

Africa is open for business...

 By [Nicci Botha](#)

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Africa has the potential of becoming the energy powerhouse of the future and thereby going a long way to alleviating the poverty on the continent. But there are some caveats.



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This was the general consensus among the speakers who opened the first keynote session - entitled "Africa is open for business: Investing in Africa, the hottest frontier" - at the African Utility Week conference in Cape Town.

The New Deal for Africa

Zithembe Khoza, Eskom board member, highlighted the need for greater regional cooperation as illustrated by the success of some of the energy sector's existing projects.

"It is only through collaboration that Africa can find solutions. One such success is the Southern African Power Pool (SAPP) that celebrated its 20th anniversary this year. Through this vehicle we have seen the facilitation of socio-economic cooperation and integration among 15 Southern African states, and seen the benefits to approximately 260 million Africans," he said.

Borrowing from the principles of Roosevelt's New Deal programme during the Great Depression, Khoza explained that the authority of government should be an organised form of self-help for all classes, groups and sections of a country.

Roosevelt's programme focused on three Rs:

- Relief for the poor
- Recovery of economy
- Reform of the financial system

"So what is the New Deal for the African energy sector?" Khoza asked.

African countries continue to enjoy moderate economic growth and have done so even during the recent economic downturn. Yet, 75% of the world's poorest countries are located in Africa.

"Poverty is the antithesis of freedom. Poverty is the antithesis of equality. It is the underlying cause of the strife and conflict of our people. In South Africa, our people are turning against each other in xenophobic attacks. 60% of the people of Africa do not have electricity. In order to change this reality, we need to commit to working together towards a New Deal," he explained.

"Lack of essential electricity infrastructure continues to bedevil Africa's drive towards developing integrated regional markets," Khoza said.

Poised to be on the cutting edge of renewable energy

Martin Ganda, Africa investor, Greylock Capital Management, believes that there are investment opportunities in Africa that can solve the continent's energy problems.

"Six of the top 30 energy producers call Africa home, yet sadly mostly exported," he said, pointing to the oil fields of Nigeria as one such example.

"We need strong leadership in energy and infrastructure. The legacy we leave for our children and children's children will take 10 years to build. Africa needs to look at what it can do for Africa, and undeveloped resources should benefit Africa first. These resources will remain unused unless political leaders create an environment that is conducive to growth," Ganda explained.

"The bricks we lay today will lay path for our children. Through energy and power investments with global players we can create a legacy to be proud of," he concluded.

I was not born African, Africa was born in me

News anchor and business advisor Victor Kgomoewana set the context of the African scenario by saying utilities are at the heart of service delivery, but this is difficult because business and politics on the continent are inseparable for now.

He pointed out that Africa is in the eye of the world's investment realignment. This, however, generates a lot of traffic, which in turn causes gridlock and a backlog that slows down progress.

"I was not born African, Africa was born in me. We need to think, talk and walk African. We need to see the backlog as an opportunity. We need to share, give, collaborate or lose everything," Kgomoewana said.

Power Africa and the lessons learned

Since its launch almost two years ago by President Barack Obama, Power Africa has learned some valuable lessons in working in Africa. The initiative is aimed at working with African governments, the private sector, and other partners to add more than 30,000-megawatts of cleaner, more efficient electricity generation capacity to the continent.

Andrew Herscowitz, coordinator for Power Africa & Trade Africa, echoed many of the words of the other speakers, saying that the first lesson to investors in Africa is that success only comes through true partnership.

In summary, while the untapped potential of Africa is unfolding, it does need to be tempered by good solid relationships between investors, governments and businesses on a regional scale for it to be successfully unlocked and uplift the continent.

African Utility Week is being held at the CTICC in Cape Town, 12-14 May 2015. For more info, go to www.african-utility-week.com.

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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