PRESS RELEASE

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Opening of Namibia’s only cement plant demonstrates European Investment Bank’s support for private sector and regional integration in Africa

The European Investment Bank (EIB) welcomes today's inauguration of Namibia's only cement plant. The Ohorongo facility, the most modern cement plant in Africa, is located 435km north of Namibia's capital Windhoek. The plant will comply with the same strict environmental and emission control standards as used by sister facilities in Germany. Operation of the Ohorongo plant ends Namibia's reliance on imported cement and will supply demand in Botswana, Zambia and post civil-war Angola.

The European Investment Bank, the European Union's long-term lending institution, will provide over EUR 82 million for the EUR 250 million project in recognition of the Ohorongo plant's expected contribution to local employment and high environmental standards. The European Investment Bank will speak about the plant’s contribution to the local economy on behalf of the European Union and international financial institutions at the inauguration. DEG, part of Germany’s KfW Banking group, and the Development Bank of Southern Africa will also support the scheme. The inauguration ceremony will be attended by the President and Prime Minister of the Republic of Namibia, the German Ambassador, interim European Union Chargé d'Affaires and European Investment Bank representative.

"The European Investment Bank congratulates Ohorongo Cement in completing construction of Namibia's only cement factory complying with strict emission and safety standards. We welcome the plant's commitment to improving living standards and employment around the facility and we hope that it will stimulate economic activity in northern Namibia." highlighted Plutarchos Sakellaris, European Investment Bank Vice-President responsible for Africa.

"The inauguration of the Ohorongo Cement factory is as a pivotal investment towards the strengthening of the industrial sector in Namibia. The factory will support the goals set out in the country's long-term development strategy Vision 2030 for optimal utilization of the country's resources and diversification of its economy. I am convinced that Ohorongo will live up to our expectations and make an important contribution to the economy in the whole region - for generations to come." noted Dr. Joachim Knoth, European Union interim Chargé d'Affaires.

"DBSA is proud to be one of the financiers of Namibia’s first cement plant, which will include a grinding mill, access roads, railway track and housing facilities for the workforce. The new cement plant will be an important addition to cement capacity in the region, enabling the expansion of infrastructure, housing and economic development broadly. In addition, it will provide over 300 direct jobs and provide indirect employment for over 2,000 people in the Tsumeb area, a poor rural district. We are also quite pleased that the Ohorongo cement plant has been built with advanced, improved technology, featuring not only improved energy efficiency, but also the innovative use of alternative fuel, namely the encroacher bush, which will supply up to 30% of the cement plant's energy demand; this is being done in a win-win partnership with the local community and indigenous farmers, promoting further local employment and income generation for agrarian community." noted Admassu Tadesse, DBSA’s Group Executive responsible for the Bank’s financing and investments in Africa.

The Ohorongo plant will have an annual production capacity of 700,000 tonnes and cover cement production from raw material preparation to cement dispatching. The loan will also finance a grinding mill, access roads, railway track and housing facilities for the workforce.
The new cement plant will make a significant contribution to reducing poverty and towards sustainable economic development in northern Namibia. The Ohorongo plant will provide over 300 direct jobs and provide indirect employment for over 2,000 people in the Tsumeb area, a poor rural district. Ohorongo cement seek to use invader bush to supply 30% of the plants energy demand, further boosting local employment through harvesting and delivery activities.

Other lenders in the project, with a total investment of € 250 million, are DEG, part of Germany’s KfW Banking group, and the Development Bank of Southern Africa.

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Notes for Editors:

- The European Investment Bank, the European Union’s financing institution, supports investment projects fostering European development aid and cooperation policies and has been a development partner in many African, Caribbean and Pacific (ACP) countries since 1963
- European Investment Bank loans in Africa concentrate on fostering private sector-led initiatives, including SME investments that promote sustainable economic growth and help to reduce poverty. The Bank also supports public sector projects that are critical for private sector development and the creation of a competitive business environment.
- Schwenk Zement intends to use all its 160 years of experience in operating a cement production and cement plants, especially using latest technology in energy efficiency, product quality, health & safety and environmental protection for the success of its Ohorongo project.