



AFRICA HOUSE

Insight & Access. Projects & Trade.

Notes from Africa

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HIGHLIGHTS FROM THIS EDITION

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Luapula Province, Zambia A Case of Unrealised Potential

In 2014, Africa Project Access (now Africa House) led a business mission to Luapula Province situated in northern Zambia. It is a province with considerable economic potential including hydro and renewable power generation, mining, agriculture, commercial and industrial property and tourism. It is well situated for supply to the DR Congo and could gain an export route through Dar es Salaam if key road projects were to be undertaken.

Nine years later, relatively little appears to have been done to realise this potential albeit that a few new projects have recently been announced. The following are more details regarding the area's economic assets that substantiate the need for a re-examination and implementation of opportunities and projects in waiting.

A major development regarding transport logistics in the area has been the construction of the 68 kilometre Pedicle Road that links Luapula Province with the Copperbelt Province. Although the road has not been fully completed, it effectively links the country's mining-rich province with the province that holds some 45% of Zambia's water resources. The Luapula River has enabled a number of run-of-river hydro plants and there are plans for the addition of more such plants that could realise 1 600 MW of new power. A transmission line along the Pedicle route could supply the Copperbelt mines and towns. The route could also be used for the laying of communications cables between the two provinces.

Luapula has also to attend to its own electricity supply needs. In 2020, the Musonda Falls hydro project 5 MW upgrade was commissioned. A programme of hydro mini-grids has been launched. The *Kafita Cooperative* and the *Rural Electrification Authority (REA)* have been running a mini-grid solar power plant since 2014. In 2021, Zambia-based *GreenCo Power* announced that it was seeking independent power producers to assist it with the development of a pilot solar plant that could generate 40 MW.

Luapula has been described as "the new frontier for diverse minerals." While manganese mining has dominated, there are also copper and cobalt deposits and reportedly uranium, gold, tin and

diamonds too. Manganese mining has been constrained by low global prices but there is a need for a local manganese processing plant to add value. More exploration and prospecting is required.

The province has undoubted agricultural potential. *Jimbara Milling* in Mansa is exporting milled maize to the DR Congo and has recently procured a new milling plant from Turkey. Ethanol extracted in Kawambwa, Luapula from cassava feedstock will soon be producing blended fuel processed by the Indeni refinery in Ndola. *Zambia Breweries* is purchasing cassava from thousands of small farmers in the Luapula and Northern Provinces for production of one of its beer brands. The abundance of water means that production of rice and sugar can be substantially increased. Fish cage farming in the province's numerous lakes is a distinct opportunity. There has been pressure from government to restore the ailing state-owned Chisinga cattle ranch.

Development of the Chembe Multi-Facility Economic Zone (MFEZ) has been hampered by the lack of sufficient electric power. Four years ago, Morocco was requested to assist with the development of the MFEZ. The capital, Mansa is in need of improved roads, water supply, housing and hotel accommodation. Some potable water supply and road upgrade projects are underway. The Mansa battery production factory was closed some years ago but the *12K Energy Group* of South Africa recently announced that it will be setting up a battery manufacturing company in Mansa.

The tourism potential of Luapula has been largely unrealised. This is despite a number of attractions including Lake Bangweulu and the Ntumbachushi and Mumbuluma Falls. Much of the wildlife has been decimated but *Sabi Sands* of South Africa is assisting with the restocking of the Lusenga Plains National Park. The province has a population of only about one million and there are a number of areas which could be returned to natural state. The Mansa airport is relatively new and yet largely unused apart from two domestic flights and the occasional charter flight.

Strategically-located Luapula already supplies the adjoining DR Congo with a wide range of requirements such as food and building materials. Apart from usage of the Pedicle road, these products are transported across Lake Mweru to the mines and settlements on the other side of the lake. Supply to the DR Congo could be considerably increased. There is some conjecture around other export-import routes. Feasibility studies for the Nseluka-Mpulungu port rail link in the adjoining Northern Province have been done and there has been interest in the project from China. Another considered eastern route is the Northern Province-Makonde link which will provide access to Tanzania's ports.

Zambia's share of key Zambian goods exported into the Great Lakes region and southern DR Congo was roughly 7% of global trade, or around US\$ 815m in 2019. Zambia is already an exporter of products such as cement, basic chemical products, sugar, beverages and other food preparations, but could substantially increase this share through the Pedicle, across Lake Mweru and through the port of Mpulungu in the Northern Province if capacity and logistics were in place. Zambia could also increase its share of other basic food products such as cereals, sugar and beverage products, and other food products using the resources of Luapula Province.

The new government in Zambia appears to be particularly business-friendly and provincial permanent secretaries have shown themselves to be most helpful to potential investors and suppliers who show interest in their provinces.

QUOTABLE QUOTES

"If airlines are owned by governments, we think they will be unsuccessful. They can be successful, but then they have to be managed privately and without any government interference."

(Mesfin Tasew, Chief Executive Officer, Ethiopian Airlines on the success of his airline.)

"Everyone who has a piece of land on which the sun shines and where the wind blows says they are a renewable energy developer."

(Zimbabwean contact during a business mission to Zimbabwe led by Africa House.)

"We (South African companies) are quite capable of supplying those (renewable energy) products into projects, assuming that the project developers know that we can. And that is where the devil is in the detail."

(Duncan Bonnett, Director, Africa House on his presentation at the UK government-sponsored Trade Forward Southern Africa conference focusing on South Africa as a regional hub for supply of renewable energy manufactured products and services.)

AFRICA & THE WORLD

Mercer Human Consulting of the USA has produced its 'COST OF LIVING CITY RANKINGS 2022'. The survey ranks the most expensive cities in the world for international employees. The most expensive cities in Africa are Bangui (23), Libreville (24), Victoria (38), Djibouti (41), Kinshasa (53) and Lagos (55). Most expensive in the world are Hong Kong, Zürich and Geneva.

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

The Kenya team of [TURNER & TOWNSEND](#) was recognised as "Best Construction Project Managers" at the 2022 Real Estate 100 Awards held recently at the Mövenpick Hotel in Nairobi.

The [CSI ENERGY GROUP TANZANIA](#) has received the "Tanzanian Company of the Year 2022 Award" at the Tanzania Energy Congress.

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

Standard Chartered Bank of the UK has extended a loan of US\$ 104 million for the upgrade of a section of the ABIDJAN-SAN PEDRO COASTAL ROAD. The funds will be used to upgrade the 93 kilometre stretch between Dabou and Grand Lahou. The project includes road support infrastructure and drainage. The contractor is Vinci Construction/Sogea-Satom of France. The French export credit agency, BpiFrance is supporting the initiative. The road has been prioritised as the link between the country's two main ports. The old coastal road is in need of considerable repair.

Editor's Note: Africa House has undertaken business missions to San Pedro and is tracking the San Pedro Port Development Project. San Pedro is likely to grow rapidly due to the port project. The town will also be hosting the African Cup of Nations soccer tournament in 2024.

AGRICULTURE



COTE D'IVOIRE

The National Rural Development Support Agency (ANADER) has concluded an agreement with TotalEnergies of France and the Swedish bus and truck manufacturer, SCANIA for the setting up of a BIO-FUELS PRODUCTION PLANT in Soukrou in the south of the country. A pilot project will produce 3 000 litres of biofuels extracted from agricultural produce to be used on a SCANIA bus. SCANIA will act as technical partner and verify quality while TotalEnergies will ensure distribution of the product.

GHANA

The Indian equipment manufacturer, Action Construction Equipment (ACE) Limited has concluded an Engineering-Procurement-Construction (EPC) contract with the Ghana Ministry of Finance for the construction of an AGRI-MECHANISATION PLANT. The location was not supplied. The plant will produce agricultural implements, tractors and loaders. The value of the deal is US\$ 24,9 million. Funding is through the Exim Bank of India.

SOUTH AFRICA

The Netherlands government is assisting Eskom with the re-purposing of the coal-fired Grootvlei power station in Mpumalanga Province for establishment of a GROOTVLEI AGRICULTURAL PRODUCTION INITIATIVE. A Geographic Information Systems (GIS) survey has been completed to determine the agricultural potential of the area. Pre-feasibility studies are underway for the realisation of a labour-intensive agricultural development project. The station is only some 150 kilometres from the Gauteng market. An objective is to re-skill workers at the power station and thereby reduce the risk of unemployment among the current station workers. The Netherlands Enterprise Agency (RVO) is assisting with project implementation.

ZIMBABWE

A joint venture between a Zimbabwean farming group, United Refineries Limited (URL) and Lloyd Corporate Capital will be implementing a pilot project for the development of a 500 hectare SOYA BEAN PLANTATION in Zimbabwe. The project will be funded through a crowd funding mechanism whereby investors will be able to invest in individual hectares. Lloyd Capital will oversee the funding and the securing of crop insurance while URL will be the offtaker. Reserve Bank of Zimbabwe approval has reportedly been obtained. The group wishes to expand the operation to later include wheat and tobacco crops.

Editor's Note: Members of the joint venture recently gave a presentation on their initiative to Africa House subscribers. The presentation is available on the 'Subscribers Zone' of the Africa House website: www.africainfo.co.za

HEALTH



KENYA

The US drone transport company, *Zipline* has commenced **TRANSPORT OF MEDICAL SUPPLIES** by drone in Kisumu County, Kenya. The company is specialising the supply of blood and medicines to rural hospitals, clinics and medical centres but also to towns. It also assists with the supply of semen to the animal reproduction centre in Chemelil town in the county. Early this year, the company established a distribution centre in Kisumu. The cost was 150 million Kenya Shillings or about US\$ 1,27 million.

GHANA

The Ministry of Communications in Ghana has launched the **NATIONAL ELECTRONIC PHARMACEUTICALS PLATFORM (NEPP)**. Buyers of pharmaceutical products will be able to order from a network of approved pharmaceutical outlets across the country through use of mobile telecommunications. The initiative falls under the e-Transform Ghana programme which seeks to improve broadband access in the country.

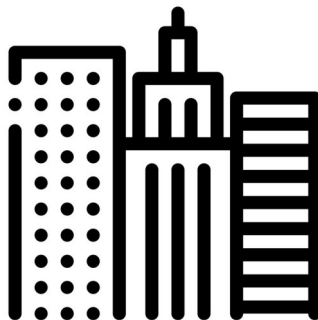
SOUTH AFRICA

The Cape Town-based vaccine producer, *Afrigen Biologics & Vaccines Limited* has announced a collaboration with the United States National Institute of Allergy and Infectious Diseases (NIAID) for the development of a **VACCINE RESEARCH CENTRE** in Cape Town. Technical expertise will be shared and an African hub for vaccine research developed.



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HOTELS/COMMERCIAL & INDUSTRIAL PROPERTY



BOTSWANA

UK-registered *Tati Company Limited (TCL)* and the *Francistown City Council (FCC)* are partnering for the [DEVELOPMENT OF FRANCISTOWN SOUTH](#) in eastern Botswana. Francistown South has 1 600 residential plots, 30 commercial plots and 35 industrial plots. *TCL* owns large areas freehold land in the north-east of the city and holds various development rights. In the past, it developed Francistown's existing retail and commercial complexes and donated land to the government. The objective is to develop Francistown into a world-class city.

CAMEROON

The first phase of the [EKOKO II SOCIAL HOUSING PROJECT](#) is likely to commence soon with the arrival of building materials and equipment on site. The units are being developed by *Pizzarotti* of Italy and the *Société Immobilière du Cameroun (SIC)*, (*Cameroon Real Estate Corporation*). The phase provides for the construction of 1 224 units over an area of 16 hectares in the country's Central Region near Yaoundé. Initial agreements were concluded in 2017 when US\$ 185 million was allocated for the project. The programme entails the construction of 10 000 units.

ETHIOPIA

The contractor for the construction of the luxury residential complex, [LA GARE COMMUNITY DEVELOPMENT PROJECT](#) has announced that phase one of the project is delayed due to lack of cement and uncertainty over complex boundaries. *Rama Construction* of Ethiopia is the contractor for the development while Abu Dhabi-based property company, *Eagle Hills* is the developer. The Ethiopian government holds a 27% share. The complex is being developed over an area of 36 hectares in the centre of Addis Ababa. Four thousand luxury units will be built over seven years. The estimated cost is just under US\$ 2 billion.

GHANA

The 1 000 acre [DEBRE INDUSTRIAL PARK](#) in the Central Gonja District of the Savannah Region, northern Ghana will be developed next to the Debre marine inland port. It will be situated on the Trans-Volta Logistics Corridor running from Tema Port to Lake Volta and onwards to the inland markets of Burkina Faso and beyond. The cost is estimated at US\$ 250 million. The developer is *LMI Holdings* of Ghana.

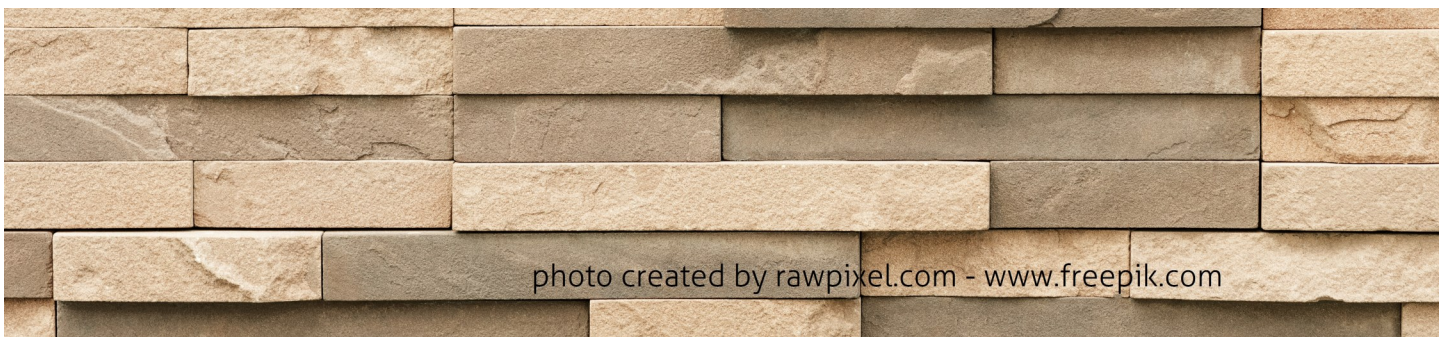
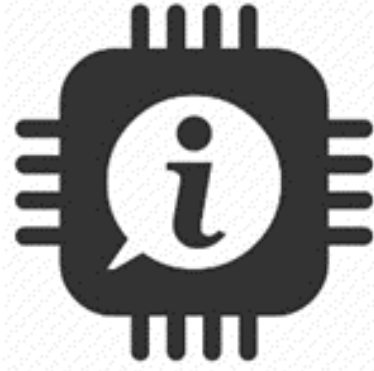


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ICT / TELECOMMUNICATIONS



ETHIOPIA

Oromia Bank has appointed the Irish software developer, CR2 to help develop its **DIGITAL BANKING STRATEGY** in the Ethiopian market. CR2 will utilise its banking platform, *BankWorld* for the project. The bank will be developing new products and services to meet the needs of the market which has shown considerable interest in digital banking.

NIGERIA

MTN Nigeria is raising 200 billion Naira (about US\$ 482 million) for the extension of its **MTN MOBILE COMMUNICATIONS NIGERIA NETWORK COVERAGE**. The company has lodged an application with the Nigerian capital market regulator, the Securities and Exchange Commission (SEC). The extension will include the deployment of 4G technology. The programme falls within MTN's "Ambition 2025" initiative which seeks to establish the company as Africa's primary mobile communications operator.

SENEGAL

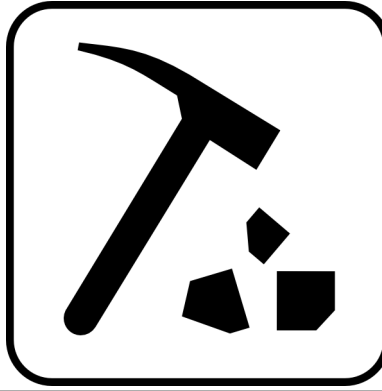
Orange/Sonatel will be connecting Senegal to its fifth subsea cable when it links the recently modernised data centre at Rufisque to the 45 000 kilometre **2AFRICA SUBMARINE CABLE**. The country is already linked to the SAT-3, ACE, Atlantis-2 and SHARE cables. The link should be operational in 2023/2024. The contractor is Alacatel Submarine Networks. 2Africa connects Europe, Africa and the Middle East. It is operated by the Meta Consortium which includes MTN, GlobalConnect, Orange, Vodafone, Telecom Egypt, West Indian Ocean Cable Company (WIOCC) and China Mobile International.

SOUTH AFRICA

The South African broadband supplier, Metrofibre Networx has secured a loan from Standard Bank Corporate and Investment Banking of about US\$ 300 million for the **METROFIBRE FIBRE OPTIC NETWORK EXTENSION** across the country. The company previously raised loans from Africa Infrastructure Investment Managers (AIIM) and Investec Bank for its operations.



MINING



MOZAMBIQUE

The UK mining junior, *Altona Rare Earths* has raised the equivalent of some US\$ 1,29 million from the issue of ordinary shares on the London stock exchange for initial funding of the **MONTE MUAMBE RARE EARTH METALS PROJECT** situated in Tete Province, central Mozambique. The company will be issuing an estimation of resource soon. It reports substantial findings of neodymium and praseodymium. Production will be supplied to the UK and European markets.

NAMIBIA

Initial studies and drilling programmes have been completed at the [TWIN HILLS GOLD PROJECT](#) situated near Karibib in central Namibia. The mine is being developed by *Osino Resources* of Canada. The discovery of the gold resources was made in 2019. The project is part of the Karibib Gold Programme. *NamPower* will be improving power supply to the gold mines in the area including Twin Hills and the Navachab and Otjikoto gold prospects.

SOUTH AFRICA

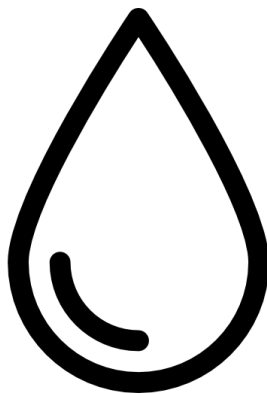
Theta Gold Mines of Australia is completing its definitive feasibility study (DFS) for the [THETA GOLD PROJECT](#) in Mpumalanga Province. Production is scheduled to commence by mid-2024. Some 540 000 tons of ore will be processed per annum. The total cost of the mine's development is estimated at around US\$ 78 million. Production of 1,24 million ounces is expected.

ZAMBIA

Production at the [MUTANGA URANIUM PROJECT](#) in Zambia's Southern Province is expected to commence in 2023. The resource is being developed by *GoviEx Uranium* of Canada. Initial studies have been completed. The project will produce 2,4 million pounds of triuranium octoxide from the five Mutenga deposits per annum. The company is also developing the Madaouela Uranium Project in Niger.



OIL & GAS



KENYA

Taifa Gas Tanzania Limited will be setting up a [LIQUID PETROLEUM GAS \(LPG\) PLANT](#) with storage facilities at Dongo Kundu near Mombasa port. The plant will store propane, butane and LPG blends. Supply will be to the domestic, commercial and industrial markets. A number of companies have applied to the Kenya authorities for the construction of gas facilities in Kenya where there is a strong market demand for gas.

SENEGAL

The Senegalese Ministry of Petroleum and Energy has stated that final investment decision (FID) for the first phase of the offshore [YAKAAR-TERANGA LNG PROJECT](#) will be made before the end of 2022. Development is expected by 2024. The resource is estimated at 20 billion cubic feet and in the first phase, the gas will be used for electricity generation in Senegal. The second phase will be for the creation of an export hub for the region and petrochemical plants will be developed. BP is the major shareholder with Kosmos Energy and national company, Société des Petroles du Sénégal (Petrosen) also holding stakes.

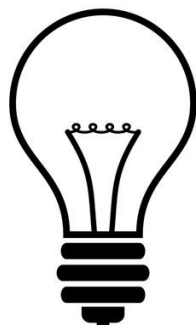
SOUTH AFRICA

It is reported that the [KOMATI POWER STATION REPURPOSING PROJECT](#) could include natural gas utilisation. The old station, which is located near Middelburg in Mpumalanga Province, is scheduled to cease coal-fired power generation within the next few months. Eskom announced in 2021 that it was preparing a containerised mini-grid solutions manufacturing entity as well as an agrivoltaic project under the repurposing initiative that falls within the context of the Just Energy Transition (JET). However, the power station is situated close to Sasol's Rompco gas pipeline bringing gas from Mozambique and gas turbines could be installed.

ZAMBIA

Sunbird Bioenergy of the UK has announced that production from its [ETHANOL PRODUCTION PLANT](#) should commence in August 2022. The plant is situated in Kawambwa in Luapula Province, northern Zambia. The ethanol will be extracted from cassava feedstock and blended with petrol. The offtaker will be the Indeni Refinery in Ndola. The plant will produce 120 million litres per annum. Outgrowers are cultivating cassava on a 1 200 hectare dedicated nursery. The Mahtani Group of Zambia has partnered with Sunbird in the venture valued at US\$ 150 million. It is supported by the Zambia Development Agency (ZDA).

POWER



MOZAMBIQUE

Ncondezi Green Power Holding has appointed the engineering services group, WSP to undertake a feasibility study for a 300 MW **SOLAR POWER PLANT AND BATTERY ENERGY STORAGE SYSTEM** at the Ncondezi coal operation in Tete Province, central Mozambique. Production of power is expected in 2024. The cost is US\$ 60-65 million. The solar plant will be connected to the national grid.

The pan-African power solutions company, Ignite Power has concluded an agreement with the Dutch organisation, SNV Mozambique for the distribution throughout the country of 300 000 off-grid **DOMESTIC SOLAR SYSTEMS**. Funding is from the Foreign, Commonwealth and Development Office (FCDO) and the Swedish International Development Cooperation Agency (SIDA). The initiative falls under the 5-year (2019-2024) BRILHO Programme which aims to advance off-grid energy solutions for Mozambicans.

SOUTH AFRICA

Eskom's **KOEBERG NUCLEAR POWER STATION LIFE EXTENSION PROJECT** aims to extend the life of the station for a further 20 years. The 1 840 MW plant has been operating for 38 years and the operating license is due for renewal in two years. The project includes the installation of six new steam generators before inter alia, the reactor head is replaced, the control drive attended to and storage tanks enlarged. R20 billion or about US\$ 1,2 billion has been budgeted for the project. Approval for the extension must be obtained from the National Nuclear Regulator (NNR).

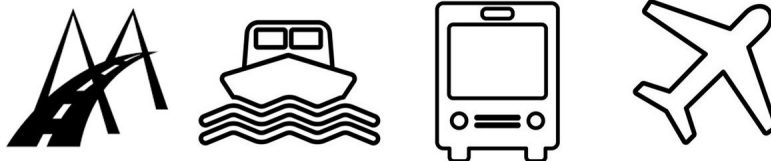
Editor's Note: The South African Nuclear Build Platform recently gave a presentation to Africa House subscribers on the future of nuclear energy in South Africa. A recording of the talk can be accessed through the "Subscriber Zone" on the website: www.africainfo.co.za

Eskom has appointed two contractors to help implement its **BATTERY ENERGY STORAGE SYSTEM (BESS)**. They are Hyosung Heavy Industries of South Korea and the Pinggao Group International Engineering Company which is a subsidiary of the State Grid Corporation of China. The contractors will design, supply, install and maintain the system for five years. It is estimated that 1 440 MW will be added to the national grid. Large-scale utility batteries will be installed over two phases.

ZIMBABWE

Zesa Holdings (Zimbabwe Electricity Supply Authority) through its affiliate, the Zimbabwe Electricity Transmission and Distribution Company (ZETDC) is connecting the new steel mills at Manhize via a 100 kilometre connection to the trunk grid at the new Sherwood sub-station near Kwekwe. The US\$ 66 million **ELECTRIFICATION PROJECT FOR THE STEEL MILLS** is being funded via a loan from the Dinson Iron and Steel Company (DISCO) of China secured through Ecobank and Stanbic Bank. Equipment such as transformers and switchgear are being installed.

TRANSPORT



REGIONAL

It is reported that the DR Congo government is planning a **SECOND LUBUMBASHI-KASUMBALESA BORDER POST ROAD**. Truck traffic at the Kasumbalesa border post with Zambia has tripled since 2019 with the increase in the number of new mines in the DR Congo copper belt. The DR Congo authorities are keen to reduce these border delays and facilitate smoother export of copper, cobalt and soon lithium too. The distance by road between Lubumbashi and Kasumbalesa is 91 kilometres. There have been reports in the past of another link with Zambia through a new 190 kilometre Kolwezi-Solwezi road link.

The Angolan government has granted a consortium led by the commodities trading company, *Trafigura*, a 30-year concession for improvement of the **LOBITO RAIL CORRIDOR** linking Lobito to Luau on the DR Congo border. Other members of the consortium are the Portuguese contractor, *Mota-Engil* and the Belgian rail operator, *Vecturis*. Some US\$ 330 million will be allocated to the improvement of rail infrastructure and operations and to increase throughput of mining commodities from the DR Congo. Consideration may also be given to building a rail extension from Luacano in Angola to the Zambian border town of Jimbe to facilitate copper and cobalt exports from Zambia.

GHANA

Construction of the **DEBRE INLAND MARINE PORT/LOGISTICS TERMINAL** in the Savannah Region of northern Ghana has been initiated. The port is being built to enhance the Trans-Volta Logistics Corridor that will see transport of containers and bulk cargo by rail from Tema Port to Lake Volta and then onto vessels on Lake Volta before being transported by truck to the inland markets of Burkina Faso and beyond. The Debre inland port and the Debre Industrial Park will be located at the end of the Tema-Mpakadan rail line. The cost of the port is estimated at US\$ 200 million. The corridor which is being implemented by *LMI Holdings* of Ghana, could be operational by 2025.

SOUTH AFRICA

The *Transnet National Ports Authority (TNPA)* has issued a Request for Qualification (RFQ) aimed at port and rail developers for the planned design, construction and funding of the **BOEGOEBAAI DEEP-WATER PORT AND RAIL CONNECTIONS** in the Northern Cape Province. The proposed port is situated 60 kilometres north of Port Nolloth and 20 kilometres from the Namibian border. The project comprises development of the port as well as rail connections to the mining and industrial hubs in the area. The deadline for the RFQ's is 2 November 2022. The project is being promoted by the *Northern Cape Economic Development Trade and Investment Promotion Agency (NCEDA)*.



WATER & SANITATION



GHANA

The initial development phase of the [TAMALE WATER SUPPLY PROJECT](#) in northern Ghana has been completed. In 2019, *Biwater* was appointed to undertake the development by the Ministry of Sanitation and Water Resources. The value of the project which provides for a new water supply system, is estimated at US\$ 270 million. The government is undertaking eight major water supply projects in the country. The projects fall under the national “Water for All” programme.

NAMIBIA

The Ministry of Agriculture, Water and Land Reform has commissioned a pilot [HYBRID RENEWABLE ENERGY-POWERED DESALINATION PLANT](#) at Bethanie in the Karas region of southern Namibia. The plant will produce 487 cubic metres of clean water per day. The national water utility, *NamWater* will ascertain the efficacy of the renewable energy-powered desalination technology for future project.

SOUTH AFRICA

According to the *City of Johannesburg* Environment and Infrastructure Services Department (EISD), the **JOHANNESBURG WATER DEPOT** in Malanshof, Randburg is expected to be completed in September 2023. The project was initiated some 6 years ago but did not progress substantially. The initial cost estimate was R52,5 million (about US\$ 3,16 million). The project will include an office block, store rooms and workshops. The intention is to power the depot with green energy. *Johannesburg Water* is the implementing agency.



WHISPERINGS - FOOTNOTES



• News that the *Central Energy Fund (CEF)* of South Africa and *Empresa Nacional de Hidrocarbonetos (ENH)* of Mozambique are establishing a joint national gas trading entity is a further indication of serious interest by the South African authorities in utilising **NATURAL GAS FROM MOZAMBIQUE** under their Risk Mitigation Programme. There are reports of a number of high-level bilateral meetings by the relevant ministries and utilities of both countries.

- The *Bolt* ride-hailing and food delivery platform recently launched its **AFRICA HEADQUARTERS** in Nairobi, Kenya. The cement company, *LaFarge* has chosen Lagos, Nigeria as its head office for the continent. The historic choice by international companies of Johannesburg or Cape Town as Africa headquarters may be dissipating to some degree.
- *Rio Tinto* and the *Winning Consortium Simandou (WCS)* have formed a joint company, *Compagnie du Trans-Guinéen* to deal with the Guinea government's demands for rail and transport infrastructure for the extraction of production from the **SIMANDOU IRON ORE PROJECTS**. The government is insisting that the 600 kilometre rail pass completely through Guinean territory. Pressure on the two concession-holding companies has included a suspension of operations. The new company will assess the total infrastructure cost and help ensure the lifting of the suspension.
- Gabon has recently received two major contributions to the country's **FOREST CONSERVATION PROGRAMME**. *Amazon* founder, *Jeff Bizo* is donating US\$ 35 million and the *Central African Forest Initiative* has allocated US\$ 150 million. Gabon has built a good reputation for preservation of its tropical forest over the past decades. It is assisted by a small population and vast green areas.
- The 44-year old state-owned **NIGERIA NATIONAL PETROLEUM CORPORATION (NNPC)** has been transformed into a commercial entity and has been re-named as the *Nigeria National Petroleum Company Limited (NNPCL)*. It will operate as an independent national oil company. The new limited liability company has declared a first profit in nearly four and a half decades.
- *StatsSA* has released GDP figures for the first quarter of 2022 which show that **GROWTH IN AGRICULTURE IN SOUTH AFRICA** increased by 0,8% quarter on quarter. Subtropical fruits performed especially well with a 16% increase in value while dried fruits also fared positively with a 7% improvement. The national quarter on quarter growth was 1.9%.
- *Greenpeace* is campaigning vigorously against the DR Congo's sale of **OIL AND GAS BLOCKS**. It is stating that the country's peatlands situated in tropical forest should be protected as they store huge quantities of carbon dioxide.
- There are a number of substantial **HOUSING PROGRAMMES IN GABON**. A recent development is the announcement by the company, *One Link Group Holding Gabon* that it will be building some 400 units. The project is being undertaken in close collaboration with the Ministry of Housing and Urbanisation.
- Zambia currently has 1 156 MW of surplus power and **SPARE GRID CAPACITY** following the successful commissioning of the 750 MW Kafue Gorge Lower Power Station. In a recent address to the nation on the power crisis in South Africa, President *Ramaphosa* mentioned plans to procure electricity from Zambia and Botswana.
- The assistance being provided by the Netherlands government for re-purposing of the Grootvlei coal-fired power plant in Mpumalanga Province for agricultural production is another manifestation of interest in the **RE-PURPOSING OF ESKOM'S DYING COAL-FIRED POWER PLANTS**. There has been much reference to replacing coal-fired power with renewables (mainly solar) at these sites but agriculture including bio-mass is an interesting option.

- Although the Northern Corridor Council of Ministers has approved a modest annual budget of US\$ 5,5 million for **INLAND WATERWAY PROJECTS** in Kenya and Uganda, the sum should be enough to stimulate additional investment in these projects. There is substantial interest in improving transport routes on East Africa's lakes.
- *Eni* of Italy has reportedly made another new offshore **OIL AND NATURAL GAS DISCOVERY IN COTE D'IVOIRE**. This further confirms the country's status as a budding oil and gas producer with reserve estimates now substantially increased.
- **TELECOMMUNICATIONS OPERATORS AND REGULATORY AUTHORITIES** in Africa appear to be in 'perpetual conflict'. The regulator in Tanzania has ordered telecommunications companies operating there to improve services in 15 districts. In Senegal, the authority recently levied sanctions on operators for inadequate services. Regulators refer to poor service and lack of national coverage while operators complain of high taxes and customs duties that hamstringing their ability to improve.
- The *Korea Overseas Infrastructure & Urban Development Corporation (KIND)* is undertaking a preliminary feasibility study for the expansion of the **NAIROBI-MOMBASA HIGHWAY**. A Public-Private-Partnership (PPP) is envisaged. The 484 kilometre road is a vital trade artery with some 96% of cargo from Mombasa Port being transported on this route. The expansion project was delayed in 2019 as the Kenyan government was concerned about increasing its public debt burden.
- Conditions appear to be favourable for a **DEBT BAILOUT FOR ZAMBIA**. The new government under President *Hakainda Hichilema* inherited an external national debt of about US\$ 17 billion. However, creditors in the *Paris Club* and other such fora including China have agreed to debt relief for the country. A substantial bailout from the *International Monetary Fund (IMF)* is now more likely.
- The street sale of **POTABLE WATER SACHETS** is particularly prevalent in West Africa and notably in cities such as Dakar and Accra. While consumption of sachets is important for regional water security, there are major problems with inter alia, plastic pollution and the assurance of water quality. In Nairobi in March 2022, ministers of environment from numerous countries attending the *United Nations Environment Assembly* endorsed a resolution to end plastic pollution.
- According to the *World Health Organisation (WHO)*, Chad has the largest cattle, sheep and goat herd per capita in Africa. During a recent *Africa House* webinar with the Chadian authorities, investors were invited to invest in value-add **MEAT PROCESSING PLANTS** in the country.
- East Africa-based importers and exporters could benefit in the future from completion between the **OLD AND NEW EAST AFRICAN PORTS**. While the Mombasa and Dar es Salaam ports are long-established but not as efficient as they could be, the new ports of Lamu (Kenya) and Bagamoyo (Tanzania) could offer the relevant companies alternatives and better choices.
- Israeli water specialists are scheduled to visit South Africa to assist local governments with their water supply problems. Israel is a world leader in the recycling of waste water. Technological innovation is a major aspect of **ISRAEL'S AFRICA POLICY** notably in information communications technologies, and agriculture. Examples include drip irrigation expertise, fish farming and surveillance equipment and innovations derived from the country's military experience.
- The recent landing of the **GOOGLE EQUIANO SUBSEA CABLE** at Swakopmund, Namibia will substantially increase Namibia's bandwidth capacity but also bring about greater connectivity to several southern African markets.
- The South African agricultural federation, *AgriSA* has called on the South African government to intervene following a **BAN ON SOME SOUTH AFRICAN AGRICULTURAL IMPORTS** by Botswana and Namibia. The ban on tomatoes, potatoes, cabbage, peppers and beetroot is reportedly to protect local production in the two countries but is in apparent violation of *Southern African Customs Union (SACU)* agreements. There are reports that the list of banned items could be lengthened.
- The long-mooted **KUDU GAS PROJECT** in Namibia has developed 'new legs' with the government now promoting the project on the back of other recent offshore oil and gas discoveries. The authorities are referring to two possible power stations to be fed by gas from the Kudu project.
- *Africa House* associates in Nigeria report a growth in **DOMESTIC TOURISM** with coastal villa developments along the coast from Lagos. The growth is also the result of major increases in the cost of international flights out of the country. Nigeria has yet to substantially develop its coastal tourism potential.

WEBSITES



Business technology news pertaining mainly to South Africa but also the continent can be accessed on the website of [itweb](https://www.itweb.co.za)

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

The [African Development Bank \(AfDB\)](#) through its concessional facility, the [African Development Fund \(ADF\)](#) has approved a grant of US\$ 25,85 million for the boosting of **FOOD PRODUCTION AND SUPPLY IN ZIMBABWE**. The country was once described as the 'food basket' of the southern African region and the grant will assist towards the revival of this status.

[British International Investment \(BII\)](#) and [FMO](#) of the Netherlands are jointly contributing US\$116 million to the **AFRICAN INFRASTRUCTURE FUND IV (AIIF4)**. The fund will target renewable energies, ICT infrastructure and transport logistics. It is managed by [Africa Infrastructure Investment Managers \(AIIM\)](#). [Old Mutual](#) of South Africa is a leading participant in the fund.

The [PUBLIC INVESTMENT CORPORATION \(PIC\)](#) of South Africa has indicated that it will be making a US\$ 100 million equity investment in the Nigeria-based multilateral development finance institution, the [Africa Finance Corporation \(AFC\)](#). The funds will be used for co-investments in continental infrastructure projects and initiatives as well as industrial development in Africa.

The Secretariat of the [Common Market for Eastern and Southern Africa \(COMESA\)](#) and the [African Development Bank \(AfDB\)](#) have launched a market and pre-investment study for the regional **AFRICA CLOUD ECOSYSTEM PROJECT**. A grant of US\$ 550 000 to the project has been approved from the special fund for the preparation of infrastructure projects ([NEPAD-IPPF](#)). The Africa Cloud Ecosystem Project is aimed at linking African small and medium-sized enterprises to consumers in the markets through on-line transactions.

[BRITISH INTERNATIONAL INVESTMENT \(BII\)](#) is planning to invest US\$ 6 billion over the next five years in Africa. It will invest in renewable energies and climate change projects, infrastructure, enterprise development and support to small and medium-sized enterprises (SME's).

According to the [Green Finance and Development Centre](#) of China, the accumulated disbursement on 'silk roads' by China in its **BELT AND ROAD INITIATIVE (BRI)** is around US\$ 930 billion. It also reports that 43 sub-Saharan African countries have signed Memoranda of Understanding (MOU's) adhering to the BRI. The Initiative linking Asia, Europe and Africa includes rail links, ports, airports and industrial parks.

[Fitch Ratings](#) has confirmed a AAA rating with stable outlook for the [AFRICAN DEVELOPMENT BANK \(AfDB\)](#).

The [African Development Bank \(AfDB\)](#) has launched its US\$ 1,5 billion **EMERGENCY FOOD PRODUCTION FACILITY** which will ensure the supply of fertilizers to some 20 million small farmers in Africa.

FACT OF THE MONTH

According to the [UNCTAD \(United Nations Conference on Trade and Development\)](#) Economic Development in Africa Report 2022, 45 of the continent's 54 countries remain dependent on exports of primary products (agricultural and extractive industries.)

Only about 20% of all flights in Africa are now serviced by African airlines.

TRAVEL NOTES



As of 6 August 2022, **NAMIBIAN ROAD BORDER POSTS** with South Africa and Botswana have been fully re-opened.

It was reported earlier that **FLYSAFAIR** will be flying new routes in Africa outside of South Africa. Favoured destinations are now reported to be Nairobi, Lusaka, Maputo, Gaborone, Victoria Falls and Zanzibar.

Airlink has announced daily direct return flights between **JOHANNESBURG AND VICTORIA FALLS** from 15 August 2022.

RECENT ACTIVITIES OF AFRICA HOUSE

Roelof van Tonder hosted a hybrid **Health** Focus Group on 11 August 2022.
Annamari Uys: Head of Advisory, Africa, Turner & Townsend was the guest speaker

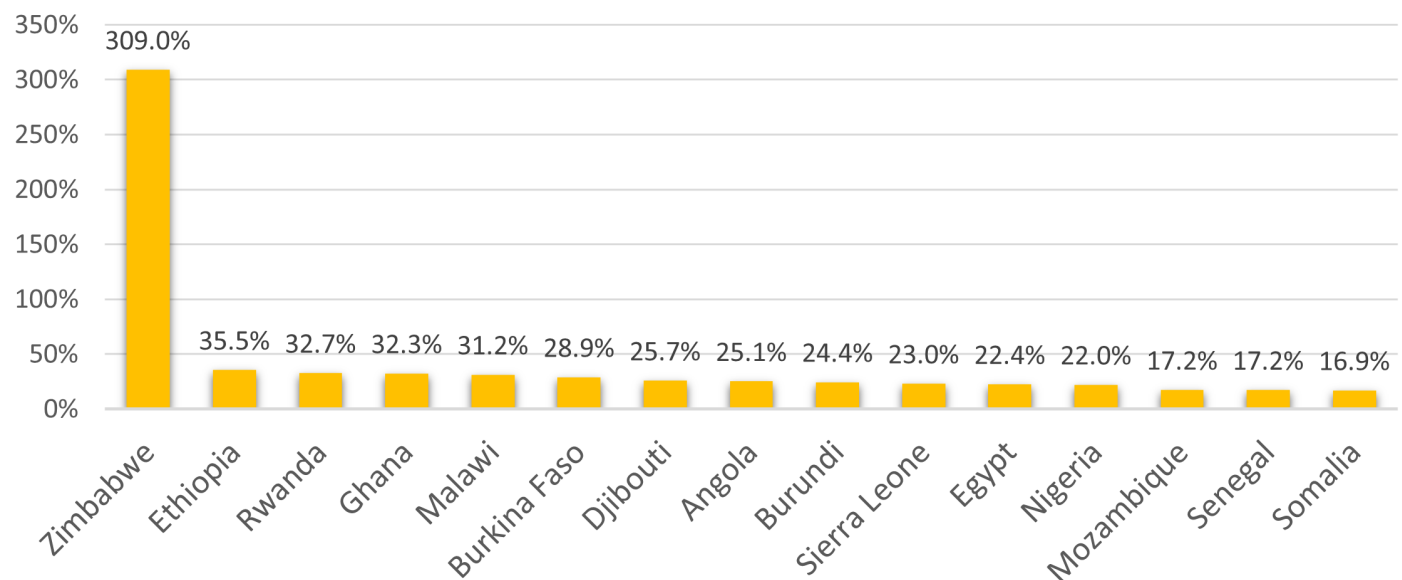
Duncan Bonnett hosted a hybrid **Hotels & Commercial Property** Focus Group on 17 August 2022.
Guest speakers included:

- Desmond Ziki: Associate, Turner & Townsend
- Martin Kearns: Director, Root Partners

During this month's podcast *Roelof van Tonder* summarised and commented on the recent Oil and Gas discoveries in Namibia following the SAOGA and Africa House Group visit to Namibia.
You can listen to this, and past, podcasts [here](#).

CHART OF THE MONTH

African countries with the highest food inflation rates at June 2022



Source: Business Insider Africa

COMMODITIES OF AFRICA

TYPE OF COMMODITY	COMMODITY	UNITS	PRICE: July 2022	PRICE: August 2022	PRICE: September 2022
Agriculture	Cocoa	US\$ per Kilogram (US\$/kg)	1.70	1.70	1.78
	Coffee	US\$ per Kilogram (US\$/kg)	2.33	2.18	2.41
	Cotton	US\$ per Ounce (US\$/oz.)	1.05	1.01	1.22
	Rice	US\$ per Metric Ton (USD/MT)	464.00	444.00	440.00
	Sugar	US\$ per Kilogram (US\$/kg)	18.55	17.54	18.44
Base and Precious Metals	Cobalt	US\$ per Ton (US\$/t)	70,000.00	50,859.00	51,455.00
	Copper	US\$ per Ton (US\$/t)	8,445.00	7,800.63	8,163.26
	Gold	US\$ per Troy Ounce (US\$/t oz.)	1,816.72	1,762.34	1,732.08
	Iron Ore	US\$ per Dry Metric ton (US\$/DMT)	130.46	115.83	105.28
	Platinum	US\$ per Troy Ounce (US\$/t oz.)	918.00	895.00	865.30
Energy	Coal: Industrial	US\$ per Metric Ton (USD/MT)	280.00	284.87	285.66
	Coal: Coking	US\$ per Ton (US\$/t)	380.00	407.90	422.75
	Gas: Natural Gas	US\$ per million British Thermal Units (USD/MMBtu)	6.50	7.96	9.19
	Oil: Crude Oil	US\$ per Barrel (US\$/bbl.)	123.17	111.95	101.13

Source: Various

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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

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