



ASBF Webinar Series: Opportunities in Southern Africa

Event Summary:

<p>Key takeaways shared by the speakers</p>	<p><i>Panel 1: The Future of Southern Africa</i></p> <ul style="list-style-type: none"> • Agribusiness remains a key driver for Southern African economies. Each market has different areas of expertise (e.g. fruits and beef in South Africa and nuts in Mozambique) and specialisation (e.g. difference in farming approaches). • Two key trends are observed in the region: <ol style="list-style-type: none"> 1) Urbanisation is contributing to a shift in dietary trends, away from traditional grains to wheat-based grains; and 2) There is greater local value-addition as more imports of agri-inputs are processed locally. <p>Singapore companies can capitalise on their strengths to capture opportunities in the burgeoning food-processing and manufacturing sector.</p> • Technology adoption is increasing in the region’s logistics sector to build resilience and lower costs within the supply chain, while improving access of products and services for end-consumers. Singapore companies can tap their technological expertise to help increase efficiency along the supply value-chain. • With COVID-19 and an increase in demand for healthcare and temporary environment improvements in the region, businesses in South Africa will need to focus on implementing sustainable business practices.
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- There is growing use of newer technology such as blockchain in Southern Africa. Blockchain enables faster real-time data and quicker price discovery in the agriculture and commodity markets as well as standardisation. Other applications for blockchain would be in the areas of land administration, provision of smart contracts, and land fees management. With a multitude of opportunities yet to be unlocked, blockchain technology will be an exciting space to watch.
- Investors should regard Southern Africa as an economic bloc. While markets such as **Zambia** and **Malawi** may appear small individually, they are well connected through regional trading bodies including the Southern Africa Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA). This provides investors with access to a larger market. Investments in Southern Africa would also be greenfield in nature, requiring patience from investors. Foreign investors should remain open to undertaking joint ventures with regional private investment firms.
- The African Continental Free Trade Area (AfCFTA) holds opportunities for the region and the wider continent. Trading under AfCFTA commenced on 1 January 2021, a step towards trade liberalisation. It would encourage greater regional value addition and create new manufacturing opportunities. However, greater connectivity (e.g. building roads and railways) will be needed to maximise the benefits.

Panel 2: Oil and Gas opportunities in Southern Africa

- Many new licensing rounds and refinery projects are taking place in **Angola**. For example, two new major refineries are being built, and there are also plans to further optimise the existing refinery in the capital Luanda. This spells opportunities for Singapore companies in the process of construction, development of capabilities and during refinery operations. Subsequently, this might also open opportunities downstream in fertiliser production.
- **Mozambique's** LNG project in Area 1 reached final investment decision (FID) in 2019 and has finalised the off-takers for the gas exports while Area 4's FID has some delays partly contributed by COVID-19. Currently, there are opportunities relating to the construction of temporary camps and workshops and supply of platform supply vessels.
- Singapore companies can tap oil & gas opportunities in the region by:
 - 1) engaging main stakeholders and the engineering, procurement and construction (EPC) companies in the country;
 - 2) participate in conferences (e.g. Mozambique Gas Summit) to gain insights into the latest business developments;

	<p>3) registering in databases of concessionaires and EPC consortiums e.g. Area 1 - CCSJV, Area 4 - TechnipFMC, JGC and Fluor to bid for Southern Africa projects; and</p> <p>4) form joint ventures with local companies to meet local content requirements.</p> <ul style="list-style-type: none"> • The development of the renewable energy sector in Mozambique remains nascent. Several partnerships have been developed to take a closer look at the role of hydrogen fuel as a future energy source for the country, but the focus is still on the LNG sector. • LNG is the long-term preferred fuel for South Africa due to the increased sensitivities towards climate change and the aging fleet of South Africa’s coal fired power plants. Singapore companies could offer expertise relating to the storage, transport of LNG and related EPC services. • Economies in Southern Africa have large swathes of untapped – land and labour – but are lacking access to finance and/or capabilities to execute oil & gas projects. The push to develop more industrial capabilities in the region means downstream opportunities for Singapore companies in the areas of construction and management of fertiliser plants, methanol plants, drainage, scaffolding and more.
<p>What next?</p>	<p>Reach out to Ms Suzhen Zheng at ZHENG_Suzhen@enterprisesg.gov.sg and Ms Bridget Shoo at bridget_shoo@enterprisesg.gov.sg if you are interested to know more about opportunities in Southern Africa.</p> <p>The next part of the webinar series for ESG’s flagship Africa Singapore Business Forum (ASBF) will update Singapore enterprises and investors on consumer and retail technology opportunities in Africa, as well as key trends, opportunities and challenges for Singapore businesses in Africa’s retail sector.</p> <p>Please click here to sign up for the webinar.</p>