the [MORUPULE B POWER STATION REMEDIAL WORKS PROGRAMME](#) is scheduled for completion in 2024. The coal-fired plant has four units but has been operating at well below its intended 600 MW capacity. The plant was commissioned in 2012 at a cost of 10,6 billion Pula (about US\$ 908 million). The construction contract was won by *China National Electric Engineering Company (CNEEC)* in 2010 but the project experienced several delays.

NAMIBIA

The State power utility, *Nampower* has launched a tender for expressions of interest for the engineering, procurement and construction (EPC) of the 40 MW [ROSH PINAH WIND PROJECT](#) in the far south of Namibia. The plant comprises 16 2,5 MW turbines. It falls under the national REFIT programme. Rosh Pinah is located in a mining region. *Enviro Dynamics* of Namibia has been undertaking the environmental impact assessment (EIA).

ZIMBABWE

The *Zimbabwe minister of Energy and Power Development* has indicated that the [HWANGE 7 & 8 POWER EXPANSION PROJECT](#) should see the two additional units completed by July and September 2022 respectively. The project will add 600 MW through the installation of two units of 300 MW each to the 920 MW Hwange power station's capacity. The US\$ 1,5 billion project being undertaken by *Sinohydro* of China was delayed due to Covid-19. There are also efforts to rehabilitate or re-purpose the old units 1 – 6.

The **ELECTRICITY METERING PROGRAMME** of the *Zimbabwe Electricity Transmission and Distribution Company (ZETDC)* is receiving funding of US\$ 110,4 million from the *African Export-Import Bank (Afreximbank)*. The funds will assist the utility with the collection of revenue through the installation of intelligent pre-paid meters. The ZETDC is implementing a Net Metering Programme and is tendering for 500 MW of solar energy from solar system owners. The *Afreximbank* funding will enable the utility to procure using hard currency of which there is a serious shortage in the country.



TRANSPORT



REGIONAL

The ministries of transport of Zimbabwe and Namibia are discussing ways of achieving **RAIL CONNECTIONS BETWEEN THE ZIMBABWE DRY PORT AT WALVIS BAY AND HWANGE**. The 1,8 hectare Zimbabwe Dry Port on the Namibian coast was inaugurated on the basis of a 50-year lease in July 2019. It is managed by the National Handling Service (NHS) of Zimbabwe. The dry port receives up to 350 vehicles per month but its utilisation stands at only 65-70%. It is believed that effective rail connections will improve throughput.

KENYA

The Kenyan government through its Ministry of Transport, Housing, Urban Development and Public Works has signed an agreement with the Korea Export and Import Bank for a 17,4 billion Kenya Shillings (about US\$ 155,3 million) long-term, soft loan for the **NAIROBI INTEGRATED TRANSPORT SYSTEM PROJECT** and related initiatives. The objective is to improve road junctions to ease the city's severe traffic congestion. The Japan International Cooperation Agency (JICA) previously financed a preliminary study on the project. Nairobi is reportedly the second most congested city in Africa. Estimates of annual lost production are as high as US\$ 1 billion per annum.

SENEGAL

The **DAKAR REGIONAL EXPRESS TRAIN** (Train Express Régional – TER) will commence operations on 24 December 2021. The 55 kilometre rail line will link Dakar city centre to the new Blaise Diagne International Airport passing through 14 stations. The cost was US\$ 1,165 billion). Construction began in December 2016. The contractors were Thales and Engie of France. There are plans for four future tracks along the route: a double-track standard gauge for passengers, a metric gauge track for freight and a services track.

TANZANIA

Good progress is being made on the **DAR ES SALAAM MARITIME GATEWAY PROJECT (DMGP)**. Consultancy services are reportedly still required and the World Bank has supplied continual financial support for the project. It is a seven-year (2017-2024) programme costing US\$ 420 million. The objective is to enhance Dar es Salaam port as a regional transport gateway by strengthening the berths, constructing a new multi-purpose berth and increasing the port's capacity to 25 million tons over the seven-year period to the extent whereby it can handle Post Panamax vessels. The rehabilitation of access roads is included. The UK and Trademark East Africa are also supporting the project. The implementing agency is the Tanzania Ports Authority (TPA).



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WATER & SANITATION



BOTSWANA

The national water utility, the Water Utilities Corporation (UWC) has indicated an improvement in water supply in the north-eastern region through the NORTH EAST-TUTUME SUB DISTRICT WATER SUPPLY SCHEME. The Scheme is funded by the *World Bank* at about 200 million Pula (approximately US\$ 17 million). The project includes expansion and rehabilitation of the Masingwaneng water treatment works, new pump stations, two new water reservoirs and additional storage tanks. The Shashe and Ntimbale dams that supply the area are almost full.

SENEGAL

The Islamic Development Bank (IsDB) has reallocated US\$16,6 million from a previous US\$75 million loan for POTABLE WATER SUPPLY TO DAKAR CITY as well as for rural electrification. A third water supply plant, the Keur Momar Sarr or KMS3 was recently inaugurated. Water supply in this Sahel Belt country is a priority and a number of donors including the Agence Française de Développement (AFD) are assisting. The state water utility is the Société Nationale des Eaux du Sénégal (SONES) and the private utility, Sénégalaise des Eaux (SDE).

Editor's Note: Africa House has previously undertaken research into the Senegalese water sector and can assist subscribers with further information.

SOUTH AFRICA

The Department of Water and Sanitation (DWS) is seeking a further R1 098 million (about US\$ 69,5 million) towards the completion of the delayed GIYANI WATER SUPPLY PROJECT in Limpopo Province, northern South Africa. This sum includes R600 million (about US\$ 38 million) for the upgrade of the Nandoni water treatment works to double production to 120 megalitres. The project will supply water to 55 villages in the Vhembe and Mopani districts. Pipelines will be laid from the Nandoni works to Giyani. Lepelle Northern Works (LNW) is constructing a 49 kilometre pipeline from Nandoni to Nsami.



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WHISPERINGS - FOOTNOTES



- The sail-away ceremony for the floating LNG facility for the **CORAL SOUTH GAS PROJECT** in Mozambique has recently been held in South Korea. *Eni* of Italy has indicated that the offshore gas production could start during the second half of 2022. However, a Mozambican NGO, *Centro de Integridade Publica (CIP)* has accused *Eni* of tax evasion and neglect of its local content requirements through the appointment of the Italian company, *Progeco NeXT* as its project management partner.

- The US\$ 8,5 billion (R130 billion) **DEAL CONCLUDED AT THE COP26 CONFERENCE** to assist South Africa and *Eskom* to move away from coal and to renewables, has been lauded by many. However the more cynical are pointing to the fact that little detail has been provided and much of the funds could be allocated on a loan rather than a grant basis. They add that the companies of the donors (Germany, France the UK, the *European Union* and the USA) could well pick up the contracts for installation of the renewables. Their conclusion is that the deal may not be as altruistic as it may initially seem.
- The recent technical information-gathering visit by Kenyan president *Kenyatta* to *Transnet Engineering* during his official visit to South Africa could well enhance the participation of the South African utility in Kenyan projects such as the **LAMU PORT DEVELOPMENT** and railway expansion programmes.
- According to the *Zambia Chamber of Mines*, the country has a pipeline of **MINING EXPLORATION PROJECTS**. It states that there are 17 prospects at the second round financing stage. Exploration activity was greatly curtailed during the term of the previous government due to an unfavourable fiscal regime. The authorities hope to increase copper production from 800 000 tons per annum to 1,5 million tons by 2018. The DR Congo mines have overtaken those of Zambia and are producing 1,5 million tons.
- The **TIGRAY CONFLICT IN ETHIOPIA** could have serious consequences for the country and for the Horn of Africa region. Major projects such as the Grand Ethiopian Renaissance Dam (GERD) and the Lamu Port-South Sudan-Ethiopia (LAPSSET) transport corridor would be adversely affected. The US government is threatening suspension of Ethiopia from the Africa Growth and Opportunity Act (AGOA) which would hammer the country's export-orientated industries especially the clothing and textile industries.
- The Turkish government has pledged to double **TURKEY-AFRICA TRADE** from US\$ 25 billion to US\$ 50 billion at its recent Turkey-Africa Economic and Business Forum held in Istanbul. The country's Africa Initiative Policy dates from the late 1990's and there have been numerous visits by high-level Turkish delegations to the continent and a good number of cooperation agreements signed. *Turkish Airlines* also reportedly flies to more African countries than any other global airline.
- There has been a relative recovery of the **KENYAN TOURISM SECTOR**. Increasing numbers of domestic tourists have been occupying Kenyan coastal hotels. *Lufthansa* has also commenced direct flights from Frankfurt to Mombasa.
- Kenya is likely to benefit from the recent **SUSPENSION OF ETHIOPIAN IMPORTS** by the US authorities due to the Tigray conflict and deemed breach of Africa Growth and Opportunity Act (AGOA) requirements. Kenyan textiles and apparel can replace imports into the USA of Ethiopian production. There is also the question of Ethiopia's major coffee exports to the USA.

- **TRANSPORT LOGISTICS COSTS IN NIGERIA** are particularly high. One operator is quoted as stating that the cost of moving a 40-foot container from China to Apapa is between 900 000 and 980 000 Naira (about US\$ 2 200 and US\$ 2 390). Transporting it from Apapa to south-eastern Nigeria costs a further 2,5 million Naira (about US\$ 6 090.)
- **MOBILE MONEY** represents an important growth opportunity for mobile telecommunications companies such as *MTN* and *Vodacom* in Africa as revenue from mobile voice drops and data revenues lessen due to falling prices.
- There is strong opposition from non-governmental organisations (NGO's) to reported plans by *Shell* for a seismic **OIL AND GAS SURVEY** off South Africa's environmentally sensitive Wild Coast. The NGO, *Oceans Not Oil* is particularly vocal.
- According to *The East African* weekly, some twenty Kenya-based companies have been **BLACK-LISTED** by the *World Bank* and the *African Development Bank (AfDB)* over the past two years.
- A health sector specialist has called on Ghana to look into the development of **MEDICAL MALLS** in the country. The model developed in Japan constitutes an establishment where multiple clinics, pharmacies and outpatient services are situated together "under one roof". The malls would have the benefits of convenient, concerted access for the public as well as more efficient property management.

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

Germany, France, the UK, the USA and the European Union (EU) have reportedly concluded a deal at the COP26 conference to the value of US\$ 8,5 billion (about R130 billion) to assist *Eskom* and South Africa to move away from the burning of coal for energy and toward the employment of renewable energies.

The Kigali-based NGO, *Smart Africa* and *Hewlett Packard Enterprise (HPE)* have concluded a cooperation agreement for the development of **CLOUD SERVICES AND DATA STORAGE** in African countries. The initiative will assist Africa-based cloud service providers and resellers.

The **BOTSWANA DEVELOPMENT CORPORATION (BDC)** disbursed a total of 706 million Pula (about US\$ 61,9 million) in investments for the 2019/2020 year against a record 753 million Pula (about US\$ 66 million) in the previous year. The *BDC* has set itself a future target of 1 billion Pula.

The **AFRICAN DEVELOPMENT BANK (AfDB)** AND **AGENCE FRANCAISE DE DEVELOPMENT (AFD)** have signed a new co-financing and partnership agreement for Africa. The duration is 2021 to 2026. An objective is to raise 2 billion Euros (almost US\$ 2,3 billion) in co-financing over the first three years. Priorities include infrastructure, agriculture and private sector initiatives.

CLIMATE FUND MANAGERS (CFM) of the Netherlands has raised US\$ 675 million for green projects in the energy, water and sanitation and biodiversity sectors. *CFM* is partnering with the *Dutch Fund for Climate and Development (DFCD)*.

The *International Finance Corporation (IFC)* and *ABSA Bank* will be investing US\$ 250 million in commercial projects in Africa that will accelerate trade transactions in the continent. The funds fall under the *IFC's* **GLOBAL TRADE LIQUIDITY PROGRAMME (GTLF)**. Trade in Africa has dropped due to Covid-19 and the closure of borders.

AFRICA & THE WORLD

According to Visual Capitalist, 17 of the 20 **FASTEST GROWING CITIES IN THE WORLD** are in Africa. The rankings are:

1. Gwagwalada (Abuja area), Nigeria, 6,46% estimated annual growth between 2020 and 2025;
2. Kabinda, DR Congo, 6,37%;
3. Rupganj, Bangladesh, 6,36%;
4. Lukoja, Nigeria, 5,93%;
5. Uige, Angola, 5,92%;
6. Bujumbura, Burundi, 5,75%;
7. Songea, Tanzania, 5,74%;
8. Xiong'an, China, 5,69%;
9. Potiskun, Nigeria, 5,65%;
10. Bunia, DR Congo, 5,63%;
11. Tete, Mozambique, 5,56%;
12. Cuito, Angola, 5,48%;
13. Hosur, India, 5,38%;
14. Abomey-Calavi, Benin, 5,27%;
15. Nnewi, Nigeria, 5,18%;
16. Malanje, Angola, 5,17%;
17. Mbouda, Cameroon, 5,16%;
18. Quelimane, Mozambique, 5,14%;
19. Kampala, Uganda, 5,14%;
20. Goma, DR Congo, 5,14%.



WEBSITES



The report by *Rand Merchant Bank (RMB)*, '**WHERE TO INVEST IN AFRICA 2021**' can be accessed on www.rmb.co.za/landing/where-to-invest-in-africa. The report lists Egypt as the top African investment destination followed by Morocco, South Africa, Rwanda and Botswana.

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

It is reported that *Bolloré Logistics* of France and *Superstar Forwarders* have combined to establish **EAST AFRICA LOGISTICS SERVICES** to provide transport logistics support to the contractors involved in the East African Crude Oil Pipeline (EACOP) project.

TRAVEL NOTES



*The following is an account of the business travel experience of an Africa House associate who recently visited **ADDIS ABABA, ETHIOPIA** from Johannesburg:*

- The visa application should be made to the visa section of the Ethiopian embassy in Pretoria. The following documents are required: a valid passport, a completed visa application form, a return air ticket with *Ethiopian Airlines*, proof of hotel booking, 1 picture, a company letter stating that it will cover the expenses of its employee, an invitation from the relevant business contact in Ethiopia. The business counterpart in Ethiopia must apply on the traveller's behalf to the Ethiopian ministry of home affairs. (Good contact and relations with the Ethiopian embassy is recommended.)
- The visa fee is R1 050 and a deposit must be made by the applicant into the Ethiopian embassy bank account. Business visitors are advised to apply for an 'investors visa'. Do not attempt to travel for business on a tourist visa as this could result in persona non grata status.
- A Covid vaccination certificate is required for less than five days before departure. The cost in South Africa is R850 and the cost of the certificate in Ethiopia required by the South African authorities on return is US\$ 40.
- The *Ethiopian Airlines* ticket can be purchased online and in which case, there is a 5% discount. The *Ethiopian Airlines* ticket includes Covid-19 insurance covering quarantine costs. There is an excellent drive-through Covid testing service in Addis Ababa.
- Signage at Bole airport in Addis Ababa is particularly poor. Travellers are asked to produce their matching luggage vouchers on exiting. Travellers must declare if they are holding more than US\$ 3 000 in cash and may not leave with more than 1 000 Birr.
- Four-star hotels are recommended and wi-fi can be a problem at the cheaper hotels. The average room rate at a four-star hotel is around US\$ 120.
- Walking at night in Addis Ababa is not advised as the city has seen an influx of distressed people from neighbouring countries and Ethiopian regions.

An *Africa House* client who makes frequent use of the 70 kilometre **PEDICLE ROAD** linking the Luapula and Copperbelt Provinces of Zambia through a thin strip of DR Congo territory has reported on its current condition. While much of the road is tarred and in reasonable condition, there are dirt road sections and the final five kilometres before re-entering Zambia on the Luapula side are poor. Travellers are required to pay a US\$ 50 'visa fee' for one-way use and US\$ 100 for the return trip. Another client reports some harassment from Congolese authorities for unwarranted "fines". The road is an effective short cut and saves several hundred kilometres of skirting the DR Congo pedicle.

South African Airways (SAA) has announced its intention to resume its flights to **LAGOS, NIGERIA** from 12 December 2021.

Kenya Airways has increased its weekly **NAIROBI-ADDIS ABABA FLIGHTS** from three to seven to meet increased passenger demand due to the political disturbances in Ethiopia.

RECENT ACTIVITIES OF AFRICA HOUSE

Duncan Bonnett of Africa House hosted a virtual **Mining Focus webinar** on 03 November 2021.

Guest speakers included: *Adeniran Ajibade*: Managing Director, *Architype Industries Ltd* | *Akin Akintola*: Chief Technical Officer, *Dukia Gold & Precious Metals Refining Co.* | *Moses Nkanda*, Africa House Partner - Tanzania | *Sokwani Chilembo*: CEO, *Zambia Chamber of mines*

Duncan Bonnett of Africa House hosted a virtual **DR Congo County Focus webinar** on 09 November 2021.

Guest speakers included: *Alan Witherden*: Regional Representative Southern Africa, *Axis Fiduciary Ltd* | *Nicholas Weeks*: Consultant Geology, *Sound Mining Solution* | *Sara Turnbull*: Consultant Geology, *Sound Mining Solution* | *Graham Stripp*: Consultant Geology, *Sound Mining Solution* | *David Guarnieri*: Director, *Tedrow Consulting* | *Fransua van der Westhuizen*: Financial Director - Mining & Civils Division, *Teichmann Group*

Roelof van Tonder of Africa House hosted a virtual **Oil & Gas Focus webinar** on 18 November 2021.

Guest speakers included: *Alex Mbonye*, Africa House Partner - Uganda | *Paul Eardley-Taylor*: Oil & Gas, Southern Africa, *Standard Bank*

Duncan Bonnett of Africa House hosted a virtual **Zambia Country Focus webinar** on 23 November 2021.

Guest speakers included: *Tara O'Connor*: Executive Director, *Africa Risk Consulting* | *Graham Smith*: CEO, *Triology Mining Limited*, Zambia

During November, Podcast discussions were produced for *Africa House* clients on the following topics:

- *Paul Runge* chatted to *Dave Adams* of *Contract Liaison International* about his recent business mission to Addis Ababa.
- *Roelof van Tonder* chatted to *Joe van der Walt*, an expert on the Horn of Africa, about the likely impact of the recent coup d'état might have on business opportunities and political stability on Sudan and the region.

INDEMNITY

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COMMODITIES OF AFRICA

TYPE OF COMMODITY	COMMODITY	UNITS	PRICE: October 2021	PRICE: November 2021	PRICE: December 2021
Agriculture	Cocoa	US\$ per Kilogram (US\$/kg)	1.84	1.72	1.62
	Coffee	US\$ per Kilogram (US\$/kg)	1.94	2.00	2.32
	Cotton	US\$ per Ounce (US\$/oz.)	1.02	1.14	1.14
	Rice	US\$ per Metric Ton (USD/MT)	403.00	400.00	401.00
	Sugar	US\$ per Kilogram (US\$/kg)	18.94	19.61	19.19
Base and Precious Metals	Cobalt	US\$ per Ton (US\$/t)	52,975.00	55,755.00	62,240.00
	Copper	US\$ per Ton (US\$/t)	9,173.85	9,857.75	9,751.00
	Gold	US\$ per Troy Ounce (US\$/t oz.)	1,731.14	1,793.83	1,792.63
	Iron Ore	US\$ per Dry Metric ton (US\$/DMT)	119.70	121.94	94.71
	Platinum	US\$ per Troy Ounce (US\$/t oz.)	962.00	1,022.00	943.50
Energy	Coal: Industrial	US\$ per Metric Ton (USD/MT)	137.29	146.05	199.65
	Coal: Coking	US\$ per Ton (US\$/t)	212.00	223.7	159.30
	Gas: Natural Gas	US\$ per million British Thermal Units (USD/MMBtu)	5.54	5.79	4.72
	Oil: Crude Oil	US\$ per Barrel (US\$/bbl.)	78.30	84.12	72.37

Source: Various

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