

**Press conference
African Green City Index**

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Check against delivery

Good morning,

It is a great pleasure to be with you here today and my privilege to talk about what Siemens is doing to address the challenges and opportunities presented by the rapid urbanization of Africa. Before I do so I'd like to extend my own personal welcome to Honourable Minister of Environmental Affairs, Edna Molewa, Honourable Executive Mayor of Durban, James Nxumalo and Ms. Delia Meth-Cohn from the Economist Intelligence Unit– we're honored by your presence and look forward to hearing from you later.

It feels good to be here in Durban during COP17. As a company, Siemens feels at home in the Province of KwaZulu Natal and this wonderful city. Looking through some of our historical archives I came across a project, the Congella Power Station built here in Durban to meet its growing needs. Siemens supplied two generator transformers to the 98 MW power station in 1940. Far more recently, we are proud to be a technology supplier to the Ingula Pumped-storage electrical power plant with a capacity of 1,330 MW that is being built in the Drakensberg Mountains here in KwaZulu Natal. Siemens is supplying the complete electro-mechanical equipment, including four pump-turbines, four motor-generators and the complete automation and control system. The plant is scheduled to commence operation in 2013 and will supply much needed clean electricity to Durban and other cities across the country. I mention these two projects not only to refer to Siemens' proud history in the region's power stations, but to highlight the challenge of meeting the infrastructure demands of a growing population, especially in cities, like Durban. According to the Durban History Museum, in 1900 the total population of the town of Durban was about 55,700. Today, only 111 years later the city of Durban has about 3.5 million inhabitants!

Ladies and Gentlemen, we are living in the Urban Millennium. Two hundred years ago, only three percent of the world's population lived in cities. Today more than half of the world's 7 billion people live in cities, and the trend is accelerating. Similarly, 60 percent of the global economic output is generated in the world's 600 biggest cities alone. Yet the negative effects of progress have also been evident in cities: noise, limited space, environmental pollution and congested traffic. Cities now produce up to 70 percent of the world's greenhouse gas emissions and account for approximately two thirds of the world's overall energy consumption.

It should come as no surprise that these same challenges confront us here in Africa too. Just short of 40 percent of Africa's population lived in cities at the end of 2010. Whilst that number makes it the world's least urbanized region, it is also true that Africa is the fastest urbanizing continent in the world according to the United Nations Population Division. By 2035, the continent will reach the tipping point, when more than 50 percent of Africans will live in urban centers.

To put that into perspective: this means that the number of people living in cities increases by approximately one million each week, on average. By 2025, it is estimated that the GDP per capita of cities such as Luanda and Casablanca will almost triple. In major cities such as Lagos, Cairo and Johannesburg, this figure will double. And sub-Saharan Africa is one of the fastest growing markets in the world with a 5% growth rate in 2011. These cities will be integral to the continent's economic fortunes – contributing an estimated 69 percent of all growth on the continent between 2007 and 2025.

The UN's 2010 State of African Cities report observes that "experience shows that across the world, urbanisation has been associated with improved human development, rising incomes and better living standards." But the same report also warns that unless immediate and decisive policy action is taken, rapid urbanisation could be more burden than opportunity for the region. The infrastructure requirements alone to sustain the continent's current rate of growth are staggering. According to research carried out by the World Bank and the African Development Bank, \$93bn of annual investment is required to meet the continent's current infrastructure needs.

Whilst this may all sound daunting, we must not shy away from this challenge, for here lays the key to the future of humankind. Siemens is committed to helping find solutions for the challenges cities face. We know the technology already exists today to help drive these improvements toward a sustainable existence. We are a willing and competent global partner for cities of all sizes, in all parts of the world.

During the past years, all of Siemens global efforts have fallen into one of three Sectors: Industry, Energy and Healthcare. This was the way our company was organized worldwide. As of October 1st, we now have a new, fourth Sector: Infrastructure & Cities. This is a significant step, and represents a strong and determined commitment that will position us as a major player in this important market – a market worth over €300 billion annually!

We have bundled the largest share of Siemens businesses related to cities in this Sector, cognizant of the fact that we need to move from closed island solutions and single products to cross-linked intelligent infrastructure solutions. Siemens' Infrastructure & Cities Sector is made up of the following Divisions: Building Technologies, Rail Systems, Mobility and Logistics, Low and Medium Voltage, and Smart Grid.

No other company can offer such a broad and comprehensive product portfolio for Cities. In fact, the technologies and solutions from all four of our Sectors correspond to Africa's needs. As an integrated technology company Siemens is able to provide answers that Africa needs to tackle many of its infrastructure challenges. From industrial automation solutions that increase the productivity of Africa's industries to water products that can provide clean drinking water for the 300 million Africans who don't have access to it. From wind turbine technologies that produce clean energy to HVDC technologies that can get electricity to the 560 million Africans who don't have access. From medical imaging technologies to laboratory diagnostic systems that can provide affordable healthcare to the more that 50% of the African population who needs it.

With over 150 years of experience in Africa we look forward to a sustainable future on the continent. To be an active participant in Africa's growth, Siemens will continue to invest in the continent. We are investing €200 million to expand our business here. This investment is going towards building new partnerships with African companies, enhancing our local manufacturing capacities and strengthening our sales teams, across our regional companies and branch offices. We are committed to local job creation, and our global CEO, Peter Loescher, recently announced that Siemens will be creating 500 new green jobs in Africa in the coming years. We recently established the Siemens Wind Power Center of Competence for Africa and the Middle East here in South Africa. We are building its engineering expertise and the capacity to focus on local skills development, entering into local partnerships for the manufacture of different components.

Creating local green jobs will enable us to meet the growing demand for eco-friendly products and services throughout Africa.

One tool that will support us, our local partners and African cities in the push to leap-frog into the green economy is the African Green City Index. This is a unique research project from the Economist Intelligence Unit (EIU), in cooperation with Siemens, comparing the environmental performance and policies of 15 major African cities. The goal of the African Green City Index is to aid efforts and understanding in the field of urban sustainability – what their strengths and what their weaknesses are. We also want to start a dialogue about best practices in the area of green policies and infrastructures and help the cities to learn from one another. The African Green City Index is part of a research series which has to date evaluated more than 120 cities in Europe, Asia, Latin America, Germany, the US and Canada and now Africa.

I am pleased that we have Delia Meth-Cohn, the Editorial Director for Continental Europe, Middle East and Africa at the Economist Intelligence Unit, with us today who will talk about the overall approach employed and share the results of the African Green City Index. Before I hand over to Ms. Meth-Cohn, I would like to underscore why Siemens is participating in this type of research. We believe it is crucial for cities to take action not only to protect our environment, but also to make them more livable and competitive; turning them into the places where both people and businesses can thrive. And we want to ensure that information on effective technologies and environmental solutions is available to help African cities with this effort.

That is why we have also initiated the Sustainable African Cities Tour. It is a travelling interactive exhibition showcasing various technologies that make life in cities more sustainable. We kicked-off the tour in Johannesburg on the 14th of November, and it was recently in Cape Town. And now it is here in Durban as part of our exhibition in this Pavilion. We will be travelling to other major African Cities in 2012.

So, ladies and gentlemen, in conclusion: One thing is clear: As in the past, progress today is being defined and shaped by, and in, cities around the world. The transition to a culture of sustainability will be the great challenge of the coming decades. We must be prepared to think of new possibilities and remain open to new ideas. And, we must be willing to invest. This transition can succeed only in and with cities. Our Siemens Environmental Portfolio is the largest and broadest offering of green products and services in the world. This, coupled with our new Infrastructure & Cities Sector, means we are well placed to work with African cities to provide sustainable, clean and efficient infrastructure that maintains quality of life, saves resources, protects nature, and fosters cultural and economic prosperity.

Thank you.