



For Immediate Release

For further information:
Sayad Moudachirou
(617) 933-7200

Africa power sector investment needs could top \$814 billion over the next two decades, according to LEI study

NEW YORK, March 8th, 2011 – As Africa modernizes, the potential investment needs for the power sector are significant. “For Africa to reach a similar level of development to China today, within a 20 year time frame, over \$814 billion of investment in power generation and transmission infrastructure will be required,” said A.J. Goulding, president of London Economics International LLC (LEI). Mr. Goulding was speaking on the sidelines of a day-long Brainstorming Session on Investing in Infrastructure in Africa, hosted by Columbia University’s Earth Institute. In addition to LEI, attendees included senior representatives from major multilateral development banks, infrastructure investors, and the China Development Bank.

“Increasing economic growth and levels of per capita income are making new power sector projects more bankable,” points out Sayad Moudachirou, LEI’s project manager for Africa. An LEI study overseen by Mr. Moudachirou shows that a number of resource-rich African countries lack basic infrastructure to capitalize on their mineral wealth, but strong commodity markets are making the required investment feasible. “On a risk adjusted basis, Africa may prove to be the most attractive destination for new power sector investment over the next decade,” he adds.

LEI analysis has demonstrated the viability of numerous technology types in Africa, including larger hydro and coal plants. In addition, the firm is experienced in the analysis of various kinds of renewable energy in Africa. Among recent projects in Africa, LEI has assessed the feasibility of a proposed 75 MW hydro-electric power generation facility at Bini a Warak in northern Cameroon; within the Gambia, LEI established an effective regulatory pricing regime for the electricity, water, and sewerage industries; in Rwanda, LEI advised the Government of Rwanda in its evaluation of options for the development of the Nyaborongo and Rukarara hydropower Projects; in Nigeria, LEI provided advisory services to the Government on the development of a strategy to improve the energy infrastructure in rural Nigeria. LEI is currently advising the Government of Botswana regarding regulatory, financial and economic issues in connection with the 300 MW Mookane Domestic Power Project (a minemouth coal-fired power plant and associated mine).

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London Economics International LLC (LEI) is a global economic, financial, and strategic advisory professional services firm specializing in energy and infrastructure. The firm combines detailed understanding of specific network and commodity industries, such as electricity generation and distribution, water and wastewater provision, and natural gas distribution, with a suite of proprietary quantitative models to produce reliable and comprehensible results. For further information on LEI, please contact Sayad Moudachirou at (617) 933-7200 or go to www.londoneconomics.com.

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