

Power-starved nation gets a jolt



Tanzania works with a Chinese firm to boost power

By **ZHANG ZHOUXIANG**

Name something that is invisible but indispensable to our daily lives. You may answer air, but few would say electricity. From the light bulb in the living room to the light fixture in the car, to the office computer and the cellphone, so many aspects of our daily lives rely on electric power. In Tanzania, where only about 20 percent of residents have access to consistent electricity, some people have never used a TV or a radio in their entire lives. Factories in the southern parts of the country often deal with power outages, forced to wait for hours for the power to come back on. Shanghai Electric Power Co (SEPC), which provides eastern China with electricity, says it is determined to change this. SEPC has a net asset value of 41.2 billion yuan (\$6.7 billion) and an installed capacity of 8.81 million kilowatts.

AFRICAN OPERATIONS

SHANGTAN POWER GENERATION CO LTD
Industry: Power plant
Established: 2014
Headquarters: Kinyerezi, Dar es Salaam, Tanzania
Employees: 24
Address: Kinyerezi, Dar es Salaam, Tanzania

PARENT COMPANY IN CHINA

SHANGHAI ELECTRIC POWER CO LTD
Industry: Thermal power generation, power plant operation and maintenance, power engineering EPC, power technology R&D and consulting, coal trading
Founded: 1998
Headerquarters: Shanghai
Overseas operations: Around 30 overseas projects in countries including Tanzania, Mozambique, Egypt, Malta, Japan, Turkey, Australian, Montenegro, Indonesia, Iraq
Employees: 6,838
Installed capacity: 8932.2 MW
Address: No 268, Zhongshannan Road, Shanghai
Phone: 86 21 23108800
86 21 23108718
Website: www.shanghaipower.com

WANG YUNDAN



Chairman of Shanghai Electric Power Co Ltd
Born: 1960
Education: Shanghai University of Finance and Economics (1978-82)
Career
• Chairman of Shanghai Electric Power Co Ltd (2011- present)
• Former director of Planning Department, China Power Investment Group Corporation; deputy director of Technology Department, State Grid Corporation of China; general manager of Downtown Power Supply Company, Shanghai Municipal Electric Power Company; director of Planning Department, Shanghai Municipal Electric Power Co



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Zhang Fu
deputy general manager of Tanzania KIII project company

Many years ago, SEPC, while developing business in China, adopted an overseas investment and expansion strategy. The company invested in countries including Malta, Japan and Turkey, and provided power operation services in Iraq. After it sent an investigation team to Tanzania several years ago, it found major potential for its expertise in power industry.

"The country lacks electricity but has huge potential," says Zhang Fu, deputy general manager of the Tanzania KIII project company. "The installed capacity of the nation is only 1,438 megawatts, but they have enough fossil fuels to generate electricity."

In Mtwara, the Tanzanian government has planned to exploit a large inland natural gas field. It will tap into the inland field and transport natural gas through pipeline to Dar es Salaam, the economic center.

"The location of power project that we are going to invest is about 20 km from city center of Dar es Salaam," Zhang says.

Dar es Salaam is situated near the ocean, making it far easier for the company to import materials and large machines needed for building power plants.

Wang Yundan, chairman of the board at SEPC, signed a memorandum with Tanzania Electric Supply Co Ltd (TANESCO) on July 16, 2013 and a cooperation contract on Oct 24, 2013, thus formally starting the KIII 600mW power generation project.

"SEPC has good experience in power investment, construction, operation and maintenance in China and overseas, we can bring our knowledge and experience to Africa, provide training to local staffs, and will gradually localize during operation period," Zhang says.

"TANESCO is a Tanzania state-owned company, with integrated business from power generation, transmission, distribution and sales. TANESCO can help us to understand local environment and reduce local risk. Thus both parties can complement the advantages with each other, and realize the win-win situation."

This is the first power project in energy sector of Tanzania, which is from the investment of big size state-owned company of China.

The project phase I is expected to put into operation in 2017, and the electricity generated will be equivalent to about 20 percent of Tanzania's current electric power supply. That will contribute to ease the country's thirst for electricity and provide the nation a path to develop other industries, thus to benefit the economic development of Tanzania.

For new investors in Tanzania, Zhang has a few tips. First, coordination requires a lot of patience because investors have to follow the rules and regulations of the Tanzanian government, which can be different with situations in China.

"You need to learn the local rules first, your investment strategy can be made under local legal framework," she says.

"You also have to understand the local culture, adapt to local environment, so that the effective communication can be realized."