

Press Release

Africa: PAC carries renewable energy to Uganda with SACE SIMEST

€ 3 million from SACE (CDP Group) and Sparkasse to build a 16 MW hydroelectric plant in Uganda

Bolzano, 03 January 2019 – SACE SIMEST, the export and internationalization hub of the CDP Group, has moved to support a € 3 million loan issued to PAC by Sparkasse, a major banking group in South Tyrol, earmarked to build a hydroelectric plant with installed power of 16 MW in Uganda.

Specifically, the loan will enable Bolzano-based PAC to meet the working capital requirement to qualify for the contract worth a total of 40 million dollars. The Kikagati hydroelectric plant, located on the border with Tanzania, will generate clean energy. Work on the plant began last April.

"We thank SACE SIMEST for the collaboration they are providing in the business our company is developing abroad," declared Mario Parolini, Board Chairman of PAC S.p.A. "Their presence is essential to our internationalization process and has proven effective and efficient in cooperation with the banking world. We trust that this cooperation between SACE SIMEST and the banking world will continue and become a fundamental asset for Italian companies seeking to operate abroad."

Formed in 1969, PAC now has five offices worldwide and is active in infrastructure projects with high engineering content, as well as in the design and construction of specialized works, particularly hydroelectric plants. The foreign market is becoming increasingly strategic for PAC, especially Sub-Saharan Africa, where the company is competing for contracts in Uganda and bordering countries.

Besides the Kikagati facility, PAC has completed construction on a run-of-the-river hydroelectric plant in Uganda with installed power of 41 MW and is currently building another 42 MW plant there. To operate in that country, PAC has relied on the assistance of SACE SIMEST. Specifically, SIMEST has acquired an interest in SIPA, PAC's Ugandan subsidiary, while SACE is protecting the investment from political risk.

This is the first initiative completed with Sparkasse-Cassa di Risparmio di Bolzano, an important entity in the South Tyrol that numbers many local companies among its customers. SACE SIMEST, which serves



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SACE, a wholly-owned subsidiary of Cassa depositi e prestiti, offer export credit services, credit insurance, protection of foreign investments, financial guarantees, bonding, and factoring. With € 94 billion in transaction insured in 198 countries, it supports the competitiveness of companies in Italy and abroad, ensuring more stable cash flows and transforming the default risk of companies into development opportunities. With **SIMEST**, of which it owns 76%, it forms the export and internationalization hub: a single point of reference for access to all the insurance-financial instruments of the CDP Group designed to support the competitiveness and foreign growth of Italian companies worldwide.

companies in the area through its Verona office, confirms its commitment to assist the SMEs of the northeast that best express Italian excellence around the globe.

Africa: land of opportunity

In 2017, Italian exports to the countries of Sub-Saharan Africa registered growth of 5.5% for a value of € 5.2 billion. The current year is continuing this positive trend (+ 5.3% in the first ten months), perfectly in line with SACE SIMEST projections (+5.4%) and for 4.5% average annual growth in the next three years. The sectors offering the best opportunities in the first six months of the year were capital machinery (+ 6.5%), refined products (+ 24.5%), metal products (+ 8.8%), electrical equipment (+ 9.5%), and chemical products (+ 8.6%).



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