

SA group seals R5bn Saudi water deal

By [Marc Hasenfuss](#)

8 Feb 2018

SA-based investment company PSG Group has not had to wait long for its investment in GrahamTek, a desalination and water purification company, to start paying off. On Tuesday, 6 February, GrahamTek confirmed it had clinched a R5bn contract to build a desalination plant in Saudi Arabia.



Image source: www.pixabay.com

This is the first major deal to be clinched by GrahamTek since PSG's 53%-held subsidiary Energy Partners acquired a controlling stake in the Strand-based water services specialist for an undisclosed sum in October 2017.

Energy Partners, a sustainable energy solutions specialist, is one of PSG's largest unlisted investments held under its PSG Alpha umbrella. Energy Partners, which has grown rapidly in the past five years, has also been tipped for a JSE listing.

The company said the contract involved designing, building and operating a desalination plant for The Saline Water Conversion Corporation (SWCC). SWCC controls about 40% of the world's desalination plants and owns and operates 27 plants in Saudi Arabia. The contract was potentially a global game changer for the company, said GrahamTek CEO Julius Steyn.

"SWCC is a market leader and a trendsetter. If SWCC go for our technology, it will open doors in other markets for us." GrahamTek is already engaged with contracts in India and Ghana.

The contract consisted of several phases, Steyn said. "We need to achieve every milestone and deliver 100% to the contract requirements. On completion, it will generate in excess of R5bn in foreign revenue for SA."

Work would begin immediately on phase one with a view to complete the contract over the next 18 months.

Prolonged low oil prices forced Saudi Arabia to consider technologies providing desalinated water at the most cost-effective prices, Steyn said.

The company has experience in the region with the new desalination plant being the sixth contract GrahamTek had secured in Saudi Arabia.

As regards winning desalination plant contracts in drought-stricken Cape Town, Steyn said GrahamTek was part of the city's efforts at securing alternative water sources. "The adjudication process is under way " we'll have to see," he said. GrahamTek's technology was ideally suited to the South African environment and was well placed to provide solutions for the Cape Town water crisis, he said.

Source: Business Day

For more, visit: <https://www.bizcommunity.com>