



## **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**

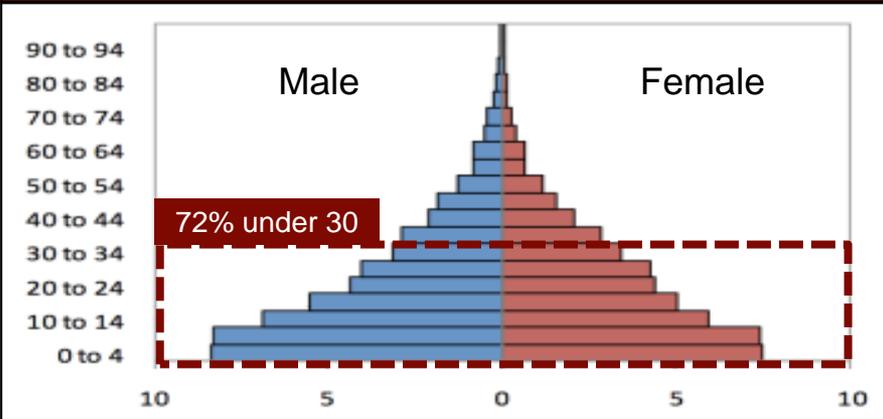


- | <b>SAMPLE OPPORTUNITIES</b>  |
|--|
| <ul style="list-style-type: none"><li>▪ Food and beverages</li><li>▪ Personal care and cleaning products</li><li>▪ Cement</li><li>▪ Construction materials</li><li>▪ Assembly of vehicles, agricultural equipment, consumer appliances, etc.</li><li>▪ Basic industrial equipment &amp; components</li><li>▪ Etc</li></ul> |

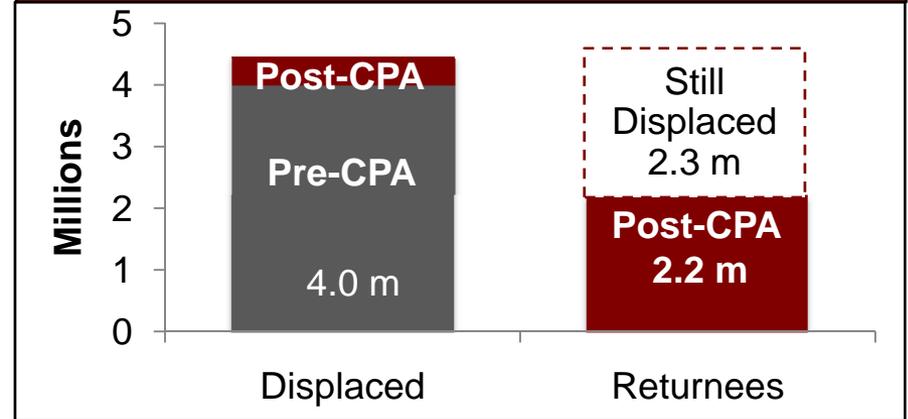
**While power, transport and ICT infrastructure is still severely constrained, new airports, roads, power sources and telecom networks are now making it feasible to establish local production facilities**

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

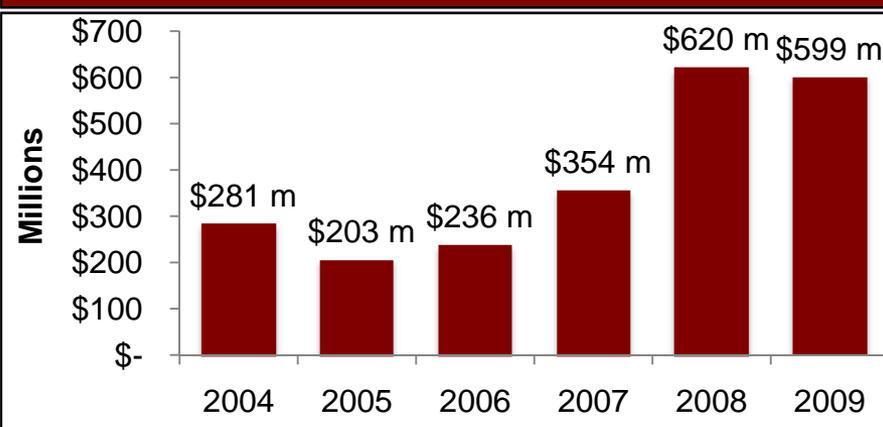
## Youthful, fast-growing population



## Returning Residents



## Remittances

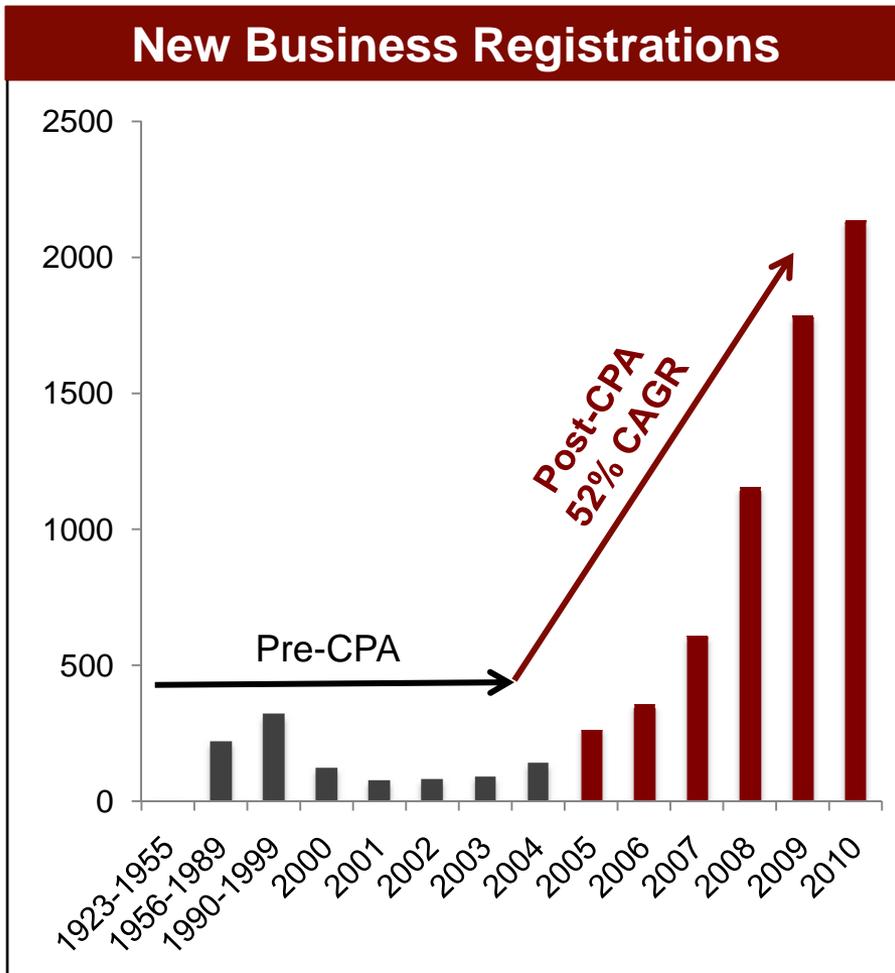


## Economic Impact

- 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.

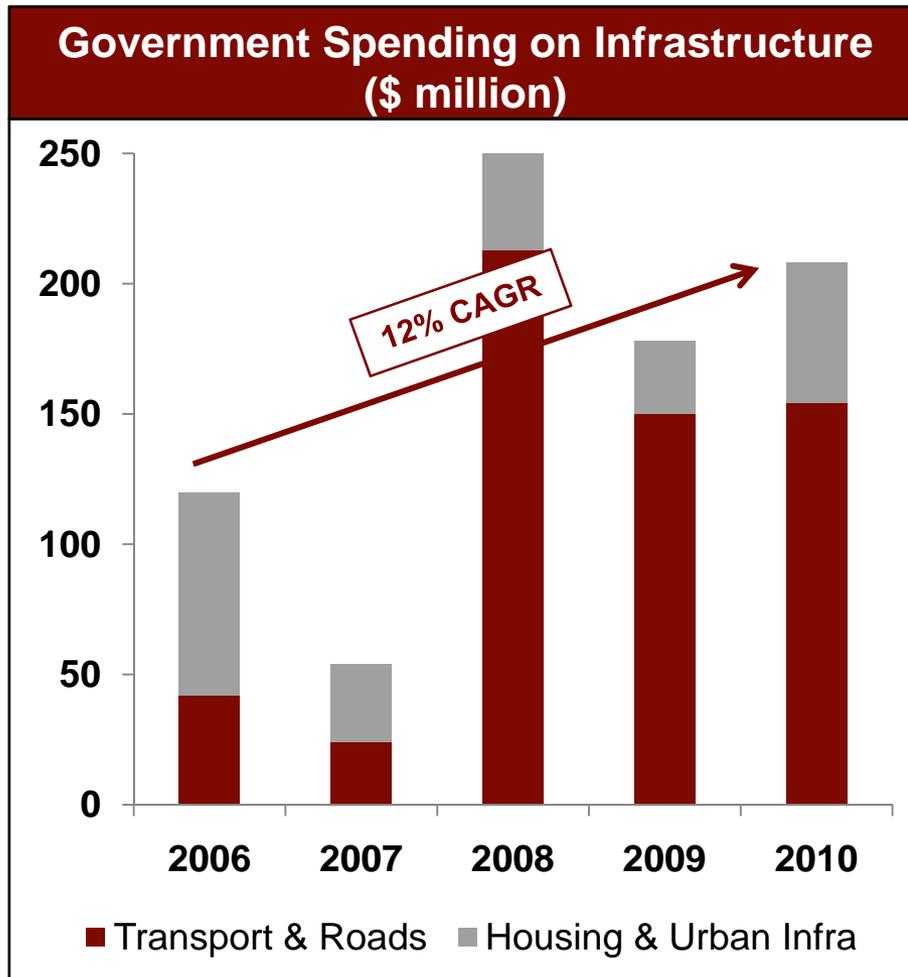
As a result, economic activity (and demand for local goods and services) is skyrocketing

### 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

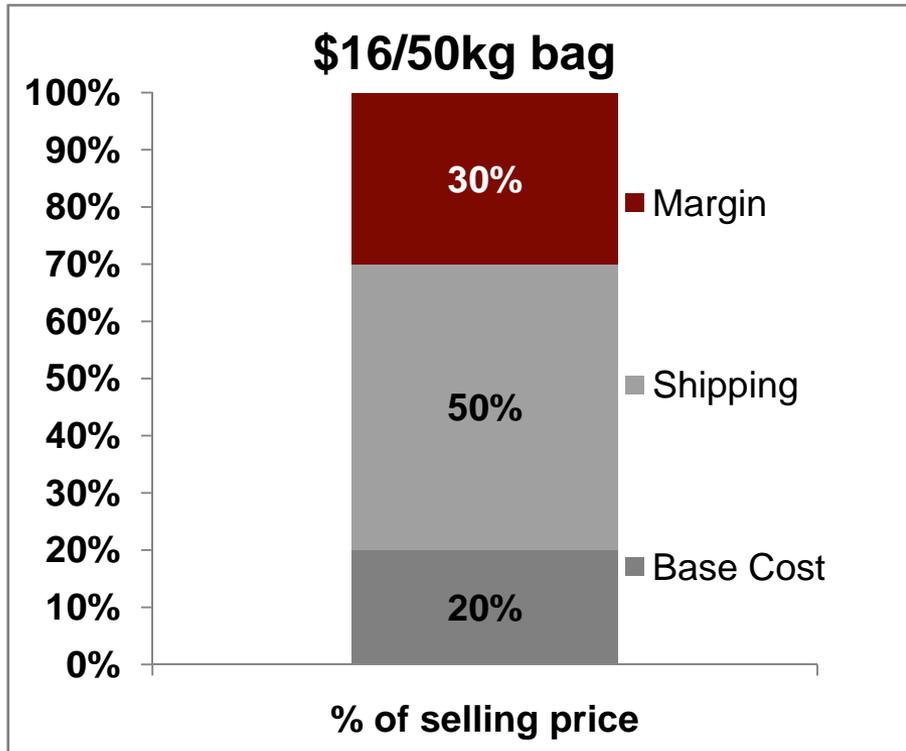
# As a result of Government spending and private investment, there is particular demand for cement and construction materials



- ### 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



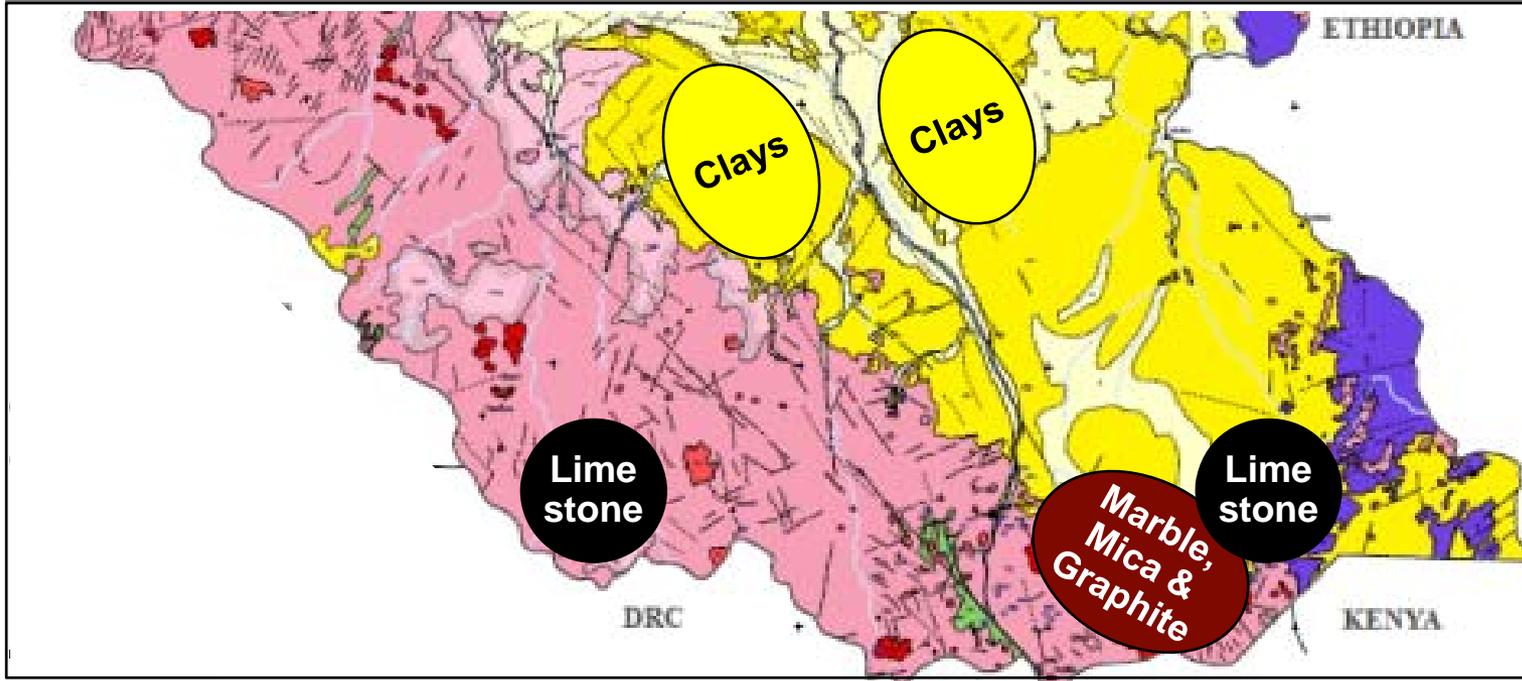
### Growing demand for construction materials

- 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

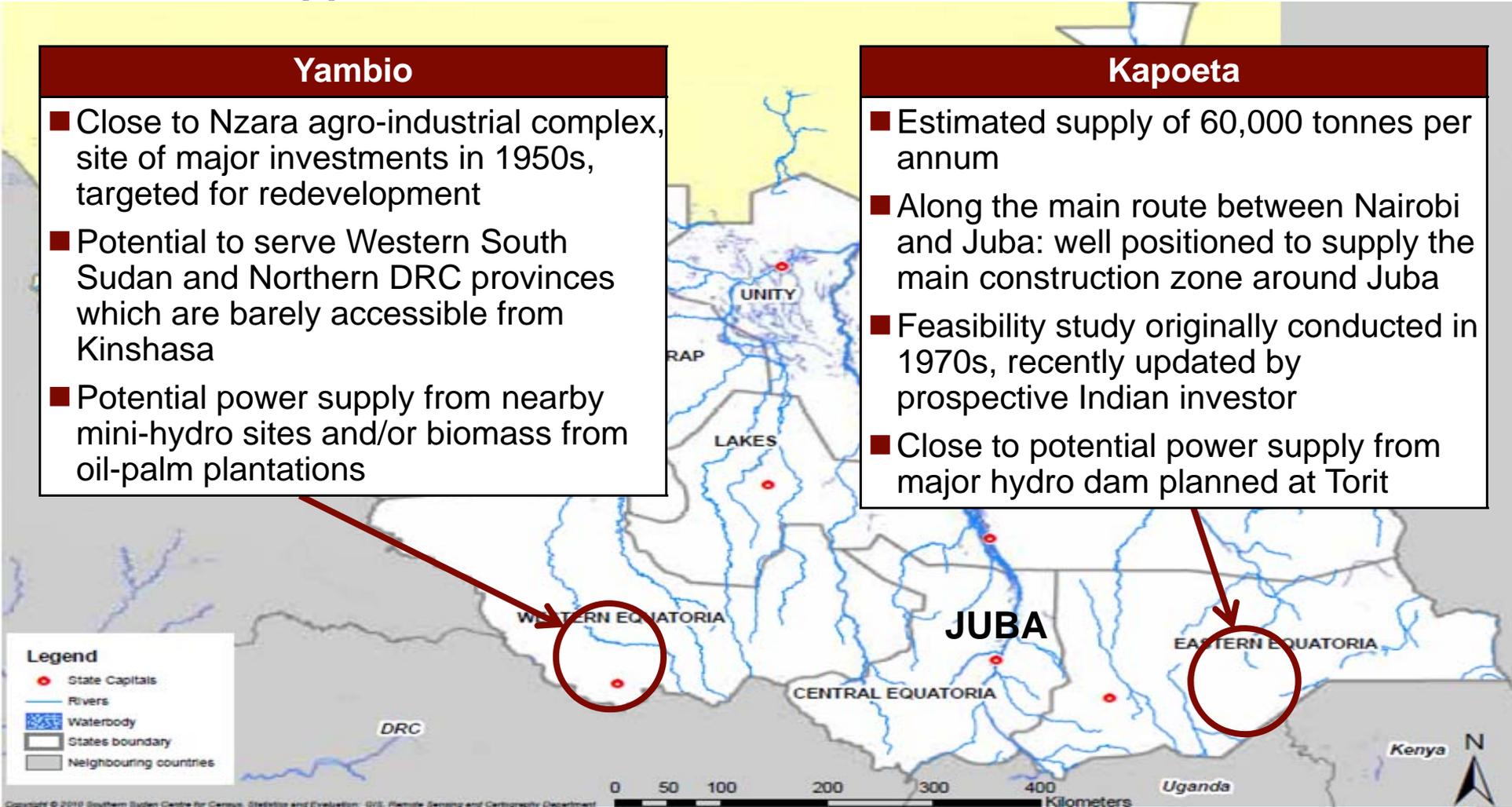
# The limestone deposits at Kapoeta and Yambio offer immediate investment opportunities

## 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:

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