



Japan SADC Infrastructure Investment Seminar

BUSINESS ENVIRONMENT AND INFRASTRUCTURE DEVELOPMENT IN MOZAMBIQUE (Water & Energy)

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www.cpi.co.mz



PRESENTATION LAYOUT

1. Why investing in Mozambique?
2. Infrastructure Development (Water & Energy)
3. Principal Seteps for Investment in Mozambique;
4. Final Remarks.

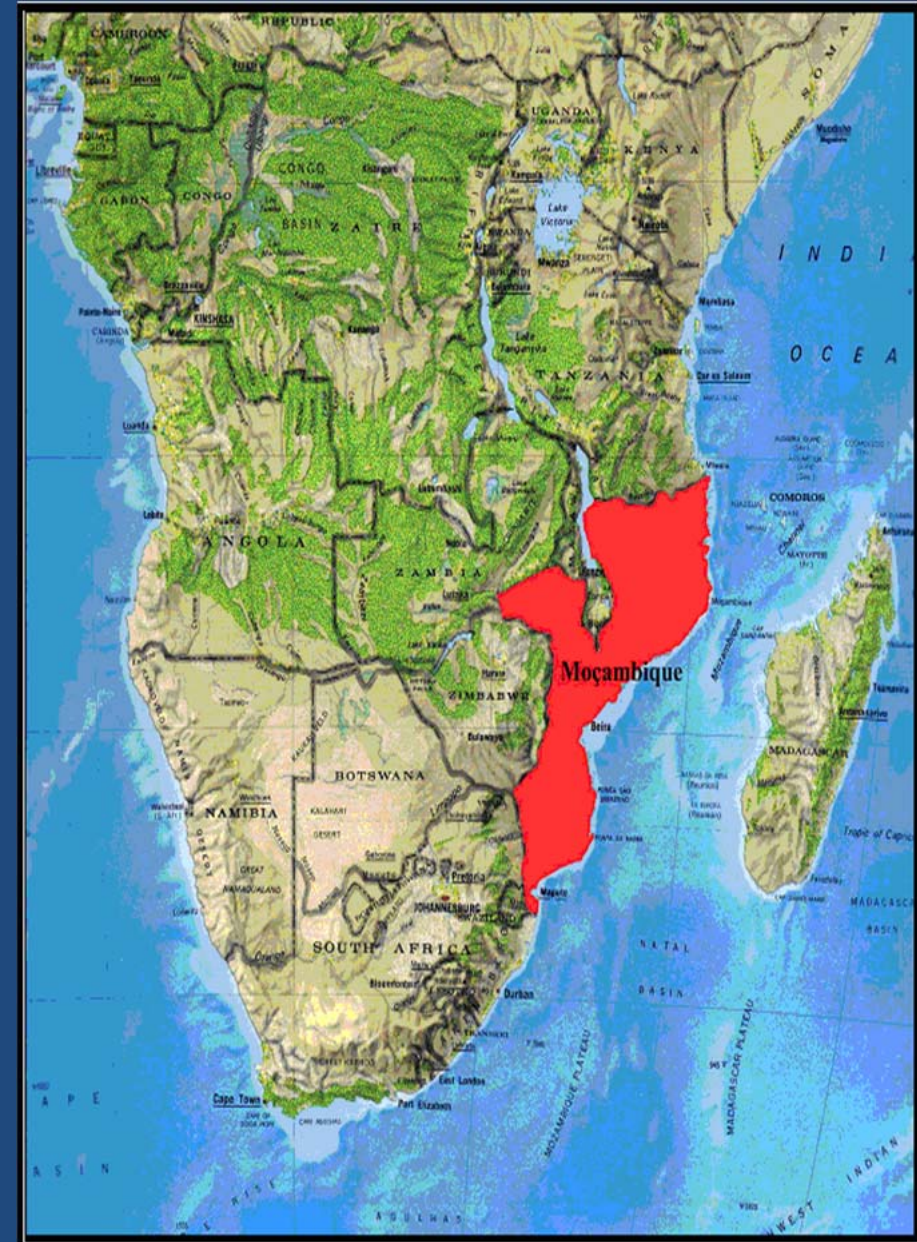


1. Why investing in Mozambique?



FACTS ABOUT MOZAMBIQUE

- Strategic & privileged Location: South-Eastern Africa;
- Total area: 800,000 km² and common border with 6 commonwealth countries;
- Population: 20 million;
- Official language: Portuguese but English is widely spoken





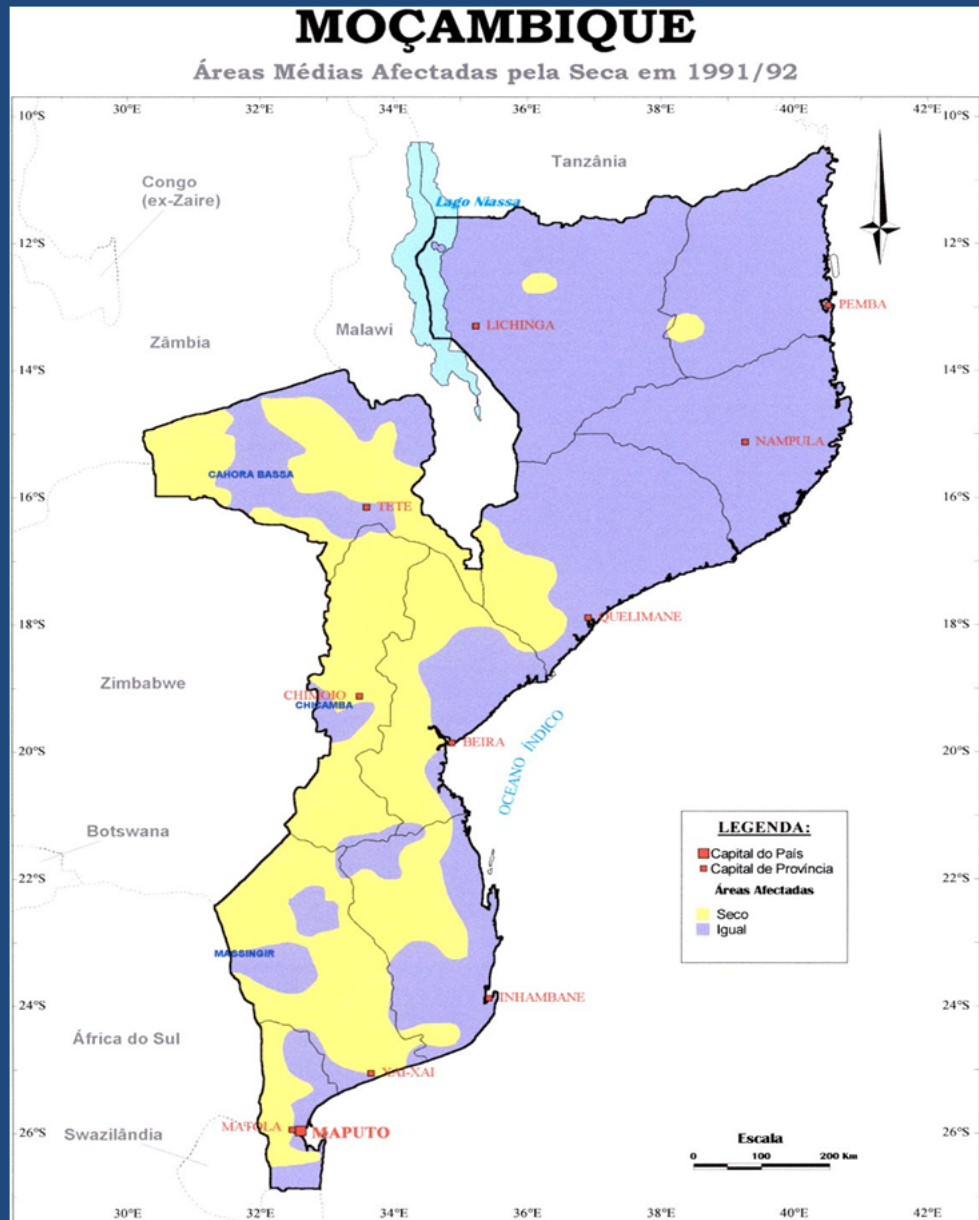


MINING POTENCIAL

1. Coal
2. Natural Gas
3. Titanium
4. Lameston
5. Gemstones
6. Heavy Sands
7. Phosphates
8. Tantalite
9. Gold
- 10 Etc



POTENCIAL FOR AGRICULTURE



Fontes: Mapa de Moçambique, Divisão Territorial (DINAGECA, 1987). Secção de Hidrologia/DNA (1984). Estudo para a Identificação das Zonas Afectadas pela Seca e/ou em Perigo de Desertificação em Moçambique (F. Lúcio e J. Amade, 1996).

por JNF da Costa e P. Langa, 2-2-2000

Increased rainfalls from the coast to inland and South to North

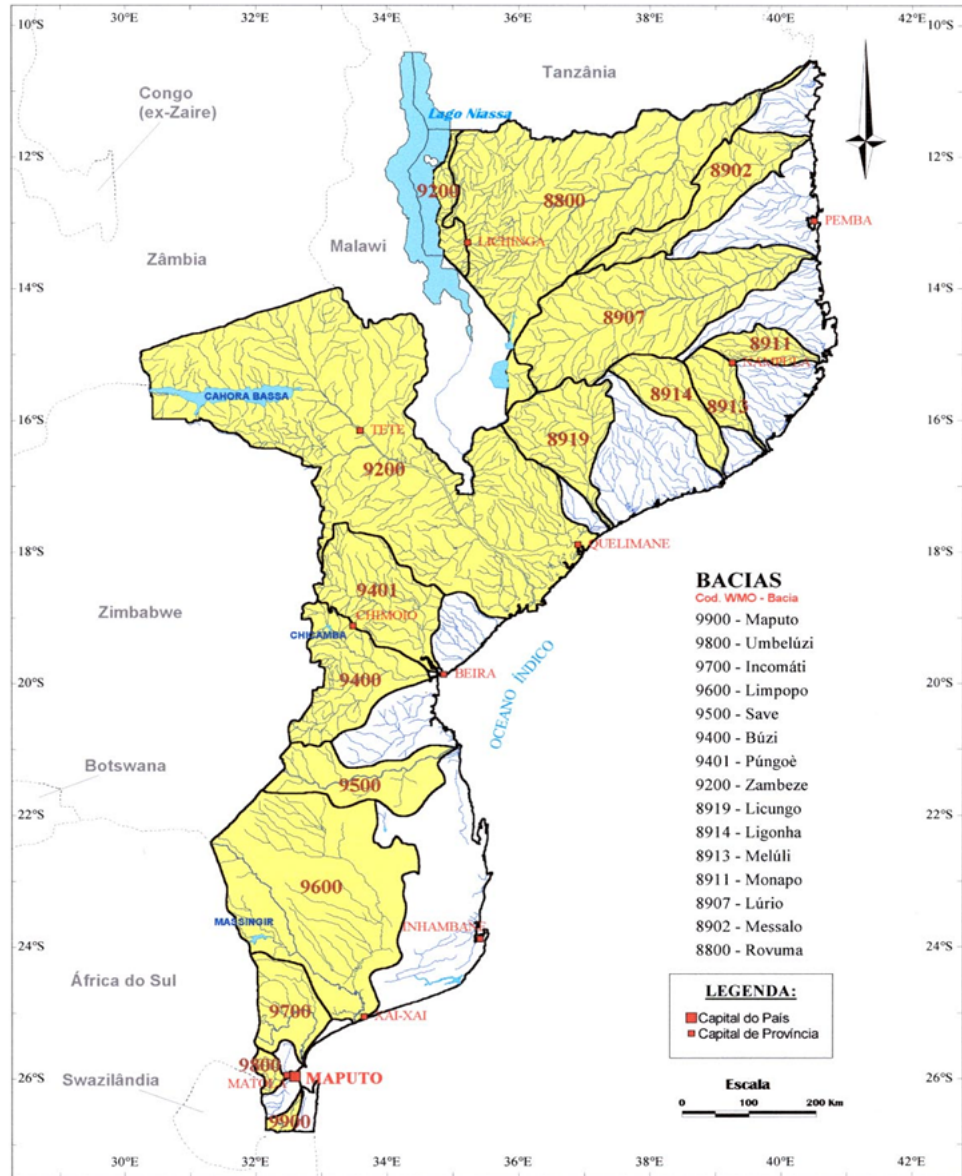
Two distinct seasons:

1. Wet and hot
2. Dry and cold



MOÇAMBIQUE

Bacias hidrográficas principais de Moçambique



Fonte: Bacias Hidrográficas (Serviços Hidráulicos, 1976)

por JNF da Costa, 5-1-2000

15 major rivers in the east to west direction with water throughout the year

36 million ha of arable land;
3.5 million ha for irrigation;
62 million ha of natural forest;
22 million m³ of timber (500,000 m³ / year)



Preferential Access to Markets

□ SADC

- 257 million consumers;
- GDP of US\$ 500 billions;
- Steps for Regional Integration:
 - 2008 – Free Trade Area
 - 2011 – Customs Union
 - 2015 – Common Market
 - 2016 – Monetary Union

□ Free access to International Markets:

- Japan, Canada, China
- USA (AGOA)
- European Union (EBAS)
- -Australia



- Good and Stable Macroeconomic Environment;
- Fast-Growing Economy: 7.5% average GDP growth in the last decade ;
- Infrastructure under massive improvement:
 - Transport infrastructure, Ports and “Development Corridors” serving landlocked neighboring states;
 - Incremental Power Generation and Transmission Lines and Telecom investments.
- Tourism Zones: Specific areas identified and protected by law for tourism development;
- Special Economic Zone: NACALA, since 2007



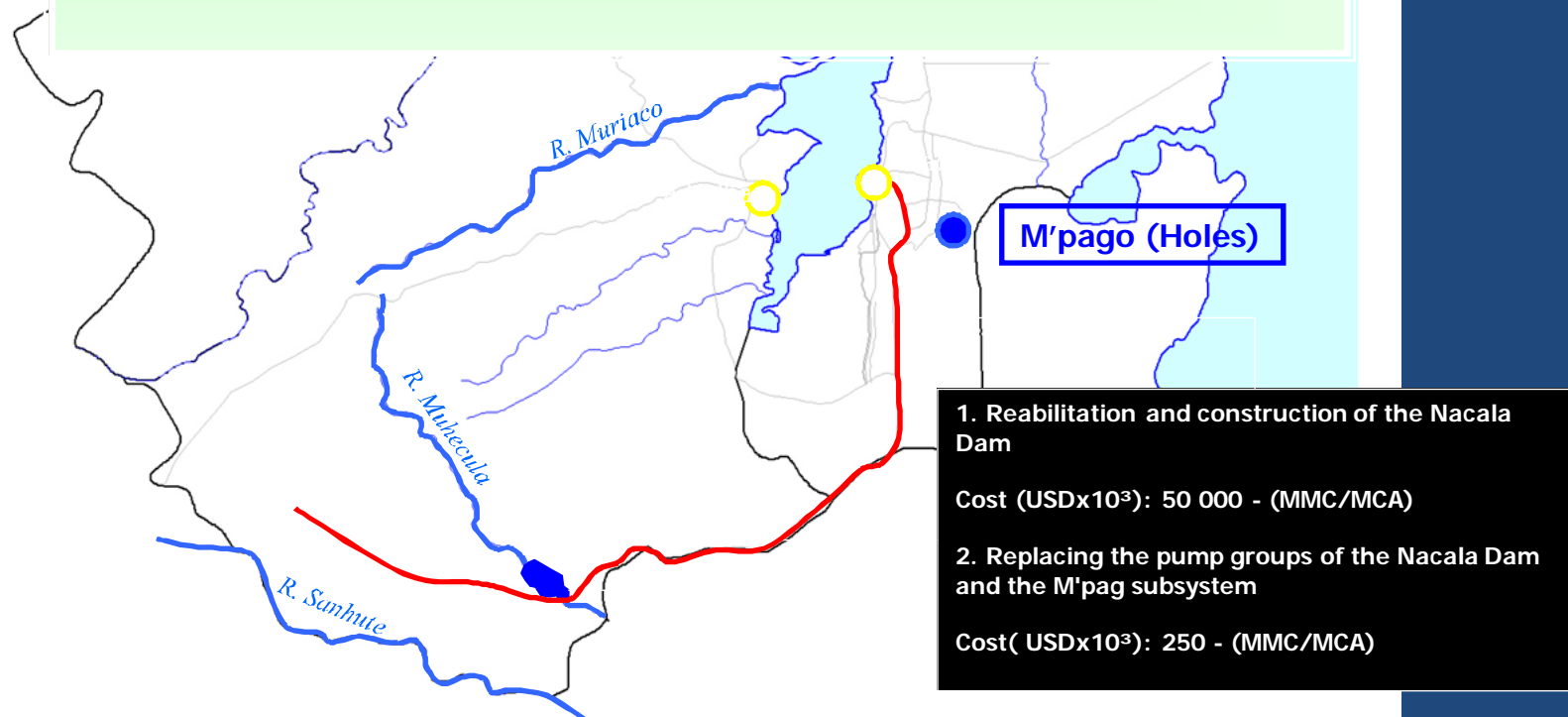
2. INFRASTRUCTURE DEVELOPMENT (Water & Energy)



WATER

Studies for the construction of a dam on the Rivers Monapo / Sanhute / Muriaco / Lurio

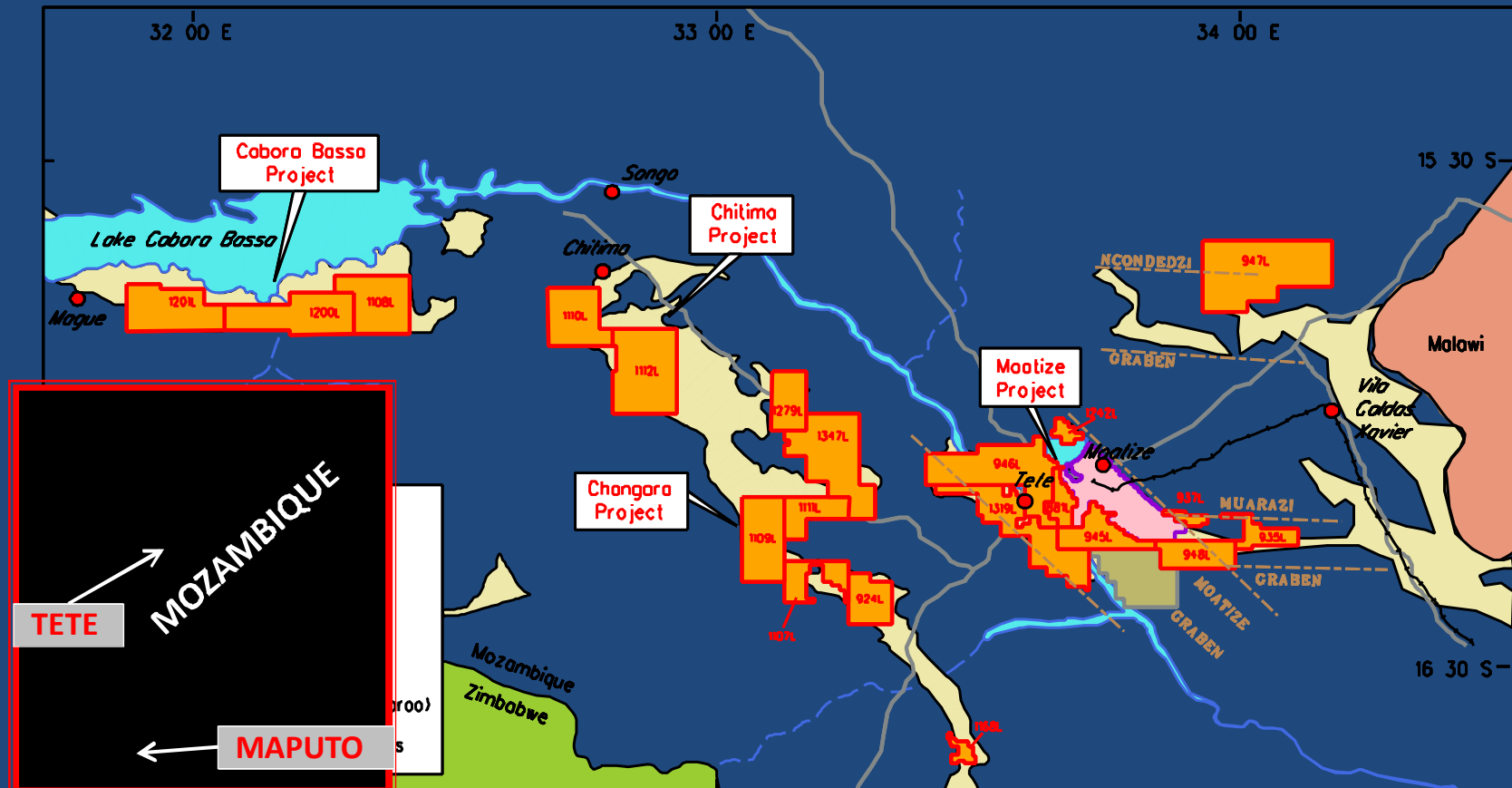
Cost (USDx10³): 5 000



Opportunities in water

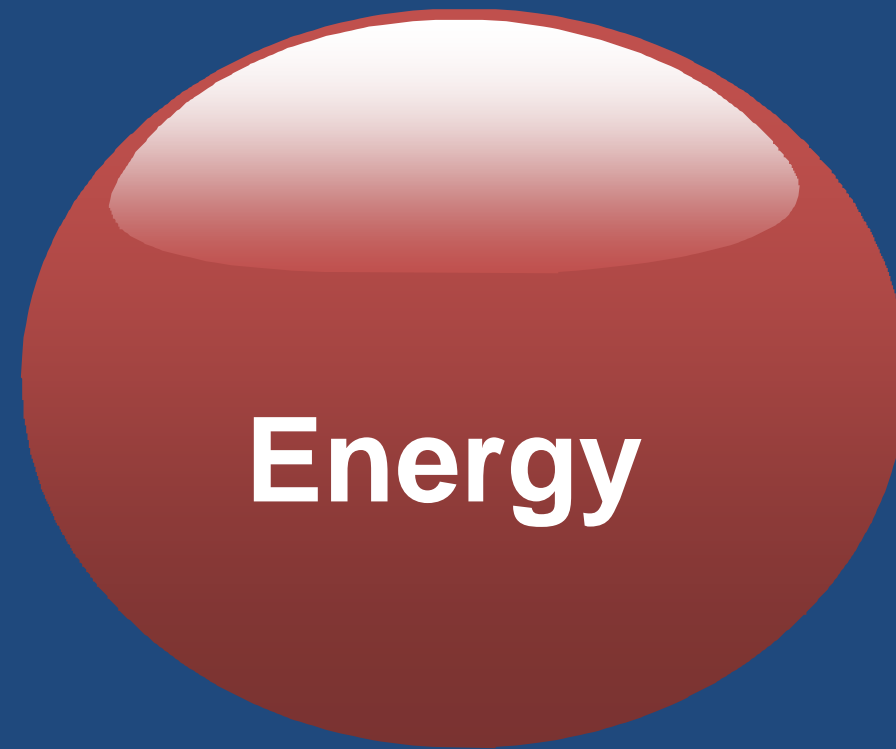
(The Tete Mining Hub)

- A world coal mining potential (more than 3 bill Tons untapped reserves);
- Urge challenges in water supply for mining activities and public use;





- Integrated Water Management with following priorities:
 - Rehabilitation & benefiation of the Corumana dam (Maputo) and Massingir dam(Gaza);
 - Constrution of the Nhacangara dam (Manica), Metuchira & Gorongosa dam (Sofala), Moamba-Major & Açude dam (Ressano Garcia-Maputo);
 - Promotion of the constrution & rehabilitation of small dams & reservirs in harmony with the infrastructue development plans in all Districts, specialy to support agricultural activities.

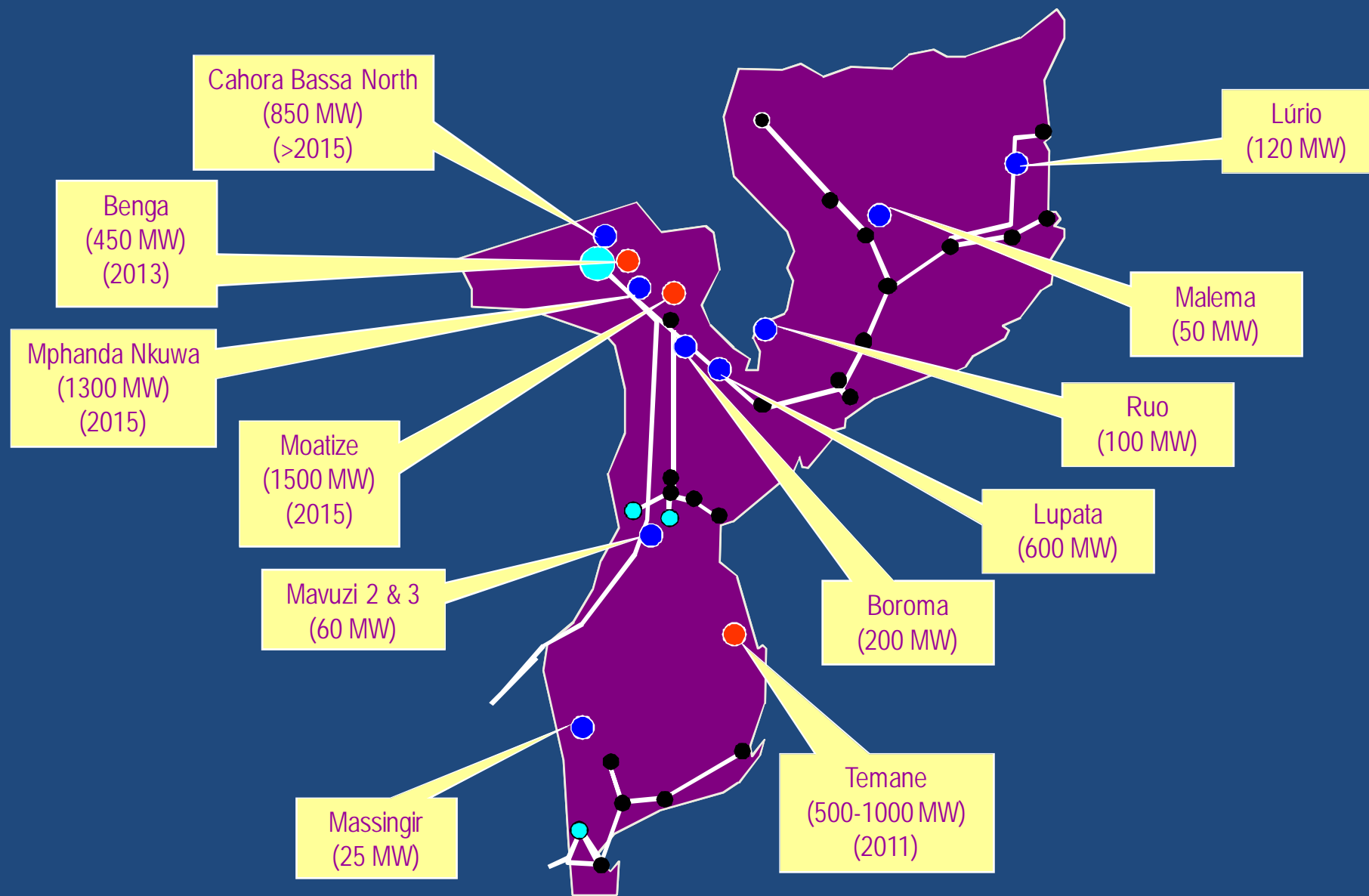


Energy

Investment Opportunities in Hydro Power

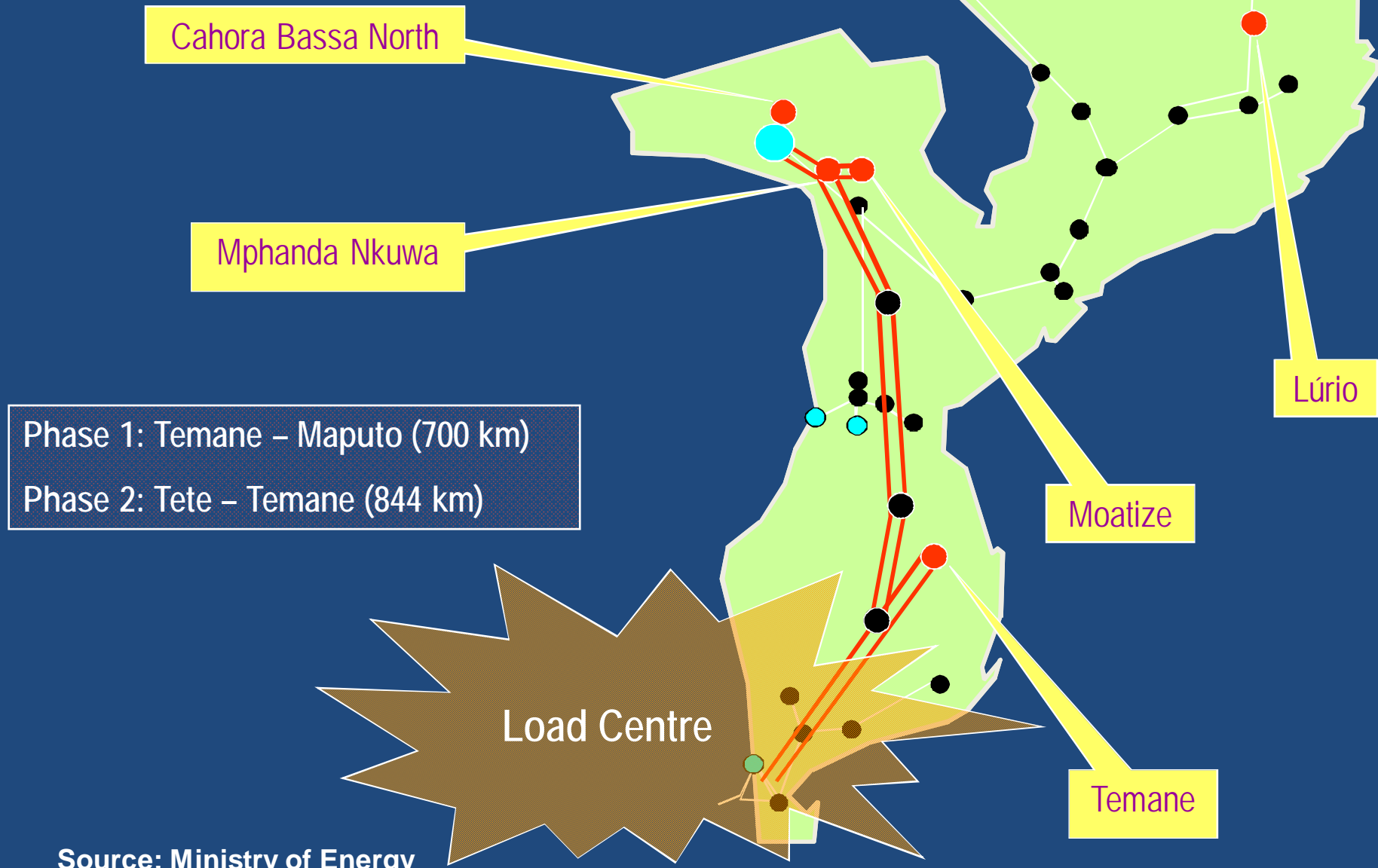
Project	Location (District/City and Province)	Cost (US\$)	Promoter
Mozambique Regional Transmission Backbone (CESUL) Capacity: 2650 MW Transfer	The Transmission Line will link Matambo Substation (Tete Province, District of Changara) up to Marracuene Substation (Maputo Province)	1.660.000.000	Ministry of Energy Directorate of Studies and Planning Maputo 25 de Setembro Av. 1281, 3rd floor Tel : +258 2130 32 65 Fax : +258 2131 39 71 Web: www.me.gov.mz
Reinforcement of power transmission line for Center-North (2nd line) Capacity: 220 kV	The Transmission Line will link Chimuara (Sofala Province, District of Caia) and Nacala (Nampula Province)	150.000.000	
Cahora Bassa North Hydropower Plant (HCB North) Capacity: 1245 MW	Tete Province (Cahora Bassa District)	1.300.000	
Lúrio Hydropower Plant Capacity: 120 MW	Cabo Delgado Province (Chiúre District)	400.000.000	

Source: Ministry of Energy



Source: Ministry of Energy

Interconnection North -South: Phasing approach



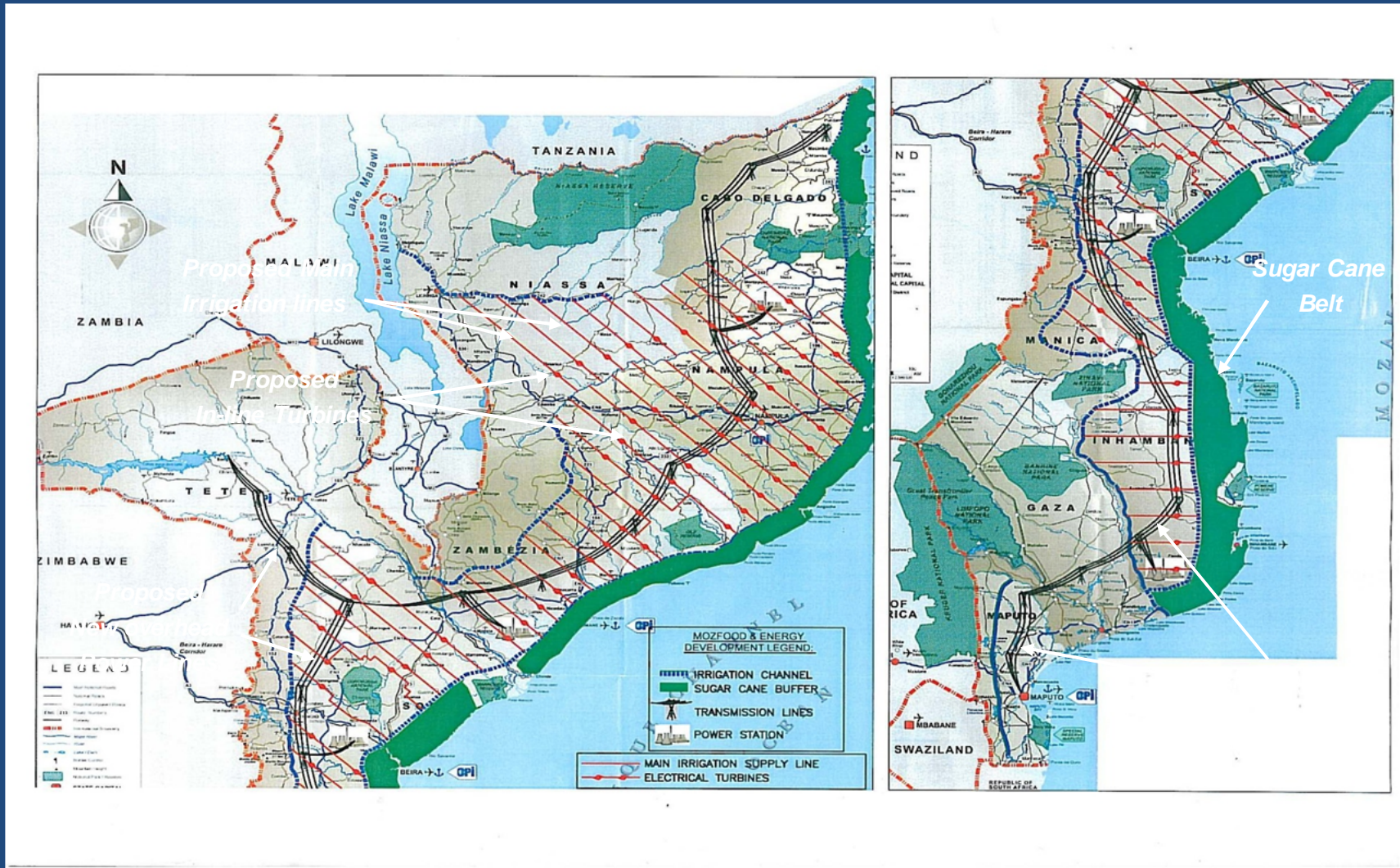


Irrigation Channels & Proposed Inline Turbine Electricity Generation

Power Station Electricity Generation



Total 10 Provinces Electrical Development Design





Total Electrical Supply

- Electrical Generation will originate from 3 different sources, all delivering into the EDM NATIONAL GRID:-
 - In-line Turbines installed inside the Main Irrigation Feeder Lines between Channels.
 - Electricity Generation from Power Stations burning Sugar Cane stalks etc.
 - Electricity Generation from Power Stations burning Coal.
- All electricity generated is sustainable and economical to produce.
- All electricity generated must be Environmentally Friendly.
- All electricity sold to EDM at pre arranged rates revealing production costs on an annual basis to Cabinet and EDM so as to establish an equitable selling price.
- Farmers, Municipalities, Mines, Industries & Consumers will purchase electricity from EDM.



4. Steps for Investment in Mozambique

Principal Steps for investing in Mozambique



1. Arrange land or installation if necessary;
2. Incorporate the implementing company at Public Notary & publish its status in the Official Gazette;
3. Register the company at the commercial registry and at the Tax Office;
4. If applicable, complete land concession title and submit technical designs and environmental impact study for approval by the relevant ministries; (MIN of AG & MIN of ENVIRONMENT);
5. Obtain the relevant Business License



5- Final Remarks

Mozambique is endowed with natural resources and offers:

- Good prospects for exploration;
- Favorable legal, regulatory and fiscal framework;
- Political stability
- Good opportunities for investment, therefore

Japanese & other international companies are welcome to invest in partnership or JJ with local private companies and public institutions under PPP.



Presidents Declaration

In President Armando Guebuza's statement in Windhoek recently, he declared that:-

***ALL MOZAMBICANS HAVE THE RIGHT
NOT TO BE POOR***



THANK YOU!

AND
WELCOME
YOU ALL IN
MOZAMBIQUE

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