



Opportunities for Investors in Manufacturing

**by His Excellency The Minister of Commerce, Industry and Investment
Seminar: Juba South Sudan
October 10, 2011**

There is a supply-demand gap. This creates opportunities for investors in all areas of manufacturing

Opportunities for Investors in Manufacturing

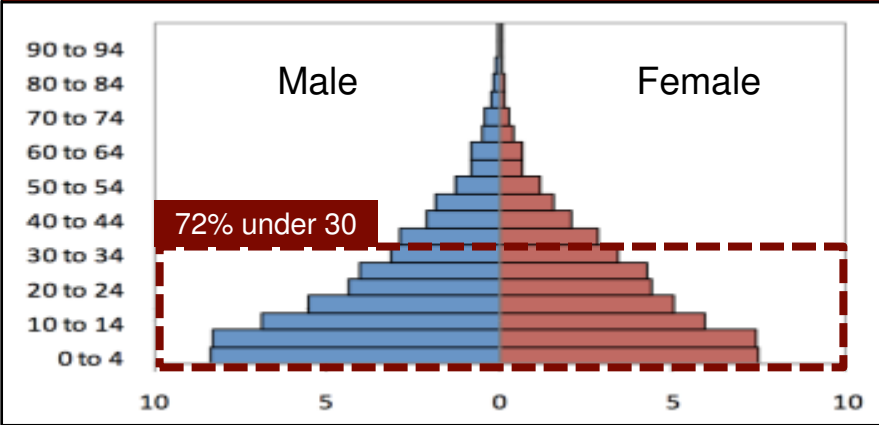


- SAMPLE OPPORTUNITIES**
- Food and beverages
 - Personal care and cleaning products
 - Cement
 - Construction materials
 - Assembly of vehicles, agricultural equipment, consumer appliances, etc.
 - Basic industrial equipment & components
 - Etc

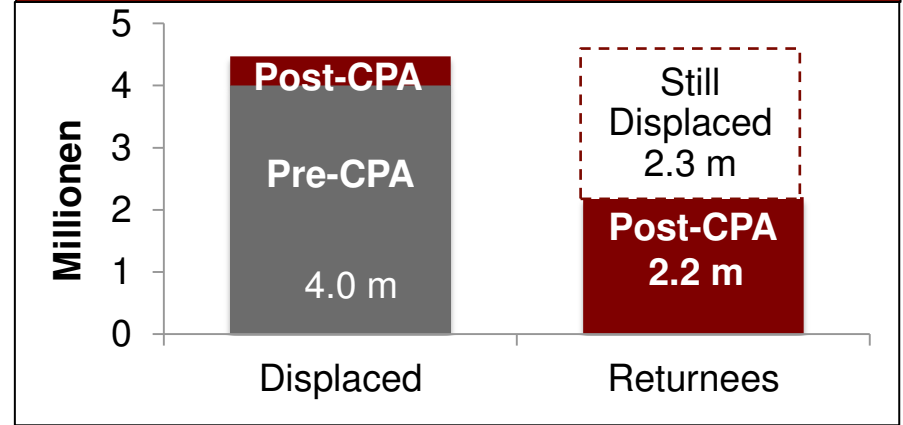
While power, transport and ICT infrastructure is still severely constrained, new airports, roads, power sources and telecom networks are now making it feasible to establish local production facilities

Returning residents, diaspora remittances and a youthful population are fuelling fast-growing consumer demand

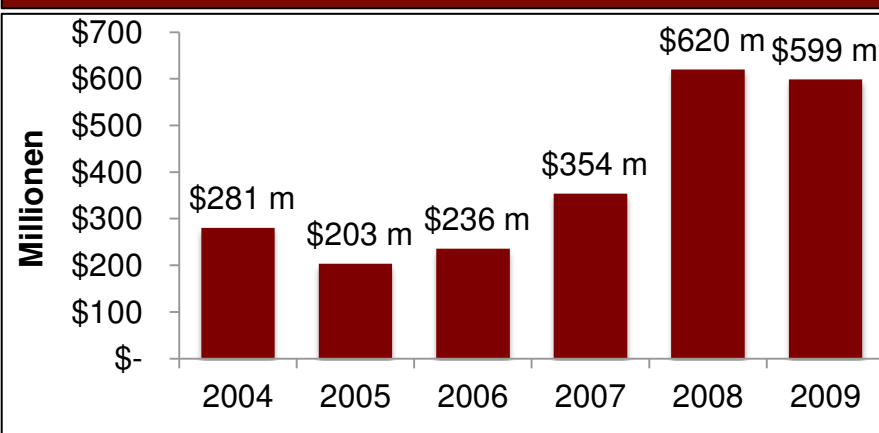
Youthful, fast-growing population



Returning Residents



Remittances

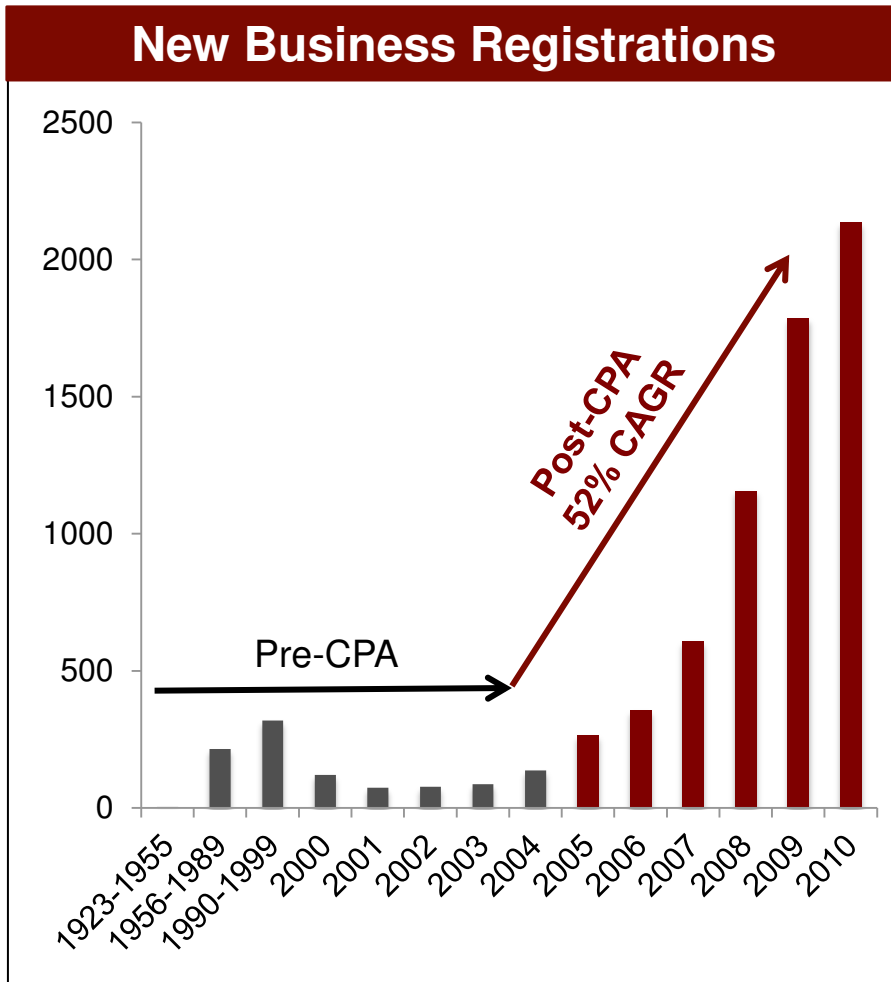


Economic Impact

- Fast-growing population further swelled by:
 - 2 million IDPs returning to farming and other economic activity
 - 300,000 diaspora returning from abroad with education, know-how and capital
- Drives demand for agricultural inputs and equipment, consumer goods, etc.

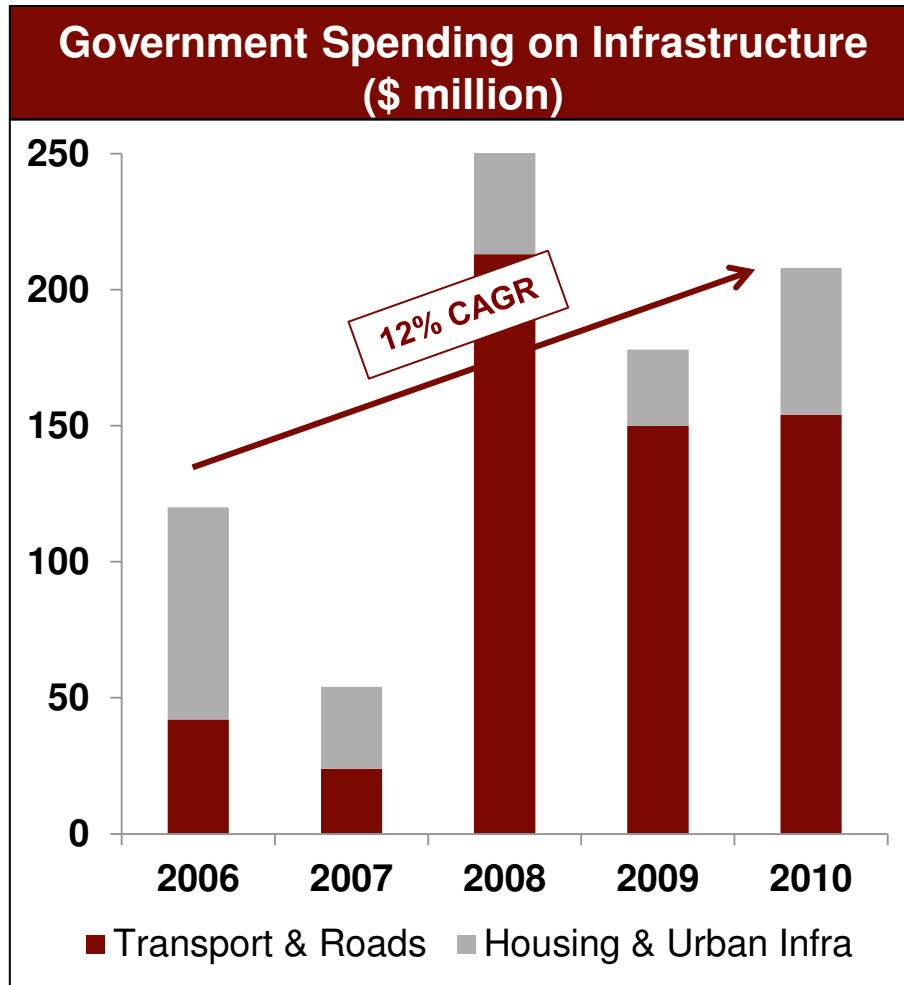
As a result, economic activity (and demand for local goods and services) is skyrocketing

A booming economy



- New **businesses registrations** have risen from 136 in 2005 to 2,136 in 2010
- In 2005, there were just 3 private **vehicles** in all of Juba; today there are thousands
- In 2005, there were no **airlines** flying to Juba International Airport; there are now 32 operators flying to Juba with the vast majority being foreign airlines
- In 2005, there were no **hotels** in Juba, today there are over 40 hotels in the city

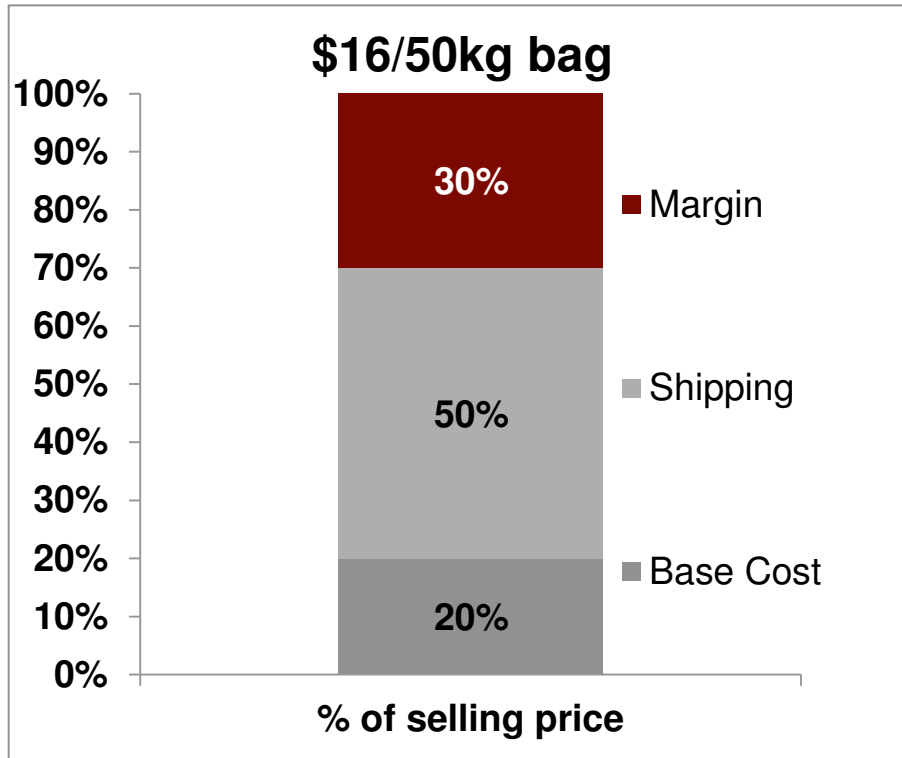
As a result of Government spending and private investment, there is particular demand for cement and construction materials



- ### Growing demand for construction materials
- Government spending on infrastructure has grown by an average of 12% per year over the last 5 years
 - Main spend on roads and transport, housing, urban infrastructure and other government buildings
 - Donors are also spending heavily on roads and infrastructure
 - Private-sector construction projects are still in infancy, but growing fast: private housing projects, commercial buildings, shopping centres and industrial units are being constructed in Juba and other major towns

Currently all construction materials used in South Sudan are imported and cost 50% more than in neighbouring countries due to transport costs

Cost Breakdown of Cement in Juba



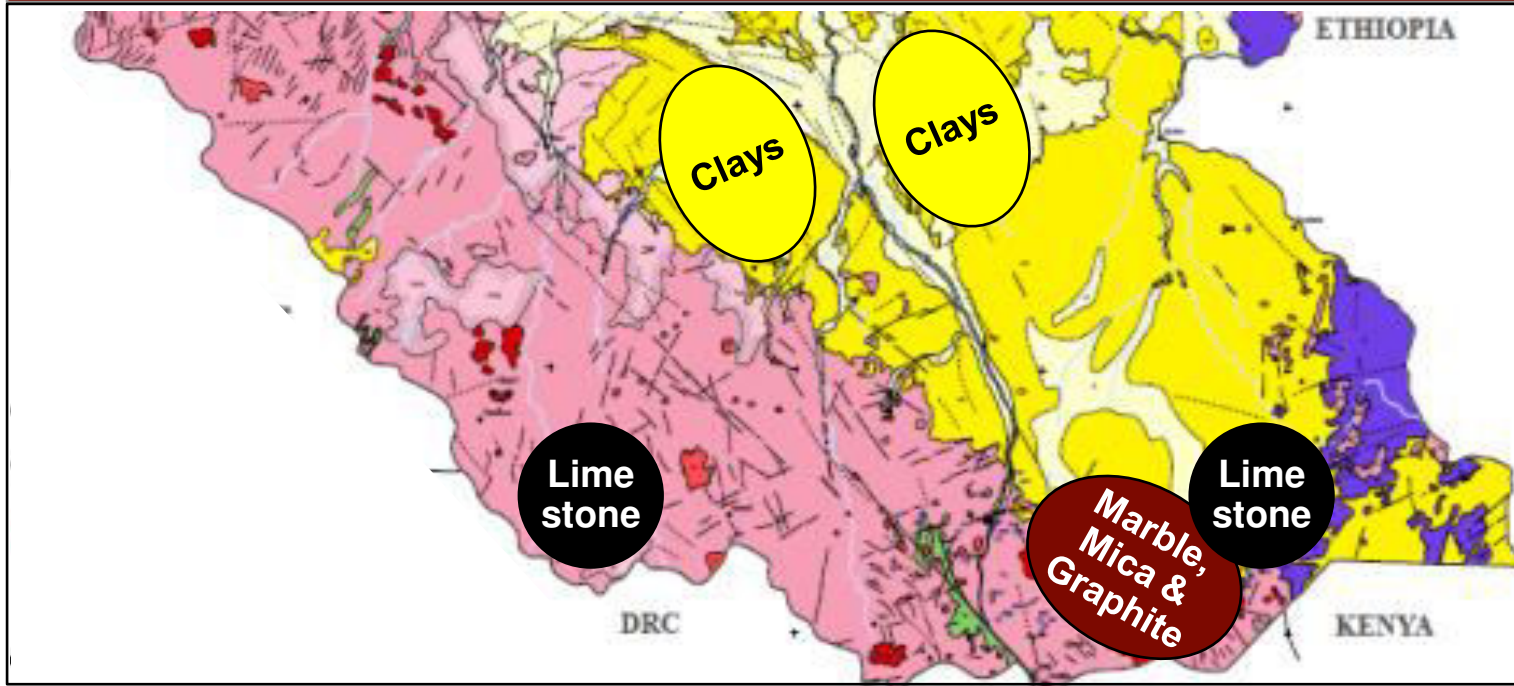
Growing demand for construction materials

- Currently, cement in Juba costs c\$16 per 50kg bag, compared to c.\$12 in Uganda and c.\$9 in Kenya, largely due to shipping and logistics costs
- Similarly high prices are paid for all construction materials and inputs: i.e. steel, brick, roofing, fixtures, etc.
- Even the few items that are produced locally (e.g. aggregates, gravel, stone) are produced by small-scale artisans without modern tools or scale

Local production of cement and other construction materials offers a lucrative commercial opportunity – and would bring great benefit to the economy as a whole by lowering construction costs

South Sudan has the raw materials for local manufacturing of cement and most key construction materials

Potential sources of construction materials



- 2 major limestone deposits at Kapoeta and Yambio – each estimated to be at least x,000 tonnes
- Widespread availability of granite and other stones and aggregates
- Deposits of marble, mica and graphite in the South
- Widespread availability of clays, sands and gravels (and kaolin) in central plains

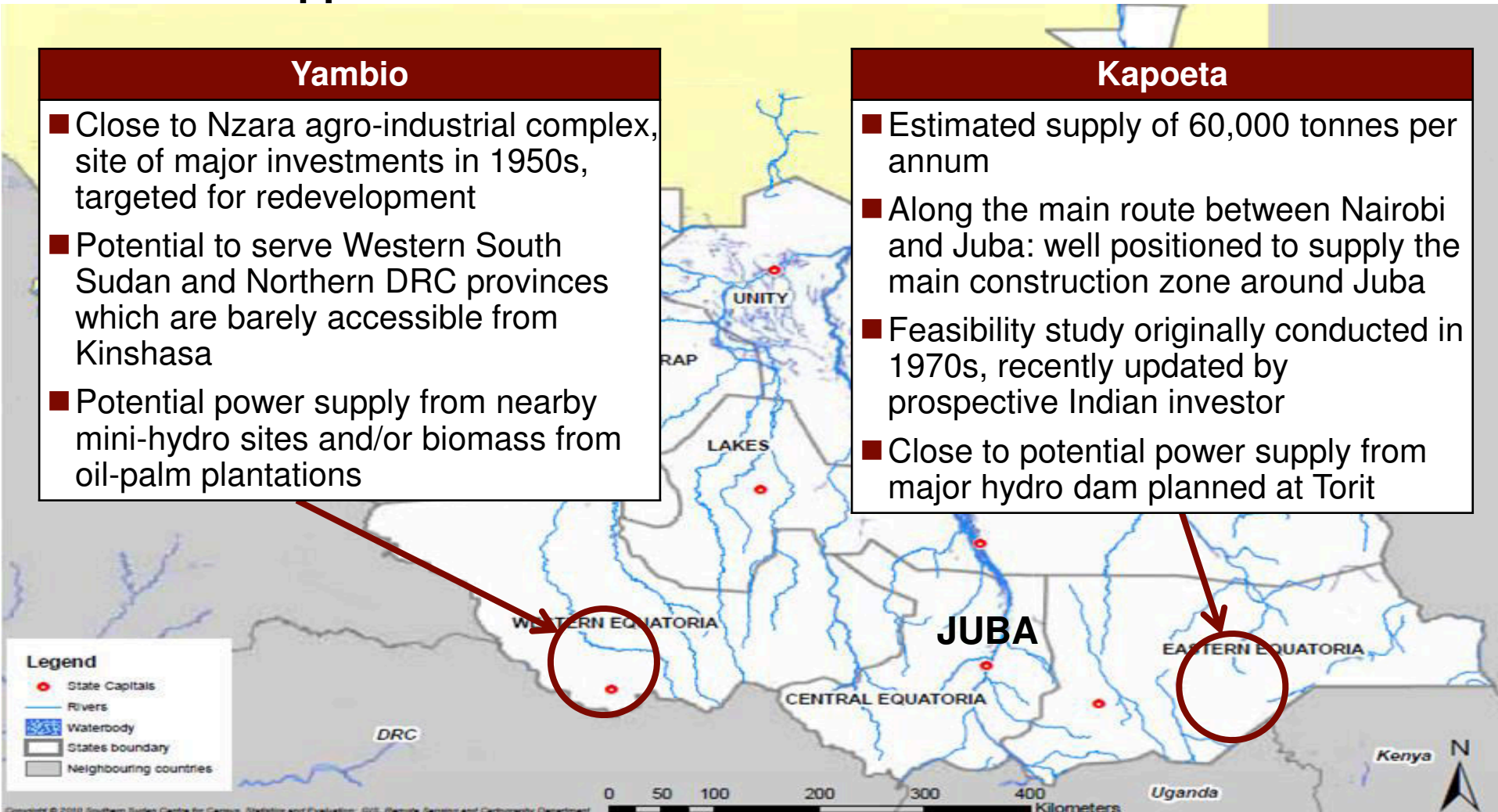
The limestone deposits at Kapoeta and Yambio offer immediate investment opportunities

Yambio

- Close to Nzara agro-industrial complex, site of major investments in 1950s, targeted for redevelopment
- Potential to serve Western South Sudan and Northern DRC provinces which are barely accessible from Kinshasa
- Potential power supply from nearby mini-hydro sites and/or biomass from oil-palm plantations

Kapoeta

- Estimated supply of 60,000 tonnes per annum
- Along the main route between Nairobi and Juba: well positioned to supply the main construction zone around Juba
- Feasibility study originally conducted in 1970s, recently updated by prospective Indian investor
- Close to potential power supply from major hydro dam planned at Torit



The Government of South Sudan is particularly keen to attract investors interested in developing cement factories in the identified regions



Welcome to South Sudan: The World's Newest Investment Destination!

- South Sudan, the world's newest investment destination, is Open for Investors in Manufacturing – with a booming economy and a wealth of natural assets to support the growth of your business
- We see the most immediate opportunities for investors in cement and construction materials, but we are eager to attract investors in all other sectors of manufacturing
- The Ministry of Commerce, Industry and Investment stands ready to assist with all aspects of business start-up and development
- We urge you to visit all these sites in South Sudan to see for yourselves!
- Please contact:

**His Excellency Garang Diing Akuang
Minister of Commerce, Industry and Investment,
Republic of South Sudan**

Email: xxxxxxxxxx@xxxxxxxx.com

Phone: +249 xxx xxx xxx