



Africa Project Access

AFRICA PROJECT NEWSLETTER

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New Data & Publications

Africa Project Access Visit Reports

Dar es Salaam-Mtwara, Tanzania; Kinshasa-Matadi & Katanga, DR Congo; North-Western Province, Zambia; Juba, South Sudan; Tete, Zambezi Valley, Nacala, Pemba, Mozambique; Kampala, Uganda, Guinea Conakry etc

(Contact *Africa Project Access* at Johannesburg 27 11 4656770 or cell 0826510707 for details on how to obtain copies)

Editorial

African Sovereign Wealth Funds Advantages & Challenges

There are currently about seventeen African sovereign wealth funds (SWF's) either established or in the process of being created. The countries first to establish these instruments were mainly oil-producing. The established SWF's include Angola (USD 5 billion), Botswana (6,9 billion Pula, the oldest established in 1994), Nigeria (USD 1 billion), Libya (USD 65 billion), Algeria (USD 77,2 billion) and the recently launched fund in Ghana. Countries that have announced the planning of SWF's include Tanzania, Uganda, Mozambique, Sierra Leone and Zimbabwe. South Africa has stated that it is investigating the merits of an SWF. Other African countries engaged in SWF processes include Gabon, Chad, Equatorial Guinea, Mauritania and Sao Tome & Principe.

In 2012, the global value of these funds was estimated at USD 5,16 trillion. There have been a number of major successes. Singapore and Kuwait each started with less than a half billion USD and have today achieved about USD 200 billion and USD 300 billion respectively. Africa accounts for only around two percent of the world's SWF's.

Sovereign wealth funds use assets from budget surpluses and revenue from national resources and commodities, notably oil and gas but mining too to increase profit through investment in commercially viable Projects and initiatives and to help meet national requirements such as infrastructure. Surpluses are injected into government-owned funds for the management of the country's wealth into the future. Investments can be made locally as well as internationally. Some countries such as Angola focus their investments on national needs whereas other such as that of Libya developed a substantial portfolio in much

of the African continent. A major motivation for the creation of SWF's has been the realisation that natural resources are finite and that the wealth accumulated must be used to help ensure future prosperity. African oil-rich countries such as Nigeria and Angola have historically saved little and this shortcoming is now being addressed.

There are numerous advantages arising from the successful implementation of SWF's. The funds can be mobilised for required infrastructure and support to key commodities such as fertilizer. The funds can be used to set up industries for raw material transformation and beneficiation such as oil refineries or a jewellery industry for Angola's diamonds. Strategic investments that favour specific national companies can be selected. For example, the Libyan fund invested a considerable percentage in African hotel Projects that were implemented by Libyan hotel groups.

On a macro-economic level, they can also enhance stability during boom and bust periods, help mitigate commodity shocks and counter currency fluctuations.

Particularly in the case of Africa, they can help attract investment and the attention of the major banks and international financial institutions. The local financial services sector can be enhanced and the range of products and services broadened.

However, there are challenges too and the management of the funds has to be cautiously undertaken.

Major challenges are lack of transparency and administration problems. Strong leadership is required from the politicians as well as the fund management staff. Nigeria has just appointed a reputable internationally recognised banker, *Uche Orji* to head up its SWF. (The new head of the Angolan fund is from the president's family.) Clear regulation is required to prevent looting of the funds and to negate the temptation of politicians to invest in commercially unviable Projects that may be in certain political interests. Coordination between government agencies such as the ministries of finance and energy is required. A balance must be struck between local and cross-border investments. There is sometimes resentment arising from the perception that SWF's reduce the amount of funds available for local infrastructure. The state governments of Nigeria have

complained that the federal government is not sufficiently utilising its resources for infrastructure requirements in their domains. There are also accusations that SWF investments interfere in the normal economic scenario and slow down private competition.

In Africa, debt has prevented the creation of SWF's. New-found wealth for poorer countries is however arising from new resource discoveries. For example, Tanzania and Mozambique will be experiencing a bonanza from the major gas finds from the Rovuma Basin. It is important that their governments carefully ring-fence and then efficiently manage this new asset to maximise its impact.

Additional Services

ADDITIONAL SERVICES FOR SUBSCRIBERS & ACTIVITIES OF AFRICA PROJECT ACCESS

The last **FULL APA BRIEFING** took place at Werksmans Attorneys on Thursday, 10 October 2013. Subjects covered were the Kinshasa-Matadi Corridor in the DR Congo, the potential of Zambia's Luapula Province, a report on a recent visit to Ghana and an insight into current conditions in Somalia. The next full APA Briefing will take place on Tuesday 3 December also at Werksmans and will cover hotel and commercial property Projects modalities for the African oil and gas sector as well as visit reports on Tanzania and Liberia.

The previous **FULL APA BRIEFING** covered the current situation in Zimbabwe and market snapshots on Swaziland, Mozambique, Botswana, Ethiopia and South Sudan, upcoming Projects in Angola and the DR Congo as well as a situation report on the possibilities for the export of Botswana's coal.

A special **OIL AND GAS SUB-GROUP MEETING** was held on Thursday 26 September 2013 at the Henley Business School. The next meeting will include representatives of the resources companies such as Anadarko and an initial overview of the oil and gas sectors in Africa.

The eleventh **ICT/TELECOMMUNICATIONS SUB-GROUP** was held on Wednesday 4 September 2013 in collaboration with the South African Electro-Technical Export Council (SAEEC) at their offices in Midrand. A group visit to South Africa-based mining, gas and engineering companies involved in major resources Projects in Africa was discussed. It was decided that representatives of the Konza City ICT Park in Kenya, a tower manufacturing company and data centres will be invited to address the next meeting. A two-way workshop will be held between clients and the Industrial Development Corporation (IDC) including the IDC Africa Unit, Export Credit Insurance Corporation (ECIC) and the Department of Trade and Industry.

The **APA AGRICULTURE SUB-GROUP** briefing took place at the Henley Business School on Tuesday, 21 May 2013. It was agreed that the next meeting would include representatives of mobile telecommunications companies responsible for corporate social investment (CSI) Programmes, the agriculture directorate of the Development Bank of Southern Africa (DBSA), an agriculture equity fund manager and the South Africa office of the African Development Bank (AfDB).

The **APA HOTELS/COMMERCIAL PROPERTY SUB-GROUP** briefing was held on Thursday 26 September 2013 at the Henley Business School. It was agreed that the IDC hotels unit, a hotel management group such as Atterbury Properties, a logistics company and a private aviation company will be invited for the next briefing.

The **APA POWER SECTOR SUB-GROUP MEETING** took place at the Henley Business School on Tuesday, 21 May 2013. The meeting included a focus on methodologies for accessing African power utilities. It was agreed that the next meeting will include representatives of the Southern and East African Power Pools, NetPlan, the Trans Caledonian Authority, IPP's such as Globeleq, Aurecon and Group Five.

The last **APA INFRASTRUCTURE SUB-GROUP MEETING** "Show me the Projects" was held on Tuesday, 18 June 2013 at the Development Bank of Southern African in partnership with the Built Environment Professions Export Council (BEPEC). It concentrated on gas-related developments in Mtwara and Pemba as well as the BEPEC industrial centre to be established in Tete. There were addresses on the Export Credit Insurance Corporation (ECIC) products and the Capital Projects Feasibility Programme (CPFP).

The fifth **APA HEALTH SECTOR SUB-GROUP MEETING** was held on 21 June 2013 at the Henley Business School. Various health and health-related Projects and initiatives were discussed. The scarcity of information and statistics for the African health sector was referred to and the request was made for participation by economists specialising in the sector at the next meeting.

Africa Project Access is participating with B.A. Link in a series of **AFRICA COUNTRY FOCUS BREAKFAST BRIEFINGS**. Recent briefings were on Ghana, Angola, Rwanda, Botswana, Mozambique the DR Congo and Namibia.

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The September-October 2013 edition of the London-based publication, **AFRICA INVESTOR** carries articles on the top 100 infrastructure Projects, Africa's best dividend stocks, education in Africa, FDI trends in Africa, manufacturing value-add in Africa, African middle-sized farms, Africa's aviation industry.

Projects

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for templates/further details/contacts pertaining to specific Projects listed below)

ANGOLA

The new 5-star **INTERCONTINENTAL LUANDA HOTEL** will be 25 floors and will have 450 rooms. It will be situated on an area of 53 128 square metres in the upmarket Miramar District and will provide views of the Atlantic Ocean. The Project includes conference facilities. Opening was originally for 2009 but it is now scheduled to open late 2014. The main investor is the *Intercontinental Hotel Group (IHG)*. One of the suppliers is the security equipment company, *Assa Abloy* of South Africa.

BOTSWANA

Hodges Resources of Australia has raised about USD 1 million from *Gurney Capital* of Melbourne for development of the **MORUPULE SOUTH COAL PROJECT** in southern Botswana. The resource is estimated at 2 billion tons. The company recently acquired 75% ownership of the Project. It has completed a successful initial study and is now seeking an offtaker for the production.

BURUNDI

The *World Bank* has approved funding of USD 340 million towards the cost of construction of the **RUSUMO FALLS HYDRO POWER PLANT** situated on the Rwanda-Tanzania border. The total cost is estimated at USD 468 million. The plant should generate 80 MW from 2017 and the power will be distributed to Rwanda, Tanzania and Burundi. A 220 kV transmission line will transport power to Gitega, Burundi, Kigali and Nyakanazi in Tanzania.

CONGO (DEMOCRATIC REPUBLIC)

PPC of South Africa has confirmed that it will be building a **NEW CEMENT PLANT** in Kampese situated on the Kinshasa-Matadi Corridor. The plant will have a capacity of one million tons per annum. The cost is estimated at USD 230 million. An MOU has been signed with the local partner, *Barnet Group*. *SRK Consulting* undertook soil studies at the nearby quarry. There will be a dependence on Matadi Port and it is hoped that the rail line from Matadi to Kimpese will be rehabilitated through a loan by the *Development Bank of Southern Africa (DBSA)*. There is much planned industrial activity in the Kampese area including another new cement plant. The area could be declared a Special Economic Zone (SEZ) which would entail tax incentives.

Ivanhoe Mines/Ivanplats through its subsidiary, *African Minerals Barbados Limited (AMBL)* is developing the **KAMOA COPPER PROJECT** situated 25 kilometres west of Kolwezi, Katanga Province. The resource is estimated at 739 million tons grading 2,67% copper. The concession covers 400 square kilometres. The government holds a 5% share in the Project. The license was granted in December 2012. The company has signed an agreement with the national power utility, *SNEL* for the refurbishment of two existing hydro power plants that will supply power to the mine.

ETHIOPIA

An International Panel of Experts from Ethiopia, Sudan and Egypt have found that the **GRAND RENAISSANCE DAM PROJECT** will not have detrimental effects for Sudan and Egypt relating to the flow on the Nile River. The site is in the Benishangui-Gumuz region of north-western Ethiopia on the border with Sudan. The experts found instead that the dam would be beneficial in that it would facilitate the control of upstream flooding. The cost of the Project which is under construction is estimated at nearly USD 5 billion. The implementing agency is the *Ethiopia Electric Power Corporation (EEPCO)*. Ethiopia will be exporting power to Kenya, South Sudan, Uganda, Djibouti and Somalia.

The state-owned *Ethio Telecom* has awarded a USD 1,6 billion **MOBILE TELECOMMUNICATIONS EXPANSION PROGRAMME** to *Huawei* and *ZTE* of China. The contract aims to boost 3G capacity to reach 56 million subscribers or 85% of the population and to implement LTE 4 G services in Addis Ababa by the end of 2015. There are currently 23 million subscribers. The utility recently terminated a management contract with *France Telecom*.

GUINEA

The AIM-listed *Sable Mining* through its local subsidiary, *West African Exploration* has been granted an operating license for the **NIMBA IRON ORE PROJECT** in south-western Guinea. The reserves are estimated at 135,5 million tons and the concession area is 123 square kilometres. A concept study has recently been undertaken. The mine is situated close to the rail route to Port Buchanan in Liberia. The Guinea government has in the past sought to ensure that rail routings pass exclusively through Guinean territory.

KENYA

** The Ministry of Energy and Petroleum is inviting tenders for the development of a 700-800 MW natural gas-fired plant near Mombasa. It will be located on an allocated land area of 300 acres at Dongo Kilifi or an appropriate location between Mombasa and Kalifi. Power is required inter alia for the development of Konza City and other ICT-based commercial property developments.

** The Ministry of Energy and Petroleum is inviting tenders for the development of a 900-1 000 MW coal-fired plant near Mombasa. It will be located in the northern port city of Lamu where a major port is being developed as part of a transport corridor linking with the oil reserves of Uganda and South Sudan. The country wants to increase electricity generation capacity from the current 1 644 MW to 6 700 MW in forty months.

Sanghi Cement of India is about to commence construction of a 1,5 million ton per annum **CEMENT PLANT** in the West Pokot Region of western Kenya. Its local partner, *Cemtech* will be building a 30 MW coal-fired power plant for the cement operation. Completion is scheduled for 2015. The cost is estimated at USD 175 million. The intention is to supply South Sudan and Uganda. The plant will provide impetus for the construction of the Kitale-Lodwa-South Sudan link road. Analysts are expressing concern over a possible oversupply of cement in the region.

Aeolus Kenya, *Standard Bank/STANBIC* and *General Electric* are the main partners in the implementation of the 12,9 billion Kenyan Shilling/USD 150 million 60,8 MW **KINANGOP PLATEAU WIND POWER PROJECT** in Nyandarua County, central Kenya. The bank is contributing USD 100 million while two equity investors will supply the remaining USD 50 million. *General Electric* will install 31,4 MW generators. The plant will be the largest wind power Project in Africa outside South Africa. The Project falls under *Power Africa Initiative* announced recently by President *Obama*. *General Electric* is also involved with the 100 MW plant in Kajiado County.

Dangote Cement of Nigeria has announced that it will be building a **CEMENT PLANT** in Mombasa. It will have a capacity of two million tons per annum. The investment will be USD 400 million. The company wishes to expand its African cement production to 55 million tons by 2016 through an investment of USD 5 billion. It is currently building a plant near Mtwara in southern Tanzania.

A tender will soon be launched by the *Kenya National Highways Authority* for the construction of a **DOUBLE-DECKER ROAD IN NAIROBI** to help relieve the serious congestion in the city. The 4-kilometre section will run above the existing Mombasa Road, Uhuru Highway and Waiyaka Way. Construction is expected to commence early 2014 with completion before the end of 2017. The cost is estimated at around USD 290 million. The Kenyan government will contribute USD 123 million with the *World Bank* providing the rest. The Project falls under the National Urban Improvement Programme which in turn falls under Vision 20130. There are a number of Projects aimed at decongesting Nairobi.

The *Kenya Sugar Board (KSB)* has approved a Project for a **NEW SUGAR FACTORY** in Busia County, western Kenya. The 3,6 billion Kenyan Shilling investment is by an unnamed private investor. *Busia Sugar Industries* has stated that 26 000 hectares have been allocated for the growing of cane and about 30 000 farmers will be contracted to supply the miller. The area will be assessed by the *National Environmental Management Authority (NEMA)*.

MALAWI

Ethiopian Airlines has bought a 49% share in the newly-formed **MALAWI AIRLINES**. The remaining 51% will come from the Malawi government and Malawian private investors. The initiative is part of the plan of *Ethiopian Airlines* to establish several travel hubs in Africa.

MOZAMBIQUE

** A **4-5 STAR HOTEL** is being proposed for construction in Beira, Central Mozambique. It will consist of 150 beds, restaurants, a business centre, swimming pool, fitness centre, conference auditorium, a casino and landscaped gardens. It will be situated on a 3,8 hectare site on the sea front. The owner of the land is a contractor. The initial designs have been undertaken by *Salerno Architects*. The promoters are looking for investors, operators and a main construction partner. Beira has historically been short of hotel rooms.

Gigajoule International has presented a prefeasibility study for the construction of a 2 600 kilometre **GAS PIPELINE** that would connect the Rovuma Basin gas deposits in northern Mozambique for gas-to-power operations in southern Africa. The *Gasoduto do Norte ao Sul de Mocambique (GASNOSU)* Project would connect the northern gas fields with Maputo and perhaps even further south to northern KwaZulu-Natal. A full feasibility study has now been commissioned. Estimates of the Rovuma Basin gas reserve for Mozambique and Tanzania vary between 150 trillion cubic feet to 400 TCF. The Stellenbosch-based financial consulting firm, *Econex* is assisting with the study.

Beacon Hill Resources of the UK and *Midwest Africa Limited (MAL)* of India have received approval from the Ministry of Mining Resources for the exploration and development of the **MIDWEST COAL CONCESSION** covering an area of 158 square kilometres in the Tete Province, Zambezi Valley. The site is about fifty kilometres from the town of Tete. The stated investment will be USD 1,4 billion. Production is expected to commence in 2019 with 1 MTPA of coking coal and 6 MTPA of thermal coal. *Empresa Mocambicana de Exploracao Mineira (EMEM)* will have a 5% stake. *Rio Tinto's* Zambeze Project concession close to Tete has also been approved.

NAMIBIA

Swakop Uranium is developing the **HUSAB URANIUM MINE** in the Erongo region near Swakopmund in southern Namibia. The planning is for a large-scale open pit operation. The total cost of the Project is estimated at USD 2 billion. The reserves are estimated at 280 million tons and the life of the mine is set at around twenty years. *ABB* has recently won a contract for equipment supply. Namibia is becoming one of the world's leading uranium producers.

NIGERIA

Chevron and *Shell* have withdrawn from the **OLOKOLA LNG (OKLNG) PROJECT** situated between Ogun and Ondo States east of Lagos in southern Nigeria. The Project was initiated in 2005 with the *BG Group* which was the first to withdraw. The *OKLNG Company* comprised the *Nigerian National Petroleum Corporation (NNPC)*, *Chevron Nigeria* and *Shell*. USD 500 million has reportedly already been disbursed on the initiative. The gas production would have been for export and local consumption. The intention is to establish the Olokola Free Trade Industrial Zone around the Project. It forms part of the Master Gas Plan. *NNPC* is continuing with the Project and has allocated USD 14,5 million for the front-end design. Reported reasons for the delay include insufficient commitment from the federal government and stalling of the Petroleum Industry Bill. *ConocoPhillips* of the USA has pulled out of the Brass LNG Project.

RWANDA

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SIERRA LEONE

African Minerals of the UK is planning the second phase of the **TONKOLILI IRON ORE PROJECT** situated 200 kilometres east of Freetown, central Sierra Leone. The company has signed an MOU with *Tianin Materials and Equipment Group Corporation (Tewoo)* of China whereby the latter will invest USD 990 million for a 16,5% share. There will be a 20-year off take agreement. A blending facility at Tianjin Port is being investigated. The iron ore will be transported 200 kilometres to Pepel Port.

SOUTH AFRICA

Africa Project Access does not normally focus on Projects in South Africa. However, inserts and updates on Projects and Project-related issues in this country are included where there is involvement by the donors, international development finance institutions and international support agencies or there is a potential for involvement by these agencies and in cases where there is an African regional context.

South Africa through *ESKOM* is the only African member of the **GO15 ALLIANCE** that comprises sixteen of the world's largest power grid operators. It was established in 2004 as the *Very Large Grid Operators Association* and is administered from the USA. The objective of the organisation is to collaborate for the enhancement of power system security. The **GO15** members collectively account for 70% of world demand, 3,4 billion consumers on six continents, 2 518 GW of generation capacity and 2 272 000 kilometres of transmission lines. Africa's power utilities could well benefit from collaboration with this important grouping through their liaison with *ESKOM*.

SUDAN

An International Panel of Experts from Ethiopia, Sudan and Egypt have found that the **GRAND RENAISSANCE DAM PROJECT** will not have detrimental effects for Sudan and Egypt relating to the flow on the Nile River. The site is in the Benishangui-Gumuz region of north-western Ethiopia on the border with Sudan. The experts found instead that the dam would be beneficial in that it would facilitate the control of upstream flooding. The cost of the Project which is under construction is estimated at nearly USD 5 billion. The implementing agency is the *Ethiopia Electric Power Corporation (EEPCO)*. Ethiopia will be exporting power to Kenya, South Sudan, Uganda, Djibouti and Somalia.

TANZANIA

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The *Tanzania-China Mineral Resources Limited (TCMRL)* is developing the **LUDEWA IRON ORE PROJECT** in the Ludewa District of southern Tanzania. The resource is estimated at 220 million tons of iron ore, 175 000 tons of titanium and 5 000 tons of vanadium. The life span is 70 years. The Project will make Tanzania, Africa's fourth largest iron ore producer. The Project includes a smelting plant, an iron products plant, a power station with transmission lines and access roads. The initial investment is estimated at USD 3 billion. The *National Development Corporation (NDC)* is the government implementing agency.

UGANDA

The Ugandan government is planning to invest USD 500 million in its **NATIONAL POWER SUPPLY PROGRAMME** over the next four years. It intends doubling the length of the national grid from 1 700 kilometres to 3 400 kilometres. There are six transmission line Projects including connections to Kenya and Rwanda. The implementing agency is the *Uganda Electricity Transmission Company Limited*.

Construction of the 188 MW **ISIMBA HYDRO POWER PLANT** in southern Uganda has begun. The plant is situated 40 kilometres downstream from the Bujagali dam. The appointed contractor is the state-owned *China International Water & Electric Corporation (CWE)*. The duration is four years. Funding is from a USD 2 billion finance package from China which includes construction of the 600 MW Karuma hydro plant and the 600 MW Ayago Project.

ZAMBIA

A scoping study has been completed on the **MANSA MANGANESE PROJECT** situated in Luapula Province, northern Zambia. The mine is being operated by *Kaboko Mining* of Australia. Production from the mine has reached 5 000 tons per month and a first sale of 2 000 tons of high grade manganese ore has been concluded. The mine manager is *Lyapa Manza* of Zambia. There is increasing focus on Luapula Province as a new 'hotspot' or exponential growth point

The Ndola-based *Colwyn Group* has announced that it will be injecting USD 150 000 into the revitalisation of the **MUNUNSHI BANANA SCHEME** in the Mwense District of Luapula Province, northern Zambia. An initial 30 000 seedlings will be planted. Production is expected to start by the end of 2014. The Project has been dormant some time since it was privatised a few years ago and only some 400 hectares are now in use. The owner, *Colwyn* has stated that the main reason for the delay has been power supply problems which have now been addressed by *ZESCO*. The government including Luapula Province Minister *Benson Kapaya* has said that it will repossess the scheme if the owner does not invest. The government has also indicated that it may retake the non-operational Kawambwa tea estate in Luapula.

The **CHEMBE MULTI-FACILITY ECONOMIC ZONE** in Luapula Province is being developed. A Chinese group is considering a rice production facility in the zone. Sugar processing is also being promoted. The *Zambian Development Agency (ZDA)* is the responsible authority for investment promotion. The Pedicle road links the province with the Copperbelt through the DR Congo. The tarring of the 70-kilometre road is currently underway. The *Roads Development Agency (RDA)* has announced that the Lubembe Bridge will also be widened. There are considerable manganese deposits in the area.

The *Copperbelt Energy Corporation (CEC)* and the *Africa Finance Corporation (AFC)* are implementing the **LUAPULA HYDRO SCHEME POWER PROJECTS** that number five. The cost is estimated at USD 1 billion. The duration is estimated at six years. *CEC* began feasibility studies on the Project in early 2011.

There is much current activity relating to a **POWER PROJECT AT MAAMBA COLLIERIES** in southern Zambia. The *African Development Bank (AfDB)* has approved a loan of USD 150 million for the new power Project as well as improvements at the colliery. *Maamba Collieries Limited (MCL)* are involved in a PPP with *Nava Bharat Ventures Limited* of India and *ZCCM Investment Holdings* for the construction of a 300 MW coal-fired at Sinazongwe. The cost is estimated at USD 800 million. The EPC contract has been awarded to the *Shandong Electric Power Corporation* of China. There are about fifteen appointed subcontractors. The Project includes a 46-kilometre 330 kV double transmission line from Maamba to Muzuma.

Zimbabwe and Zambia have signed an agreement for the establishment of a long-awaited **ONE-STOP BORDER POST** at Victoria Falls/Livingstone. A trial run was successfully concluded during the recent *United Nations World Tourism Organisation (UNWTO)* general assembly recently held in Victoria Falls by

both countries. South-bound traffic from Zambia will be cleared by Zimbabwean authorities while north-bound traffic will be cleared by Zambian controls.

The 1 600 MW **BATOKA GORGE HYDRO POWER PROJECT** for Zambia and Zimbabwe is being enhanced by the construction of key access roads. The road linking the Zambezi River gorges to the Bulawayo-Victoria Falls highway has been completed. *Tarcon Engineering* of Zimbabwe was one of the contractors on the Zimbabwean side. *Nzovu Company* of Zambia is working on the access to Batoka north on the Zambian side. USD 2,5 million was allocated for the access roads. The *Zambezi River Authority (ZRA)* is the responsible implementing agency. The *World Bank* is reportedly assisting with the financing.

ZIMBABWE

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REGIONAL

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

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

** A **4-5 STAR HOTEL** is being proposed for construction in Beira, Central Mozambique. It will consist of 150 beds, restaurants, a business centre, swimming pool, fitness centre, conference auditorium, a casino and landscaped gardens. It will be situated on a 3,8 hectare site on the sea front. The owner of the land is a contractor. The initial designs have been undertaken by *Salerno Architects*. The promoters are looking for investors, operators and a main construction partner. Beira has historically been short of hotel rooms.

The new 5-star **INTERCONTINENTAL LUANDA HOTEL** will be 25 floors and will have 450 rooms. It will be situated on an area of 53 128 square metres in the upmarket Miramar District and will provide views of the Atlantic Ocean. The Project includes conference facilities. Opening was originally for 2009 but it is now scheduled to open late 2014. The main investor is the *Intercontinental Hotel Group (IHG)*. One of the suppliers is the security equipment company, *Assa Abloy* of South Africa.

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

The **INTERNATIONAL FINANCE CORPORATION (IFC)** of the *World Bank* Group has mobilised record investments of USD 5,3 billion for Projects in Sub-Saharan Africa in the 2013 financial year. It invested USD 24,8 billion globally for the year. Investments in Sub-Saharan African infrastructure Projects increased from USD 1 billion to USD 1,5 billion. In southern Africa, USD 546 million was allocated to 23 Projects.

The **DEVELOPMENT BANK OF SOUTHERN AFRICA (DBSA)** disbursed R9,2 billion on infrastructure in South Africa and southern Africa in the 2012/2013 financial year. In 2011/2012 the amount disbursed was R8 billion. R5,6 billion was allocated to energy (mainly renewables in South Africa); R1,4 billion went to water and sanitation in South Africa; R248 million was spent on affordable housing. 81% of the total infrastructure spend was in South Africa and 19% in *SADC*. The bank registered a net loss of R826 million. It will be focussing on public infrastructure with emphasis on water and sanitation, energy, transport and ICT.

In Nairobi in May 2013, the NPO, Acumen launched the **ACUMEN AND DOW TECHNICAL ASSISTANCE INITIATIVE** to support social enterprises across East and West Africa. It was supported by *Dow*, *Coca-Cola* and *Standard Chartered Bank*. Projects include *Western Seed* producing hybrid seeds for East Africa, *Virtual City* linking small farmers to markets through mobile telecommunications, and *Sanergy* generating organic fertilizers.

The *African Development Bank (AfDB)* has approved an allocation of USD 70 million to the **PTA BANK**. USD 20 million will be for additional equity and USD 50 million will be for a credit line. The intention is to finance small and medium-sized enterprises and to support regional Projects.

Contacts

AFRICAN CONTACTS

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Sandra Uwera is Coordinator and *Kudzai Madzivanyika* is Programme Officer at the **COMESA BUSINESS COUNCIL**, telephone Lusaka 260 211 229725/32, e-mail: suwera@comesa.int or kmadzivanyika@comesa.int

Dr *Pierre Brutus* is Chairman of the Liberian NGO, **ORGANIZATION FOR CHILDREN & ADOLESCENT MOTHERS (OCAM)**, telephone Monrovia 231 880912889 and Director General of **ALTA Consultancy & Marketing Inc**, telephone Pretoria 27 12 3462530, e-mail: altaconsultancy@yahoo.com He is the husband of the Liberian Ambassador to South Africa.

Trevor Simumba is Founding Director at **TAGOS GROUP ZAMBIA LIMITED** which is involved in the North West Rail Project, e-mail: Trevor.simumba@s-scg.com

The Country Manager for Mozambique at **AURECON** is *José Camba*, telephone Maputo 258 21 306056/7, e-mail: jose.camba@aurecongroup.com

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Robert Dwamena is Director: Procurement at the **ELECTRICITY COMPANY OF GHANA (ECG)**, telephone Accra 233 21 676727.

ICT/TELECOMMUNICATIONS CONTACTS

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MINING CONTACTS

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Matt Pieterse is a South African working for the Australian oil company, **CARAVEL ENERGY LIMITED** which is operating Block 3114 of the Morondava Basin near the Toliara area of southern Madagascar, telephone 61 8 92004268.

AGRICULTURE/AGRI-BUSINESS CONTACTS

Laban Mulehi is the Western Regional Manager at the **KENYA SUGAR BOARD (KSB)**, telephone Nairobi 254 20 8018750-3.

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Kenneth Macharia is East Africa Business Development and Communications Manager at the **ACUMEN AND DOW TECHNICAL ASSISTANCE INITIATIVE**, e-mail: kmacharia@acumen.org The NPO has launched a number of initiatives relating to seed and fertilizer production and supply.

Terence Findlay is CEO of the **COLWYN GROUP** of companies, telephone Ndola 260 2 611761/6. The company owns the Mununshi Banana Scheme in Zambia.

HOTELS/TOURISM/COMMERCIAL PROPERTY CONTACTS

The Asia, Middle East and Africa office of the **INTERCONTINENTAL HOTELS GROUP (IHG)** is in Singapore, telephone 65 63956166. Paul Edgecliff-Johnson is Senior Vice President and Chief Financial Officer for Europe, Asia, Middle East & Africa while Nigel Stocks is Senior Vice President, Asia, Middle East & Africa.

Martin Loibooki is Director: Conservation at the **TANZANIA NATIONAL PARKS AUTHORITY (TANAPI)**, telephone 255 75855200, e-mail: martin.loibooki@tanzaniaparks.com

Isaac Mzumara Nkosi is Managing Director at **TPM Project Managers** which is inter alia undertaking a Project for a 40-room hotel in **NORTHERN MALAWI**, telephone 27 826932381, e-mail: isaacn@netactive.co.za

HEALTH SECTOR CONTACTS

Dr *Nicola Theron* is MD of the economic advisory firm, *ECONEX* which has undertaken considerable research in national health systems, telephone Steelnbosch 27 21 8875678 or 8829180, e-mail: Nicola@econex.co.za

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USEFUL WEBSITES

Notes from the *1st COMESA SUSTAINABLE TOURISM DEVELOPMENT FORUM* can be obtained from the COMESA website www.comesabusinesscouncil.org

The *ITU WORLD TELECOMMUNICATIONS DEVELOPMENT REPORT* can be obtained through the website: www.itu.int/home/itu-d

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

IMPERIAL LOGISTICS & BEIJING AXIS have merged to boost their procurement and international supply chains between Asia and Africa.

The following are the annual sales of *PILOT CRUSHTEC* rock-crushing units according to the company's latest report:

- South Africa (3 000+)
- DR Congo (401-500)
- Zambia (201-300)
- Zimbabwe (101-200)
- Angola, Namibia, Botswana, Tanzania, Kenya, Uganda, Ethiopia, Central African Republic, Mali, Libya, Madagascar (up to 100 each).

The following were the *AFRICA INVESTOR CAPITAL MARKETS AWARDS* made recently at the New York Stock Exchange:

- Most Innovative Africa Stock Exchange: *Nairobi Securities Exchange*
- Best African Bank: *UBA Capital*
- Best African Research Team: *Ecobank*
- Most Innovative Capital Markets Regulator: *Securities Exchange Commission of Nigeria*
- Best Performing Broker in Africa: *Auerbach Grayson*
- Best Africa Fund Manager: *Actis*
- Best African Listing: *Umeme* of Uganda
- Best Performing Ai100 Company: *Ghana Commercial Bank*
- Best Performing Ai40 Company: *Safaricom*
- Ai100 CEO of the Year: *Simon Dornoo* of *Ghana Commercial Bank*
- Ai40 CEO of the Year: *Bob Collymore*, CEO, *Safaricom*
- Most Innovative Ai Social Responsibility 150 Company Investment: *First Bank of Nigeria*
- Most Innovative AiSR130 Company Investment: *Kenya Commercial Bank*
- AiSR150 CEO of the Year: *Aliko Dangote*, CEO, *Dangote Group*
- AiSR130 CEO of the Year: *Phillips Oduoza*, Group MD, *UBA Bank*
- Ai Pension Fund Initiative of the Year: *UN Joint Staff Pension Fund*
- Ai African Pension Fund Initiative of the Year: *Government Employees Pension Fund (GEPF)* of South Africa
- Ai Investor Capital Market Personality of the Year: *Mohamed El-Erian*, CEO, *PIMCO*.

TRAVEL NOTES

JOMO KENYATTA (NAIROBI) AIRPORT is now fully functional since the recent fire that damaged much of the infrastructure. The government has announced that it will be fast-tracking the completion of terminal four.

There are now a few more accommodation options in **TETE** in Mozambique's Zambezi Valley. One is the newly constructed *Masau River Lodge* situated on the bank of the Zambezi Valley. Another is the *Masolosolo Lodge*, telephone 258 25224069/71 or 258 847493547, e-mail: hotel.nhungue@teteadvantures.com There is a serious shortage of accommodation in the town.

Two recommended hotels in **BUJUMBURA, BURUNDI** are the *Hotel Botanika* (telephone 257 22226792, e-mail: adrien@hotelbotanika.com) and the *Roca Golf Hotel* (telephone 257 22277100, e-mail: info@rocagolfhotel.bi).

According to recent visitors, the security situation in **MOGADISHU, SOMALIA** has deteriorated to the extent that business visitors are advised to hold meetings at the airport and depart immediately thereafter.

KIGALI, Rwanda is fast becoming an aviation hub as *RwandAir* expands its routes to eighteen destinations including main cities in West Africa. Civil aircraft companies and medical rescue companies have also established Kigali as a regional centre.

Three recommended hotels for **OUAGADOUGOU, BURKINA FASO** are the *Splendid Hotel* (telephone 226 50317278, e-mail: info@splendidhotel.com), *Hotel Independence* (telephone 226 50306063, e-mail: independence@azalaihoteles.com) and *Hotel Yibi* (telephone 226 50307323, e-mail: yibihotel@fasonet.bf)

Forthcoming Events

Inserts in bold, italics and larger font indicate participation by Africa Project Access:

The **MOZAMBIQUE INVESTMENT SUMMIT** will be taking place 4-7 November 2013 at the Guoman Tower Hotel in London. Listed speakers include representatives of *Vale, Jindal, SASOL* and *Olam*.

Contact: telephone 44 20 72166056, website: www.mozambiqueinvestmentsummit.com

The **2nd ANNUAL AFRICAN RAILWAY SUMMIT** will be taking place 5-6 November 2013 at the *Blu Gautrain Hotel* in Johannesburg. A main sponsor is *Transnet Freight Rail*.

Contact: *Tananya Priya*, telephone 971 46091570, e-mail: tanaya.priya@fleminggulf.com

The **16th GULF OF GUINEA OIL & GAS CONFERENCE** will be taking place 6-8 November 2013 in Abidjan. It will be co-hosted by *PETROCI*.

Contact: website: www.cwcgog.com

The **7TH POWERING AFRICA: THE FINANCIAL OPTIONS** conference will be taking place 14-15 November 2013 at the *Vineyard Hotel* in Cape Town.

Contact: *Amy Offord, EnergyNet*, e-mail: amy.offord@energynet.co.uk

The **LUANDA & MAPUTO VIA LISBON BUSINESS SEMINAR** will take place 18-19 November 2013 in Lisbon and is being organised by the *Afrika-Verein* of Germany, telephone *Johannes Kurt*, telephone 49 30 206071977, e-mail: kurt@afrika-verein.de

The **AITEC EAST AFRICA ICT CONFERENCE** will be taking place 20-21 November 2013 at the *Oshwal Centre* in Nairobi.

Contact: Telephone 44 1480 880774, e-mail: info@aitecafrica.com

The **4th COALTRANS MOZAMBIQUE CONFERENCE** will be taking place 26-27 November 2013 in Maputo.

Contact: *Ellie Saklatvala*, telephone 44 207 7798791, e-mail: esaklatvala@euromoneyplc.com

The **WEST AFRICA POWER INDUSTRY CONVENTION (WAPIC)** will be taking place 26-27 November 2013 in Lagos, Nigeria.

Contact: *Ade Yesufu, Spintelligent*, telephone Cape Town 27 21 7003500, e-mail: ade@spintelligent.com

The **AFRICA ASIA OIL & GAS SUMMIT (AAOGS)** will be taking place 27-28 November 2013 at the *Shangri-La Hotel* in Singapore.

Contact: Telephone 65 68276842, e-mail: aaogs@sbf.org.sg

The **POWER AFRICA ETHIOPIA EXECUTIVE MEETING** will be taking place 28-29 November 2013 in Addis Ababa. *ABB* is a main sponsor.

Contact: *Amy Offord, EnergyNet*, e-mail: amy.offord@energynet.co.uk

The **9th COMESA BUSINESS FORUM** will be taking place 9-10 December 2013 in Kinshasa, DR Congo.

Contact: *Sandra Uwera, COMESA Business Council*, telephone Lusaka 260 211 229725/32, e-mail: suwera@comesa.int

The **ENERGY INDABA 2014** will be taking place at the Sandton Convention Centre near Johannesburg 17-20 February.

Contact: *Liz Hart, Siyenza*, telephone Johannesburg 27 11 4639285, e-mail: liz@siyenza.za.com

The **2014 MINING INDABA** will be taking place 3-6 February in Cape Town.

Contact: Website: www.miningindaba.com/conference

WATER AFRICA & WEST AFRICA BUILDING & CONSTRUCTION 2014 exhibition and services will be taking place in Accra, Ghana, 18-20 June 2014.

Contact: *Tracey Nolan-Shaw, ACE Event Management*, telephone 44 1902 428766, e-mail: info@ace-events.com

AFRICA & THE GLOBAL ECONOMIC DOWNTURN

PPC CEMENT of South Africa has stated that 22% of its revenue is currently coming from the rest of Africa outside South Africa. It hopes to increase this to 40% by 2016.

Whisperings - Footnotes

WHISPERINGS – FOOTNOTE 1

There is a growing trend for the construction of **PRIVATE AIRPORT TERMINALS** or facilities at African airports. These vary from the four-floor complex being constructed by *Quits Aviation* at Lagos International Airport to the modest VIP lounge established at Lubumbashi airport in the DR Congo.

WHISPERINGS – FOOTNOTE 2

There is growing **ASIAN INTEREST IN EAST AFRICAN GAS FIELDS**. *ENI* of Italy has sold some of its interests in Mozambique's Rovuma gas field to a Chinese concern and the *Oil and Natural Gas Corporation (ONGC)* of India is buying a 10% stake from *Anadarko* in a Mozambican offshore gas field. *Oil India* is buying a similar share in the field.

WHISPERINGS – FOOTNOTE 3

OIL PRODUCTION FROM UGANDA'S LAKE ALBERT is scheduled to commence only in 2017. It is unclear as to whether the USD 400 million capital gains tax dispute between *Heritage Oil*, *Tullow Oil* and the Ugandan government is largely responsible for the delay. *Tullow* recently won its case against *Heritage* in a London Court. *CNOOC* of China and *Total* of France were brought in by *Tullow* as 'big ticket players' to help finance the required oil production infrastructure.

WHISPERINGS – FOOTNOTE 4

The South African experience and expertise in **FRANCHISING** could be successfully applied in the rest of the continent. South African companies such as the fire control products manufacturer, *FST* are establishing franchises in markets such as Tanzania and Angola. In the past, the *African Development Bank* recognised this core competency and undertook an investigation into the extension of franchising networks across Africa. *ABSA* has a special franchising unit and is targeting Africa's franchising potential. There are numerous benefits including the transfer of technical, managerial and advertising skills, seed finance, small business stimulation and logistics consolidation.

WHISPERINGS – FOOTNOTE 5

Kenya remains a leader in **ICT INNOVATIONS** in the African continent. A recent example is the collaboration between *Airtel Kenya* and *Total* whereby customers at *Total* service stations will be able to pay for fuel, lubricants, car washes etc through *Airtel Money*.

WHISPERINGS – FOOTNOTE 6

The stalling of Nigeria's **PETROLEUM INDUSTRY BILL** has apparently led to the withdrawal by the majors from new oil and gas ventures in the country. The Olokola and Brass LNG Projects have lost impetus following the withdrawal of *Chevron*, *Shell* and *ConocoPhillips*. The Bill would sharply increase industry taxes and the majors claim that oil production will drop accordingly.

WHISPERINGS – FOOTNOTE 7

A recent study on **WINE CONSUMPTION IN GHANA** has revealed that the total value of imported wines increased from USD 2million in 2002 to USD 27 million in 2012. This reflects the increased prosperity and growth of the middle class in this new oil producing country.

WHISPERINGS – FOOTNOTE 8

The *African Development Bank (AfDB)* has declared that all of its personnel currently at the *AfDB* temporary headquarters in Tunis will be back at the ***AfDB HEADQUARTERS IN ABIDJAN***, Côte d'Ivoire during the course of 2014. This has important implications for the city's services sectors for example in housing, security, education and leisure. The 27-storey *CCIA* building has been renovated at a cost of 33 billion CFA.

Quotable Quotes

QUOTABLE QUOTES 1

“Africa was really the only place where we could take the money out to play.”
(Whitey Basson, CEO, Shoprite in a recent interview with the *Business Times*.)

QUOTABLE QUOTES 2

“Zimbabwe is for Zimbabweans, so are its resources. Please remove your illegal and filthy sanctions from my peaceful country.”
(President *Robert Mugabe* in a speech to the *United Nations General Assembly*.)

Further Information & Indemnity

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

- **New Hotel in Beira, Mozambique**
- **Two Power Station Developments in Kenya**

INDEMNITY

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