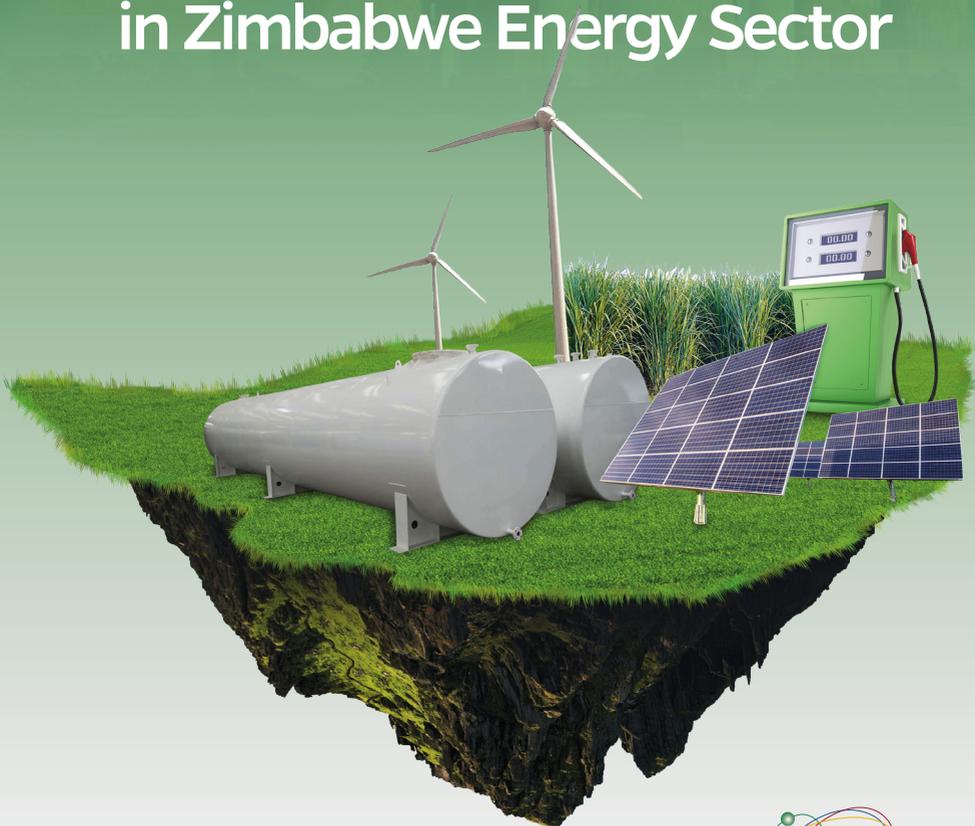


Investment Opportunities in Zimbabwe Energy Sector



Why Invest in Zimbabwe's Energy Sector?

Zimbabwe is endowed with immense energy resources that are currently under utilized. The country's diverse renewable and coal resources present investment opportunities in the electricity and petroleum sub-sectors. These untapped resources underpin Zimbabwe's status as the gateway to the vast southern African Market with a huge potential for growth.

Location

Zimbabwe is located at the heart of Southern Africa which makes it strategic and able to supply energy needs within the region. Investors should capitalize on the increased energy demand in the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA) region by investing in Zimbabwe. The country has the best climate for the growth of renewable energy projects and vast deposits of coal which can be harnessed through clean technologies.

Opportunities

Demand for modern energy in the SADC region is growing. The regional average electrification rate is around 45% while Zimbabwe stands at about 44%. Zimbabwe and the region therefore present opportunities for greater uptake of modern energy.



Diverse Energy Resources

Zimbabwe is rich in large deposits of coal resources which are largely under developed or yet to be fully utilized.

The country's economic potential is under pinned by the best solar radiation, vast biofuels, significant wind potential, perennial rivers for small hydro projects and coal bed methane deposits

Hydro Power

Zimbabwe's electricity supply is out stripped by demand, thus creating plenty of opportunities for either direct investment (as independent power producers) in the sector or joint venture participation with the power utility. It is estimated that 5 000MW can be harnessed along the Zambezi River which is shared with Zambia.

There is also potential to generate power from mini hydro sites located in the Eastern Highlands due to a conducive terrain and rainfall pattern.

No.	Name	River	Province	Q(m ³ /s)	H(m)	Peak Power (kW)
01	Mukosi	Tokwe	Masvingo	13.4	65.0	12 000
02	Glyn-A-Mel	Manyame	Mash West	4.0	24.0	1 500
03	Mhondoro	Mupfure	Mash West	3.9	26.1	1 600
04	Mozwa	Tuli	Mat South	4.2	29.4	1 940
05	Condo	Save	Manicaland	30.6	50.1	24 000
06	Bindura	Mazowe	Mash Central	1.6	23.4	580
07	Silverstream	Musengezi	Mash Central	1.06	39.6	660
08	Kudu	Munyati	Midlands	12.0	36.9	6 940
09	Dande	Dande	Mash Central	1.88	23.7	700
10	Tende	Runde	Masvingo	12.0	40.0	7 200
11	Lion's Head	Mubvinzi	Mash Central	2.3	27.0	970

The above is a sample of the potential sites which can be harnessed to generate power which is needed in Zimbabwe and the Southern Africa region as a whole



Batoka Gorge Hydropower Project

This is a joint project that will include two 1200MW power plants, with the power being shared equally between Zambia and Zimbabwe. The project received funding from the World Bank for feasibility studies and environmental impact assessments which are already complete.



Solar Energy

Solar energy in Zimbabwe is still far from being exploited at commercial level. The country has high solar radiation averaging 20MJ per square meter and 3 000 hours of sunshine per year.

Solar PV technology has a potential of over 300MW, whilst only 1% of the technical potential for solar water heaters is being exploited. Opportunities exist for small and large-scale deployment of grid-connected systems and off-grid systems in remote locations.

Solar PV systems can be deployed in both rural and urban areas for, amongst many things, pumping water for rural communities, solar driers, lighting and appliance at rural institutions (schools and clinics), and water heating in urban areas (solar thermal).

Net-metering is another opportunity that exists in the country's energy space.

Wind Energy

There is potential in wind powered generation. This energy resource remains largely untapped for use by consumers who are remote to the existing grid and also for grid-connected systems.

Preliminary studies in the same areas already indicate that potential for wind is there. The extent of actual potential and the exact locations, however, still need to be established.

Coal

Coal is one of the biggest energy resources the country possesses. Proven coal resources of over 12 billion metric tonnes are situated mainly in the northern and north-western parts of the country. Zimbabwe's coal is generally good quality, with calorific values ranging from 20 to 32 MJ/Kg (mega joules/kilogram)

There is still room for more power generation capacity to be enhanced by local and foreign investor's participation.

Coal bed-methane

Zimbabwe has approximately 40 terra cubic feet (1.132 terra cubic meters) of coal bed methane (CBM) located in the western and southern parts of the country. This resource could be commercially exploited for power production and used as feedstock for the petrochemical industry.

Investment in exploration has so far been lacking, and this potential energy resource remains unexploited. The Coal-Bed Methane (CBM) resources in Zimbabwe are ranked 11th largest in the world, after South Africa

Bio-Fuels Development

Zimbabwe has a target to substitute at least 10% of the nation's fuel requirements with bio-fuels by 2020. This will be done through expanding sugar cane growing to produce ethanol which is one of the requirements in the import substitution strategy.

The country is also producing bio-fuel at a small scale from jatropha. Production of bio-diesel is however constrained by feedstock as most capacity is lying idle.



Biomass and waste

The country's biomass and waste which includes wood waste, municipal waste and large agricultural waste presents opportunities for the generation of electricity which can be utilized on the site with electricity being fed onto the national grid.

Estimated forest residue of around 70 000 tons has potential to generate 150MW. Production of electricity from municipal waste is also largely untapped. The main market can be the major cities and towns.

Petroleum

Zimbabwe imports all its fuel and has over 600 service stations across the country. The country has a growing population with over 1 million vehicles currently estimated to be on the road.

The country introduced various levels of mandatory fuel blending in conformity with the Sustainable Development Goal (SDG 7) on energy and the need to promote green fuel. Zimbabwe provides key connecting routes for the countries which are within the SADC region.

Other investment opportunities in this sub-sector include LPG depots and retail stations in the urban and rural areas among others.



Why Zimbabwe ?

The Government offers generous fiscal incentives to investors through:

- Build-Own-Operate- Transfer arrangements
- Build-Own-Transfer arrangement
- Negotiable tax holidays
- Solar equipment can be imported duty free. The equipment includes: solar panels, inverters, solar lights, solar water heaters and energy saving bulbs
- Special Economic Zones (SEZ) where manufacturing and assembly plants can be built



Invest Now!

Zimbabwe boasts of rich intellectual human capital, a supportive government and pro-investment policies which makes the country a preferred strategic destination for investors seeking new markets

Now is the time to invest in Zimbabwe's Energy Sector

Southern Africa Development Community (SADC)

Demand for modern energy in the Southern African Development Community (SADC) is growing. The average regional electrification rate is still low while Zimbabwe stands at 44%. Zimbabwe and indeed the region therefore present opportunities for greater uptake of modern energy.



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