

PPC buys Rwanda cement producer

PPC has bought a 51% stake in cement producer Cimerwa Limited of Rwanda for US\$69.4m. Cimerwa, in south-western Rwanda, has been the country's only cement producer for 28 years, PPC said on Wednesday (12 December).

It has a capacity of 100,000 tons of cement a year but the company is increasing this to 600,000 tons. The new facility will be commissioned in 2014.

In addition to shareholder equity contributions, Cimerwa is in the process of finalising US\$104m debt financing to complete the expansion project.

PPC's Paul Stuiver said the purchase is a further step in PPC's commitment to invest in sub-Saharan Africa and it is confident about the future of Rwanda.

"The Cimerwa plant is located in a challenging but very strategic region in east Africa, which currently lacks significant cement production capacity," he said.

Demand for cement in Rwanda is estimated at 350,000 tons a year but regional cement demand is projected to increase to 1m tons annually over the next ten years.

Stuiver said: "Combined with our recent investment in Ethiopia, the Cimerwa transaction will increase PPC's revenue outside of South Africa to more than 30% by 2016."

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