

South Africa's \$5.8bn Hive project aims to lead low-cost ammonia output

A \$5.8bn project on South Africa's east coast seeks to use the country's infrastructure and cheap renewable power to make some of the world's least expensive green ammonia for clients in Europe and Asia, an executive said.

By [Wendell Roelf](#) 12 Jun 2025



Source: [Fxabay](#)

South Africa is vying with other African nations, including Egypt, Morocco and Namibia, to meet rising demand in the European Union and Asia for hydrogen and ammonia described as green because they are produced from renewable energy.

Ammonia is used in making fertiliser and by the chemical industry and it is also the means to deliver hydrogen, which is sought after to reduce carbon emissions but is very difficult to ship or pipe.

The project at the port of Coega, jointly developed by Britain's Hive Energy and South African partner BuiltAfrica, is expected to ship around one million metric tons a year of green ammonia to clients by late 2029, Hive Energy's Africa chief executive officer Colin Loubser said.

"Our project, we believe, will provide the lowest-cost green ammonia globally," he said on the sidelines of an energy conference in Cape Town.

The project can use existing infrastructure and ample wind and solar energy. A desalination plant on site, operated by South Africa's biggest salt-maker by volume Cerebos, for example, will also help to offset capital expenditure.

Benchmarking global indices, Loubser said green ammonia was priced at around \$760 a tonne free-on-board but the Coega operations could produce the commodity for less.

"We can produce at \$650 a tonne and still give an investor a very attractive double-digit internal rate of return," he said, adding that the company was in talks with customers in Europe, Japan and Korea.

According to South Africa's Department of Trade, Industry and Competition, the country could approach \$ per kilogramme of green hydrogen by 2050.

Loubser said subsidy programmes in countries such as Australia and India may pose a threat to South Africa, but that it should remain competitive in the nascent sector.

Strategically situated along a major shipping route, Hive's project could eventually quadruple production to million tpa, Loubser said.

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