

Invest in Mozambique



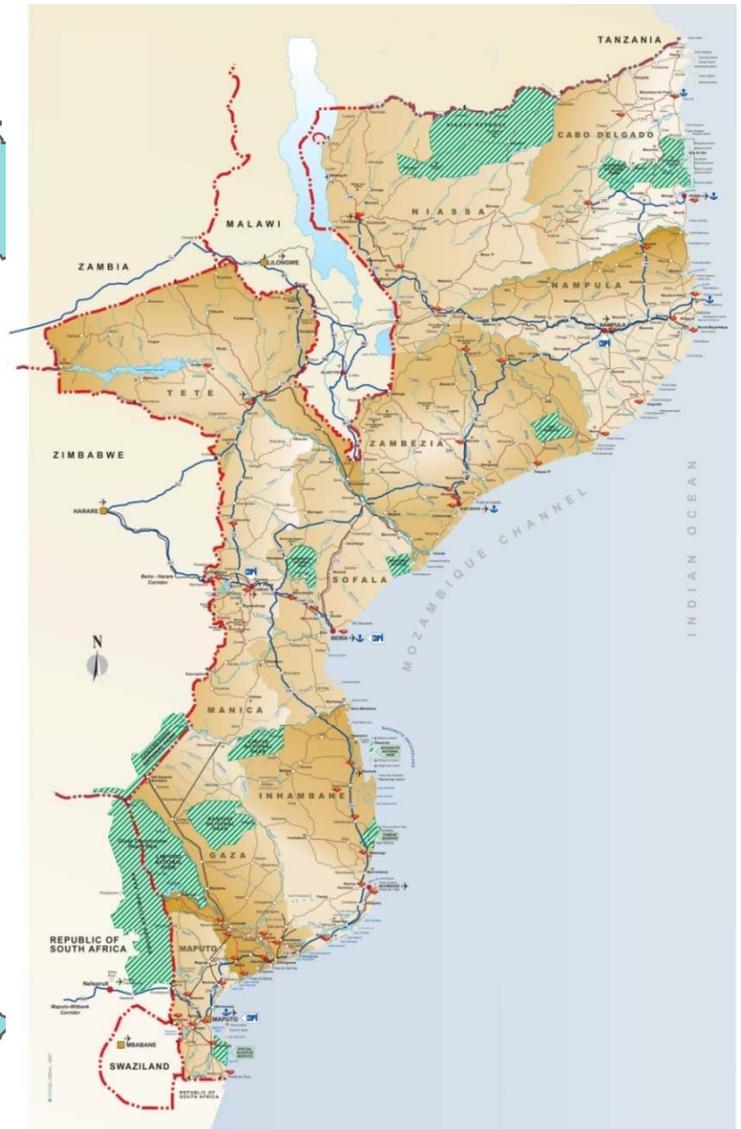
US. TRADE & INVESTMENT CONFERENCE
Maputo, 090715

Rafique Jusob

LOCATION



MOZAMBIQUE



Why Invest in Mozambique?



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- ✓ 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?



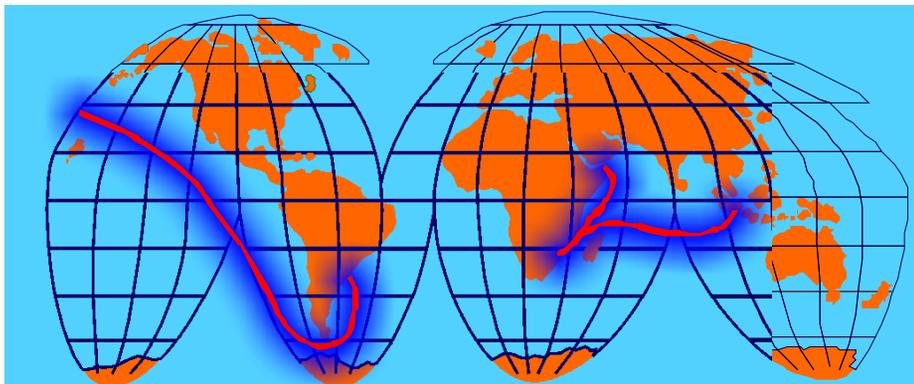
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- ✓ Incremental Power Generation and Transmission investments;
- ✓ Telecom investments ;
- ✓ Water Supply Production and transportation on BOT/BOO/15 yr exploitation (up to \$100 million);
- ✓ Tourism investments

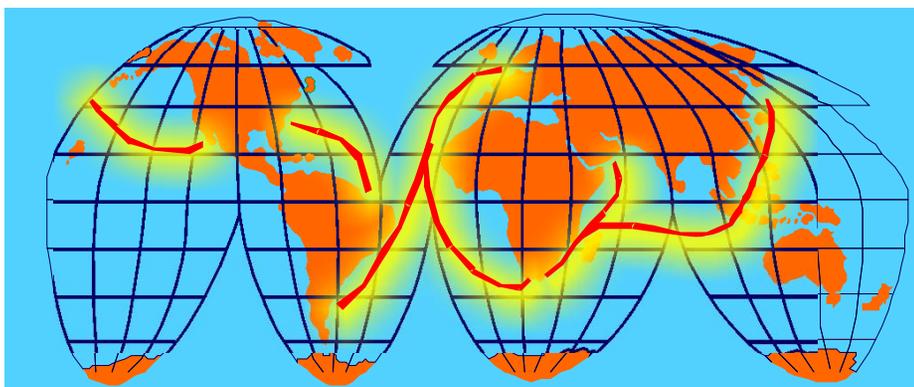
Why Invest in Mozambique?



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COKE AND COAL ROUTE

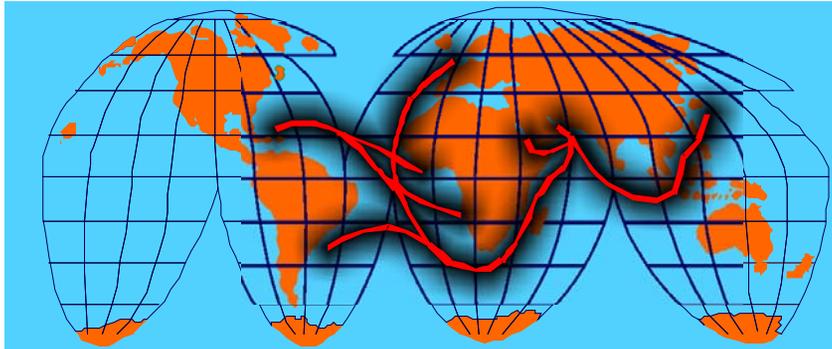


FRUIT ROUTE

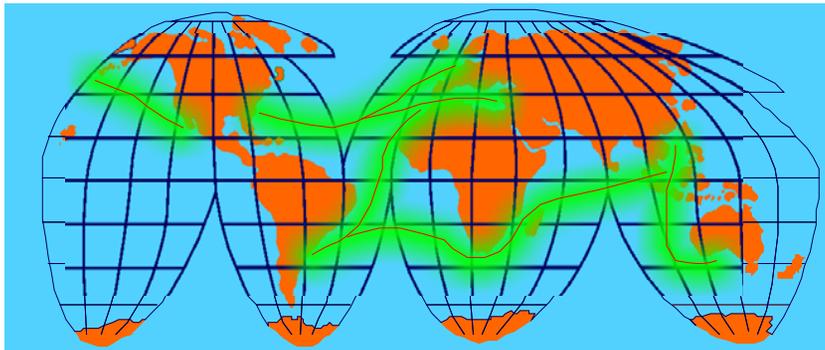
Why Invest in Mozambique?



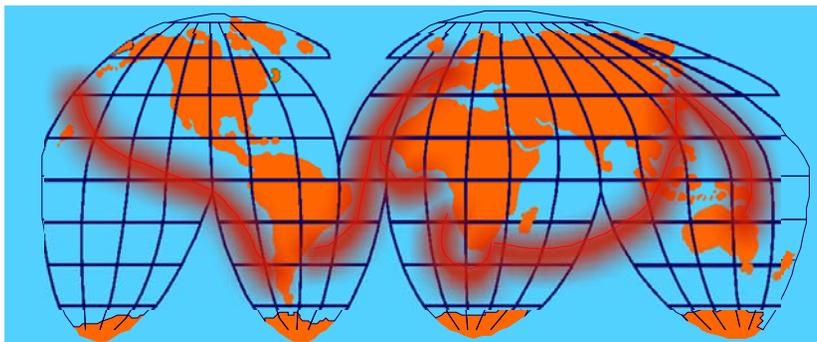
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OIL ROUTE



**ORE AND MINERALS
ROUTES**



**MAGNETITE
ROUTE**

Macroeconomic Indicators



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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
Total	1.953.6	100

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



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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



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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



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❖ 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



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- ❖ 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

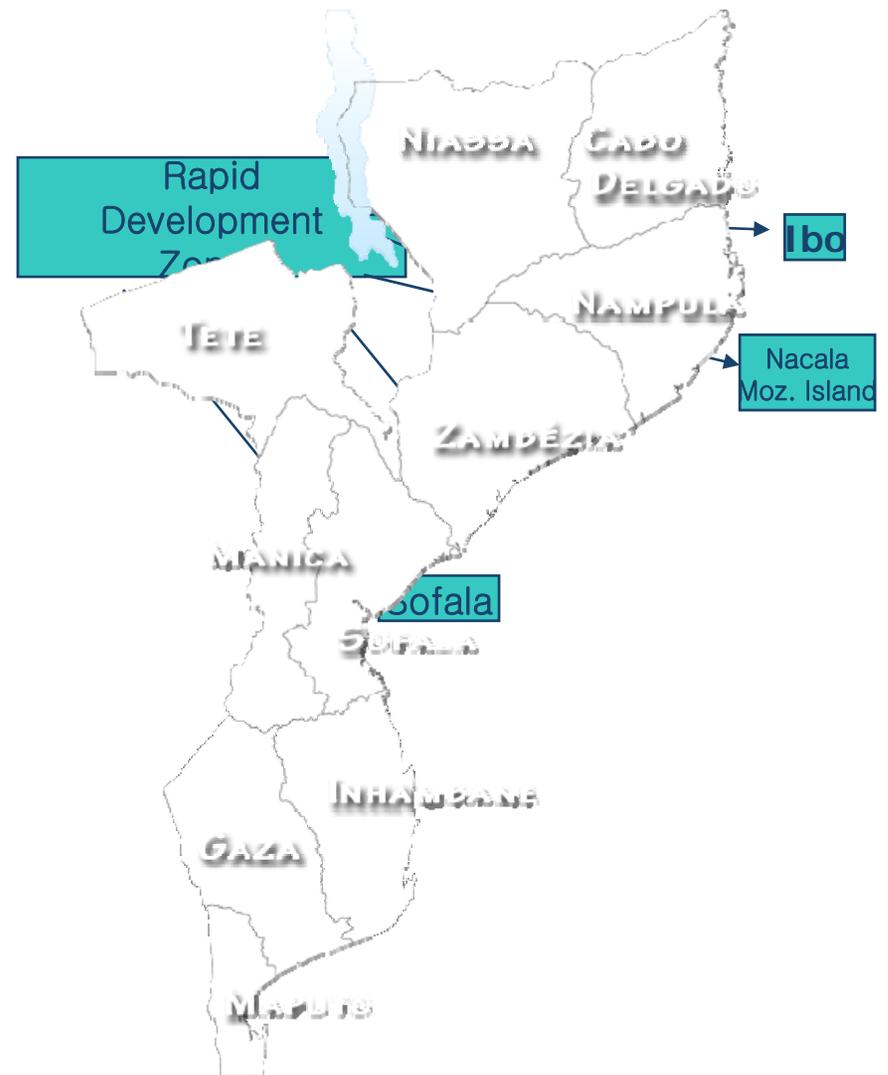
- ❖ Other incentives

Specific Incentives



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- ❖ 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)



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



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MOZAMBIQUE PROJECTS OPPORTUNITIES

Geo-Location of Moçambique



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SADC

Southern Africa Development Community

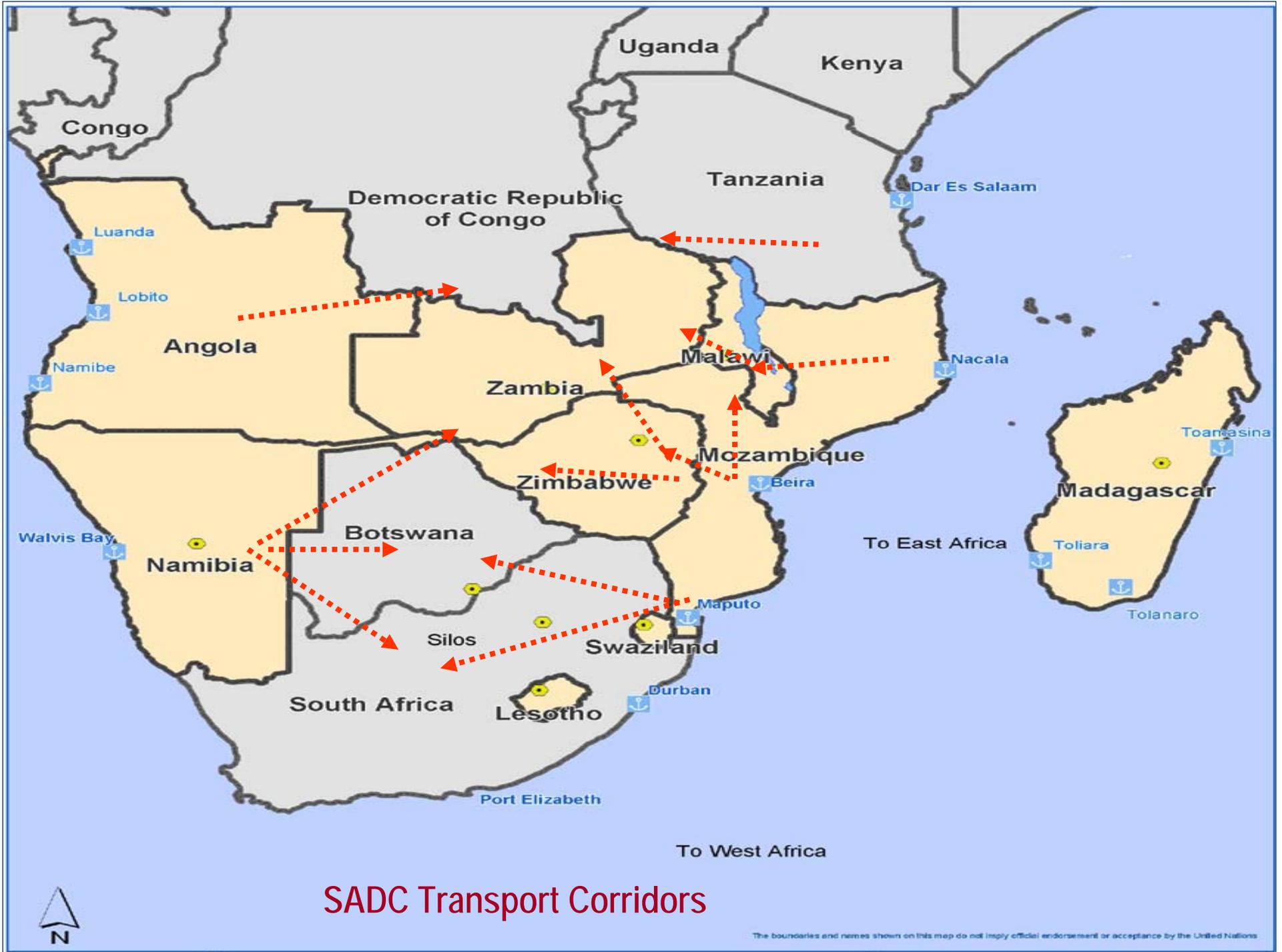
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Corridors



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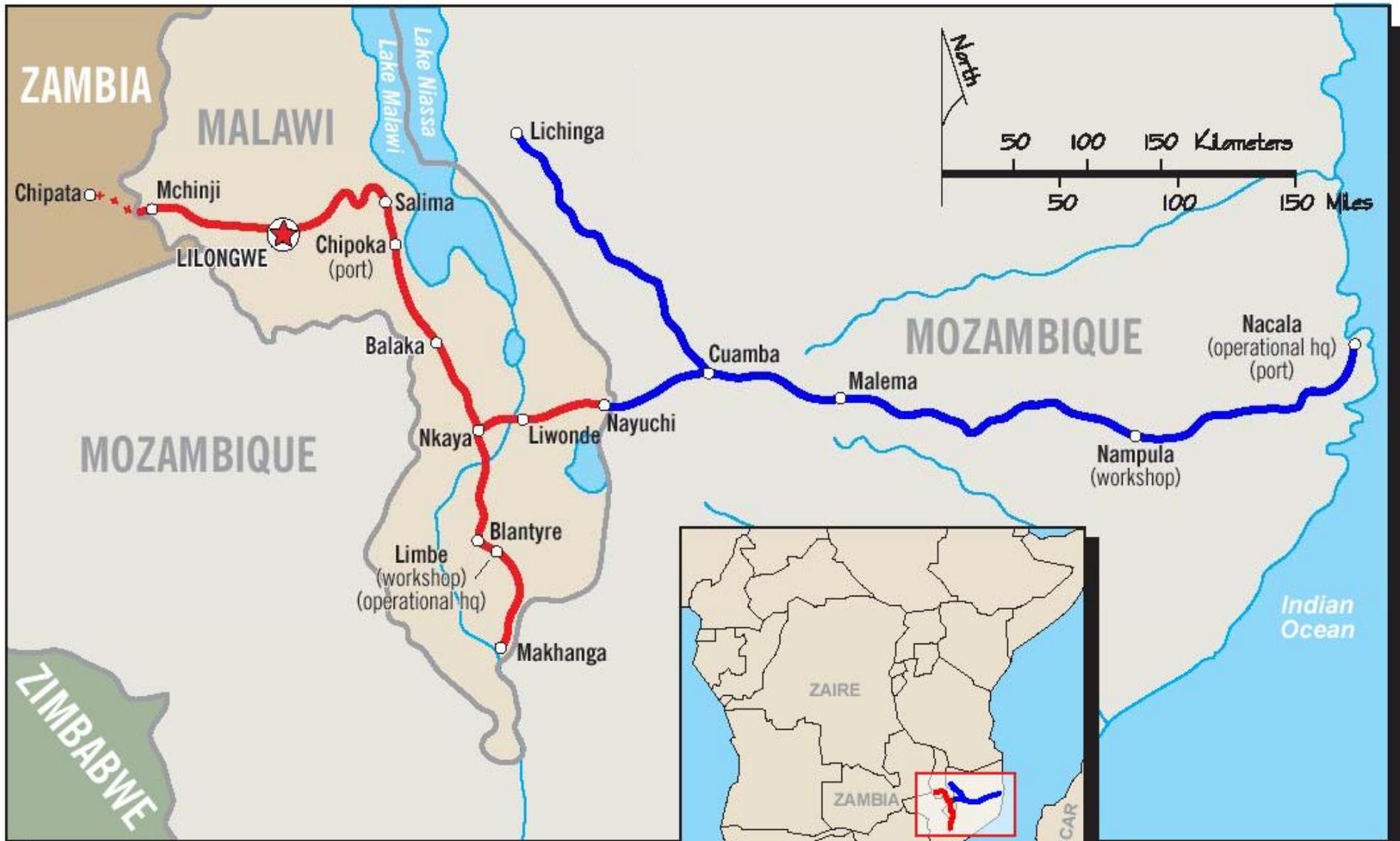


SADC Transport Corridors

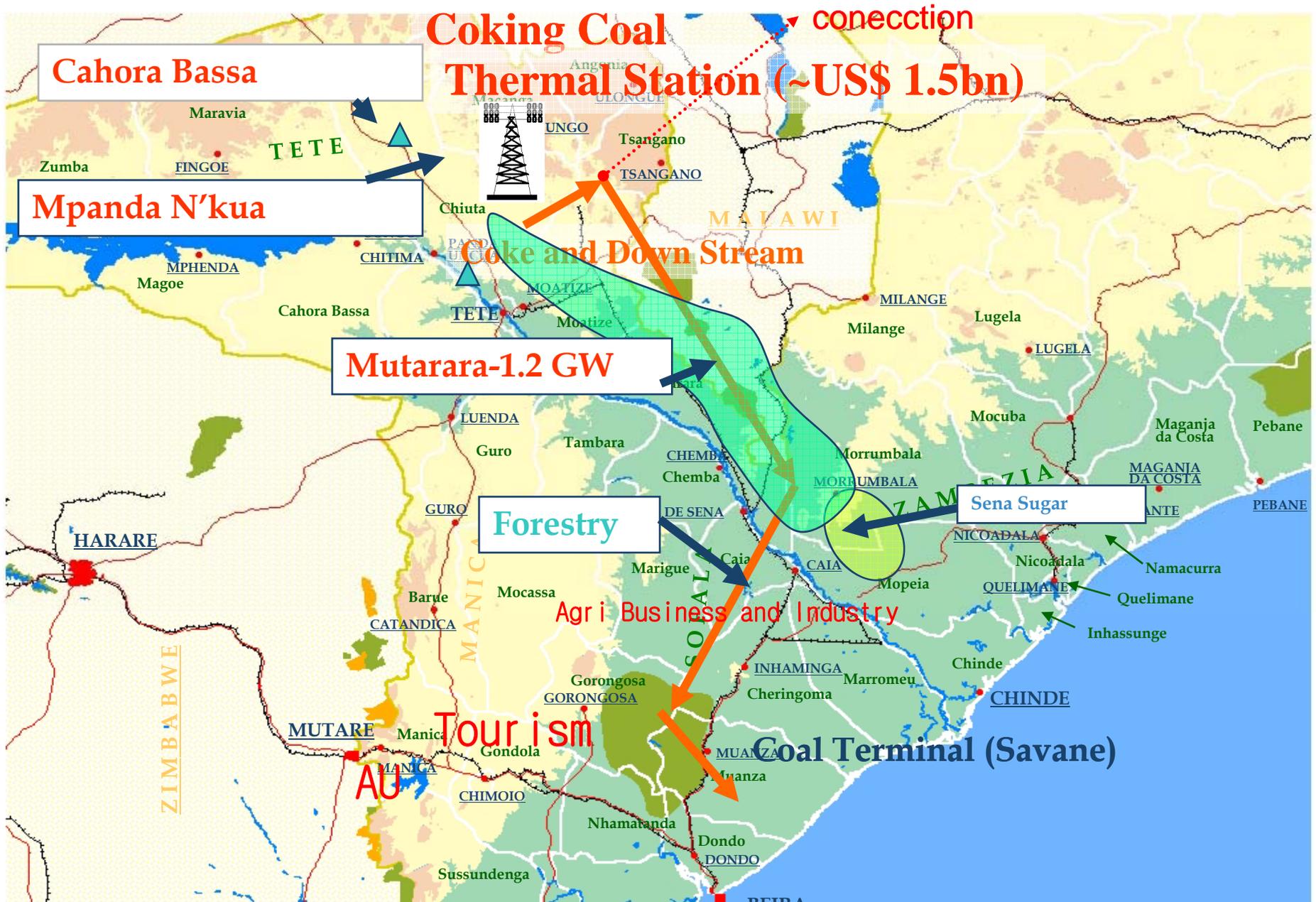
The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations

Nacala Development Corridor





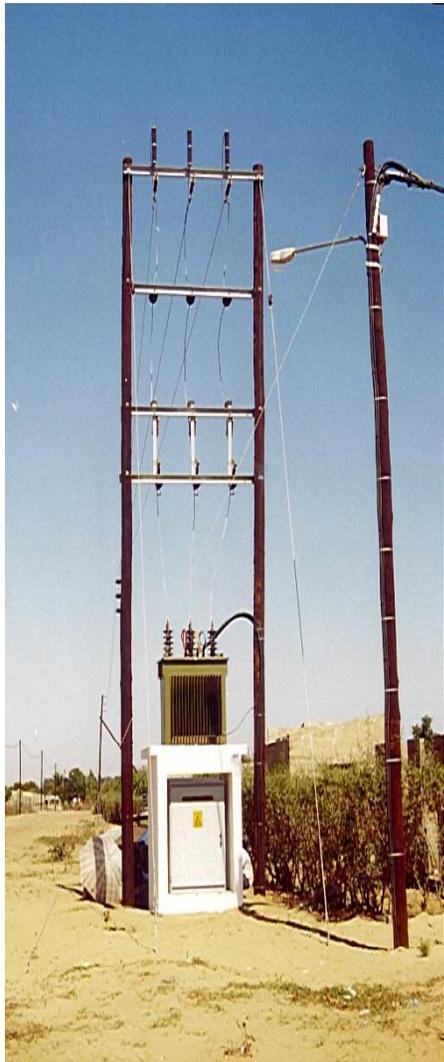
Vale do Zambeze



ENERGY



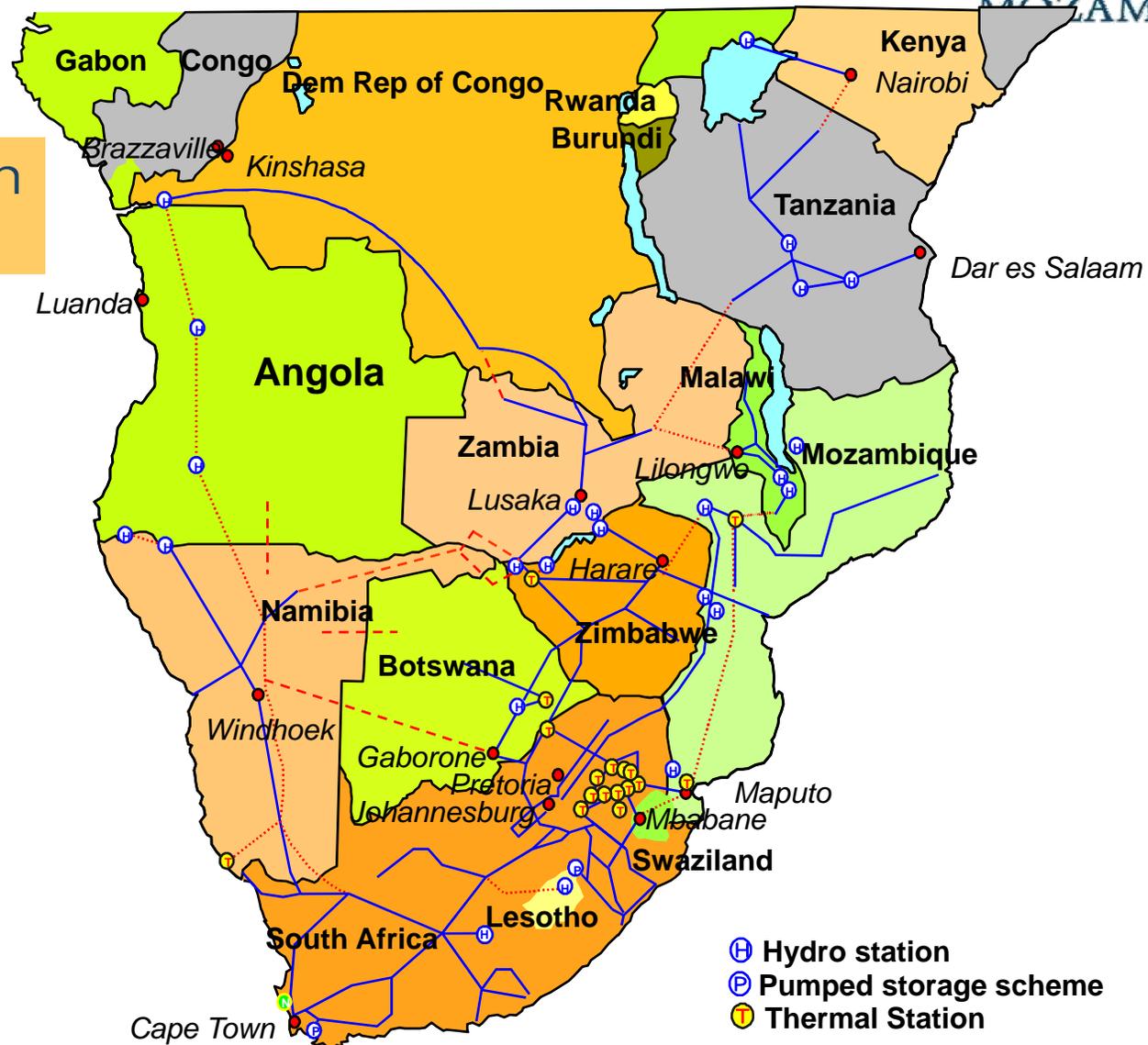
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REGIONAL TRANSMISSION GRID

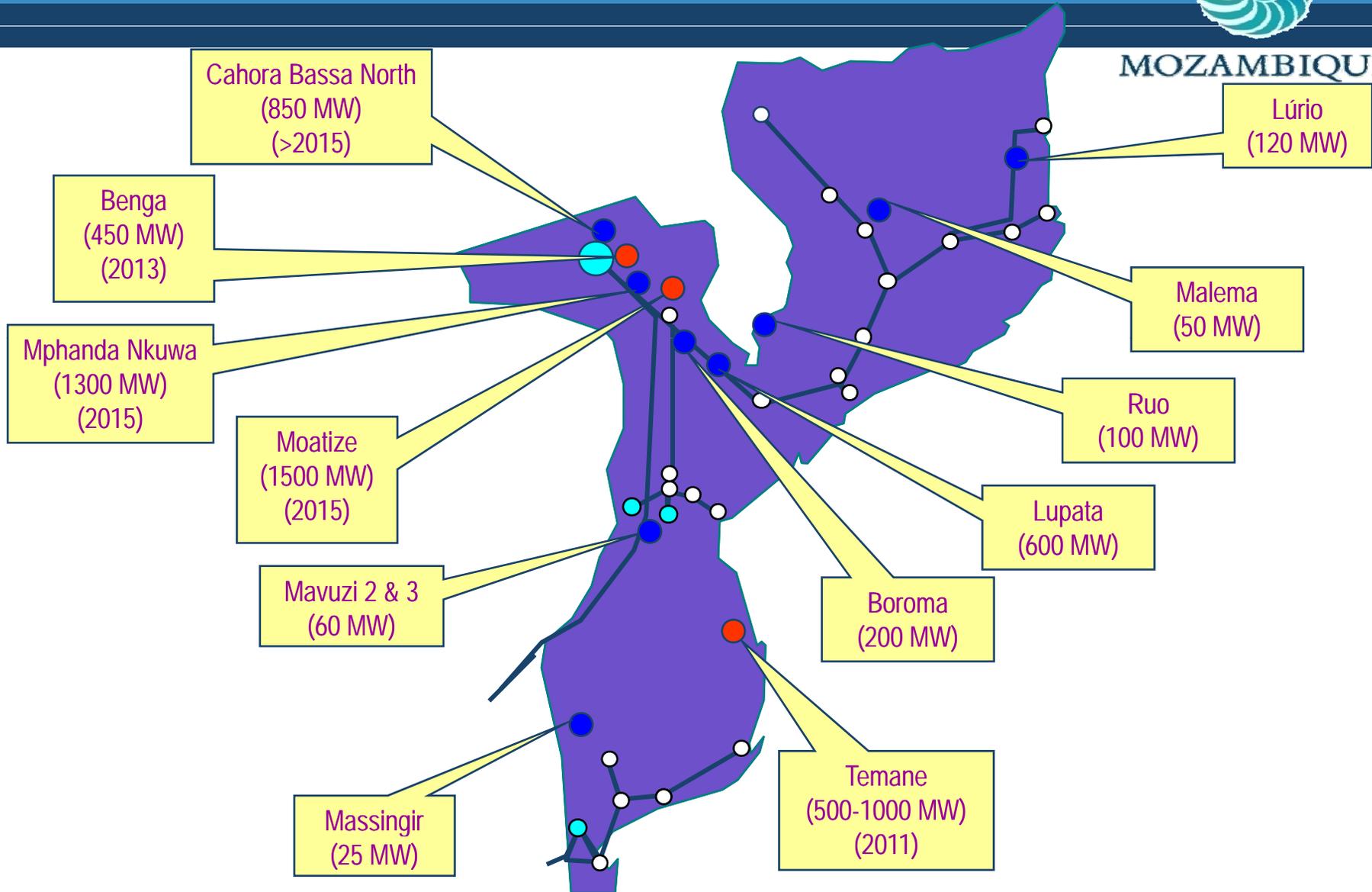


Transmission network

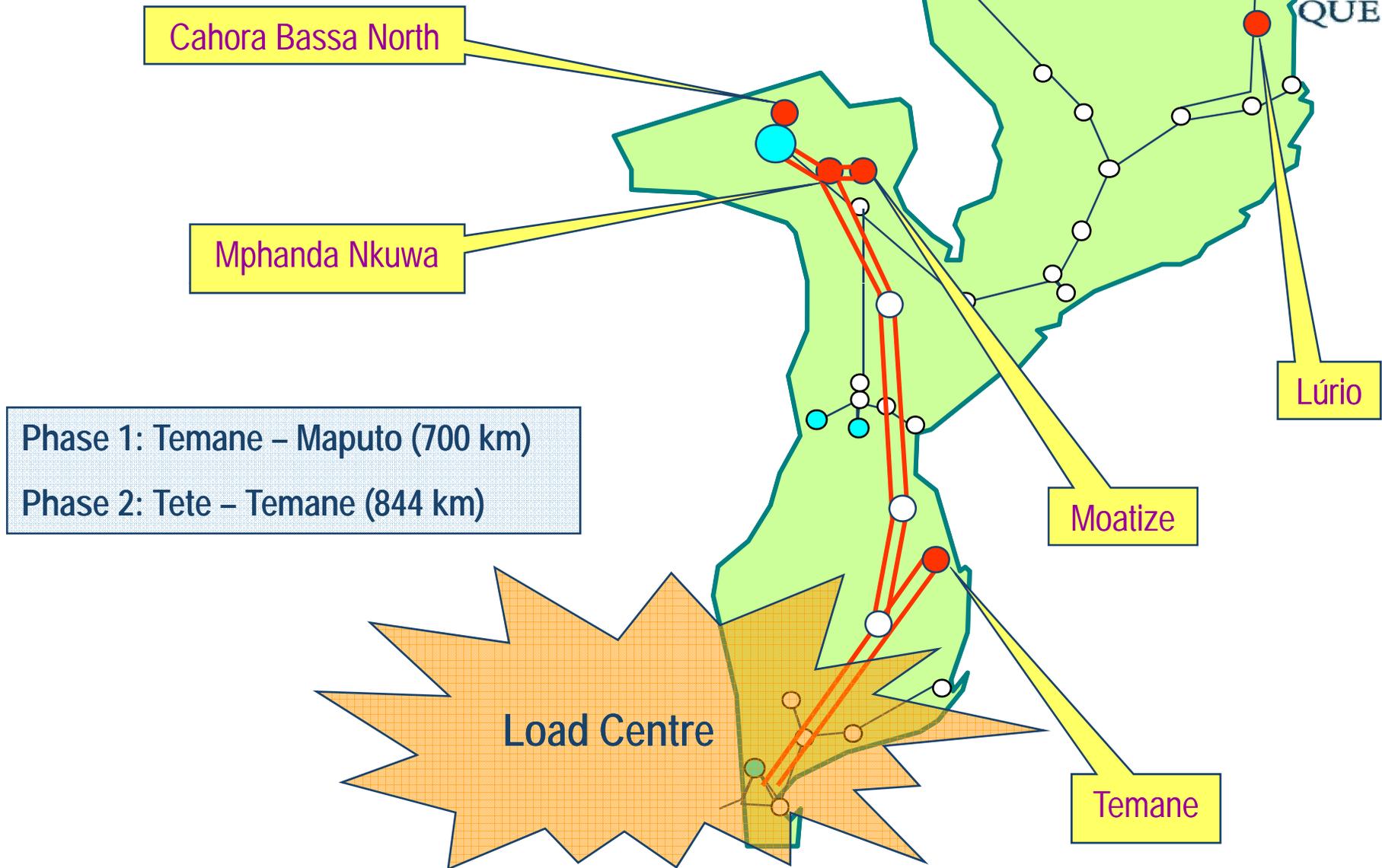




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North-South Interconnection: Phasing approach



By Sectors



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Special Projects



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

Special Projects



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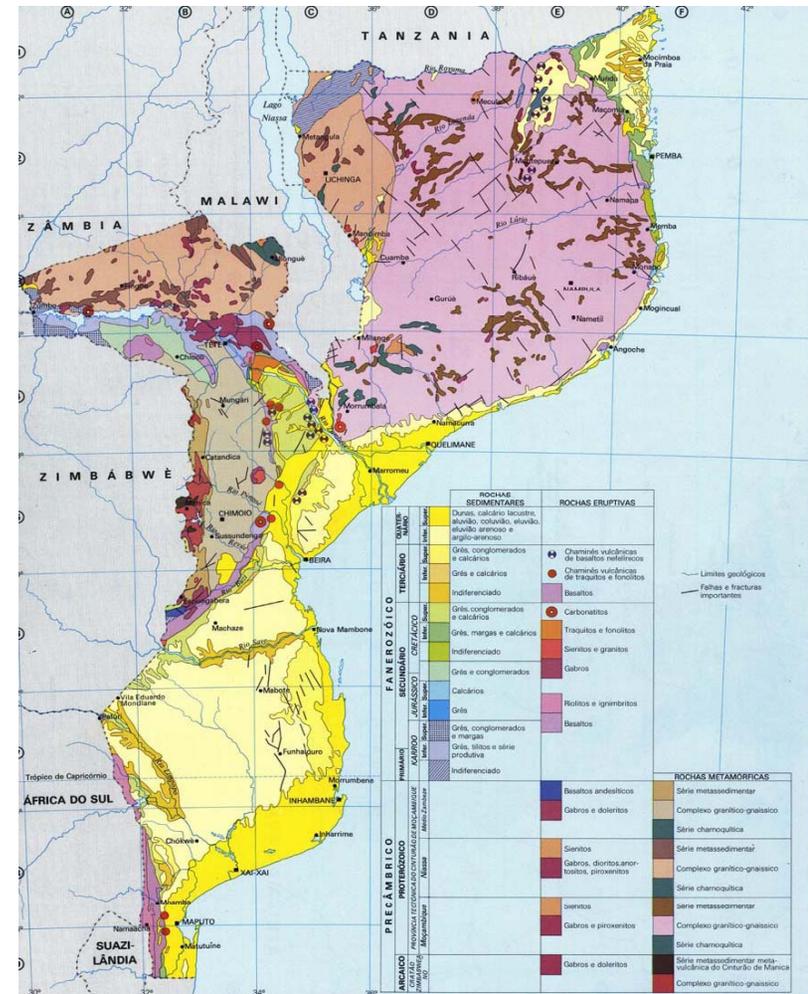
Project	Area of activity	Investment (current US\$)	Operations start in year:
COFAMOSA biofuels	Sugar cane to ethanol	\$500 m	
Petrobuzi	Sugar cane to ethanol	\$550 m	
Rio Lurio	Sugar cane to ethanol, Cabo Delgado	N.A.	
CVRD/Moatize	Coal mining and export	\$1+ b	
CVRD/Moatize power	Coal-fired power plant	\$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



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



Mineral Production & Exploration



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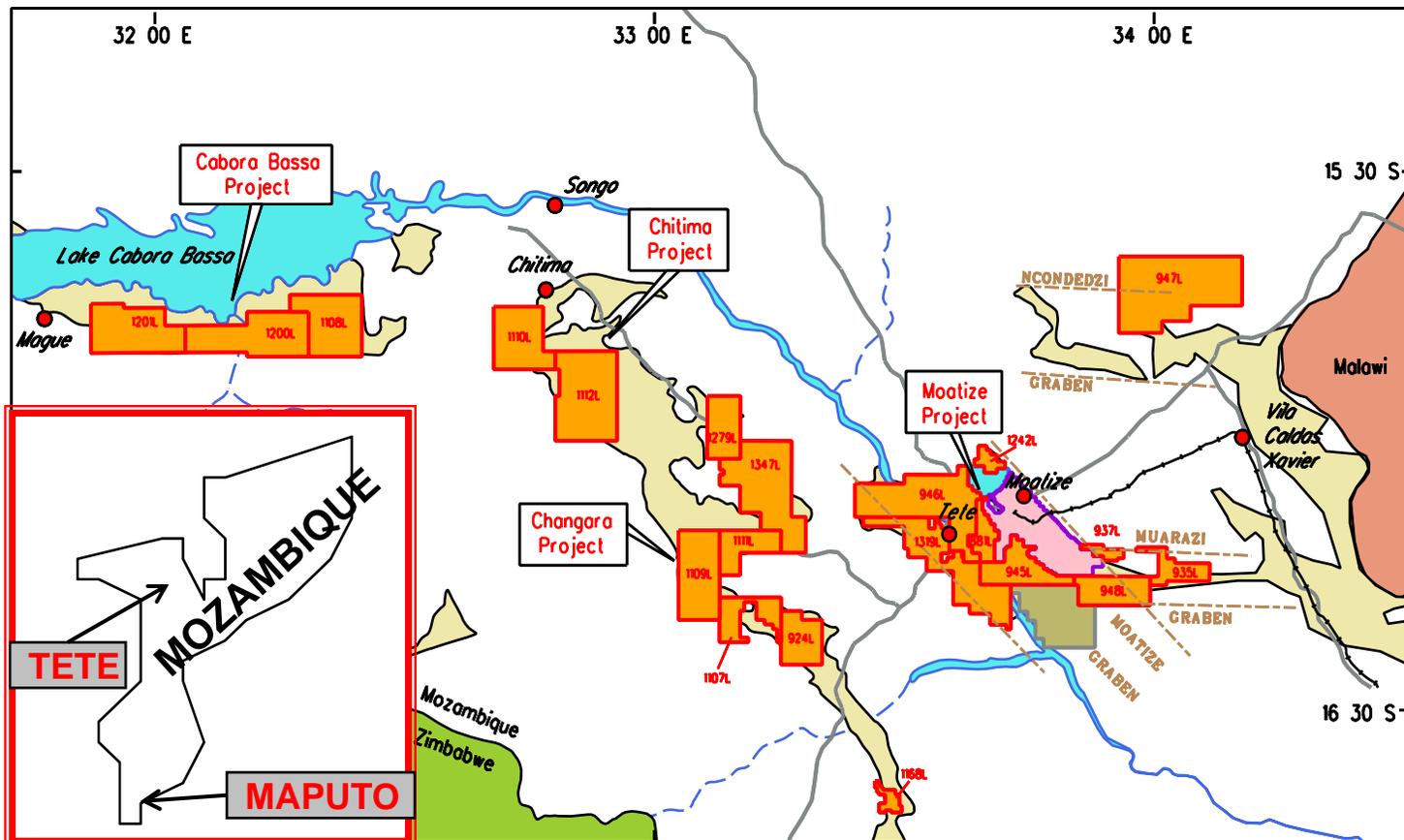
- Bauxite, Marbles, aggregates for construction, limestone, diatomite, bentonite
- Combo-tantalite, quartz, feldspar, industrial beryl, gemstones (aqua-marine, tourmaline, granite, opal...)
- Coal
- Gold, mostly produced by small scale and artisanal mining
- Fluorite
- Heavy Minerals (Ilmenite, Zircon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



opportunities in water and Transport

(The TETE Mining Hub)

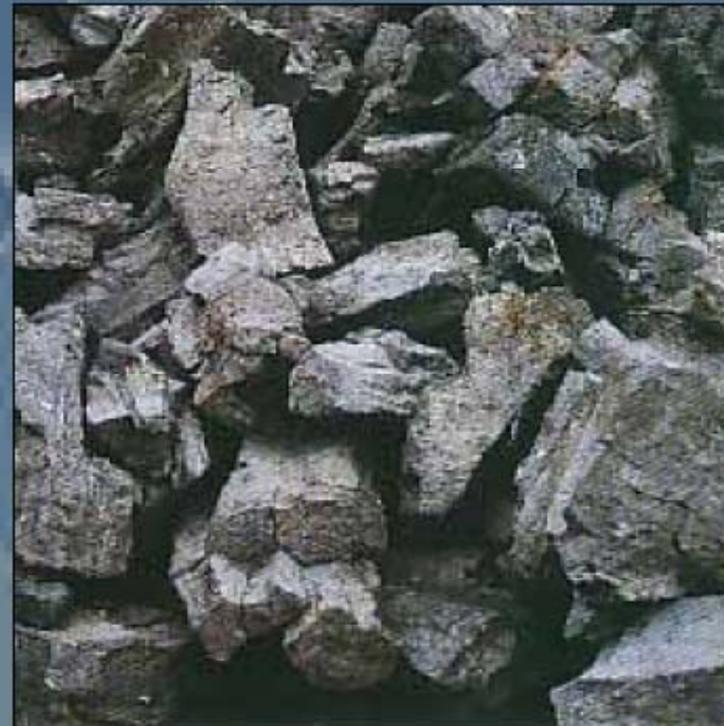
- A world coal mining potential (more than 3 bill Tons untapped reserves);
- Urge challenges in water supply for mining activities and public;
- Great opportunities in transport activities;
- A window for Tool Road for the Beira-Chimoio-Tete Road?



PROJECT 2: COKING PLANT



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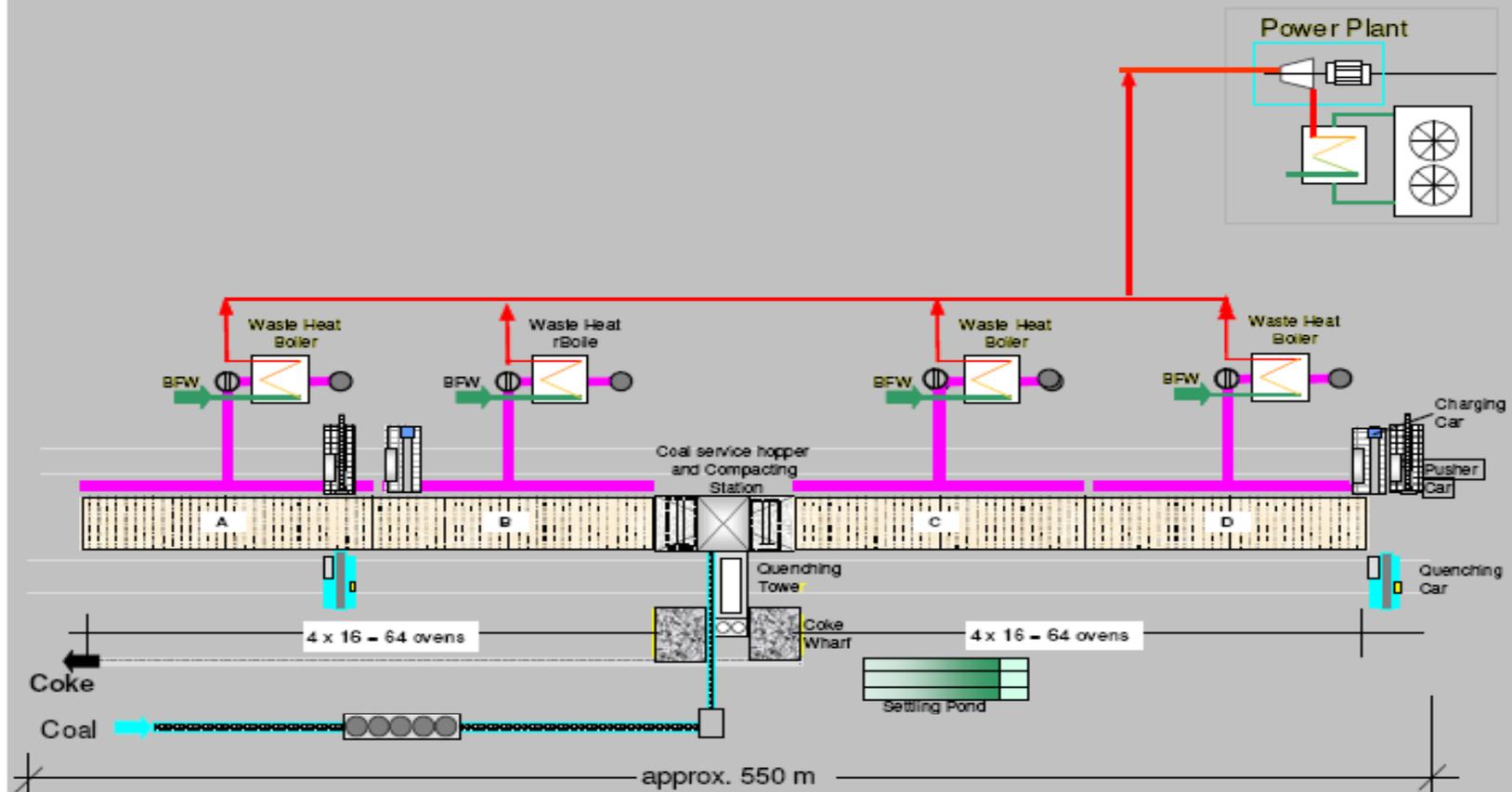


COKING PLANT



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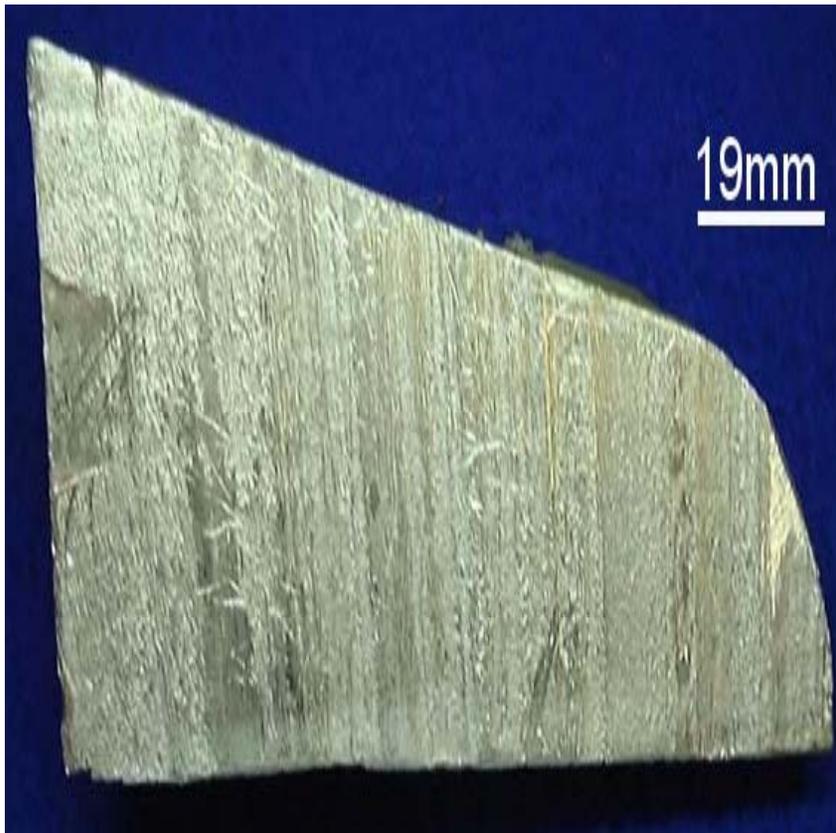
Layout of 600,000 tpa Heat Recovery Coke Plant



PROJECT 3: ALUMINIUM SMELTER



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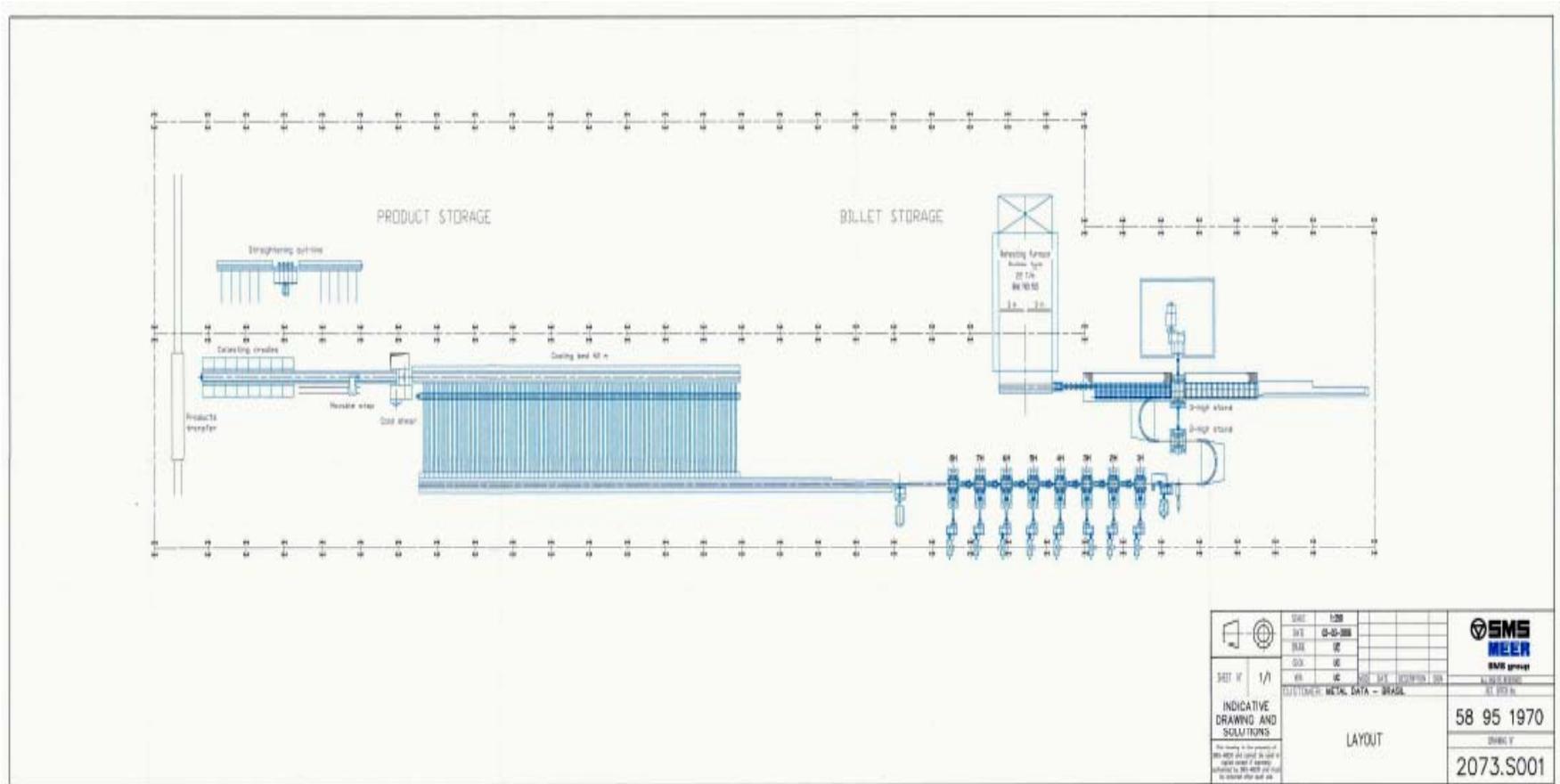


STEEL MILL



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Layout of Steel Mill



FERRO ALLOY PLANT



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❖ 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.



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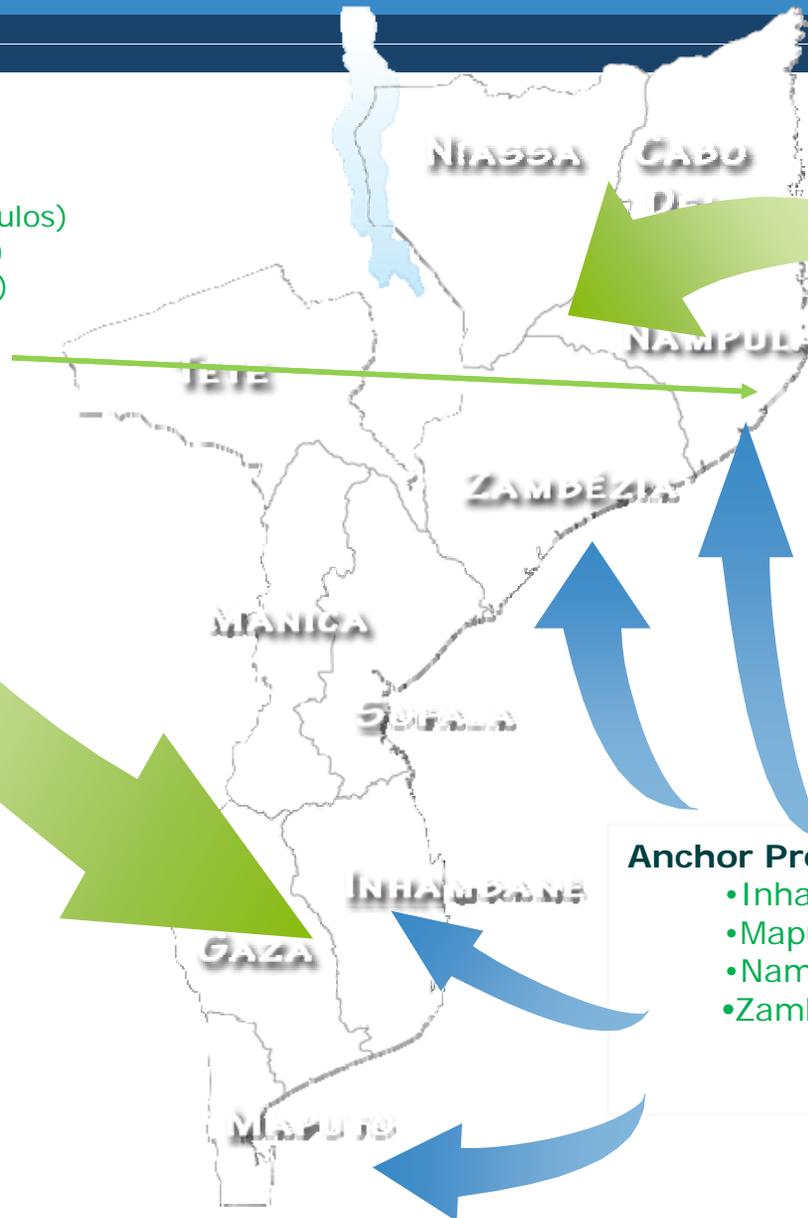
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Tourism



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- 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



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Hotels & Lodges
Game Farms
Nature Conservation
Restaurants



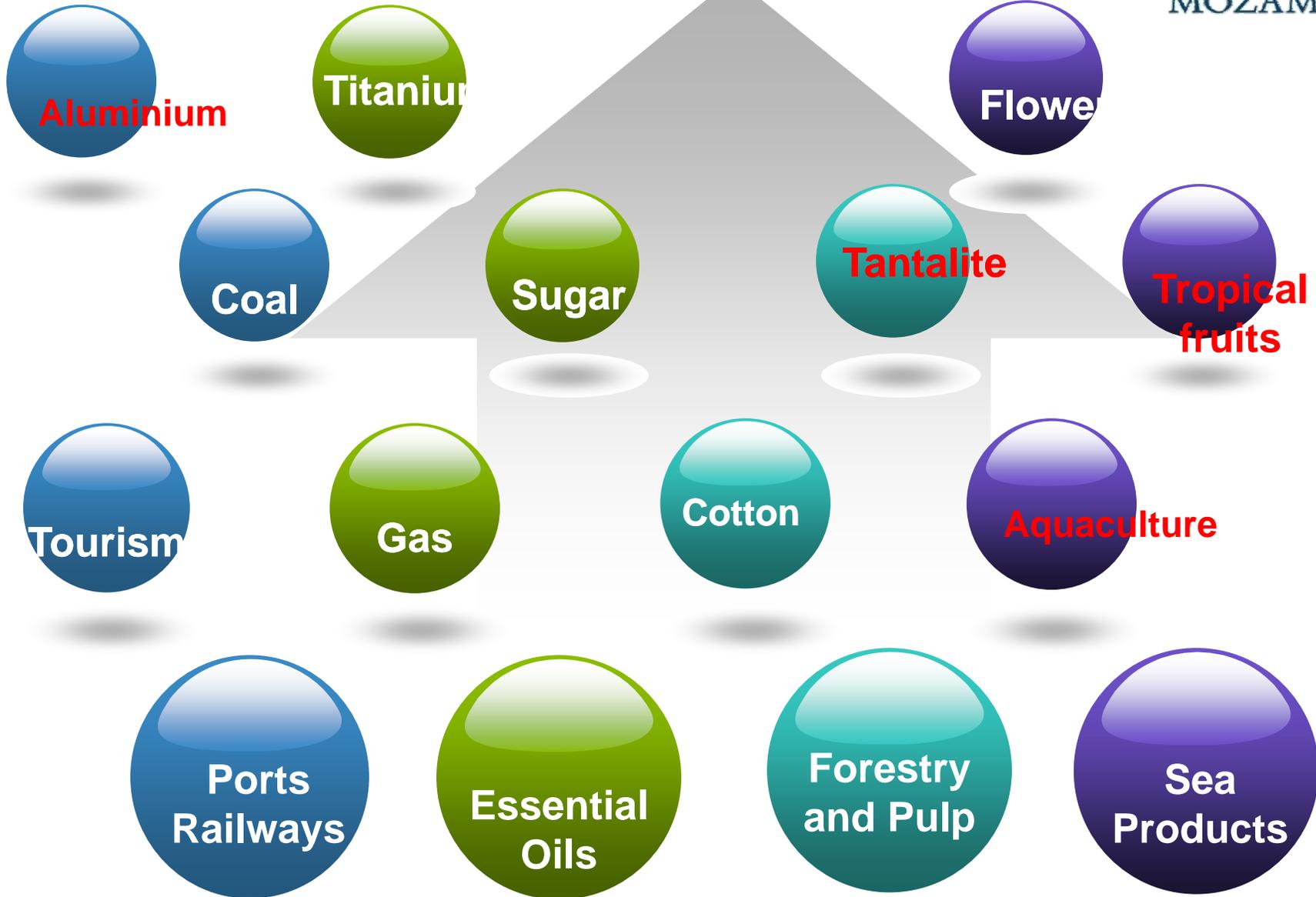
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Clusters



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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!

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