

African Union

- **Africa:** African countries want to support private investor participation in its energy sectors. The top opportunities in SSA: 1) **Cameroon** Current sources are hydroelectric and thermal. The greatest opportunity for producers is the 20,000 MW in exploitable hydropower potential. 2) **Tanzania** Renewable energy is picking up steam. Independent power producers are strongly encouraged. 3) **Ethiopia** Ethiopia has considerable untapped renewable energy resources, including hydropower, geothermal, and wind and solar generation opportunities. 4) **Ghana** Current production is mostly from hydropower, thermal, solar and wind. Gas has become quite prevalent. Renewable energy plans include wind, mini-hydro, modern biomass resources and solar. 5) **Mozambique** Mozambique has the potential to build another 5,000 MW of hydropower. It is home to massive gas and coal reserves, with large untapped biomass and biofuels potential. 6) **Kenya** Kenya has 7 independent power producers contributing to the national grid. Private investment is necessary to grow the required 15,000 MW by 2030. 7) **Nigeria** Fifteen of the 18 companies that made up the Power Holding Company of Nigeria were sold to private companies and over 70 independent power producer licenses were issued. Blessed with large gas reserves and significant hydro, coal, solar and wind energy sources, Nigeria is positioned to turn over a new leaf in the next decade. For more information, read [here](#).
- **CAS View:** Here are 7 countries with a substantial number of investment opportunities for non government investors in the electricity sectors of Africa. They are by no means the only opportunities. Whilst the intention to involve private sector independent power producers is laudable, it will eventually be the implementation of these policies that will determine the success thereof. Africa has not been dramatically successful with IPPs. Whoever embraces these opportunities, will need to ensure successful implementation. Although this is a standard requirement, the field of IPP implementation is frequently fraught with challenges. One of the primary reasons is that governments have a social obligation to provide affordable and sustainable electricity to their populations, whilst IPPs are in the game for the profit. In addition, growing the economy equally requires affordable and sustainable energy for industry. Africa needs to ensure that it plays the game well, as they surely need the contributions from IPPs.
- **Africa:** Africa's seas and oceans can be a major contributor to its transformation and growth. In 2011 the value added of the fisheries sector as a whole was estimated at more than \$24 billion, 1.26% of the GDP of all African countries. However, Africa's oceans have been the intentional dumping ground for all sorts of waste, including sewage, industrial run-off and chemicals. Advances in technologies can reduce fish stocks quite significantly. Illegal fishing is also a massive problem. 39 African countries had less than 1%, or no, territorial sea protection. Marine protected areas, international fishing agreements, and national laws and regulations within EEZs can all play a role. In other cases, the push for protection is at the local level with some countries recognising their tourism and fishery potential. Decreasing budgets and enforcement continues to be major challenges. If African nations will want to take full advantage of their blue economy, they will have to get to grips with financing and managing it in a sustainable fashion. For more information, read [here](#).
- **CAS View:** The poorer and militarily weaker countries of the world are at the mercy of large fishing fleets of the larger and richer countries. In the past few weeks, reports have been published of fishing vessels of countries such as China that have been sighted, and even apprehended, in the fishing waters of developing countries, amongst others in South Africa. It would be naïve to think only China is guilty of illegal fishing. Enforcement is a major issue, rightfully identified as such by the article. Without a navy of some sort, the majority of Africa's countries have no means to keep their territorial waters free of illegal entrants. The reality is that without "big brother"

support, Africa's nations have no hope to fully tap into the potential of their territorial waters. To complicate matters, it does seem that one potential "big brother" is a culprit as well.

- **Africa:** Rwanda has made steady progress over the last two decades, from automating fare collection in buses to delivering essential services, with backing for this coming from strong partnerships. A less underplayed theme in Kigali during WEF Africa was that technology has rapidly become an international security issue, Africa included. The challenge is striking a balance between an information and data intensive age and the right amount of vigilance that does not increase threats or harm commerce. Many African governments are pushing on with national e-government plans, but have not invested sufficiently in security of such data. Cybercrime such as identity theft, website hacking, fraud and online violence against women was also prevalent. An estimated 80% of computers in Africa are infected with viruses, while cybercrime has been spreading fastest in Africa than anywhere else. This is where Rwanda earns its stripes. In March 2015, Rwanda approved policies and structures to safeguard data from cyberattacks and deal with crimes. To anchor Africa's 'smart development', it's important for it to have the basics in place first, including its policies and skills base, or risk being swamped by sophisticated threats. This also has a direct role on Africa's economic development, and consequently its future. For more information, read [here](#).
- **CAS View:** Africa will need support in the arena of ICT security. It does touch upon the issue of trust, which is essential for the growth and development of e-commerce. Issues such as identify fraud are deterring people from utilising the internet optimally for e-commerce purposes. This also goes for e-government. Countries and companies that have sophisticated policies and technology in place, can tap into this business opportunity. The reality is that security policies and skills are a crucial necessity! It is interesting once again to see that Rwanda is at the forefront of African countries as far as ICT developments are concerned. Considering where they were 25 years ago, it is an amazing feat, driven by an honest and strong leader.

West Africa

- **Nigeria:** Crude oil prices rose above the \$50/barrel mark for the first time in 7 months. But even with rising fuel prices on the global market, Nigeria is still not getting the benefits of the surge as militant groups locally continue to attack oil pipelines. The so called Niger Delta Avengers have been bombing pipelines and diving underwater to destroy equipment. The militants, who say oil firms are responsible for pollution and the poor swampland region not benefiting from its reserves, have vowed to reduce Nigeria's oil output to zero and has intensified attacks on the infrastructure over the last few weeks. Unconfirmed reports indicated that Avengers attacks has brought Nigeria's oil production to just 800,000 barrels per day, from 2 million. Analysts say these attacks risk pushing Africa's largest economy towards recession instead of of the higher crude oil prices helping it recover from the effect of a price slump over the last two years. For more information, read [here](#).
- **CAS View:** Just when one thought that getting the battle against Boko Haram under control, another security concern surfaces. The Niger Delta Avengers apparently have a stated objective of not killing people, but of destroying infrastructure to bring oil production to a halt. Their primary gripe is that the region is not getting any benefit from the oil production, and have to struggle with pollution. Buhari is also targeted as he has not visited the Christian south, and that he is accused of ignoring local problems. This brings one to the need to develop "inclusive growth". This is a prime example of a grouping of people who have been side-lined. Whether their position truly has merit, is irrelevant as they think they do. And apparently they have the means to make their point quite visible. It seems the oil companies also have a need for a "social license to operate." The sooner they get involved in this, the better. Mining companies have accepted this as a rule of the game in their industry. It

always is about numbers. One could wait and see whether it would be more expensive to keep on side-lining local communities or to include them in the benefits of the oil extraction. It shouldn't be so difficult to do the calculations, however. Learn from the experience of the mining community.

Southern Africa

- **Zambia:** Zambia plans to build two solar projects that will charge the lowest tariffs in SSA. Solar power development comes as Lake Kariba, the main source of Zambia's electricity (hydro), is at a just 12% of its capacity. The two solar projects, which can produce 50MW each, will provide electricity priced at 6.02c/kWh and 7.84c/kWh, respectively. Those prices will remain fixed for 25 years. Zambians using over 300kWh in their homes pay about 51c/kWh on the current energy tariffs with a standard 31c/kWh for commercial use. Diversifying Zambia's renewable energy sources has become more urgent as the country's reliance on hydropower has exposed cracks in the system. Zambia's historic failure to expand the hydropower system or invest in other renewable energy sources has exacerbated the current electricity shortage. Critics say Zambia has failed to harness an estimated 6000MW of unexploited hydropower in the fifty years since Lake Kariba was built. To support economic growth, Zambia must produce 3,000 MW by 2050. Adding scaled solar power projects to the national grid could help Zambia reach this target. For more information, read [here](#).
- **CAS View:** Solar has generally been projected to be the new energy business model for Africa. Until a short while ago, the costs involved with solar were too high for it to be a viable model. However, it has also been stated that the technology was getting more efficient and cheaper. From the above article, it does seem that the costs of solar have become substantially cheaper than hydro energy. It is also projected that in the not too far distant future, solar will also become cheaper than coal-fired energy. Countries in Africa have no alternative but to grow and develop a source of cheap and sustainable energy, given the need for it in the growth of economies, and more specifically, the development of a manufacturing sector, which is generally seen as a must in order to move economies away from the export of commodities.
- **Mozambique:** Mozambique has an ambition to become the world's third-largest exporter of liquefied natural gas. Positive sentiments emanating from its gas-findings is tempered by gloom over ballooning state debt and depressed fuel prices. Project approval could see liquefied natural gas (LNG) production boost the size of the economy ninefold by 2035. That potential from the gas fields off Mozambique's northern coast is at risk after the government in April disclosed \$1.4 billion of previously hidden debt. Revenue for Mozambique could reach up to \$212 billion over the life of the LNG project. LNG production could spur growth in the Mozambican economy to 24% a year from 2021 to 2025. Sasol also has an appetite for Mozambique, which remains the focus of its investment drive. The South African market is lucrative, but volumes are small. Mozambique will need to reach Asian markets to realize its full potential. Speed is essential - if either of the projects are ready to produce in the very early 2020s, it will be coming into the market just as supply and demand are coming into balance. If not, it will be one of many trying to exploit the next window of opportunity. For more information, read [here](#).
- **CAS View:** Mozambique has a tremendous opportunity to develop its economy in a meaningful way. The revenues from the gas exports would enable it to stimulate various sectors in the economy. However, it does appear that there is a good chance that Mozambique might fall victim to the resource curse. It seems that the gas findings in Mozambique would help South Africa industrialise to a greater extent than it would Mozambique. In addition, the so-called Tuna Bonds, used to purchase a fleet of tuna boats, have become a burden. More so when it was discovered that the money was not invested in just tuna boats, currently sitting idle in the harbour, but also for other purposes it was not initially intended for. This included the purchase of gunboats – ostensibly to protect the

fleet of tuna boats. This has created a lot of controversy and mistrust in the Mozambican government. In spite of these local disturbances, Singapore will link the natural gas producers in East Africa to the buyers in Asia, providing an organized marketplace for LNG in the region, and as such follow a switchboard business model.

- **South Africa:** It could be a very important step for South Africa to join the East African regional visa initiative. Tourists would be more likely to visit other countries in regions if they can obtain one visa for the purpose. Usually travel and tourism grows in regions where such single regional visas have been implemented. The liberalisation of African aviation is very important to stimulate economies and create jobs. It will also enable low-cost airlines to unlock value. South Africa could show leadership in this regard. Already 25 years ago there was an agreement on open skies for Africa, but governments still operate in an isolationist way. SA would do well to grow China as a source market for tourism. The Chinese tourism market is the fastest growing in the world. Every year 4 billion domestic trips are taken within China. In 2010 there were 58 million outbound international travellers from China, in 2015 this increased to 125 million and by 2017 it is estimated to reach 117 million. Chinese tourists are also the highest spenders. SA is the ideal attraction for them and even more will come if their visas could be processed upon arrival in SA. This could be an important strategy for the SA tourism market growth. For more information, read [here](#).
- **CAS View:** The East African Community is the most efficient as far as free trade areas are concerned. They already allow for intra-regional travel with a single visa. South Africa would indeed do well should it join the EAC as far as tourism is concerned. When analysing the history of South Africa and visas, unfortunately it appears that much could be done to improve the situation in South Africa is concerned. The Department of Home Affairs seems hell-bent on shooting itself in the foot in this area. While the number of tourists from China was reduced drastically last year due to the onerous conditions set by the SA Department of Home Affairs, the numbers have increased lately when concessions were made after considerable pressure were brought to bear on the minister. However, the situation is still far from ideal. The irony is that SA has so much to offer and tourism has a great leverage effect in terms of added value, both upstream and downstream in the value chain. For more information on the link between East African gas and Singapore, read [here](#).