

# Invest in Mozambique



US. TRADE & INVESTMENT CONFERENCE  
Maputo, 090715

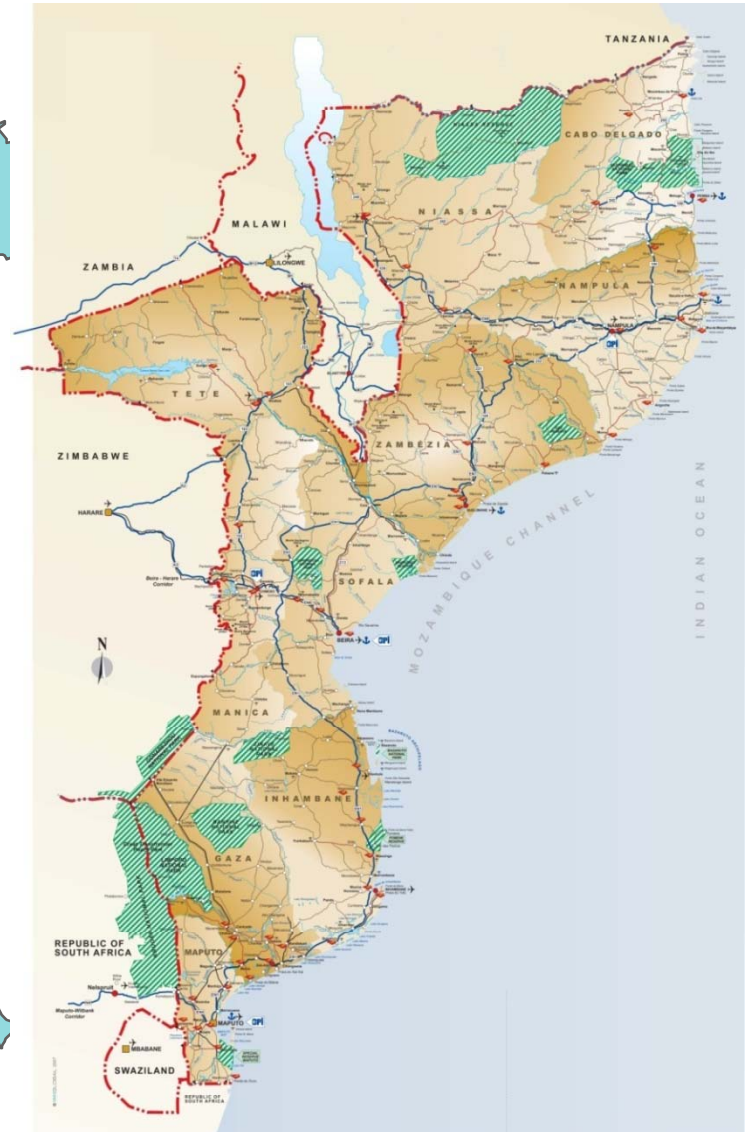


Rafique Jusob

# LOCATION



MOZAMBIQUE



# Why Invest in Mozambique?



MOZAMBIQUE

- ✓ Mozambique has stable economy and a privileged geographical position, coast-line and climate;
- ✓ Country is rich in natural resources (land, mining, hydro, gas etc.);
- ✓ With good transport infrastructure ,Ports and “Development Corridors” serving the Hinterland;
- ✓ Millions of idle arable land, available through legal concession arrangements for Agriculture investments; Biofuels; and, other sustainable agro-industrial activities.
- ✓ Maputo, Beira , Sena and Nacala regional transport/development corridors are excellent investment;
- ✓ Development and operation of new/rehabilitated port facilities;

# Why Invest in Mozambique?



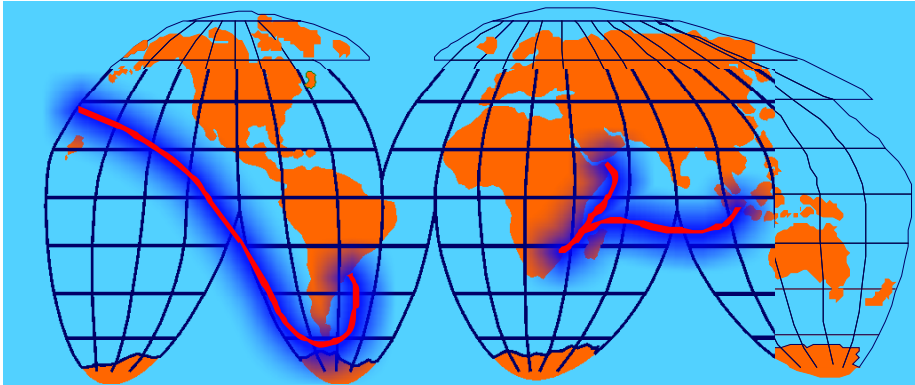
MOZAMBIQUE

- ✓ Incremental Power Generation and Transmission investments;
- ✓ Telecom investments ;
- ✓ Water Supply Production and transportation on BOT/BOO/15 yr exploitation (up to \$100 million);
- ✓ Tourism investments

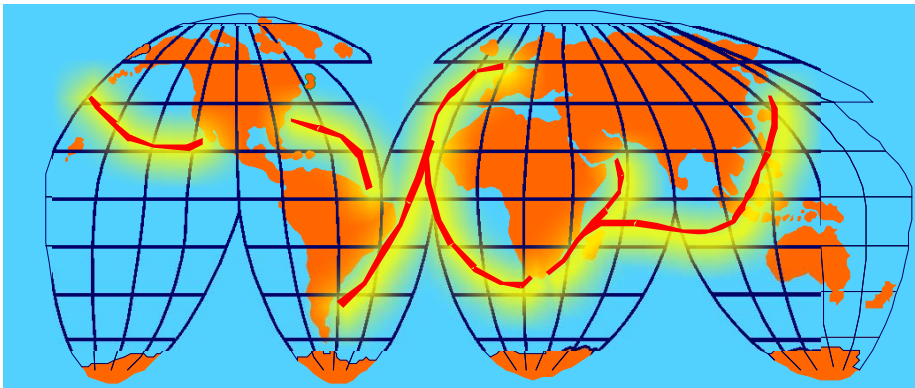
# Why Invest in Mozambique?



MOZAMBIQUE



**COKE AND COAL ROUTE**



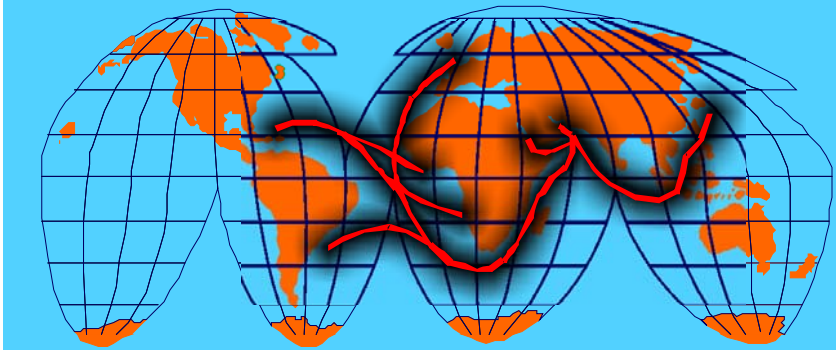
**FRUIT ROUTE**



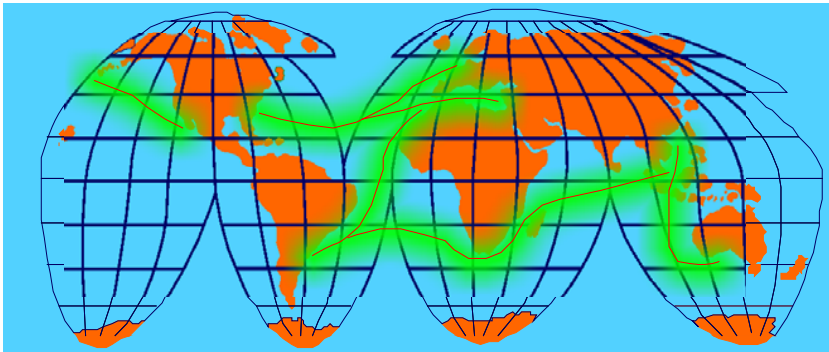
# Why Invest in Mozambique?



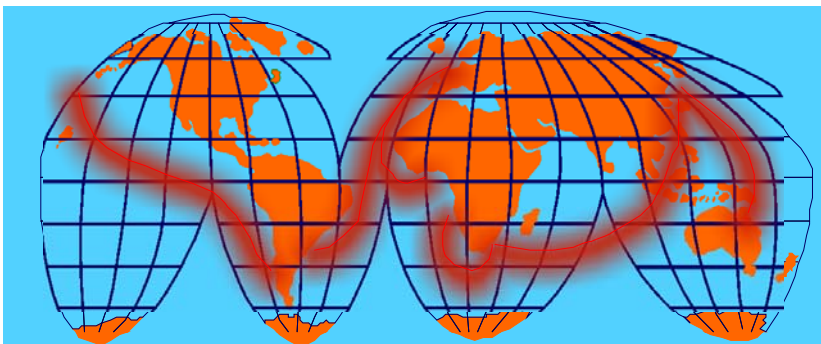
MOZAMBIQUE



**OIL ROUTE**



**ORE AND MINERALS  
ROUTES**



**MAGNETITE  
ROUTE**

# Macroeconomic Indicators



MOZAMBIQUE

Indicators	2005	2006	2007	2008
Nominal GDP (US\$ Millions)	6.636,00	7.296,00	7.868,63	9.728
GDP Per Capita (US\$)	334,9	362,8	422,8	473
Average Annual Inflation (%)	13,1	8,1	12,1	9.8
Exports (US\$ Millions)	1.745,256	2.412,120	2.412,120	2.688.000
Imports (US\$ Millions)	2.408,337	2.869,327	3.049,748	3.765.000
Average Exchange Rate MT/US\$	23.10	25.50	24.00	25.00

# Trade



MOZAMBIQUE

## Main Export (Set-2008)

Product	Value (US\$ Million)	% of Total
Aluminium	1.156.6	59.2
Electricity	184.2	9.4
Natural Gas and Bunkers	108.5	5.56
Prawns	38.2	1.95
Sugar	66.3	3.4
Tobacco	112.6	5.7
Cotton	36.2	1.85
Timber	20.9	1.06
Cashew nut and Kernel	21.1	1.08
Others	209.0	10.6
<b>Total</b>	<b>1.953.6</b>	<b>100</b>

## Main Exports Markets

Holland, South Africa, Spain, Portugal, United Kingdom, Zimbabwe, Kenia, Malawi India.



# Trade



MOZAMBIQUE

## Main imports (Set- 2008)

Products	Value (US\$ Millions)	% of Total
Alumina	528.7	21.3
Machinery	328.9	13.3
Fuels (Gasoil and Gasoline)	461.0	18.5
Automobiles	182.1	7.3
Cereals	129.4	5.2
Electrical Power	83.3	4.0
Medicines	34.3	1.4
Sugar	2.3	0.09
Others	720.5	29.1
Total	2.471.4	100

## Main Import Origins

South Africa, Holland , USA, India, Portugal, China, Emirates, Japan, Taiwan, Pakistan.

# Investment Guarantees



MOZAMBIQUE

**Security and protection of property rights**

**No restrictions on external loans and loan repayment**

**External remittance of dividends**

**Liberalized banking and exchange rates**

**Arbitration by ICC or ICSID for dispute resolution**

**Risk cover services by MIGA and OPIC**

# Bilateral Treaties & Agreements



MOZAMBIQUE

## **Investment promotion and reciprocal protection agreements:**

South Africa, Germany, Algeria, Belgium, China, Cuba, Denmark, Egypt, USA, USA (OPIC), Finland, France, Indonesia, Italy, Mauritius, Netherlands, Portugal, Sweden, United Kingdom, Vietnam, India, Switzerland and Zimbabwe.

## **Agreements to prevent Double Taxation and Fiscal Evasion:**

Portugal, Mauritius, United Arab Emirates, the Autonomous and Special Administrative Region of Macau and South Africa.

# Taxation System



MOZAMBIQUE

❖ Customs Duties on Imports	
▪ Equipment	5.0%
▪ Raw material	2.5%
▪ Semi-processed goods	7.5%
▪ Finished goods	20.0%
❖ VAT	17.0%
❖ Corporate tax - General	32.0%
❖ Corporate tax – Agriculture (until 2010)	10.0%
❖ Personal Tax	
▪ Minimum	10.0%
▪ Maximum	32.0%
❖ Withholding tax	20.0%

# General Incentives



MOZAMBIQUE

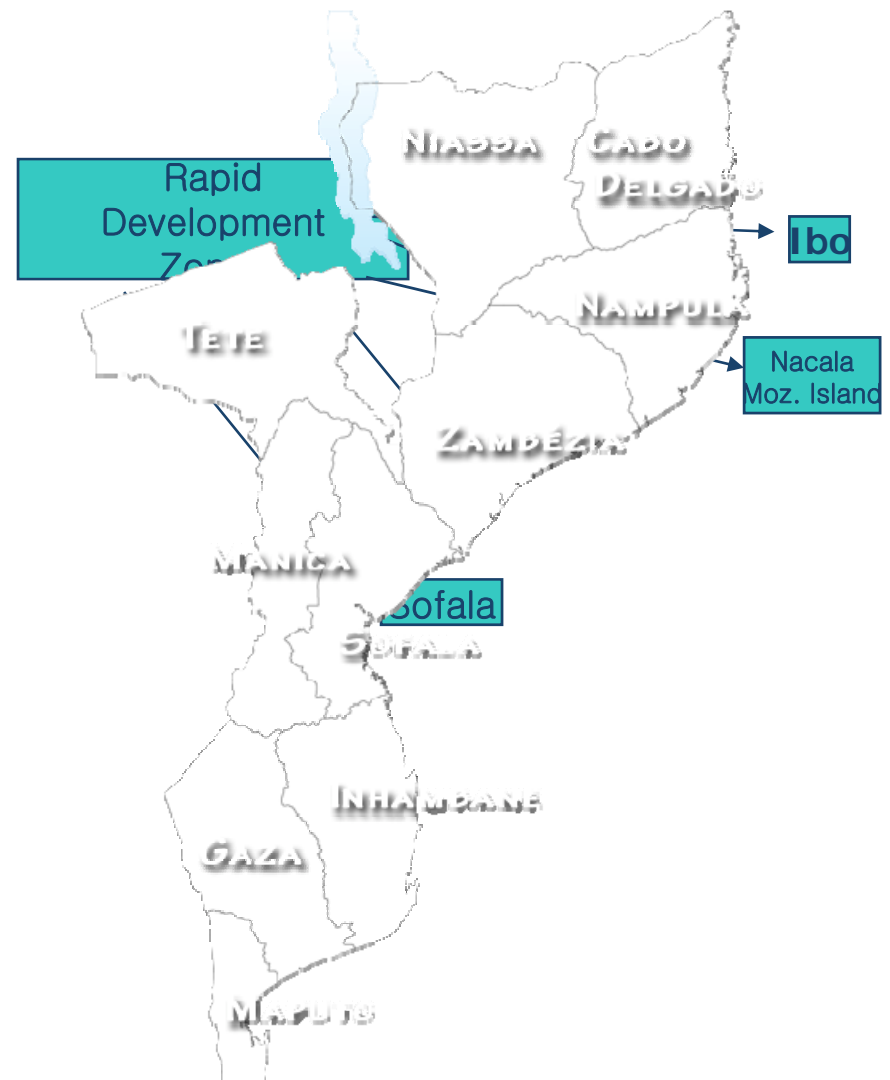
- ❖ Exemption from payment of customs duties and VAT on the import of equipment classified as class “K” in the Customs Tariff Schedule including the accompanying spare and accessory parts
- ❖ Tax Credit
  - Maputo City 5%
  - Other Provinces 10%
- ❖ Accelerated depreciation Legal rates + 50%
- ❖ Professional training deducted from taxable income
- ❖ Other incentives

# Specific Incentives



MOZAMBIQUE

- ❖ Agriculture and Fisheries
- ❖ Hotels and Tourism
- ❖ Manufacturing  
Assembling Industries
- ❖ Creation of Basic Infrastructures
- ❖ Rural Commerce and Industry
- ❖ Science and Technology Parks
- ❖ Large projects
- ❖ Rapid Development Zones
- ❖ Export Processing Zones
- ❖ Special Economic Zones



# Approved Private Investment (2004-2008)



MOZAMBIQUE

	2004	2005	2006	2007	2008	Total
Total Value (US\$ Million)	520	485	850	8.072	1.080	<b>11.007</b>
• FDI (US\$ Million)	113	165	164	5.699	366	<b>6.505</b>
• NDI (US\$ Million)	45	36	113	56	47	<b>431</b>
Number of projects	150	142	157	192	195	<b>836</b>
Number of Jobs created	13.222	15.133	19.372	27.469	19.995	<b>95.691</b>





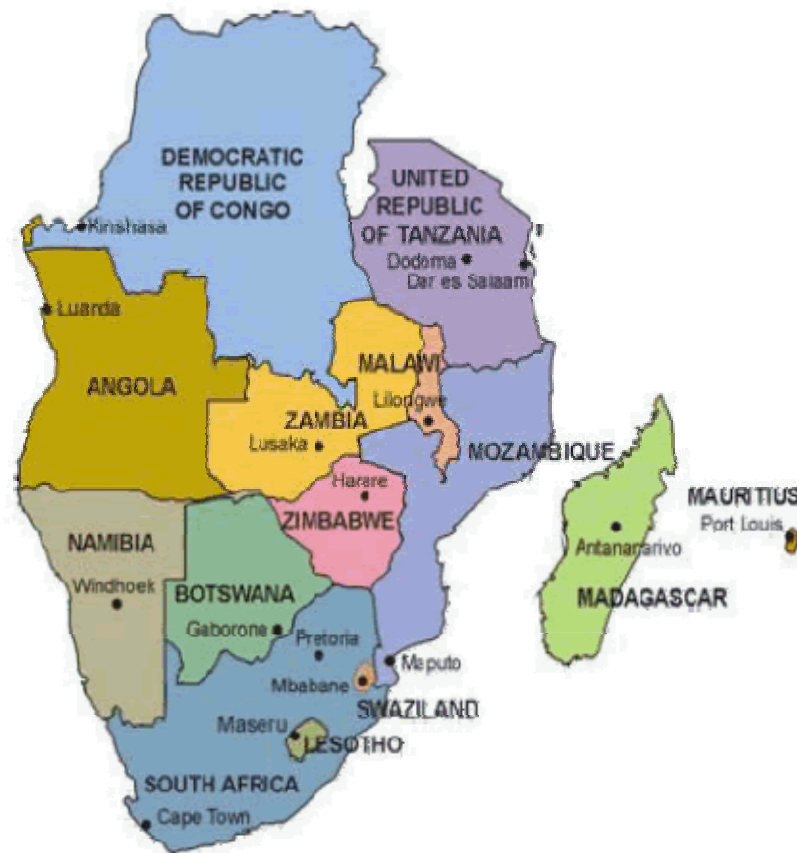
MOZAMBIQUE

# MOZAMBIQUE PROJECTS OPPORTUNITIES

# Geo-Location of Moçambique



MOZAMBIQUE



**SADC**  
**Southern Africa Development Community**

7/21/2009

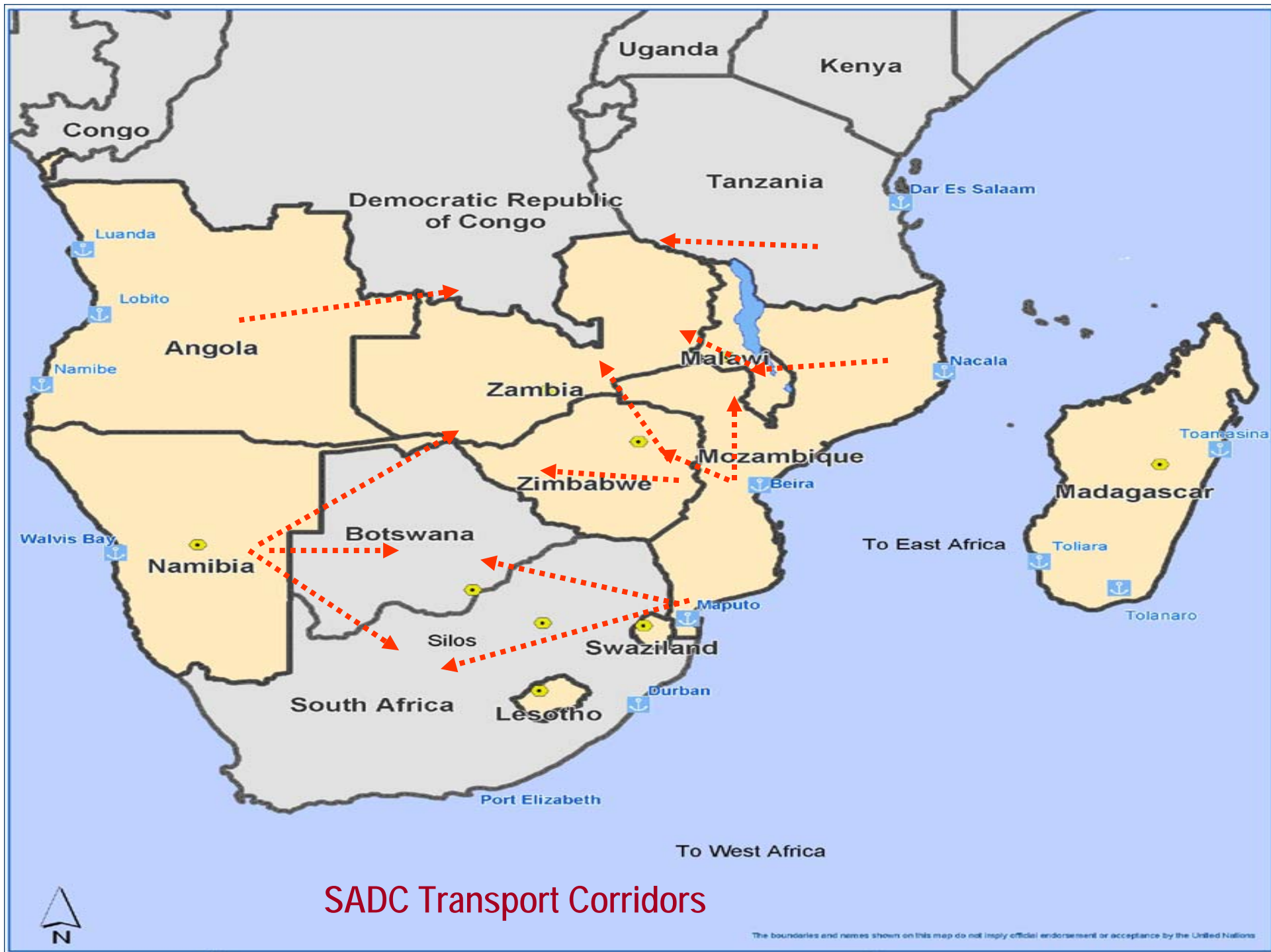
# Corridors



MOZAMBIQUE



Centro de Promoção de Investimentos





# Nacala Development Corridor

Tourism

Lichinga

Mining

Eco Tourism

Economic Special Zone

LILONGWE

Salima

Forestry

Mandimba

Agro business

NACALA

Cuamba

Malema

Nampula

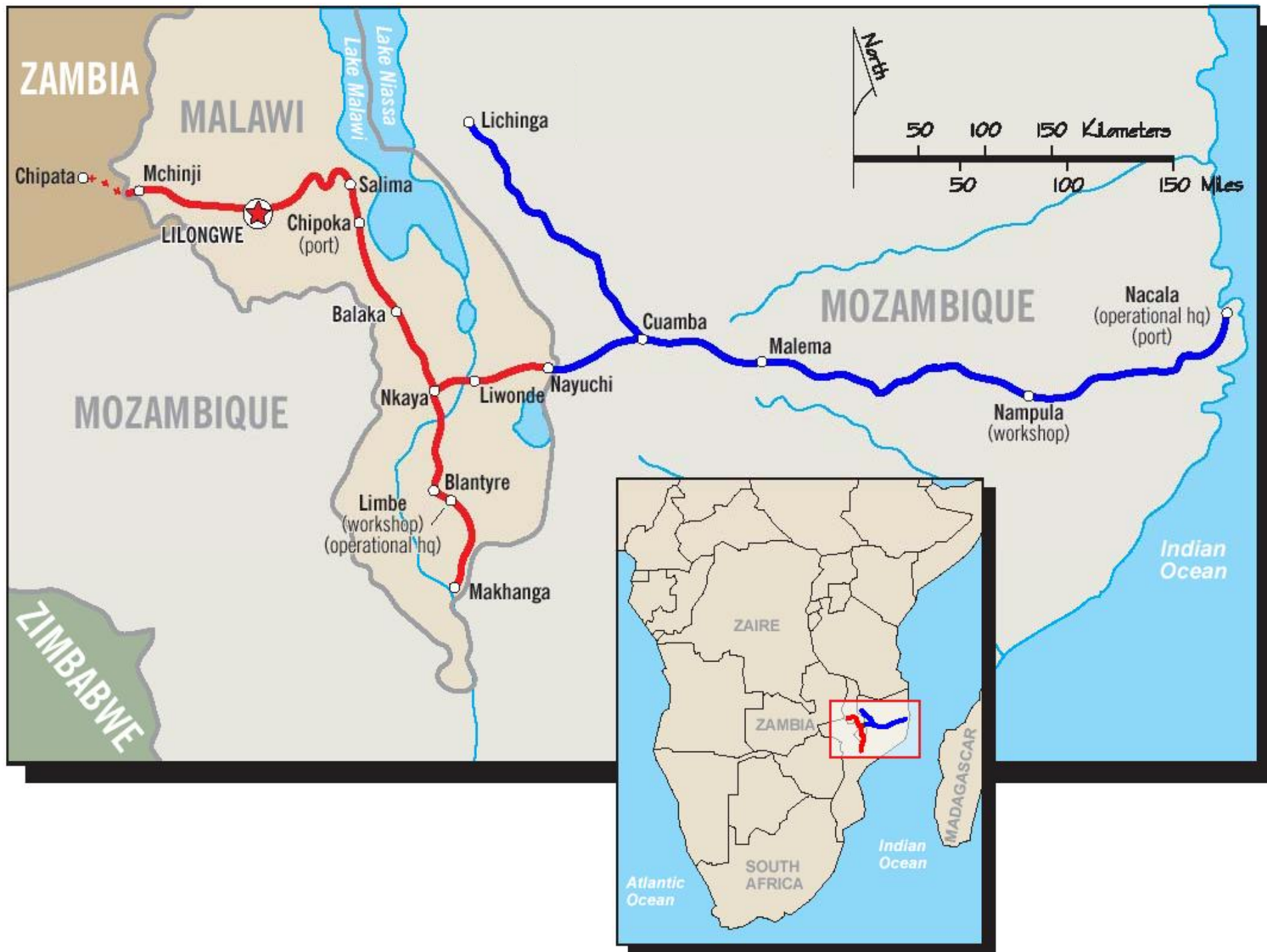
BLANTYRE

Lilongwe-Nacala Railway Upgrade

Moma Mineral Sands (460 MIO USD)

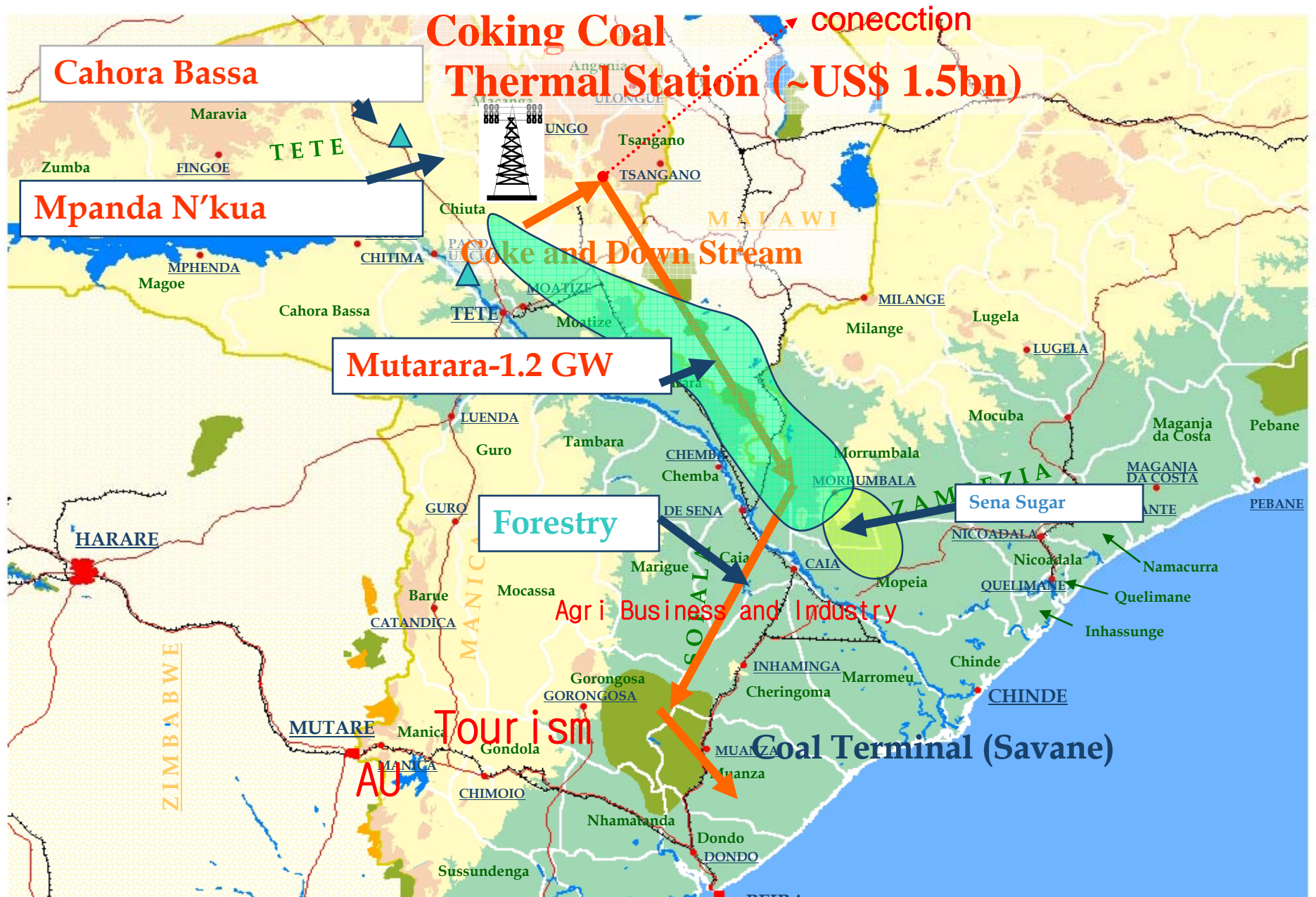
Tete







# Vale do Zambeze

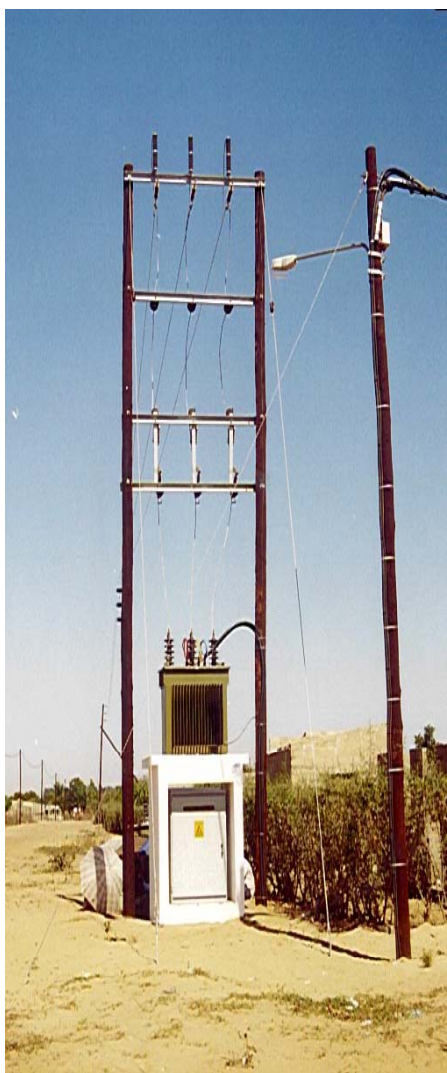




# ENERGY



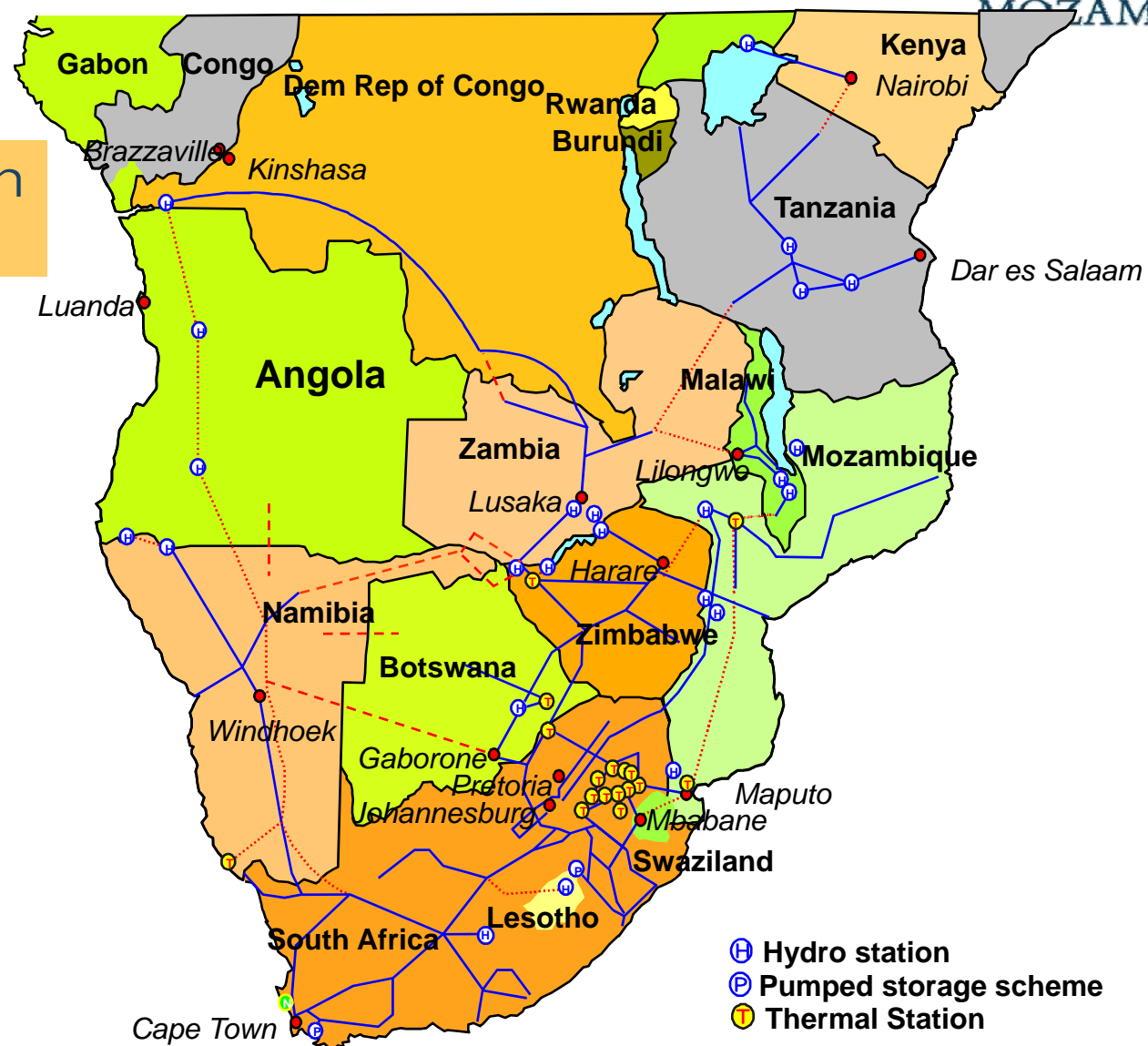
MOZAMBIQUE



# REGIONAL TRANSMISSION GRID

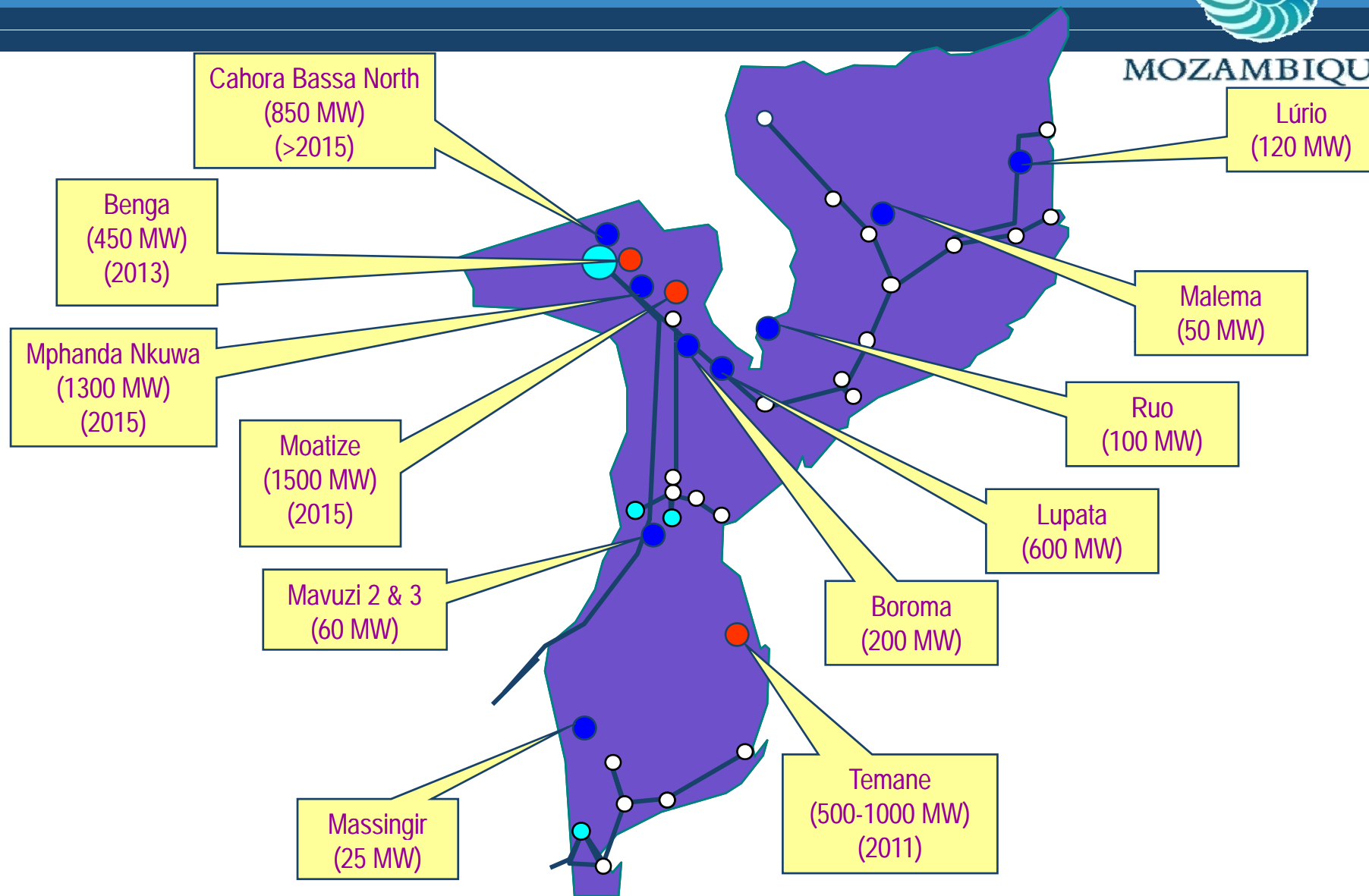


Transmission  
network

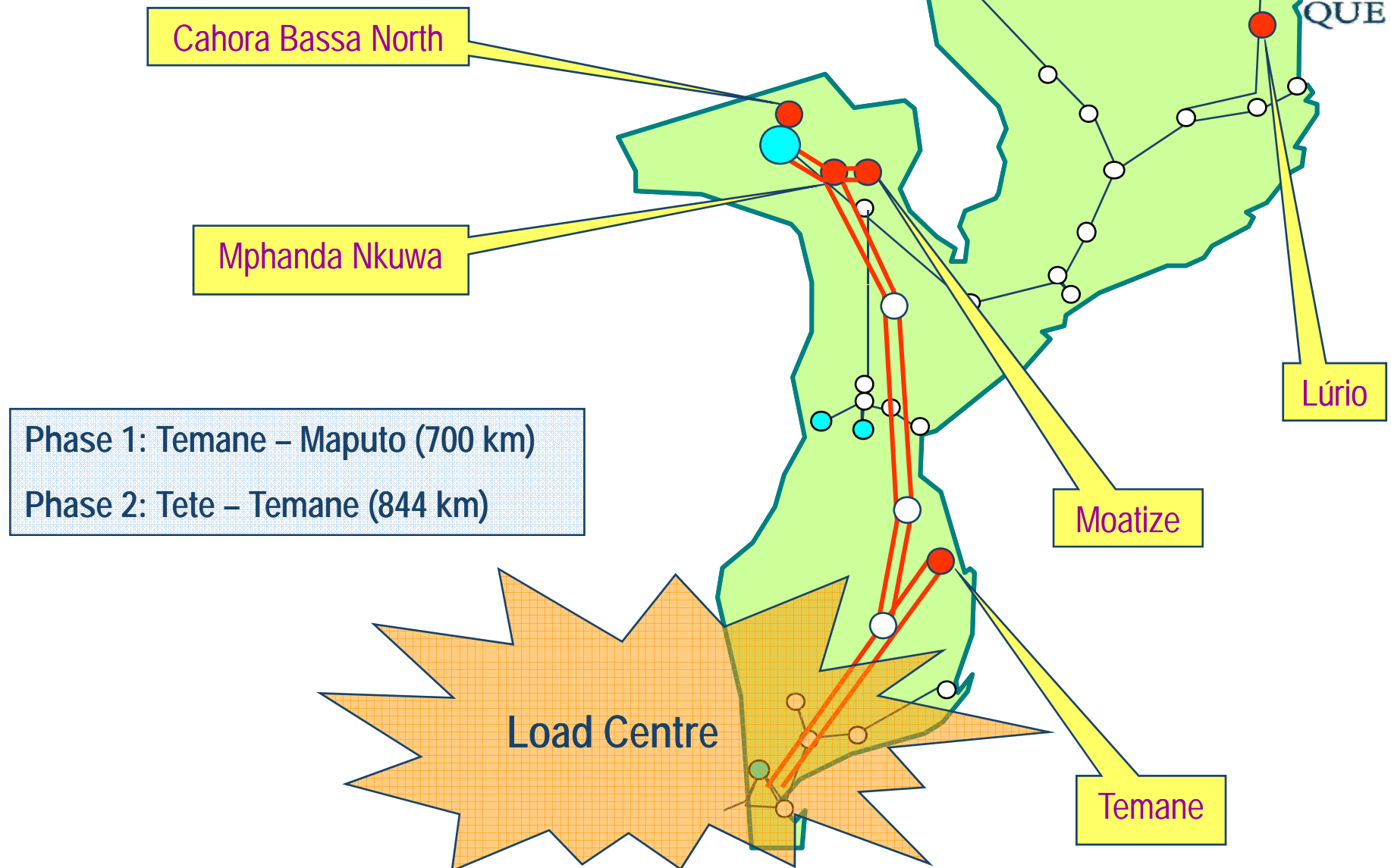




MOZAMBIQUE



## North-South Interconnection: Phasing approach





# By Sectors



MOZAMBIQUE



# Special Projects



MOZAMBIQUE

Project	Area of activity	Investment (current US\$)	Operations start in year:
<b>Cahora Bassa (HCB)</b>	Hydroelectric power)		(1969)
<b>Mozal 1</b>	Aluminum smelter		1997
<b>Mozal II</b>	Ditto		2001
<b>Temane Gas (also Pande)</b>	Natural gas (SASOL)		2002
<b>Moma Heavy Sands</b>	Titanium mining		2003
<b>ProCana</b>	Sugar cane to ethanol, Massingir	\$500 m	2007
<b>Corridor Sands Project</b>	Titanium mining		
<b>PETROMOC pipeline</b>	Petroleum product pipeline to S.A.	> \$500 m	

# Special Projects



MOZAMBIQUE

Project	Area of activity	Investment (current US\$)	Operations start in year:
COFAMOSA biofuels	Sugar cane to ethanol	\$500 m	
Petrobuzi	Sugar cane to ethanol	\$550 m	
Rio Lurio	Sugar cane to ethanol, Cabo Delgado	N.A.	
CVRD/Moatize	Coal mining and export	\$1+ b	
CVRD/Moatize power	Coal-fired power plant	\$2 b including transmission	
Riversdale Holdings	Coal mining <i>and</i> coal-fired power plant	N.A.	
Temane power	Gas-fired electricity power	N.A.	
Cahora Bassa North	Hydroelectric power	???	
Mphanda Nkuwa	Hydroelectric power	\$1.6 b	201
Transmission line for Mphanda Nkuwa	Transmission line to S. Africa	\$2.3 b	
MOZAL III	Aluminium smelter	N.A.	

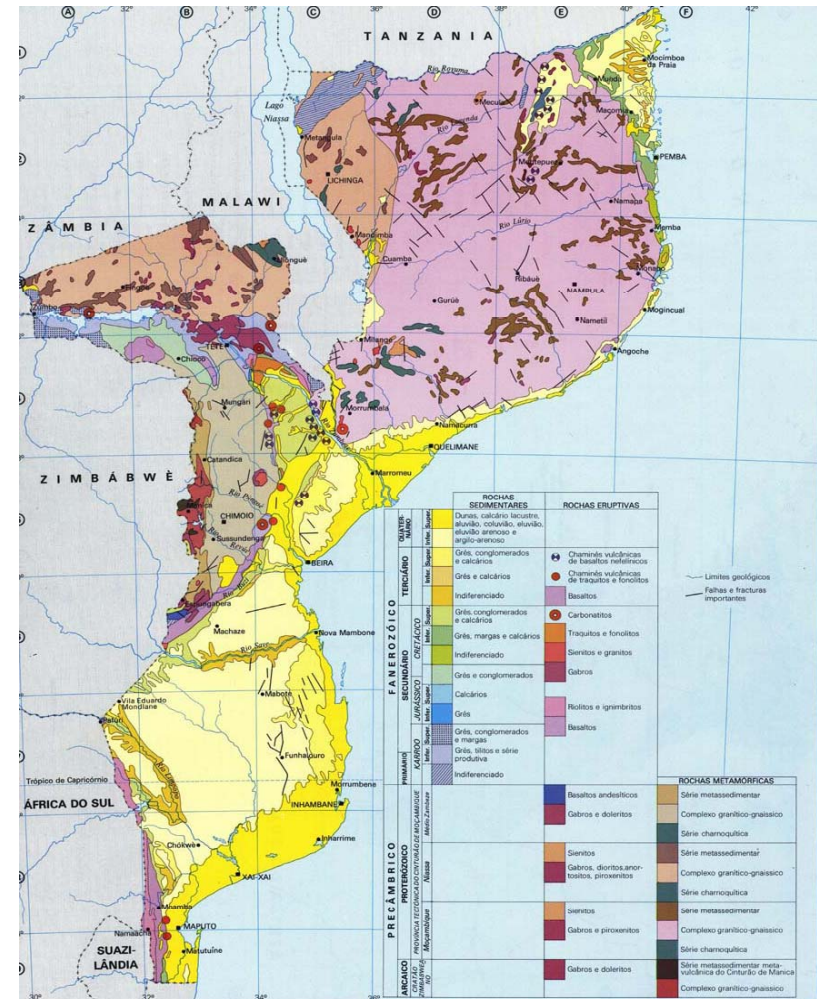


# Potential Areas for Exploration & Investment



MOZAMBIQUE

- Heavy Mineral sands
- Coal
- Base Metals
- Graphite
- Pegmatite's
- Ornamental Stones
- Diamond Exploration
- Gold
- Carbonatites
- Industrial Minerals



Centro de Promoção de Investimentos

# Mineral Production & Exploration



MOZAMBIQUE

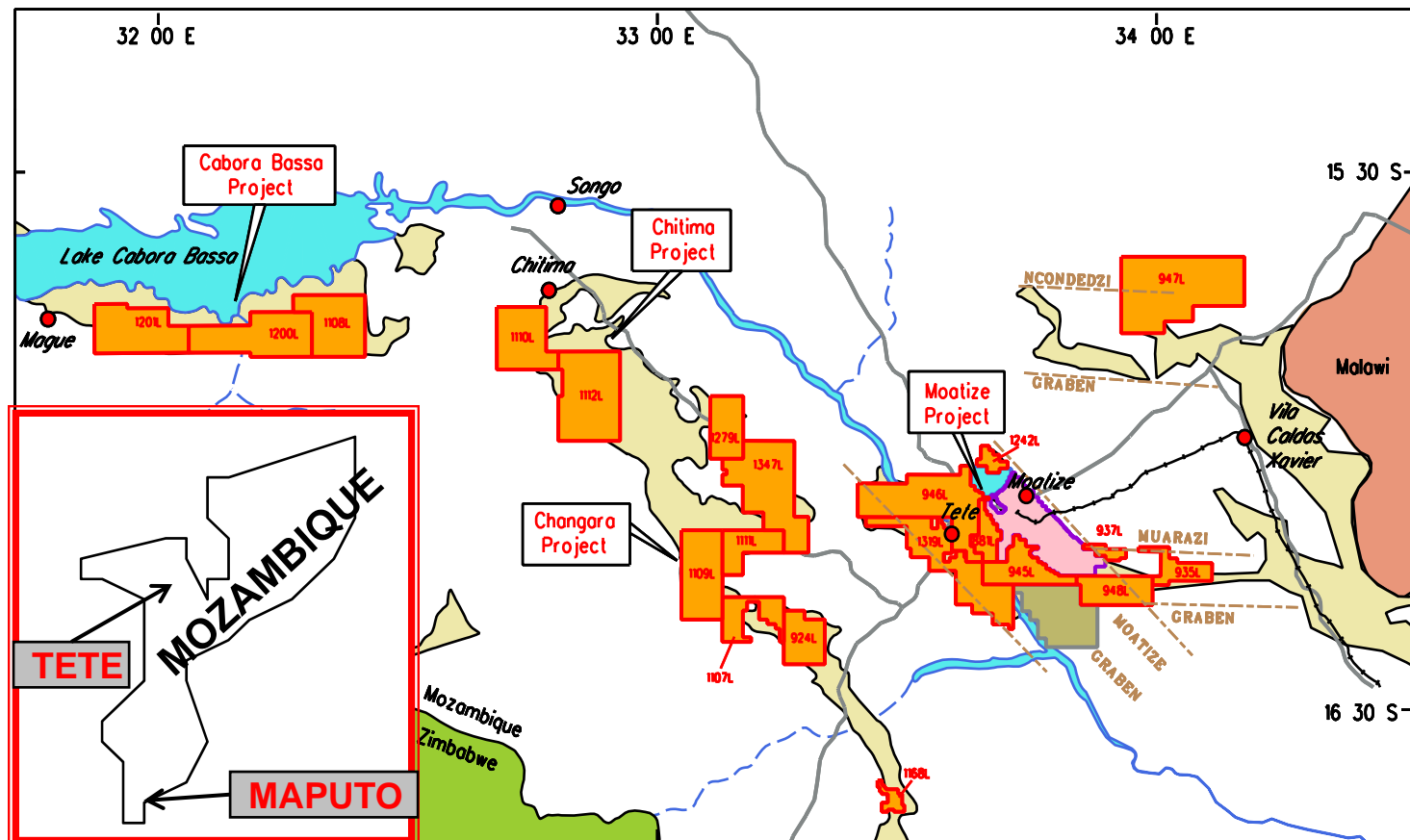
- Bauxite, Marbles, aggregates for construction, limestone, diatomite, bentonite
- Combo-tantalite, quartz, feldspar, industrial beryl, gemstones (aqua-marine, tourmaline, granite, opal...)
- Coal
- Gold, mostly produced by small scale and artisanal mining
- Fluorite
- Heavy Minerals (Ilmenite, Zircon and Rutile)



# opportunities in water and Transport

## (The TETE Mining Hub)

- A world coal mining potential (more then 3 bill Tons untapped reserves);
- Urge challenges in water supply for mining activities and public;
- Great opportunities in transport activities;
- A window for Tool Road for the Beira-Chimoio-Tete Road?





# PROJECT 2: COKING PLANT



MOZAMBIQUE

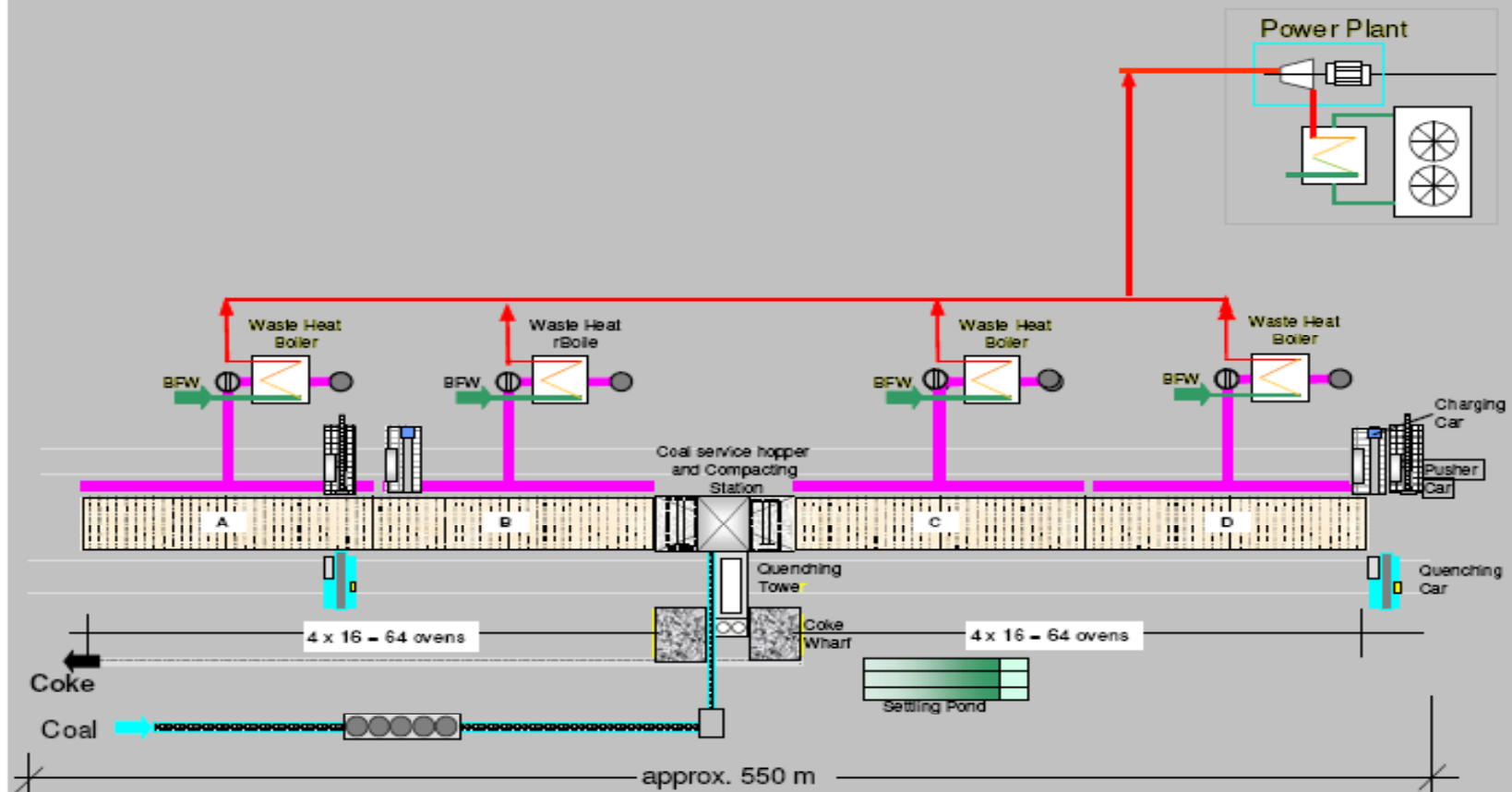


# COKING PLANT



MOZAMBIQUE

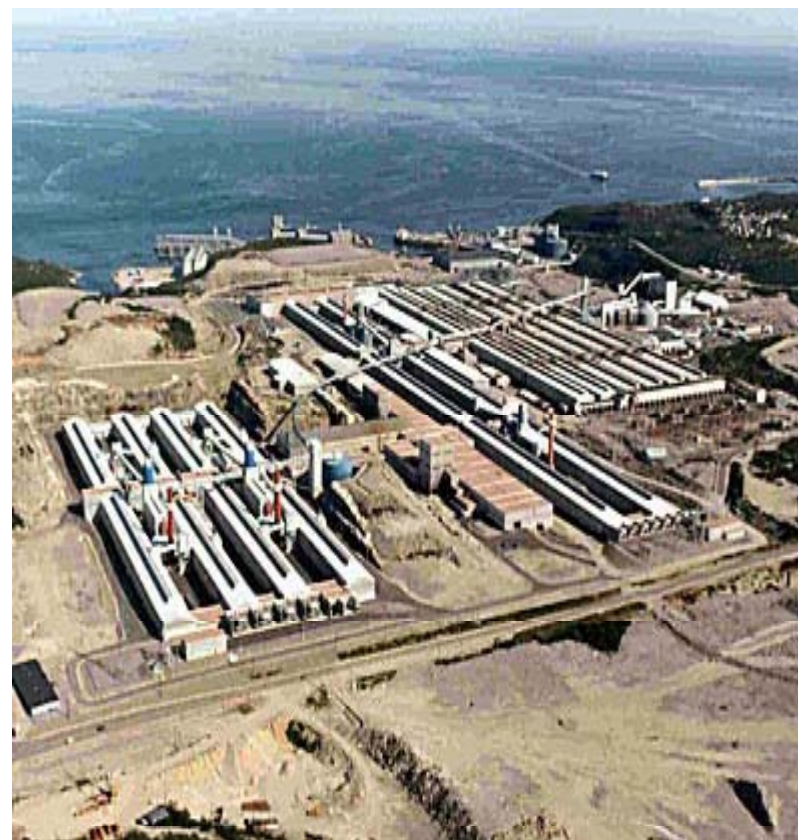
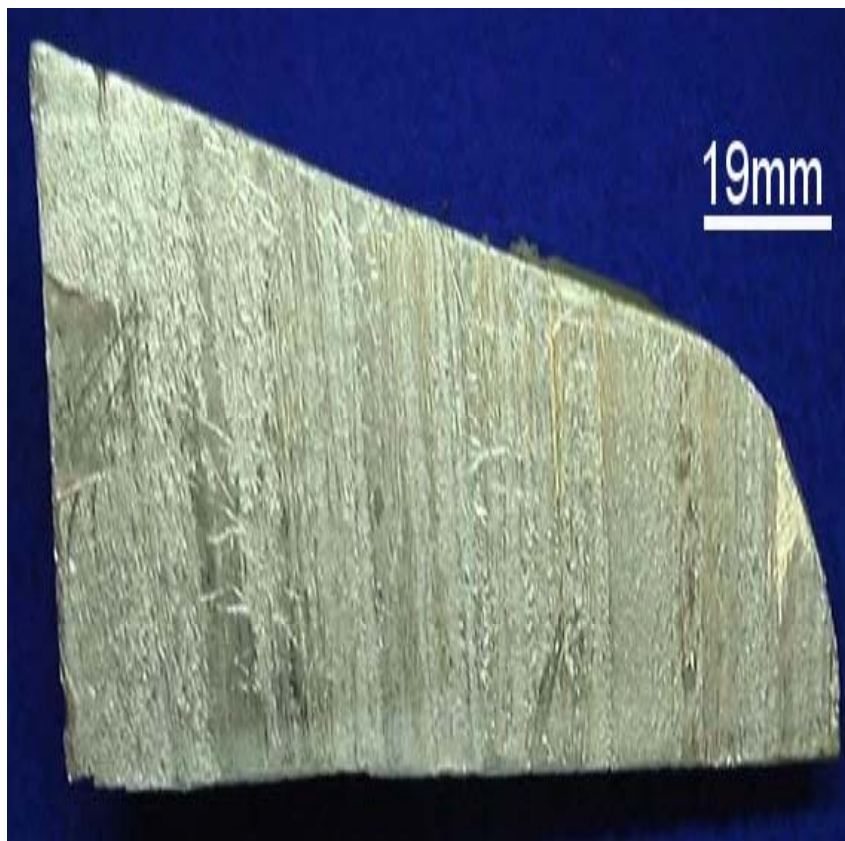
Layout of 600,000 tpa Heat Recovery Coke Plant



# PROJECT 3: ALUMINIUM SMELTER



MOZAMBIQUE



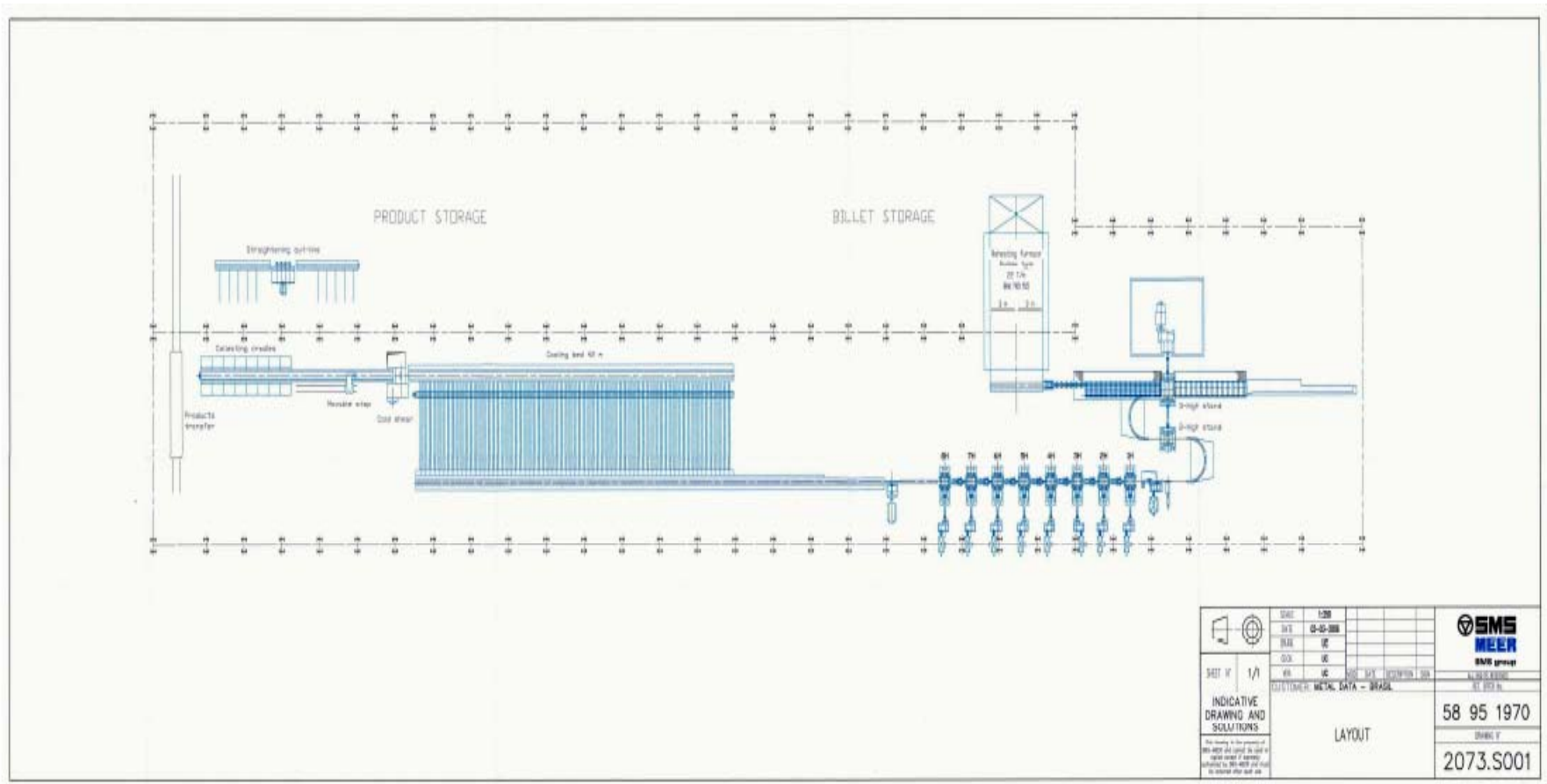


# STEEL MILL



MOZAMBIQUE

## Layout of Steel Mill





# FERRO ALLOY PLANT



MOZAMBIQUE

## ❖ Project Proposal

- The project proposal in this case envisages the establishment of a plant with an installed capacity of 80,000 tons per year of manganese ferroalloys, 46,000 tons of ferro manganese and 34,000 tons of ferro silicon manganese.
- The diagram on the next slide gives an indication of the general layout of the plant, featuring a raw materials and inputs stockyard, reduction unit as well as a casting, crushing and classification area for ferroalloys produced.
- As with the steel project the proposed location of this plant is the Dondo Industrial Park outside of Beira city in the central province of Sofala.



MOZAMBIQUE



MOZAMBIQUE

# Tourism



MOZAMBIQUE

- Gaza (Bilene)
- Inhambane (Vilanculos)
- Nampula (Mossuril)
- Maputo (Matutuine)

## Arco Norte (NORTHERN Arch)

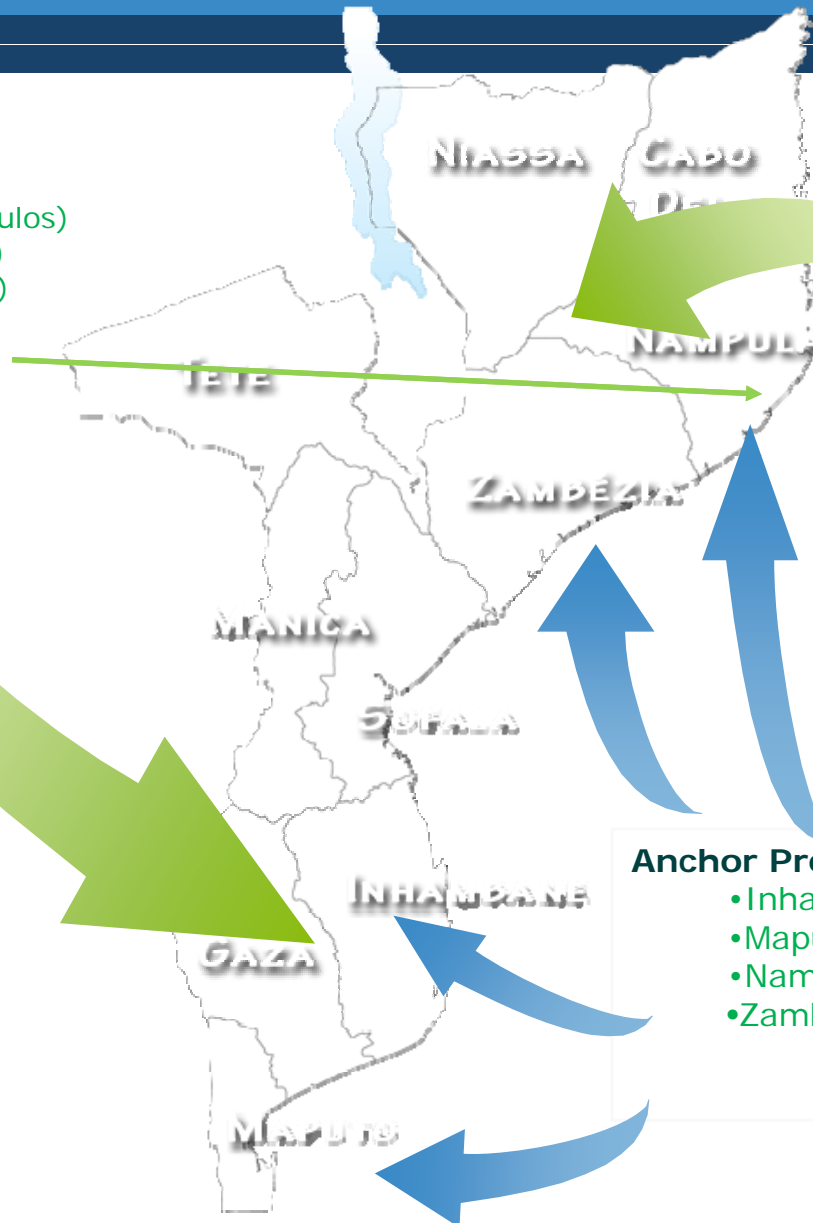
- Cabo Delgado
- Nampula
- Niassa

## Anchor Projects

- Inhambane (Inhassoro)
- Maputo (Reserva Especial de Maputo)
- Nampula (Crussi e Jamali)
- Zambézia (Casuarinas e Epidendrom)

**Kapulana**

3 units per Province



# Investment Opportunities Tourism



MOZAMBIQUE



Hotels & Lodges  
Game Farms  
Nature Conservation  
Restaurants



MOZAMBIQUE

Crew Transfer

Freight Forwarding and Shipping  
services

Cement and  
Building Materials

LOGISTICS

Transshipment Port

Minerals Processing

Metallurgical

TRADE

**Free Zones and  
Special Economic  
Zones**

Ship Registration

Agro Business

Financial Services

AUCTION  
(Commodities)

SERVICES

Bunkering and  
Shipchandling

Tourism

Auto Assembling ( CKD or SKD)

Textiles and  
Garments

Marine Products  
Warehousing

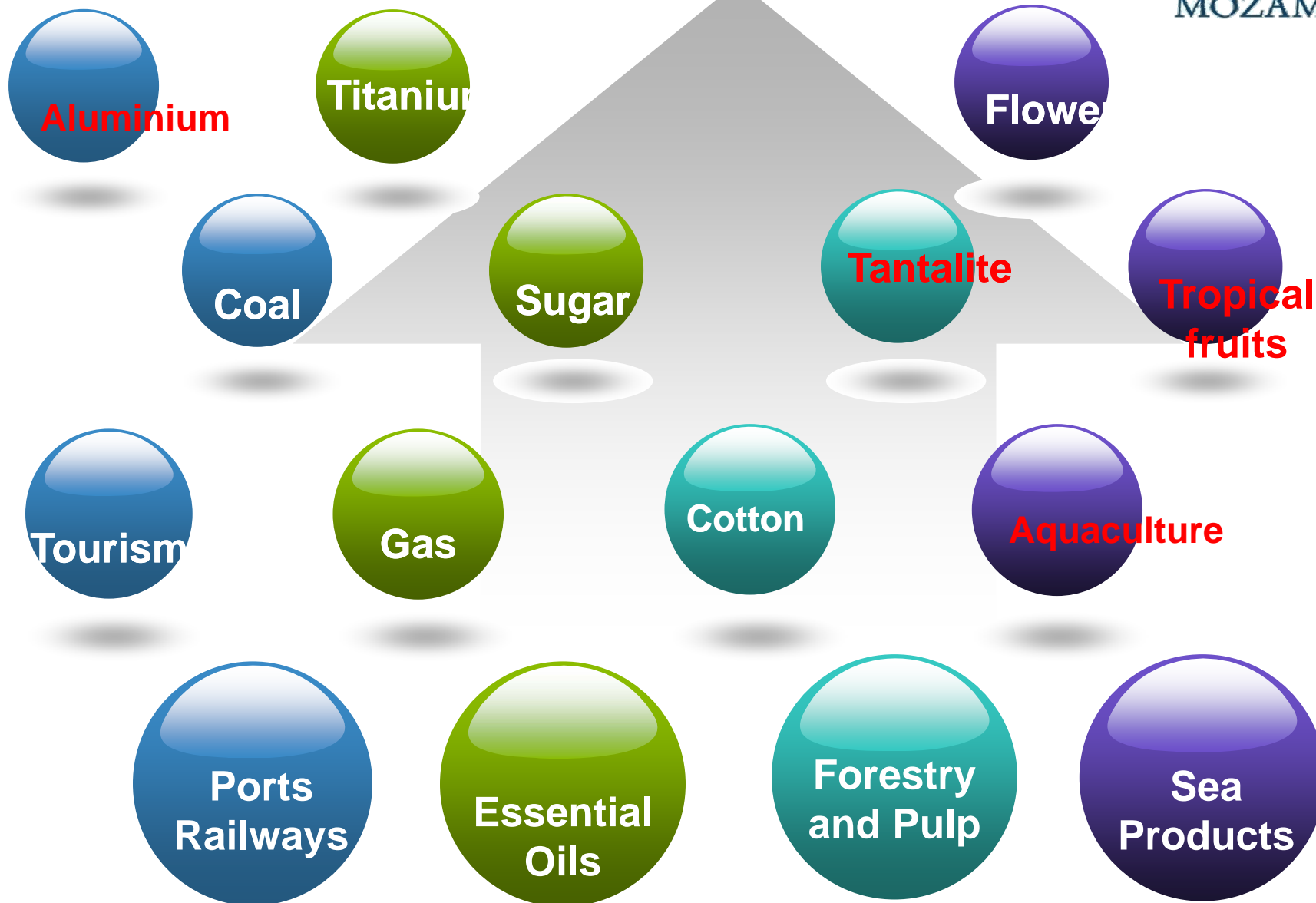
Bond Warehouses

Wood Processing

# Clusters



MOZAMBIQUE







MOZAMBIQUE







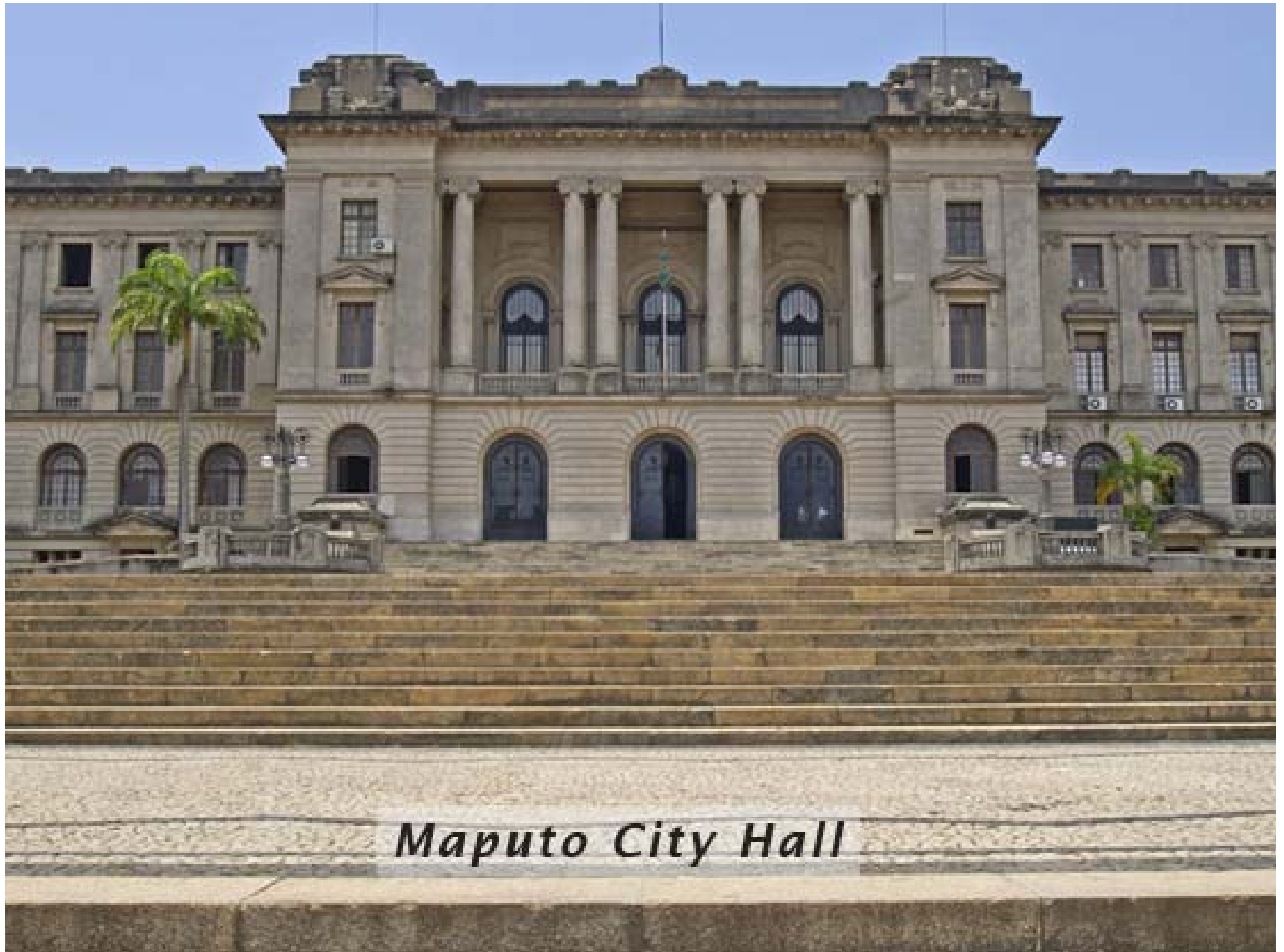
*Maputo City - International Airport*



*Maputo City*



*Maputo City*



*Maputo City Hall*

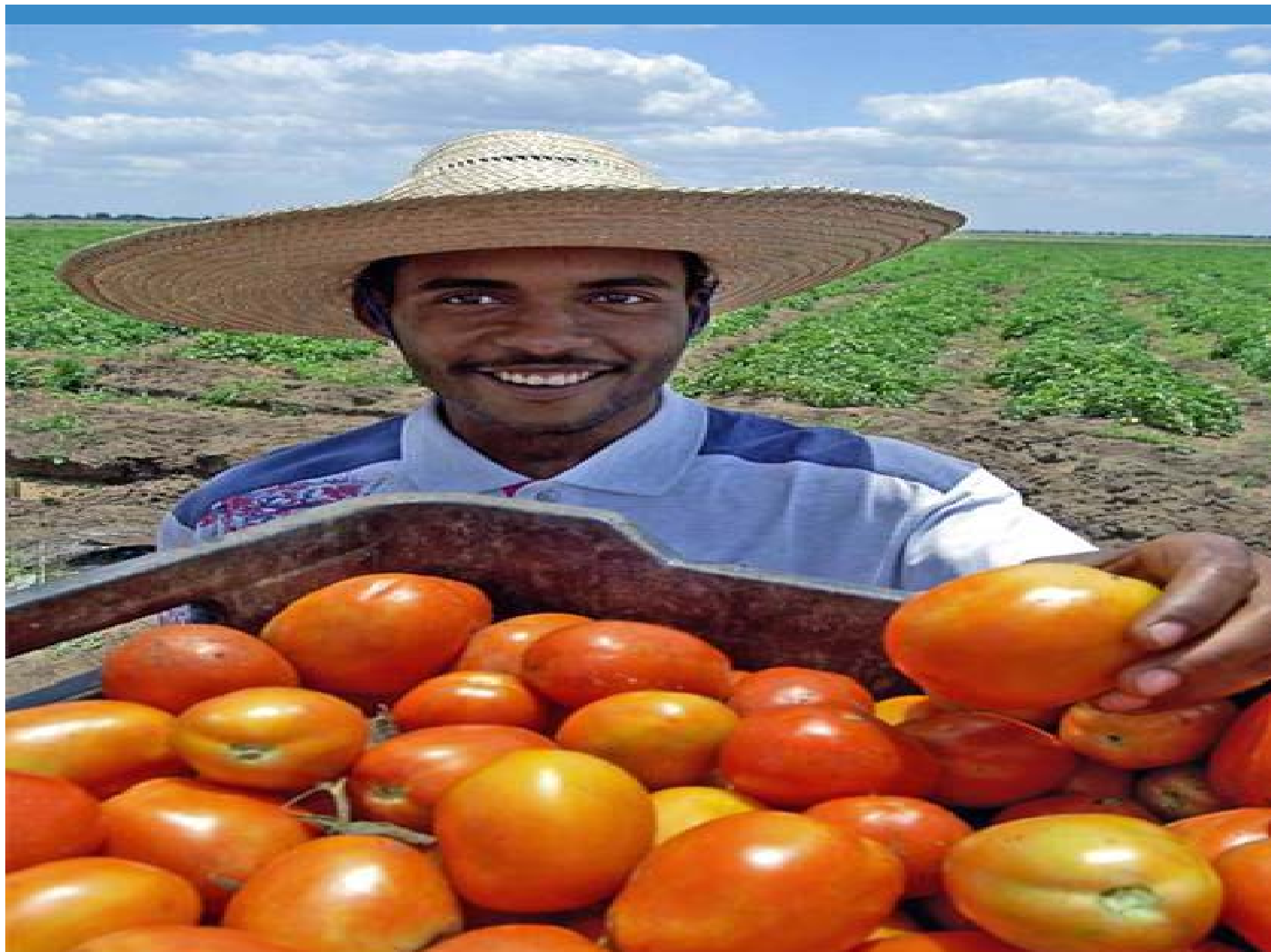


*Saturday's Craft Market*

















# CPI - Investment Promotion Centre



MOZAMBIQUE

- ❖ Offers a package of services to assist national and foreign investors facilitating access to the incentives offered by the Government and the establishment of their businesses.

## **Mission:**

- ❖ to promote the attraction of national and foreign direct investment;
- ❖ to provide institutional assistance to investors in the approval and implementation of investment projects;
- ❖ to promote, receive and register investment projects;
- ❖ to guarantee the concession of fiscal and customs incentives to investors;



## Mission

- ❖ to promote business linkages between national and foreign companies, SME's and large undertakings;
- ❖ to identify potential financial and/or technological partners for joint ventures;
- ❖ to identify and disseminate investment opportunities;
- ❖ to promote programmes of assistance to the development of businesses, in particular national businesses.





# Thank You!

[www.cpi.co.mz](http://www.cpi.co.mz)