

Water shortages, floods and infrastructure refurbishment Market opportunities for Bavarian companies in South Africa

Online - 26. September 2024 – 15:00-16:30 (CET/SAST)

Agenda:

Introduction: Southern African-German Chamber of Commerce and Industry NPC (SAGCC)

Deutsche Industrie- und Handelskammer für das südliche Afrika (AHK südliches Afrika)

Competence Centre Climate and Environment Vera Massie – Water Portfolio Manager

- How do we support German companies in entering the market in our region?
- What are the different funding instruments available to Bavarian companies?



Bavarian Ministry of Economic Affairs,
Regional Development and Energy

State of Bavaria
South Africa Office



Bavarian State Ministry of the
Environment and Consumer Protection



OVERVIEW

The AHK Network Worldwide

IHK = Industrie- und Handelskammer

AHK = Deutsche Auslandshandelskammer

93 Countries

150 Locations

over 51 000 Memberships

Since 1894

130 Years



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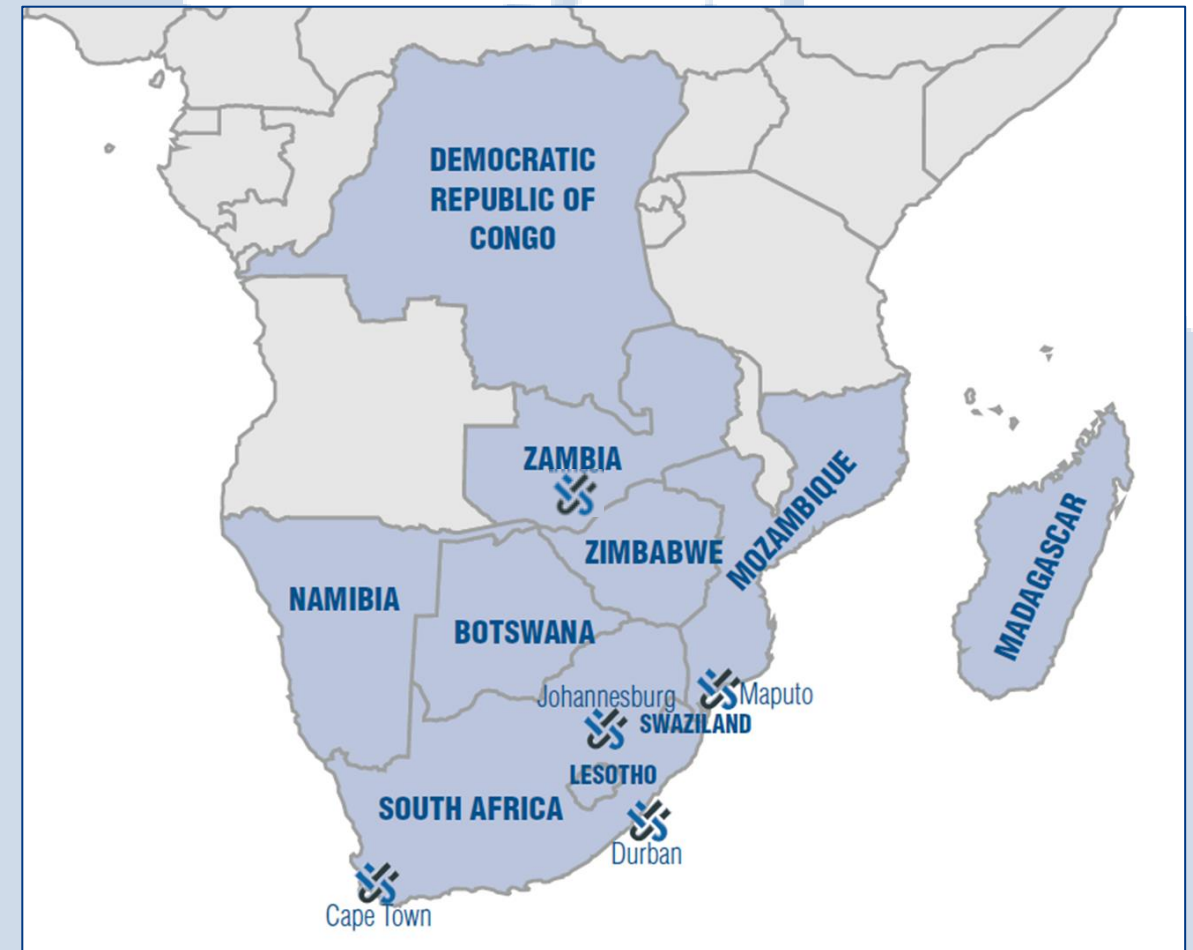
Partner For SADC

THE NETWORK

Regional activities

Jurisdiction

- The SAGCC is represented in 12 countries
- Close cooperation with the Global Business Network in Namibia
- Close cooperation with the AHKs in Angola, Ghana, Nigeria, Kenya, Tanzania



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Overview: German Chamber for Southern Arica

Johannesburg



Cape Town



Durban



Representatives in

- Zimbabwe
- Zambia
- Mozambique
- Germany



- Representation of German business and foreign trade promotion on behalf of the Federal Government
- Representation of interests, market development, support of companies – individually or as part of programmes
- Southern African Development Community (SADC Region)



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SAGCC– Your Partner for the SADC Region

One institution – three functions

**Membership
organisation**

**Official
representation of the
German economy
abroad**

**Services for
companies**



Organization into competence centers for key sectors and topics

- **Climate and Environment**
 - Water Portfolio (CPT) – Vera Massie
 - Renewable Energy (CPT) – Jens Hauser
 - Circular Economy (JHB) – Rishel Dharmapall
- **Mining and mineral raw materials (JHB)** – Selleen Sewpershad
- **Industry and Trade Fairs (JHB)** – Mpho Letsoalo, Knowledge Tenza
- **Training (JHB)** – Mandla Ngcobo
- **Food and Agriculture (DBN)** – Danilla van Jaarsveldt
- **Sourcing (JHB)** – Mareike Brandt

Contact details: <https://suedafrika.ahk.de/unser-team>



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Opportunities for Bavarian water companies to participate and seek support for market entry in our region

- **Funding at the federal state level:**
 - **State of Bavaria South Africa Office** – Bavarian State Ministry of Economic Affairs => Water management webinar series (exchange of experts) 2024/2025 in preparation for participating in a Bavarian delegation to the IFAT Africa in July 2025.
- **Federal funding:**
 - Ministry of Economic Affairs - Foreign Market Entry Programme (BMWK Markterschließungsprogramm). South Africa was focus in 2022-2024. In the coming years, the focus will likely shift to Botswana, and potentially DRC, Mauritius und Madagascar.
 - Funding of individual Consulting Services for German KMU/SMEs: BAFA Beratungsgutscheine Afrika
 - German Ministry of Environment (BMUV EXI Programme) => <https://www.exportinitiative-umweltschutz.de/en/>
- We (almost) always work in collaboration with German Water Partnership e.V.



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Agenda:

- Current situation: Water shortage, floods and infrastructure refurbishment plans
- Characterisation of industries that use water resources
- Characterisation of the private water sector in South Africa as potential partners for German companies (engineering offices, system integrators)



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Water – A hot topic in South Africa

<https://www.engineeringnews.co.za/page/water>



Just Water Partnerships a viable mechanism to unlock water investments, says Majodina

Updated 1 hour 1 minute ago By: [Natasha Odendaal](#)

LHDA achieves critical milestone in Polihali tunnel construction

22nd August 2024 By: [Natasha Odendaal](#)

New water infrastructure agency gets legislative green light

28th August 2024 By: [Natasha Odendaal](#)

23 Sep

Share   

KZN communities warned of flood risks as snow starts to melt

Rand Water prepares for final phase of maintenance

24th July 2024 By: [Natasha Odendaal](#)

Data, monitoring needed as water tariff increases threaten to become core business cost

5th September 2024 By: [Schalk Burger](#)

Immediate action needed to arrest municipal debt to water boards

28th August 2024 By: [Natasha Odendaal](#)

RESCUE OPERATIONS / 27 JUNE 2024

Climate change wreaks havoc: Major floods in KwaZulu-Natal and Eastern Cape

Three farm dams collapse in South Africa, displacing hundreds

12th August 2024 By: [Bloomberg](#)

Department of Water and Sanitation owed more than R25bn

15th August 2024 By: [Natasha Odendaal](#)

DWS needs workable plan to resolve debt to water boards – portfolio committee

18th September 2024 By: [Natasha Odendaal](#)

5 000 civil engineers ready to ensure safety standards of dams

17th September 2024 By: [Creamer Media Reporter](#)

Harmony refurbishes three municipal wastewater treatment plants

10th September 2024 By: [Natasha Odendaal](#)

Water resilience guide for businesses launched in Cape Town

16th August 2024 By: [Rebecca Campbell](#)

Athlone Waste Water Treatment Works' multibillion-rand upgrade on track

27th August 2024 By: [Natasha Odendaal](#)

Cape Town's R5bn budget set for water and sanitation investments

7th August 2024 By: [Natasha Odendaal](#)



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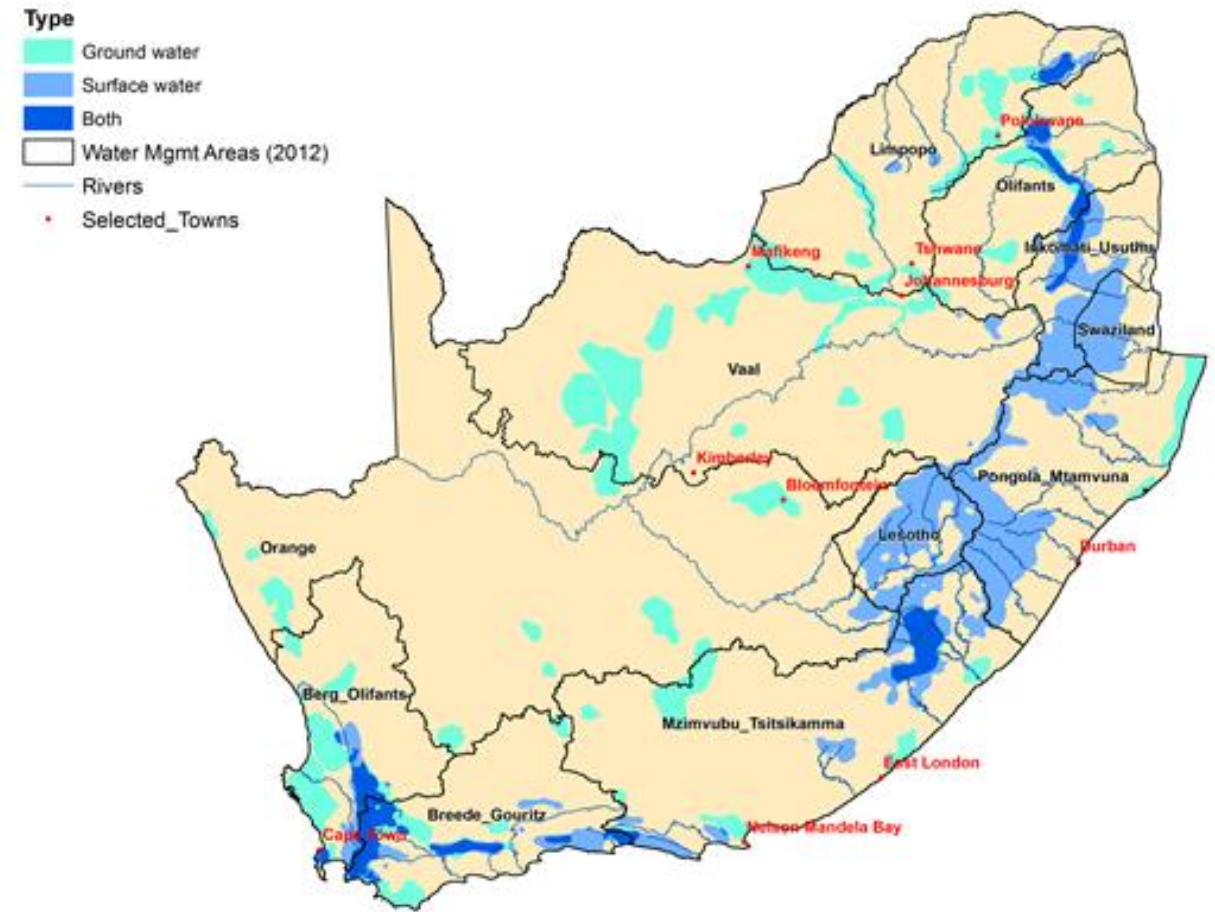
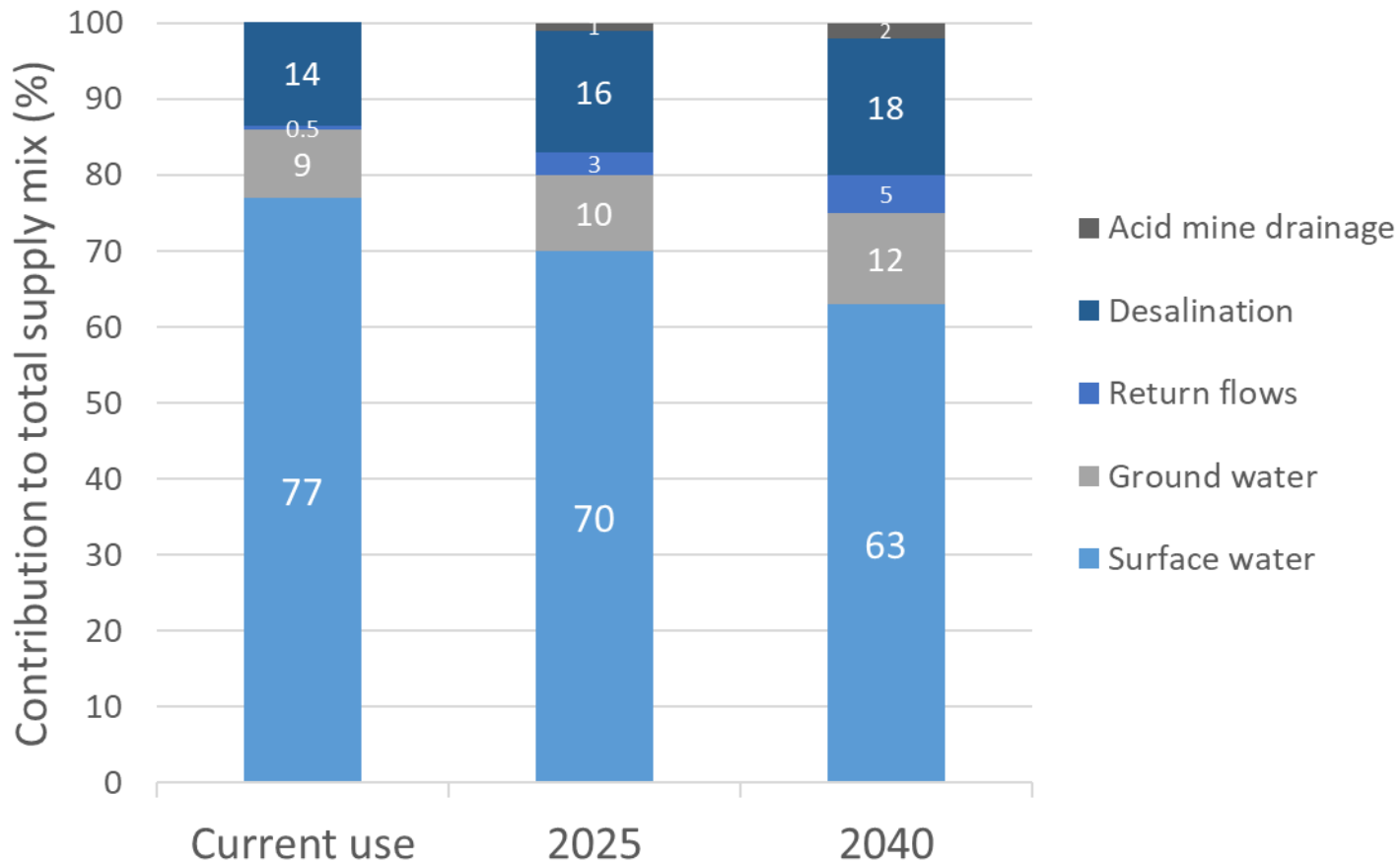


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Water resource use in South Africa



Source: GreenCape Market Intelligence Report 2023
<https://www.greencape.co.za/market-intelligence/>

<https://www.csir.co.za/protecting-south-africa%E2%80%99s-strategic-water-source-areas>



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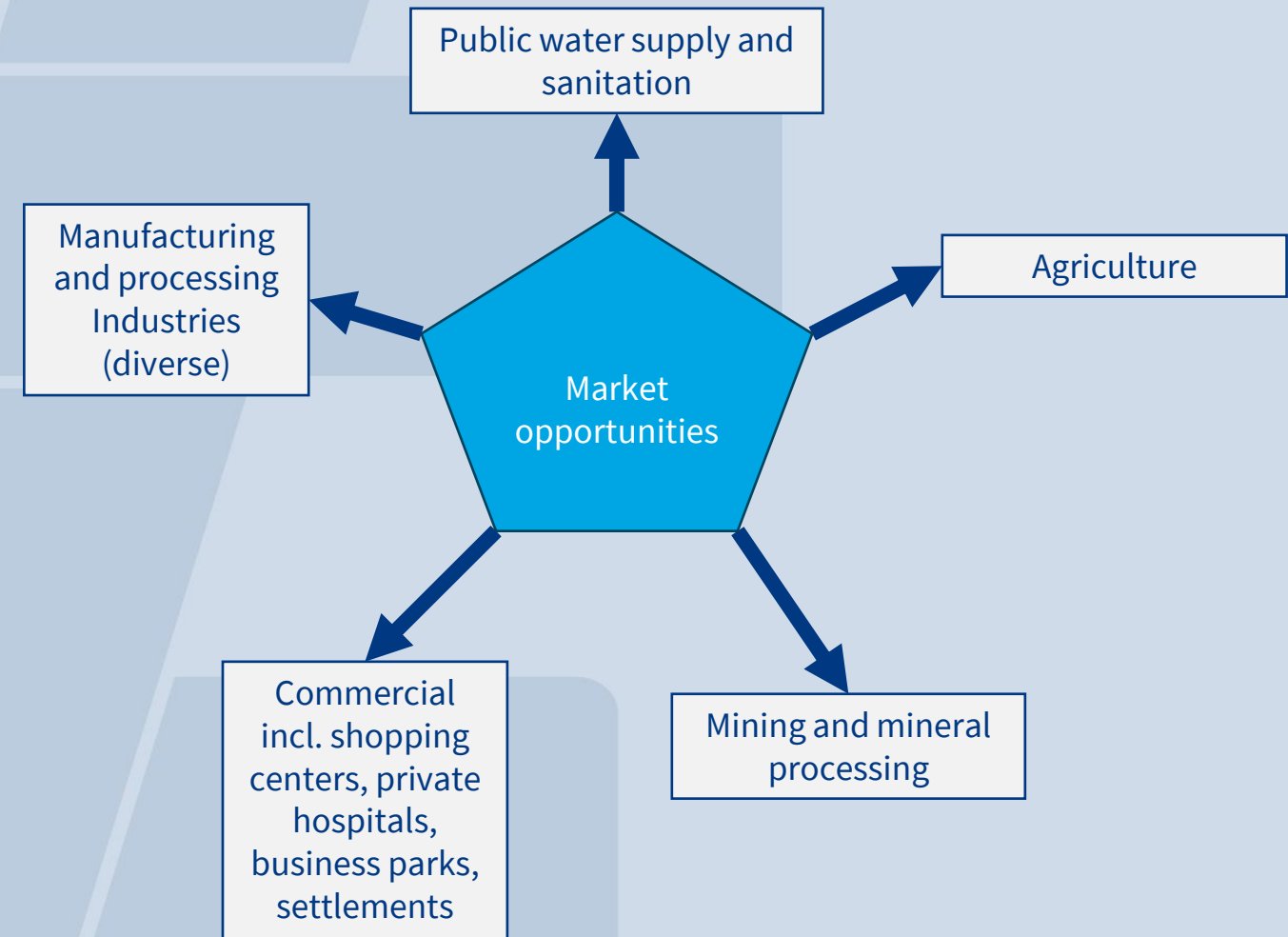
Characterisation of the South African water market



Water use per sector in 2022 and projected for 2050

Source: GreenCape Water Market Intelligence Report 2023

<https://www.greencape.co.za/market-intelligence/>



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Ongoing and planned projects

Upper uMkhomazi Water Project a catalyst for KZN water security

Sunday, April 21, 2024

- Planned investment of 1.5 Billion EUR
- uMgeni Water supply to be increased from 394-608 Mio. m³
- 81 m high dam wall, 5.6 km long pipeline with a diameter of 2.6 m

New water infrastructure agency gets legislative green light

28th August 2024 By: [Natasha Odendaal](#)

Eastern Cape – ongoing project

- Ntabelanga Dam
- 406 Mio. EUR - Umzimvubu Water project in the Eastern Cape
- [Source 1](#), [Source 2](#)

Rand Water prepares for final phase of maintenance

24th July 2024 By: [Natasha Odendaal](#)

Over next 5 years, 1.8 Billion EUR will be invested into maintenance and augmentation projects ([Source](#))

Cape Town's R5bn budget set for water and sanitation investments

7th August 2024 By: [Natasha Odendaal](#)

- Ongoing 10-year plan – EUR 6 billion is proceeding as planned 2023-2026 - 2 Mrd. EUR, > JHB+DRB
- Plan to increase daily capacity for water supply by 300 Mio. m³ by 2030.
- By 2040 – it is expected that 25% of the City supply will comprise of desalination, water reuse and ground water.

[Source](#)



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Summary of market opportunities in the public sector

- Enormous investment needs in the area of public water supply and wastewater disposal
- Challenges: Corruption, BBBEE ([Article](#)), Financial constraints
- Opportunities for new infrastructure, maintenance and increased efficiency (keyword energy efficiency).
- The market opportunities depend on the region (country/province/municipality) due to the available financial resources, as well as the existing skills and capacities for the implementation of projects.
- Municipalities and large water suppliers are ready to engage with innovative technologies.
- Significant changes to the institutional framework have recently been initiated (National Water Resource Infrastructure Agency) - Expected increase in water supply projects of million. EUR 500 to EUR 1.5 billion per year by developing commercial financing options.



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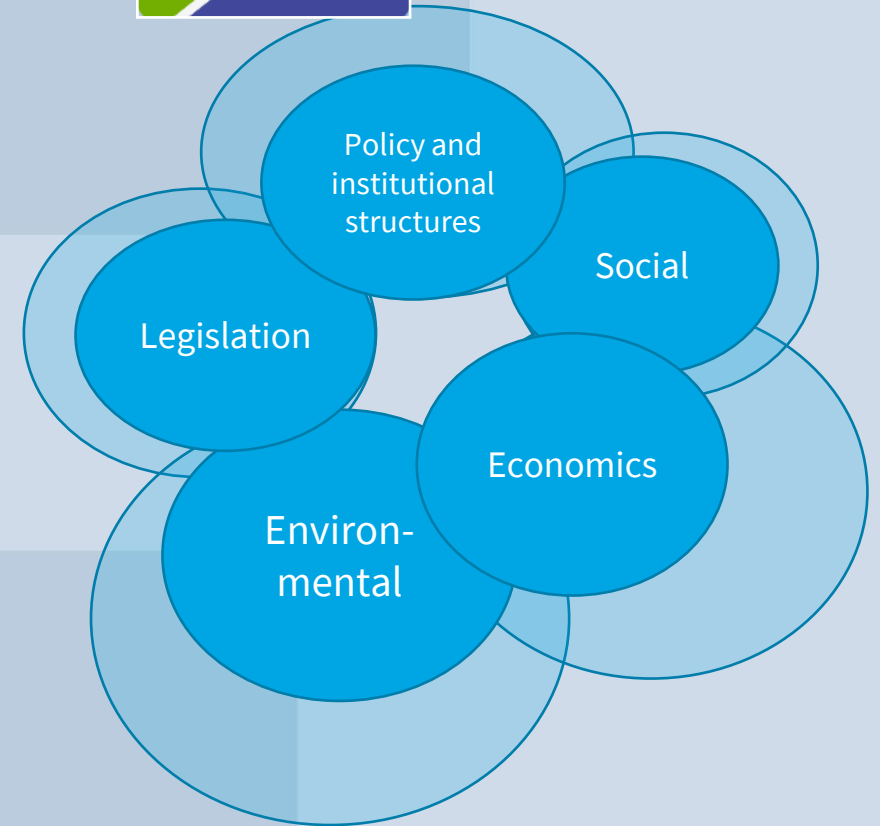
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Drivers of industrial water use and wastewater management

- South Africa is a pioneer in the application of environmental technologies in Africa and demand is increasing in other southern African countries.
- Strengthening environmental awareness in society and in companies
- Laws and regulations that favor the implementation of measures
- Economic efficiency as a pull factor: Rising costs for energy, water and waste treatment are making measures increasingly economically attractive
- The risk of water shortages and public infrastructure failure affecting industrial production is increasing
- The importance of operator models (e.g. BOOT) is increasing



What kind of local partners are available in Southern Africa?

- Engineering offices – South Africa offers much engineering expertise! Specifically important for component providers (specifications) – e.g. Bigen, GIBB, Mariswe, SCIPP, IX Engineers, Zutari, JG Afrika Pty (Ltd)
- Distributors: z.B. SA Leak Detection, Central Technical Supplies (Pty) Ltd. Europumps CC, EuroDrain Technology (Pty) Ltd, ProMinent Fluid Controls SA (Pty) Ltd, Powermite (Pty) Ltd, Rand Analytics, Analysers On-Line, Cwenga Technologies, Filcon Filters
- Plant engineers: Talbot, Memcon, Veolia, UDEC, Water and Wastewater Africa, PROXA Water



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Local partners on site – what can they do?

- Local partners know the market and have contacts
- Network development – e.g. participation in SAGCC events, including delegations
- Sometimes regional or sector-specific partners are needed (state and provincial level, industry type)
- Establishing and maintaining customer contact (often difficult from Germany)

CONCLUSION: Local partners are essential. Ask us and use our network 😊



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Questions?



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General useful market and industry information about South Africa

- **AHK Webinar - There will be no day Zero in Gauteng! Information Session: Looking Ahead – Water Supply for Businesses in Johannesburg**
<https://suedafrika.ahk.de/kompetenzzentren/wasser/there-will-be-no-day-zero-in-gauteng>
- **Green Cape Market Intelligence Reports by GreenCape** (water, agriculture, energy, waste, water, e-mobility). Updated annually.
<https://green-cape.co.za/market-intelligence/>
- **Water and sanitation target market analysis (2023)** - <https://suedafrika.ahk.de/en/competence-centres/water-management/german-companies-explore-market-opportunities-in-the-public-water-supply-and-wastewater-treatment-sector>
- **Performance monitoring of public water (BluDrop) and wastewater (GreenDrop) treatment plants by DWS (Department of Water and Sanitation)**
<https://ws.dws.gov.za/IRIS/releases/BDWR.pdf>
<https://ws.dws.gov.za/iris/releases/GDWR.pdf>
- <https://www.whoownswhom.co.za/is-south-africas-water-system-still-in-crisis-mode-in-2024/>
- **Zielmarktanalyse zum Thema Wassermanagement in der Lebensmittelverarbeitung, Zellstoff und Papier:**
<https://suedafrika.ahk.de/en/competence-centres/water-management/german-water-technology-companies-explore-market-opportunities-in-the-south-african-agro-processing-sector>
- **Green Cape Agri Sektor Desk (Green Agri)**
<https://www.greenagri.org.za/tips-and-tools/water-management/water-in-agri-processing/>
- **Study: Resource efficiency in agri-processing** <https://www.ifc.org/en/insights-reports/2020/sa-agri-resource-efficiency>
- **Industrial resource efficiency in South Africa, Namibia and Botswana.** Download analyses for water and waste:
<https://environment.germanchamber.co.za/publications>



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