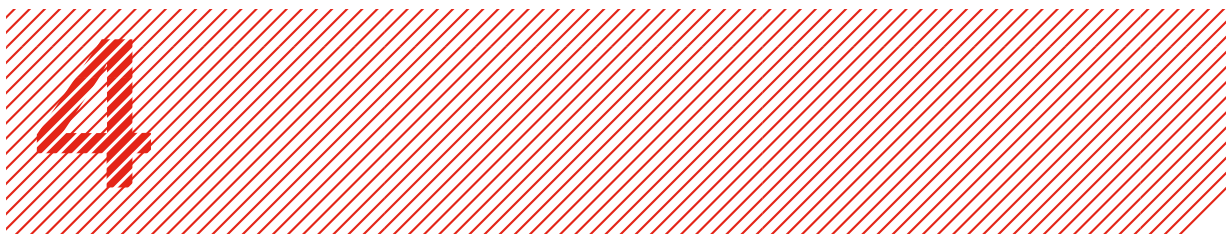




The Green Point stadium in Cape Town during construction.

# Munich Re in Africa



This year's World Cup has placed Africa – especially South Africa – firmly at the centre of world attention. With over four decades' experience as an insurer in South Africa, Munich Re is now on hand to offer its innovative solutions in other African markets.



Since the 2010 World Cup was awarded to South Africa, a building boom has taken over the region and many of the developers rely on Munich Re as a partner. "Our wide spectrum of services, ranging from customised risk transfer solutions and professional loss assessments to risk management support, are very much in demand", explains Junior Ngulube, head of Munich Re in South Africa (MRoA).

### Gautrain – Africa's first high-speed rail link

For example, Munich Re is the leading reinsurer in the construction of the prestigious high-speed rail project Gautrain in the northeast of the country. This new rail link between Pretoria and Johannesburg is a trend-setting project in the development of South Africa's infrastructure. It will alleviate traffic problems between Johannesburg and Pretoria and offer commuters a viable alternative to the car, especially as the area of Johannesburg has suffered from poor infrastructure in the past.

The Gauteng province, home to both Johannesburg and Pretoria, is the location for this ambitious project.

The new 80 km rail link called Gautrain ("Gau", pronounced "how", means gold and is named after this former gold mining area) links Johannesburg's city centre with the international airport O.R. Tambo and the financial district of Sandton City and terminates in Pretoria.

The rail link was planned and approved long before South Africa was awarded the World Cup. However, there is no doubt that the World Cup speeded up the construction project, which was started in 2006. The stretch of line between the airport and Sandton City/ city centre is scheduled to be completed in time for the World Cup opening ceremony in June.

Munich Re is the leading reinsurer in the Gautrain project. The CAR-ALOP insurance was concluded in 2006, with a property sum insured of some €1.4bn.

Our civil engineers work very closely with the Gautrain project management on risk management aspects. "Our know-how is in great demand, especially for loss prevention", comments Heiko Wannick, who is responsible for risk inspections. "Our commitment to this project far exceeds the mere provision of reinsurance capacity."



Keeping the Gautrain project on track: The prestigious high-speed rail link between Pretoria and Johannesburg is not just a colossal technological feat. It also presents many challenges for managing the structural and civil engineering risks involved.



Moving forward: The first trains for the test runs are lowered onto the tracks.

The main lines of the new rail link run from west to east and north to south. They connect Johannesburg and Pretoria and thus also cover the main World Cup venues.

- Stations
- Viaduct
- Shafts
- Tunnel



### Football stadiums – Well protected

From the very outset, Munich Re has been involved as an insurer in the preparations for the World Cup – from the initial planning and construction to covering the actual event itself.

One of the most impressive projects Munich Re is (re)insuring is the upgrading of Johannesburg’s Soccer City stadium, originally opened in 1989 as the FNB Stadium. February 2007 saw the beginning of the stadium renovation, which was covered by way of a CAR policy.

This stadium, renovated at a cost of €300m and ten million working hours, will host the opening ceremony, the opening game and the tournament final. Its new design takes its inspiration from traditional African pottery and resembles a calabash. The renovation work, completed in October 2009, increased Soccer City’s capacity from 80,000 to 94,000, making it the biggest stadium in Africa.

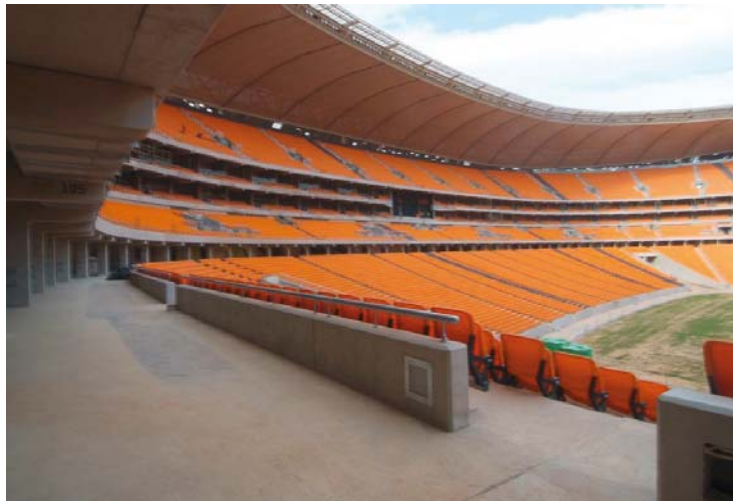
Munich Re also insures the construction of other South African stadiums for the World Cup, such as the Green Point Stadium in Cape Town and the Nelson Mandela Stadium in Port Elizabeth.

## Substantial development potential

“The activities connected with the World Cup may be a special highlight, but Munich Re helps to shape the future of Africa in many ways”, explains Junior Ngulube. “There are a number of infrastructure projects in the region we participate in as reinsurers.”

Munich Re expects substantial development potential in the next 15 to 20 years, both for individual countries and for the reinsurance market as a whole. Various countries in Africa are currently showing dynamic growth with substantial investment in infrastructure – a key element in economic development. There is a lot happening: projects for power generation, road building, ports and pipelines.

Projects Munich Re is involved in outside South Africa include power plants and dams in Uganda and the hydropower plants Gibe 1, 2 and 3 and the planned Gibe 4 in Ethiopia. Gibe 3 will have a capacity of some 1,870 megawatts (MW), making it the largest hydropower plant in Africa. By comparison, in 2007 Ethiopia’s national grid had an installed capacity of 814 MW, which Gibe 3 alone will more than double. This could radically increase the number of villages with an electricity supply – and at a stroke provide electricity for half of the country’s rural communities.



Different views of Soccer City:

**Top:** The stadium in Johannesburg, which will host the opening and final games of the 2010 World Cup, has undergone major renovation over the last few years. Its shape resembles a calabash, an African cooking pot.

**Middle:** The stadium now has capacity for 94,000 people, 14,000 more than before it was upgraded.

**Bottom:** The innovative exterior design is a sight to behold.

As the hydropower resources available will even exceed Ethiopia's needs, only half of the electricity produced will remain in the country with the rest being exported to neighbouring countries Kenya, Sudan and Djibouti.

In line with its philosophy of promoting renewable energy projects throughout the world, Munich Re recently participated in a further project: an erection-all-risks policy worth some €200m to cover the Ashes-goda wind farm in Ethiopia. The plant will house 120 turbines with an installation capacity of 120 MW.

"All these projects clearly demonstrate Munich Re's commitment as an outstanding partner in the development of the African continent", emphasises John Ngulube. "We have the know-how and capacity and always deploy both these qualities for the benefit of our African clients."

## "ALWAYS FORWARD, NEVER BACKWARDS"

This has been MRoA's guiding principle for over 40 years. MRoA was founded back in 1968 as the Munich Reinsurance Company of South Africa. In the 1970s and 80s, this still rather small company expanded its operations within South Africa and into other countries in the region: branch offices were opened in Zimbabwe, Malawi, Namibia and Mauritius in order to service clients locally. In 1995, responsibility for all sub-Saharan countries was transferred from Munich Re to MRoA. The company pursued a policy of equal opportunities from the very beginning, almost unheard of in pre-1990 South Africa. This liberal philosophy enabled MRoA to play a decisive role in developing the region's insurance industry during the post-apartheid era.

Today, MRoA also has a branch in Cape Town to complement its headquarters in Johannesburg. It is supported by its fully owned subsidiary Munich Mauritius Reinsurance Company Limited (MMRC) based in Réduit on Mauritius and other liaison offices in Nairobi (Kenya) and Accra (Ghana). Under the leadership of John Ngulube, MRoA has over 200 staff servicing clients in central and southern Africa and on the islands of the southwestern Indian Ocean. It offers a broad range of services: customised risk transfer solutions, professional loss assessments, support in evaluating new business opportunities, client seminars, technical publications and market analyses. The recipe for success? "A mixture of African passion and German heart", says MRoA CEO Ngulube.

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