



SOUTH AFRICAN

BRICS INVESTMENT PROGRAMMES

October 2016





FOREWORD

Brazil, Russia, India, China and South Africa (BRICS) have established a regime that has organised itself to contribute meaningfully to showcase opportunities and, through this collaborative approach, is able to strengthen and promote economic development, trade, business, and investment ties for almost half of the world's population. A key enabler of this vision is business. Since its formation in March 2013, the BRICS Business Council has proven to be an effective platform for strengthening and promoting economic, trade, business, and investment ties among the business communities of the five BRICS countries and, for South Africa, with the broader African region.

Our overarching goal as the South African BRICS Business Council is, therefore, to bring tangible projects to fruition more quickly and to strengthen the interface between the governments and private sectors of the BRICS economies. The initiative is demonstrating, through the showcasing of concrete initiatives and regular dialogue with governments, that the Business Council and the broader BRICS initiative are successful and are also making a significant contribution to growth and development in our respective countries.

The South African BRICS Business Council has identified eight key business investment programmes and associated projects. In addition, a business portal has been set up to provide information to other BRICS Business Councils, member companies, and governments and provide a platform for communication and collaboration at a national and continental level. This publication details the eight investment programmes and is aimed at giving potential investors, partners and governments, an idea of where the South African BRICS Business Council is expending its effort to achieve the maximum impact on growth and development in our country and highlight the opportunities available to our BRICS partners.

Dr Brian Molefe

Chair of the South African BRICS Business Council





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SOUTH AFRICA AS AN INVESTMENT OPPORTUNITY

According to the World Economic Forum (WEF) Global Competitiveness Report for 2015 - 2016 South Africa climbed seven places to reach 49th, thanks largely to increased uptake of ICTs—especially higher Internet bandwidth—and improvements in innovation (up by five places to 38th), which establishes the economy as the region’s most innovative. South Africa also hosts one of the continent’s most efficient financial market (12th) and benefits from a sound goods market (38th), which is driven by strong domestic competition (28th) and an efficient transport infrastructure (29th). It further benefits from strong institutions (38th), particularly property rights (24th) and a robust and independent legal framework.

South Africa ranks amongst the most open jurisdictions for FDI in the world and provides strong protection to investors in line with high international standards. Extensive tariff liberalisation has taken place since 1994 and the National Development Plan and the Industrial Policy Action Plan call for “developmental” trade policies” to encourage and upgrade value-added, labour-absorbing industrial production.

International experience demonstrates the importance of a strategic approach to tariff policy (i.e. as part of industrial policy, and pursued gradually and selectively to support industrial development). An example of the latter has been South Africa’s Renewable Energy IPP Programme. Touted as largely successful due to coherent government drive and policy and favourable subsidies. The programme has resulted in investment in the country.

Effective from 23 December 2014, South Africa implemented a 10 year BRICS visa for business executives from BRICS countries. BRICS business executives who apply for a visa to visit South Africa for short business trips and meet the criterion, is now issued with port of entry visas to South Africa allowing them multiple entries for up to 10 years. with each visit not to exceeding 30 days.

South Africa is therefore an attractive investment destination and provides not only opportunities within our borders but also the broader African continent.



OVERVIEW OF KEY INVESTMENT PROGRAMMES

The South African BRICS Business Council has identified 8 investment programme areas, which are aligned with the needs and objectives of South Africa, Africa and the other BRICS nations. These investment programmes are in varying stages of development, some in conceptual stages and others already with a suite of well-developed projects. It is envisaged that this investment portfolio will evolve over time and new projects will be identified and others will be implemented and then tracked in terms of value add. The 8 programmes are as follows:

- Insurance and re-insurance cooperation
- Agriculture
- Electricity generation and Transmission infrastructure in Africa
- BRICS information technology connectivity
- African Union's North South Development corridor
- Oceans economy co-ordination
- Co-operation projects on manufacturing in aviation
- Manufacturing and industrial programmes



DETAIL ON THE INVESTMENT PROGRAMMES

INSURANCE AND RE-INSURANCE COOPERATION

The scale and capabilities of the SA Insurance/Reinsurance industries:

The non-life insurance industry is a key component of the South African economy. Although the direct contribution to GDP is only about 2.5% - 3%, the non-life insurance industry is one of the major contributors to the economy, not only by insuring many billions of Rands in assets and insurable risks, but also as a direct employer in the financial sector. Through paying insurance claims, the industry also contributes indirectly to the economy by providing many diverse businesses such as motor body repairers, plumbers, builders, professional services firms and engineering firms, to only mention a few, with work and therefore indirectly further employment.

Registered insurers are classified in five main groups:

- Typical (or general) insurers.
 - Insurers who offer most types of policies to, mostly, the general public.
- Cell captive insurers.
 - Insurers who offer insurance structures on a cell ownership basis for first party and third party cell owners.
- Captive insurers.
 - Insurers who offer cover of the risks of the owners only.
- Niche (or specialist) insurers.
 - Insurers who offer, mostly, specialised cover only, in certain niche markets.
- Reinsurers.
 - Insurers who offer specialised cover, only to primary insurers.

Insurers in South Africa are very diverse and many of the 100 registered insurers and 8 registered reinsurers specialise only in specific lines of insurance business. The various lines of business that insurers operate in are listed below:

- Motor: Personal and Commercial
- Property: Personal, Commercial and Agriculture
- Engineering
- Guarantee and Trade Credit
- Various Liability Lines
- Miscellaneous: Legal Expenses, Consumer Credit and Other Miscellaneous
- Accident and Health and Travel
- Transportation: Marine, Aviation, Transport and Rail
- Reinsurance is not currently deemed a class of business

The need for regulatory changes that would be needed in South Africa or other BRICS countries to make this programme possible may need to be explored.



Programme	Insurance and re-insurance cooperation
Project name	BRICS Reinsurance Pool
Project description	<p>Previous discussions regarding a possible BRICS reinsurance pool should continue as this proposed pool could be an effective mechanism to share the insurable risks of mega infrastructure projects (and potentially other risk exposures) between BRICS countries, thereby:</p> <ul style="list-style-type: none"> • Providing alternative risk transfer options to all BRICS insurers and reinsurers, • Increasing reinsurance capacity, and • Sharing in profits and losses. <p>A study on the necessary enabling policy and legislative environment will also need to be carried out.</p>
Location	South Africa and other BRICS countries
Implementing agent	This should be executed with the use of locally registered reinsurers (and insurers) as these businesses have the necessary expertise and the business systems to manage such a proposed reinsurance pool
Project value	To be determined
Target commission date	To be determined
Project status and documentation available	The South African insurance industry has the necessary skills and expertise to design and implement this proposed reinsurance pool
Incentives / funding available	
Responsible institutions	<p>National Treasury (NT) Financial Services Board (FSB) South African Reserve Bank (SARB) South African Insurance Association (SAIA) Financial Intermediaries Association (FIA) South African Underwriting Managers Association (SAUMA)</p>
Contact	<p>CEO of the South African Insurance Association (SAIA) Ms Vivienne Pearson Tel: +27 11 726 5381 Email: viviene@saia.co.za</p>



AGRICULTURE

This work programme aims to provide a prioritised and deliverable set of projects project that are integral to ensuring food security and economic development through Agribusiness sector in the BRICS countries. The BRICS Governments have recognised the importance of the private sector in the Agribusiness sector by accepting advice on issues related to agricultural activities in the BRICS countries. The Agribusiness Working Group of the BRICS Business Council (“BBC”) stated in 2015 Report, its desire to serve as an advisory body to the meetings of the BRICS Ministers of Agriculture and Agrarian Development, presenting recommendations and advise to BRICS officials on business sector priorities and concerns. The Agribusiness Working Group stated that this measure is essential for the BBC to realize its mission of ensuring regular dialogue between the business communities of the BRICS nations and the Governments of the BRICS countries.

Programme	Agriculture
Project name	Bee foundation
Project description	To establish five million bee hives in South Africa through the use of a mould for the production of hives
Location	In the republic of South Africa in all 9 provinces:
Implementing agent	Bee foundation co-operatives
Project value	R3 billion South African Rand
Target commission date	Once finances have been secured, this strategy shall be implemented
Project status and documentation available	The moulds are available and ready for production
Incentives / funding available	Funding will be made available for agricultural co-operatives in South Africa
Responsible institutions	The South African Agricultural Research Council and Bee co- operation, will take full accountability for execution of the project
Contact	Dr. Jean- Marie juliellienne PhD(moti) MBA NU USA Presidential advisor Drjmjullienne@gmail.com jeanmarie@beefoundation.com



Programme	AGRICULTURE
Project name	BRICS seed bank
Project description	<p>The establishment of a “BRICS Seed Bank” to ensure sustainable food security in the BRICS countries. the objectives of the project would be as follows:</p> <ul style="list-style-type: none"> • To establish backup storage and preservation of a wide variety of plant seeds for food, fibre, medicine, and other socioeconomic uses • To sustain current production systems, meet the food demand, improve peoples’ diets and maintain life support systems essential for the livelihoods in all BRICS countries • To have a collective approach for the maintenance of a diversity of genetic crop/plant species which also serves as a back-up for self-sufficiency in planting material by stabilizing the seed supply system in cases of crop failure • To operate and manage storage facilities to help preserve indigenous seed varieties as part of drought and climate change mitigation • To have a reservoir for farmers to select special lines to meet their changing needs • To improve seed market outlets through enabling the Agribusiness sector in the BRICS countries to sustainably produce crops of known genetic makeup, good quality and viability as well as ensuring acceptable and or reasonable seed prices • To contribute towards promoting economic empowerment of Agribusiness sector in the BRICS countries • To minimise the costs of buying seeds for planting
Location	Initially in South Africa
Implementing agent	Initially South African Agribusiness working group for the pilot with additional partners being identified as the project is scaled up.
Project value	To be determined.
Target commission date	<p>Short term goals are to establish proper structures, solicit resources for implementation of the pilot projects and assess the existing systems viability and areas of improvement.</p> <p>Medium term goals are to implement 1 pilot project per BRICS country and put in place proper infrastructure for seed multiplication and banking.</p> <p>Long term goals are to have the sustainable production of seeds for planting and consumption and to maintain and or improve the established infrastructure, as well as invest in research, innovation and technology transfer</p>
Project status and documentation available	Conceptal stage
Incentives / funding available	A costing model for implementation of the Seed Bank Pilot Projects per country will need to be developed taking into consideration existing related projects and programmes in each specific country. BRICS financial aid will be sought to establish full scale programmes in each



	country after the pilot project has been completed.
Responsible institutions	South African BRICS Agribusiness Working Group
Contact	Ms Zodwa Sluazy Mogami, email: zodwamogami@gmail.com

ELECTRICITY GENERATION AND TRANSMISSION INFRASTRUCTURE IN AFRICA

Programme	Electricity generation and Transmission infrastructure in Africa
Project name	Mphanda Nkuwa Hydro project and the associated transmission project
Project description	The construction of a hydroelectric power plant with a capacity of 1,500 megawatts (MW) in the Tete province in the Zambezi Basin, approximately 80 kilometers downstream from the existing Cahora Bassa power station. Part of the power generated will be used in Mozambique, while the balance will be exported to SA.
Location	Mozambique
Implementing agent	Government of Mozambique. Strong collaboration will be required from Department of Energy (South Africa), Department of Public Enterprises (South Africa), as well as EdM and Eskom
Project value	~ US\$ 3 billion.
Target commission date	Original plan was to commission in 2022, but project is on hold.
Project status and documentation available	The Mozambican ministry's new project development unit (UTIP), EDM and HCB advised they intend to develop Mphanda Nkuwa and STE as a priority project and that they would use Cahora Bassa balance sheet strength to support the funding requirements. As such the Mozambican entities would undertake the development and only invite other participation once the project preparation is completed. Equity participation by EDM (Mozambique), Eskom (South Africa), EDF (France), Eletrobras (Brazil) and State Grid Corporation of China (China) has been mooted in the past, but it is not clear at this stage if this is still valid given the latest update.
Incentives / funding available	None
Responsible institutions	Not applicable
Contact	Eskom contact: Mark Sims 011800 2683, mark.sims@eskom.co.za
Programme	Electricity generation and Transmission infrastructure in Africa



Project name	Mozambique North-South Gas Pipeline
Project description	The project entails the construction of an approximately 2 600 km gas pipeline from the Rovuma Basin in the Cabo Delgado province to the southern parts of Mozambique, and extending into South Africa to Richards Bay and/or Mpumalanga with planned commercial operation in early 2020.
Location	Rovuma Basin, Cabo Delgado province in Northern Mozambique via Maputo, Southern Mozambique, extending into RSA, to Richards Bay and/ or Mpumalanga.
Implementing agent	Not known as the Government of Mozambique is busy reviewing the previous arrangements with Gasnosu Project Company, based in Mozambique. This notwithstanding there will be requirement for strong collaboration from Department of Energy (South Africa), Department of Public Enterprises (South Africa)
Project value	US \$ 5 – 10 billion.
Target commission date	Gasnosu's aspiration is: Commercial Operation Date (COD) – Early 2020.
Project status and documentation available	Project in feasibility stage, with relevant studies ready to commence. Given the international oil and gas price reductions and the supply-demand balance in the international gas markets, it is unclear whether the proposed LNG plants at the Rovuma Basin will go ahead. Also South Africa's appetite for the electricity generated and/or the gas being pipes compared with LNG at one or more South African ports needs to be considered.
Incentives / funding available	Applications were submitted for development funding (PPDF and IIPSA) administered by the DBSA but this was not approved.
Responsible institutions	
Contact	Eskom contact: Mark Sims 011800 2683, mark.sims@eskom.co.za




Programme	Electricity generation and Transmission infrastructure in Africa
Project name	Grand Inga and associated transmission evacuation
Project description	In 2013 RSA and the DRC signed a treaty to develop this project. The Grand Inga project is a planned hydro power station in the DRC. It is planned to be developed in about 7 phases of between 5000-7000 MW each. The first phase- the current phase is called Grand 3. It comprises a power station of about 4 800 MW plus transmission lines to target markets. The target markets are Kinshasa (800 MW); Katanga (1300 MW) and RSA (2500 MW).
Location	On the Congo river in the DRC
Implementing agent	The DRC government is managing the process. It wants to develop the project through a concession and the concession process is under way.
Project value	About \$6bn in 2012
Target commission date	Not available
Project status and documentation available	The DRC is running a concession process to choose a company to build Inga 3. Department of Energy (DoE) of South Africa is leading talks with the DRC. DoE is developing an MOU with Botswana, DRC, Zambia and Zimbabwe to conduct feasibility studies on the transmission line
Incentives / funding available	There are no known incentives. It is assumed that incentives for the Inga 3 will be negotiated between the winning bidder and the DRC government.
Responsible institutions	The government of the DRC is responsible for the overall development of the project. The RSA government is responsible for the development of the transmission line to deliver RSA power. The RSA government is responsible for negotiating the RSA Power Purchase Agreement
Contact	Eskom contact: Lungisa Magwentshu 011 800 5830; Lunigsa.Magwentshu@eskom.co.za



Programme	Electricity generation and Transmission infrastructure in Africa
Project name	Eskom Transmission Projects
Project description	N-1 Contingency Compliance, Strengthening of the Transmission Grid, Integration of Independent Power Producers, the connection of Customers & Safety/Statutory Requirements
Location	South Africa
Implementing agent	Eskom Holdings SOC LTD
Project value	\$3.6bn
Target commission date	Construction start 2015-2024 Commercial operation 2016-2026
Project status and documentation available	National contracts established -Free issue materials to contractors Main contracts for lines (steel and labour) and civil works -Established panel contracting and open tenders in compliance with Eskom's procedures
Incentives / funding available	The projects identified comprise of a subset of 123 projects which were unfunded as at November-2015. All projects listed may also be proposed to other funders
Responsible institutions	Eskom Holdings SOC Ltd
Contact	Segomoco Scheppers, Segomoco.scheppers@eskom.co.za , +27 11 800 2287



BRICS INFORMATION TECHNOLOGY CONNECTIVITY

Programme	BRICS information technology connectivity	
Project name	The BRICS Cable Project	
Project description	<p>The BRICS Cable is a 34,000km submarine cable system linking Russia, China, India, South Africa and Brazil, with an interconnecting link to the USA. This ICT system will not only provide a strategic physical infrastructure alternative to existing East-West ICT infrastructure concentrated in the Northern Hemisphere, but will in fact provide global redundancy to all operators by completing a <i>Global Connectivity Ring</i> spanning both the Northern and Southern Hemispheres for the first time in the history of ICT connectivity.</p> <p>Technically, the system will be a 12.8 Terabit/second, 2 fibre pair, 100Gbits / second wavelength submarine cable built in 6 segments.</p>	
Location	Across all the BRICS countries	
Implementing agent	BricsComm (Pty) Ltd – a South African Registered entity	
Project value	\$1.25 Billion	
Target commission date	November 2017 for start of installation	
Project status and documentation available	Desk top surveys, traffic analysis, financial modeling and prefeasibility have been done with all documentation available	
Incentives / funding available	Currently looking for Development Funding to complete bankable feasibility study (BFS). Also looking for strategic partners to help facilitate progress.	
Responsible institutions	BricsComm (Pty) Ltd	
Contact	Andrew Mthembu or Cornelis Groesbeek afbm@mweb.co.za or cornelis.gr@gmail.com mobile: +27 82 991 0440	



AFRICAN UNION'S NORTH SOUTH DEVELOPMENT CORRIDOR

The project is defined as a multi-modal (road, rail and ports) trans-continental interconnector, ultimately connecting Cape Town in the south and Cairo in the north. South Africa champions this project, which will involve numerous countries and Regional Economic Communities (RECs).

The project entails several components, all of which are in various stages of the development lifecycle. These include road, rail, bridge, border post and energy projects. The corridor will ensure easy border crossing for both people and goods and will increase the efficiency and capacity of the transport sector. This, in turn, will speed up regional integration and will increase regional trade, while leading to cost savings.

The NSC road network spans 8 countries¹ and a total of 10,647 km of road (8,746.3 km excluding South Africa). In terms of both traffic and freight volumes, it is also the busiest transport network across the 27 countries that make up the Tripartite region (COMESA, EAC and SADC).

This report does not represent an exhaustive list of all the projects on the Corridor, but rather a small selection of available projects that are deemed to be of high interest to the BRICS Business Council members and affiliates.

Programme	North-South Corridor
Project name	Lesotho Highlands Water Project - Phase 2
Project description	<p>The Lesotho Highlands Water Project (LHWP) is a multi-phased project to provide water to the Gauteng region of South Africa and to generate hydro-electricity for Lesotho.</p> <p>The project entails harnessing the waters of the Senqu/Orange River in the Lesotho highlands through the construction of a series of dams for the mutual benefit of the two countries.</p> <p>Phase I of the LHWP, consisting of the Katse and Mohale dams, the 'Muela hydropower station and associated tunnels was completed in 2003 and inaugurated in 2004.</p> <p>Phase II of the LHWP is currently in progress. It consists of two separate but related components: water transfer and hydropower generation.</p> <p>The hydropower component of Phase II, which is currently under further feasibility studies, may include a pumped storage scheme, conventional hydropower such as the expansion of the 'Muela infrastructure or new greenfield sites. Its exact form will be determined on completion of the further feasibility studies.</p> <p>Phase II of the Lesotho Highlands Water Project will advance the sustainable, socio-economic growth and development of Lesotho and South Africa by:</p> <p>Delivering water from the Senqu/Orange River to the Republic of South</p>



	<p>Africa, increasing the current supply rate of 780 million cubic metres of yield per annum to more than 1 260 million cubic metres per annum. Utilizing the water delivery system to generate hydro power that will ensure a consistent peak power supply to the Kingdom of Lesotho and is a further step in the process of securing an independent electricity source to meet Lesotho's electricity requirements.</p> <p>To accomplish the economic, social and environmental objectives of this mandate, the Lesotho Highlands Development Authority will manage successful project implementation through its multidisciplinary project management unit and an integrated delivery approach.</p>
Location	Lesotho
Implementing agent	The programme is jointly implemented by the Republic of South Africa and the Kingdom of Lesotho
Project value	ZAR15.5bn (US\$1,450mn)
Target commission date	Phase II is expected to be substantially complete by the end of 2024.
Project status and documentation available	<p>Phase II includes the Polihali dam, the Polihali-Katse transfer tunnel and other infrastructure programmes. A prequalification process is under way to appoint consultants for the main works associated with the 2,322mn cubic metre dam and the 38.2km long transfer tunnel. Feasibility studies for the hydropower element of LHWP Phase II will begin in Q216. The feasibility studies are expected to take two years to complete. The main works are slated to start in 2018.</p> <p>The Trans-Caledonian Tunnel Authority (TCTA) has developed a funding strategy which has been submitted for consideration and approval. The project is in procurement phase with contracts for major parts of the project not yet awarded. In terms funding, the project currently has sufficient funding secured to meet requirements for the next 2 years (short-term funding), and TCTA is comfortable that, at the time required, the long-term funding requirements will be secured given its bankability and explicit government guarantee.</p>
Incentives / funding available	Funding strategy under consideration by the Lesotho Highlands Development Agency
Responsible institutions	Lesotho Highlands Development Agency
Contact	<p>Lesotho Highlands Development Agency ADDRESS: Tower Building Kingsway Maseru TEL: (+266) 22311280 / 22246000 Email: lhwp@lhda.org.ls FAX: (+266) 22310665</p> <p>TCTA Telephone Numbers: Tel: +27 12 683 1200 Fax Numbers: Fax: +27 12 683 1361 Email info@tcta.co.za</p>



Programme	North-South Corridor
Project name	Rehabilitation of Dar es Salaam Port Berths (1-7) (Tanzania)
Project description	Significant development is under way at Dar es Salaam Port, the country's main port which is responsible for around 95% of all Tanzania's export and import volumes. As part of the country's Vision 2025, the government is seeking to increase its port to 28mn tonnes by 2020 from current 14.6mn tonnes handled in 2014. Berths one to seven at the port are currently being upgraded at an estimated cost of USD596bn, and two more (berths 13 and 14) are due to be built in 2017.
Location	Dar es Salaam Port, Tanzania
Implementing agent	Trade Mark East Africa
Project value	US\$596 million
Target commission date	2020
Project status and documentation available	MoU signed between Government of Tanzania, World Bank and Trademark East Africa. July 2015 - Ongoing upgrade at Dar port has been inspected by World Bank; February 2015 - World bank achieved cooperation with Tanzania government for the project; November 2014 - World Bank will provide a loan worth USD1.2bn to improve inland waterways and ports in Tanzania and Kenya;
Incentives / funding available	
Responsible institutions	Tanzania Ports Authority
Contact	Tanzania Ports Authority Director General P.O. Box 9184 Dar es Salaam Tanzania Tel: (255) 22-22110401-5/22110371-5/21137630-5 Fax: (255) 22-2130390 E-mail: dg@tanzaniaports.com Website: http://www.tanzaniaports.com



Programme	North-South Corridor
Project name	Berths 13 – 14 in Port of Dar es Salaam (Tanzania)
Project description	Significant development is under way at Dar es Salaam Port, the country's main port which is responsible for around 95% of all Tanzania's export and import volumes. As part of the country's Vision 2025, the government is seeking to increase its port to 28mn tonnes by 2020 from current 14.6mn tonnes handled in 2014. Berths one to seven at the port are currently being upgraded at an estimated cost of US\$596bn, and two more (berths 13 and 14) are due to be built in 2017.
Location	Dar es Salaam Port, Tanzania
Implementing agent	Tanzania Port Authority
Project value	
Target commission date	2017
Project status and documentation available	April 2016 - Tanzania Ports Authority secured USD690mn funding for project;
Incentives / funding available	
Responsible institutions	Tanzania Ports Authority
Contact	Tanzania Ports Authority Director General P.O. Box 9184 Dar es Salaam Tanzania Tel: (255) 22-22110401-5/22110371-5/21137630-5 Fax: (255) 22-2130390 E-mail: dg@tanzaniaports.com Website: http://www.tanzaniaports.com



Programme	North-South Corridor
Project name	Durban Dig-Out Port (South Africa) <div data-bbox="547 472 1310 904" data-label="Image"> </div>
Project description	The development of the old Durban International Airport (DIA) site to a deep-water mega container port, with an ultimate estimated maximum annual capacity of circa 9.7 m TEUs, to be developed in phases starting early 2030's through to mid-2050's.
Location	Durban, South Africa
Implementing agent	Transnet SOC limited
Project value	Port establishment - R 32.98 billion* (* Note. These are un-escalated estimates) (* Note - these costs exclude any replacement costs, e.g. for relocation of facilities. Estimates for these costs are being developed)
Target commission date	Initial phase anticipated by mid 2020's to early 2030's
Project status and documentation available	Project pre-feasibility has been completed
Incentives / funding available	
Responsible institutions	Transnet SOC Limited
Contact	Marc Descoins - 031 361 1176 Marc.descoins@transnet.net
Programme	North-South Corridor
Project name	Serenje to Nakonde Road (Serenje to Mpika) in Zambia
Project description	The rehabilitation of the Serenje-Nakonde section of the North-South trunk road has been identified through the North-South Corridor network planning project prioritization process as a key project requiring immediate rehabilitation. The 611 km long Serenje-Nakonde Road was selected for rehabilitation in a strategic economic analysis of the investments of the entire North-South Corridor carried out by Birmingham University. It forms a critical link in the North-South Corridor, linking trade routes between Angola, Namibia, Botswana,



	<p>Zimbabwe, South Africa and Tanzania</p> <p>Zambia through its Roads Development Agency (RDA) sought funding from the AfDB to finance the rehabilitation of the T3 road from Chinsali to Nakonde (208.6 km) road section which is part of the 611.6km Serenje-Nakonde road proposed for full reconstruction.</p>
Location	Zambia and Tanzania
Implementing agent	African Development Bank (AfDB)
Project value	The total estimated project value is US\$674 million.
Target commission date	
Project status and documentation available	<p>Rehabilitation of the Chinsali - Nakonde road section (210km) in Zambia and Rehabilitation of 50km of feeder roads:</p> <ul style="list-style-type: none"> The civil works for the Chinsali - Nakonde road section will be implemented in two lots, namely, Lot 1: Isoka - Nakonde (110km) and Lot 2: Chinsali – Isoka (100km). The civil works are to be implemented in parallel, estimated construction time of 30 months (2.5 years) for each <p>Zambia signed two loan agreements worth USD243mn with African Development Bank for the project, which is part of the Trans-Africa Highway/North-South Corridor.</p> <p>The contracts for the preparation of detailed designs have been awarded, draft final designs have been completed</p>
Incentives / funding available	
Responsible institutions	Governments of Zambia and Tanzania
Contact	<p>NEPAD</p> <p>Head of Communication:</p> <p>Ricardo Z. Dunn</p> <p>RicardoD@nepad.org</p> <p>Tel: [+27] 11 256 3615</p> <p>Website: http://www.nepad.org</p>



Programme	North-South Corridor
Project name	Establishing a Regional Locomotive and Wagon Leasing Pool (SADC)
Project description	<p>The objective of this project is to deploy locomotives and wagons into a regional rolling stock leasing pool. Several rail operators in the SADC region have a shortage of locomotives and rail equipment (wagons and coaches). This hinders regional integration from a transportation perspective. The primary purpose of this project is to supply locomotives to a leasing company which will then lease these onto Regional Rail Operators in the SADC region.</p> <p>This will create a pool of available rail equipment for regional rail operators. The main challenge of the leasing pool project is to establish an acceptable risk sharing model in the absence of potential operators being unable to guarantee lease premiums over the period of the lease.</p>
Location	SADC
Implementing agent	Nepad Business Foundation
Project value	
Target commission date	2016
Project status and documentation available	<p>The NEPAD Business Foundation (NBF) in collaboration with its partners (Transnet SOC Ltd & Grindrod Rail Ltd) are developing a bankable business case for this project. Feasibility studies for SADC member states are still pending, however some preliminary demand investigations have been executed for some of the SADC countries including: Zimbabwe, Zambia and Tanzania.</p> <p>The NBF in collaboration with its partners are currently working on developing an appropriate project structure at will allow deployment of rolling stock assets into the SADC region.</p>
Incentives / funding available	
Responsible institutions	Nepad Business Foundation
Contact	<p>Lynette Chen Contact Number: +27 (0) 10 596 1888 Fax Number: +27 (0) 10 596 1889 Contact Email: info@thenbf.co.za</p>



Programme	North-South Corridor
Project name	New railway link from Francistown to Kazangula and Livingstone
Project description	<p>Proposals have been submitted to construct a rail link from Francistown to Kazangula in Botswana in order to allow Botswana Rail to capture the North South Transit traffic. Zambia continues to watch with keen interest the extension of the Botswana Railway (BR) system from Francistown towards Kazungula, the border crossing point between the two countries where joint plans to construct a modern road and rail bridge are already at an advanced stage. The Zambian Transport Ministry officials sees it as the cue for Zambia to also build a line on its side of the border to connect Livingstone to Kazungula - a 67km stretch - and link up with the Botswana rail system. The rail link will create a super-link to the South African port of Durban. Equally, it would open up a rail link to the Namibian port of Walvis Bay, which would help further develop what is known as the Walvis Bay Corridor.</p> <p>Zambia would continue to seek potential partners for construction of such infrastructure as railways, roads and airports. Zambia is having to re-look her railway connectivity because it is the mode most suited and perhaps the most cost-effective means of transporting copper, which is both bulky and heavy.</p> <p>The main line from Livingstone in the south to the DRC border in the north has however decayed primarily due to lack of investment, thus putting more strain on the roads leading to congestion and over use. The road is handling most of the imports and exports to and from not only Zambian mines but those of the DRC as well.</p>
Location	Zambia and Botswana
Implementing agent	Zambia Railways Ltd, Government of Zambia, Bombardier Transportation[Equipment], Huawei Technologies[Construction], GMC Technologies[Construction]
Project value	US\$120 million has been earmarked for the railway sector
Target commission date	2016
Project status and documentation available	March 2014 - The consortium Bombardier Transportation, Huawei and GMC Technologies secured a USD51mn contract to install European Rail Traffic Management System (ERTMS) following a grant of USD120mn from the Zambian government.
Incentives / funding available	
Responsible institutions	Zambia Railways and Botswana Railways
Contact	



Programme	North-South Corridor
Project name	ZIZABONA – Zambia, Zimbabwe, Botswana and Namibia Multi Country Energy Project
Project description	<p>The Zizabona project will entail the construction of a power line, which will allow for an extra 600 MW to be transmitted around the region and boost the amount of power generated in coming years. About 91 km of the 330-kV line will extend from the Hwange substation to a switching station near Victoria Falls, in Zimbabwe, and into Livingstone, Zambia. A further 14-km 330-kV line will be constructed from the switching station to the Zimbabwe-Zambia border. The line will also link Pandamatenga, in Botswana, and the Zambezi substation, in Namibia. The existing Muzuma Victoria Falls power station 220-kV line will be rerouted into and out of the Livingstone substation. Four regional utilities will develop, build and own the transmission infrastructure, which is expected to reduce losses and congestion on the Southern African Power Pool central corridor and serve the national electricity needs of all four member countries, as well as allow for the export of power and energy trades with one another through a regional power pool. The project will also provide easier transmission of hydropower from the Democratic Republic of Congo to South Africa and the rest of the region, and ease congestion on the transmission corridor to South Africa, the region's largest consumer of electricity, which is struggling to meet demand.</p>
Location	A joint initiative between Zimbabwe, Zambia, Botswana and Namibia.
Implementing agent	Zimbabwe Electricity Supply Authority (Zesa), Zambia Electricity Supply Corporation (Zesco), Namibia Power Corporation (Nampower) and Botswana Power Company (BPC).
Project value	The estimated cost is US\$225 million.
Target commission date	
Project status and documentation available	The ZIZABONA project will be organised as a SPV, to be incorporated as a company in Namibia. The four utilities will take 20% each of the equity. At least five investors have expressed interest in developing the electricity transmission interconnector. The five investors are the AfDB, the Development Bank of Southern Africa, the European Investment Bank (EIB), the French Development Agency and Stanbic (Botswana).
Incentives / funding available	
Responsible institutions	
Contact	<p>BPC, tel +267 360 3203</p> <p>Nampower special projects GM Reiner Jagau, tel +264 61 205 2287 or email Reiner.Jagau@nampower.com.na</p> <p>Zesa, tel +263 4 774508 31 email pr@zesa.net</p> <p>Zesco, tel +260 1 228084 or mchisela@zesco.co.zm</p>



Programme	North-South Corridor
Project name	South Africa as the manufacturing hub for rail rolling stock for the continent
Project description	<p>Since the decision of the AU, in January 2015, South Africa has been working on developing a Concept Note to become the manufacturing hub for rail stock. The decision presents some exciting possibilities and challenges, as a whole, and its rail manufacturing industry in particular.</p> <p>A critical objective of the AU decision is to re-industrialise and revitalise the Rail Engineering sector in South Africa, the SADC region and the continent.</p> <p>SA has historically played a critical role in heavy maintenance, refurbishment and conversions as well as the upgrade of existing locomotives, wagons, coaches and components, including wheel refurbishment. Additionally, manufacturing facilities already exist across the country.</p> <p>There are currently six factories in SA where there is capacity to manufacture 4000 new wagons and refurbish 3000 wagons per year. It also has capacity to build over 500 locomotives and refurbish 300.</p>
Location	South Africa
Implementing agent	Transnet SOC Limited
Project value	The programme seeks to attract various rail related manufacturers to South Africa and the region
Target commission date	2019
Project status and documentation available	
Incentives / funding available	South Africa's Industrial Policy Action Plan provides incentives for new manufacturing enterprises
Responsible institutions	Transnet SOC Limited
Contact	Thamsanqa Jiyane : 012 391 1301 Thamsanqa.jiyane@transnet.net



OCEANS ECONOMY CO-ORDINATION

South Africa is uniquely bordered by the ocean on three sides, with an extensive Exclusive Economic Zone (EEZ) spread across 3 000km of coastline. This vast ocean space is deemed to be relatively unexplored in terms of its economic potential.

Four critical areas have been identified to explore and further unlock the potential of South Africa's vast coastline:

- Marine Transport and Manufacturing
- Offshore Oil and Gas Exploration
- Aquaculture
- Marine Protection Services and Ocean Governance


Short term priority infrastructure projects are listed below.

Programme	Oceans Economy
Project Name	Mossgas Jetty Ship Repair  <i>Artists Impression</i>
Project Description	Development of Ship repair facilities at the Port of Saldanha Existing Jetty 1000m, 8m draft
Location	Port of Saldanha
Implementing Agent	Transnet National Ports Authority
Project Value	R2.3bn – Estimated but subject to final business case
Target Commission Date	2019
Project status and documentation available	EOI Closing Date : August 2016 RFP to Market : November 2016 Bid Closing : June 2017 Transaction options are being developed, taking into considerations the responses received from the public EOI process which closed in June 2016. Market Analysis and Business Case preparation
Incentives / funding available	Seeking Private Sector Partner to undertake the investment required
Responsible Institutions	Transnet SOC Ltd
Contact	Nico Walters Nico.Walters@transnet.net Ricky Bhikraj Ricky.bhikraj@transnet.net




Programme	Oceans Economy
Project Name	Berth 2015 Rig Repair  <i>Artists Impression</i>
Project Description	Development of Rig repair facilities at the Port of Saldanha New quay wall of approx. 300m, 21m draft
Location	Port of Saldanha
Implementing Agent	Transnet National Ports Authority
Project Value	R3.5bn – Estimated but subject to final business case
Target Commission Date	2019
Project status and documentation available	EOI Closing Date : August 2016 RFP to Market : November 2016 Bid Closing : June 2017 Transaction options are being developed, taking into considerations the responses received from the public EOI process which closed in June 2016. Market Analysis and Business Case preparation
Incentives / funding available	Seeking Private Sector Partner to undertake the investment required
Responsible Institutions	Transnet SOC Ltd
Contact	Nico Walters Nico.Walters@transnet.net Ricky Bhikraj Ricky.bhikraj@transnet.net




Programme	Oceans Economy
Project Name	Offshore Supply Base  <i>Artists Impression</i>
Project Description	Development of Oil and Gas services hub to support offshore exploration and production
Location	Port of Saldanha
Implementing Agent	Transnet National Ports Authority
Project Value	R300m – Estimated but subject to final business case
Target Commission Date	2019
Project status and documentation available	RFP to Market : July 2016 Bid Closing : October 2017
Incentives / funding available	Seeking Private Sector Partner to undertake the investment required
Responsible Institutions	Transnet SOC Ltd
Contact	Nico Walters Nico.Walters@transnet.net Ricky Bhikraj Ricky.bhikraj@transnet.net




Programme	Oceans Economy
Project Name	Ship repair at the Existing repair quay  <i>Artists Impression</i>
Project Description	Development of further Ship repair facilities on the East Coast of South Africa
Location	Port of Richards Bay
Implementing Agent	Transnet National Ports Authority
Project Value	R900m – Estimated but subject to final business case
Target Commission Date	2019
Project status and documentation available	EOI Closing Date : August 2016 RFP to Market : November 2016 Bid Closing : June 2017 Transaction options are being developed, taking into considerations the responses received from the public EOI process which closed in June 2016. Market Analysis and Business Case preparation
Incentives / funding available	Seeking Private Sector Partner to undertake the investment required
Responsible Institutions	Transnet SOC Ltd
Contact	Nico Walters Nico.Walters@transnet.net Ricky Bhikraj Ricky.bhikraj@transnet.net




Programme	Oceans Economy
Project Name	<p>Ship building and repair by optimizing the existing infrastructure</p>  <p><i>Artists Impression</i></p>
Project Description	Development of a ship building and repair cluster in East London
Location	Port of East London
Implementing Agent	Transnet National Ports Authority
Project Value	R500m – Estimated but subject to final business case
Target Commission Date	2019
Project status and documentation available	<p>EOI Closing Date : August 2016 RFP to Market : November 2016 Bid Closing : June 2017 Transaction options are being developed, taking into considerations the responses received from the public EOI process which closed in June 2016. Market Analysis and Business Case preparation</p>
Incentives / funding available	Seeking Private Sector Partner to undertake the investment required
Responsible Institutions	Transnet SOC Ltd
Contact	<p>Nico Walters Nico.Walters@transnet.net Ricky Bhikraj Ricky.bhikraj@transnet.net</p>




CO-OPERATION PROJECTS ON MANUFACTURING IN AVIATION

Programme	Co-operation projects on manufacturing in aviation
Project name	<p>Advanced Composite Manufacturing – Cellular Core Technology (CCT)</p> 
Project description	This is a patented manufacturing technology using approved materials and processes. The technology makes use of hollow thermoplastic cores to create complex, integrated structures in one piece.
Location	Centurion, Gauteng
Implementing agent	Aerosud Technology Solutions (Pty) Ltd
Project value	<ul style="list-style-type: none"> • A medium sized aerospace standard composite structural facility to the value of USD 100 million will be required. • Continuous development of the technology is required at USD 5 million per year for the next 5 – 10 years. • Individual components will need its specific design and industrialisation budgets that depends on complexity of component
Target commission date	2017 for first commercial demonstrator to an OEM
Project status and documentation available	Technology is well advanced with leading OEMs participating in developing demonstrators for next generation aircraft as well as incremental improvement programs on existing product line.
Incentives / funding available	<p>BRICS target audience:</p> <ul style="list-style-type: none"> • OEMs developing new aircraft or with programs aimed at reducing cost, weight and part count. • Investors interested in entering the aviation manufacturing industry.
Responsible institutions	Private
Contact	Jaco Olivier +27 12 662 5000 jacoo@aerosud.co.za



Programme	Co-operation projects on manufacturing in aviation
Project name	Aircraft Interiors 
Project description	<ul style="list-style-type: none"> • The program is aimed at expanding existing capacity and know-how in the commercial aviation industry to furnish airlines with interior equipment including galleys, seats etc. • The program aims to set-up facilities in countries where high volumes of aircraft are being purchased and so leverage industrial participation.
Location	Centurion, Gauteng
Implementing agent	Aerosud Aviation (Ptu) Ltd
Project value	Setting up and commissioning a mid-size facility could amount to USD 50 million to USD 80 million
Target commission date	
Project status and documentation available	The technology is well established with SA manufacturers functioning in this space.
Incentives / funding available	BRICS target audience: <ul style="list-style-type: none"> • Local manufacturers in the aerospace industry wanting to invest and expand into the aircraft interior market. • Investors with access to the target market.
Responsible institutions	Private
Contact	Jan van Loggerenberg +27 662 5000 j.vanloggerenberg@aerosud.co.za



Programme	Co-operation projects on manufacturing in aviation
Project name	Small African Regional Aircraft (SARA) 
Project description	Development of a 24 seater, pressurised turboprop regional aircraft, certified to FAR 25 and designed for future 'Point-to-point' travel to optimise use of de-centralised infrastructure. Proposed as a SA National Flagship Program, for broad based industry consortium led by State owned company Denel SOC Ltd.
Project value	<ul style="list-style-type: none"> • The program can generate revenue in excess of R5bn per annum, sustained for at least 15 years. • A total development cost of ~R6bn is required over a 7 year period up to certification. • ~3500 sustainable jobs p.a. (incl. induced), 200 engineering jobs during development • Enterprise development of approximately 20 companies • International partnerships, regional integration, rural development and advanced manufacturing.
Target commission date	
Project status and documentation available	Independent Market Potential Analysis completed by Lufthansa Consulting, forecasting up to 1500 SARA aircraft over 20 years. Approx. 40 000 engineering hrs already invested in feasibility- and concept design. Physical engineering mock-up completed. Collaboration partnership discussions initiated. Formal endorsement from SA government's Joint Aerospace Steering Committee secured as National Flagship Program.
Incentives / funding available	BRICS support / involvement required: <ul style="list-style-type: none"> • Industrial partners: co development, industrialisation, certification and production to enable market access in BRICS regions • Funding: Risk and revenue sharing partners – venture and industrial investments • Regional BRICS MRO agencies – support centres for SARA in BRICS regions
Responsible institutions	
Contact	



Programme	Co-operation projects on manufacturing in aviation
Project name	Aerospace Supplier Corridor Development
Project description	<ul style="list-style-type: none"> • Growing the aerospace industry in South Africa is reliant on establishing a supplier park or series of supplier parks to co-locate suppliers and expand lower tier suppliers. • The focus is to develop a Tshwane – R21 – Ekurhuleni corridor with specific areas earmarked as cluster developments.
Location	Gauteng
Implementing agent	TEDA
Project value	In excess USD 500 million over 10 – 15 years
Target commission date	Ongoing
Project status and documentation available	<ul style="list-style-type: none"> • Specific cluster areas defined and at various stages of development. Overall plan less mature. • The aerospace industry in South Africa is small but very capable in the areas they operate in.
Incentives / funding available	<ul style="list-style-type: none"> • Land developers • OEMs and suppliers to the aerospace industry interested setting up facilities in South Africa.
Responsible institutions	TEDA, DTI
Contact	Karin Liebenberg KarinL@tshwane.gov.za



MANUFACTURING AND INDUSTRIAL PROGRAMMES

Programme	Manufacturing and industrial programmes
Project name	Aspen pharmaceuticals manufacturing
Project description	<p>Around 18 months ago Aspen acquire a basket of anticoagulant injectable products in the Russian Federation, these are high tech, value add products used in a number of lifesaving indications. Local Russian requirements, require that these products are produced locally in terms of local Russian procurement requirement before they can be listed on essential drugs list.</p> <p>Accordingly, Aspen has just completed tech transfer arrangements with various Russian contract manufacturers, the primary being nanolek for the production of these products in Russia, which has also secured their inclusion on the essential medicines list, meaning that Russian patients will have access to these lifesaving medicines.</p> <p>It is envisaged that this project will be implemented in phases, and other products will follow, opening up new investment and partnering opportunities in BRICS countries.</p>
Location	Russia
Implementing agent	Aspen Pharmacare
Project value	
Target commission date	Mid 2017
Project status and documentation available	Russian partner Nanolek is being finalised, with a technology transfer for local production.
Incentives / funding available	NA
Responsible institutions	Aspen Pharmacare
Contact	<p>Stavros Nicolaou Senior Executive - Strategic Trade Development Aspen Pharmacare Building 8, Healthcare Park, Woodlands Drive, Woodmead, Sandton Tel: +27 11 239 6798</p>



USEFUL LINKS:

BRICS Portal: <http://brics-sa-wp.www.co.za>

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