- **Population:** 23,760 mil
- **GDP (Nominal):** USD 15,355 mil million
  - **Per capita:** USD 630
- **GDP Growth Rate:** 7.5% (2013)
- **Exchange Rate USD/MT:** 30.50
<table>
<thead>
<tr>
<th>INTERNATIONAL CONTEXT</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Economy GDP growth Rate (%)</td>
<td>5.3</td>
<td>3.8</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td>• Euro Zone</td>
<td>1.9</td>
<td>2.0</td>
<td>-0.7</td>
<td>-0.4</td>
</tr>
<tr>
<td>• Developing Asia (China e Índia)</td>
<td>9.5</td>
<td>7.8</td>
<td>6.7</td>
<td>6.5</td>
</tr>
<tr>
<td>• Sub-Saharan Africa</td>
<td>5.7</td>
<td>5.2</td>
<td>4.5</td>
<td>5.1</td>
</tr>
<tr>
<td>• Mozambique</td>
<td>7.1</td>
<td>7.3</td>
<td>7.3</td>
<td>7.5</td>
</tr>
<tr>
<td>World Inflation Rate (%)</td>
<td>3.7</td>
<td>4.8</td>
<td>4.0</td>
<td>3.8</td>
</tr>
<tr>
<td>• Euro Zone</td>
<td>1.6</td>
<td>2.7</td>
<td>2.5</td>
<td>1.5</td>
</tr>
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<td>• Mozambique</td>
<td>12.7</td>
<td>10.4</td>
<td>2.1</td>
<td>4.2</td>
</tr>
</tbody>
</table>
WHY MOZAMBIQUE

COMPARATIVE ADVANTAGES
- Geo-Strategic Location (as a gateway to SADC);
- Rich and Diverse Natural Resources Base: Arable land, forests, natural reserves of mineral resources, hydrocarbons, water;
- Competitive, educated and easily trainable labor force;
- Diversity and historical & cultural heritage;
- Sincerity, Hospitality, Friendliness.

COMPETITIVE ADVANTAGES
- Second major Investment Destination in Africa in 2013;
- One of Fastest Growing Economies in Sub-Saharan Africa in the last 10 years;
- Increasing investment in infrastructures across the country (roads, airports, railways);
- Stable Investment Legislation (Predictable, Consistent and Transparent);
- Access to preferential markets: SADC, USA, EU, China, India.

GOOD GOVERNANCE
- Protection against property expropriation;
- Non-discriminatory treatment between foreign and domestic investors;
- Public and Private Partnerships are encouraged;
- Competitive Fiscal and non-fiscal Incentives;
No restriction to loans and payment of interests abroad;

Transfer of dividends abroad;

Mediation according to ICSID or ICC rules in the resolution of investment disputes;

Access to MIGA and OPIC investment risk cover services.
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, Zimbabwe, Spain, Japan, Brazil and Russia.

Agreements to prevent Double Taxation and Fiscal Evasion:

Portugal, Mauritius, United Arab Emirates, the Autonomous and Special Administrative Region of Macau, Italy and South Africa.
CPI Approved Investments
2009-2014

Total Number: 1,525
Total Value: $18.8bn

Number of Approvals

Value of Approvals (USD)
10 MAIN FDI SOURCES IN 2013

1. South Africa: 364,017,310 USD
2. China: 228,927,373 USD
3. Portugal: 171,678,323 USD
4. Switzerland: 147,686,533 USD
5. Germany: 140,449,808 USD
6. UAE: 53,291,900 USD
7. Uganda: 37,600,000 USD
8. Mauritius: 28,926,858 USD
9. Italy: 26,607,017 USD
10. United Kingdom: 25,531,000 USD

Amount of Investment (USD)
JAPANESE INVESTMENT EM MOÇAMBIQUE

- HITACHI
  Technical Service
  Moatize, Tete

- NIPPON STEEL & SUMITOMO METAL
  Coal Mining
  Revuboe, Tete

- MITSUI & CO., LTD.
  LNG Project
  Off-shore, Rovuma Basin

- Sumitomo Corporation
  Railways and Port
  Zambezia

- Mozal Aluminium Smelter,
  Beloluane, Maputo

- Jafrix
  Seafood processing
  Beira, Sofala

- Mitsubishi Corporation
  Wood chips
  Maputo
Main Exported Products: Crustaceans, Seeds and oleaginous fruits, Titanium ores and concentrates, Marine animal fats, leguminous vegetables.

Main Imported Products: Vehicles, Motorcycles, Trailers and semi-trailers, Cement, Tractors, Wheat, Rice, Machinery and its parts, Electric conductors, Glues, Artificial filament threads.
INVESTMENT INCENTIVES
TAXATION SYSTEM

- **IMPORT CUSTOMS DUTIES**
  - Equipment: 5.0%
  - Raw Material: 2.5%
  - Semi-finished products: 7.5%
  - Finished products: 20.0%

- **VAT**: 17.0%

- **CIT – General**: 32.0%
  - Agriculture: 10.0%

- **PIT**
  - *Minimum*: 10.0%
  - *Maximum*: 32.0%

- **Withholding Tax**: 20.0%
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: 5% deducted from the taxable income - IRPC
Special Benefits

- Creation of Basic Infrastructures
- Trade and Industry in Rural Areas
- Manufacturing & Assembly Industry
- Agriculture and Fisheries
- Hotels and Tourism
- Science and Technology Parks
- Large Scale Projects
- Rapid Development Zones
- Industrial Free Zones
- Special Economic Zones
- Mining Sector
INVESTMENT OPPORTUNITIES
AGRICULTURE & AGRO INDUSTRY
Mozambique has ideal growing conditions – plentiful water supply combined with diverse micro-climates to support a broad range of agricultural commodities.

- **Major rivers**: Zambezi, Limpopo, Sabie, and others offer tremendous irrigation potential.
- Tropical climates offer potential for year-round, high yield crop production.

**Utilization of Arable Land**

- **Arable Land**: 36.0 Million Hectares
- **Utilized**: 5.4 Million Hectares (15.0%)
- **Unutilized**: 30.6 Million Hectares (85.0%)

**Land Suitability**

- Suitable for rainfall agriculture
- Moderately suitable for rainfall agriculture

10 DISTINCT AGRO-CLIMATIC ZONES

Source: Ministry of Agriculture; World Bank
Based on input from current and potential private sector investors in Mozambique, 12 key value chains have been identified, from which 4 have been prioritized.

**VALUE CHAINS WITH GREATEST OPPORTUNITIES**

<table>
<thead>
<tr>
<th>Investment Opportunities</th>
<th>Prioritized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>Soy</td>
</tr>
<tr>
<td>Sugar Cane</td>
<td>Cassava</td>
</tr>
<tr>
<td>Poultry</td>
<td>Cashew</td>
</tr>
</tbody>
</table>
MINERAL RESOURCES
- Natural Gas;
- Coal deposits;
- Heavy mineral sands;
- Bauxite;
- Limestone;
- Rare Earths metals & tantalite;
- Gold;
- Gemstone;
- Graphite;
- Marble;
- Bentonite;
- Base metals;
- Phosphate.
Sedimentary Basins
With potential for the occurrence of Hydrocarbons
NATURAL GAS DISCOVERIES IN MOZAMBIQUE

- Descobertas de gás desde 1961
- Recursos: 20 +Tcf
- Reservas Estimadas: 5+ Tcf

- Quantidade de gás de Nível Mundial
- Descobertas de gás desde 2010
- Recursos: 150+ Tcf
LICENSED ACREAGE

OPERATORS

- Anadarko
- Buzi Hydrocarbons
- ENI
- ENH
- PETRONAS
- SASOL
- STATOIL
ROVUMA BASIN – CONFIRMED RESERVES

- 2010: 10 TCFs
  - Prosperidade
  - +Tubarão & Mamba

- 2011: 50 TCFs

- 2012: 170 TCFs
  - +Golfinho-Atum & Coral

- Junho 2013: 185 TCFs
  - +Orca, Espadarte & Agulha

- DESCOBERTAS SUBSTANCIAIS DESDE 2010
- SUFICIENTES PARA TORNAR MOCAMBIQUE UM DOS MAIORES PRODUTORES DE LNG EM AFRICA
FUTURE OPPORTUNITIES IN NATURAL GAS DOWNSTREAM

LNG

Export

Infrastructure Development

Petrochemical Industry

Social Infrastructure

Housing

Schools

Training Centers

Hospitals

Ports

Rods

Rail Network

Airports

Power

GTL

Bulk Infrastructure

Fertilizers

Methanol

Plastics

Fuels

Pharmaceuticals
DOWN STREAM INVESTMENT OPPORTUNITIES

- Ports
- Petrochemical
- Railway
- Rail Transportation
- Accommodation
- Pipeline
- Power Generation
- Health Care
- Air Transports
- Petrochemical
- LNG Development
- Power Generation
HYDRO-POWER POTENTIAL: 12,000 MW

Cahora Bassa (2075 MW)  Chicamba & Mavuzi (90 MW)

Matambo - Caia HV Transmission lines

Transmission lines from 66 to 400 kV in AC: 5216 Km and 900 Km in DC at ± 533 kV, including Substations with a total capacity of 5350 MVA;
ONGOING POWER PROJECTS

LURIO BASIN
120 MW + 80 MW

• CAHORA BASSA - 2075 MW (INSTALLED)
• CB North Bank – 1250 MW
• MPHANDA NKUWA – 1500
• BOROMA - 200
• MOATIZE (COAL) – 2400
• BENG A (COAL) – 2000
• NHATSANGA (COAL) - F.S.

• CHICAMBA – 40 MW
• MAVUZI I – 50 MW
• MAVUZI II & III 70 MW

TEMANE (GAS)
50 MW

R GARCIA (GAS)
240 MW
Sussundenga Small Hydropower Plant

Cahora Bassa North (850 MW)

Mphanda Nkuwa (1300 MW)

Sussundenga Small Hydropower Plant

Mossurize Small Hydropower Plant

Mavuzi Chicamba Hydroelectric Station (60 MW)

Massingir Dam (25 MW)

Lúrio (120 MW)

Malema (50 MW)

Ruo (100 MW)

Lupata (600 MW)

Boroma (200 MW)
POTENTIAL POWER PROJECTS

1. Ongoing development projects in coal-fired power plants for nearly 600 MW;
2. Phase II accounts for nearly 3000 MW to 5000 MW to be developed from thermal coal centers.

- Benga Coal-fired Power Plant (300-2000 MW)
- Construction of Fuel Storage Tanks (100,000m³)
- Moatize Thermal Power Plant (300-2400 MW)
- Kuvaninga Thermal Power Plant
- Beluluane Thermal Station (50 MW)
- Construction of Fuel Storage Tanks (LPG) (3000 TM)
- Production of Biodiesel (Matola, Beira and Nacala) (40 M liters/year)
- Temane (500-1000 MW)
- Solar Panels Factory
- Ressano Garcia Thermal Power Plant (500-1000 MW)
Nearly 278 MW have been installed from thermal natural gas.
Phase I: (1x400 kV, HVAC + 1x800 kV, HVDC)

= 3,100 MW

Cost estimate: 1,800 MUSD

Phase II: (1x800 kV, HVDC = 2,900 MW)

Cost estimate: 512 MUSD

Total cost (Phase I+II) = 2,400 M USD
Geothermal energy is one of the renewable energy options, assuming that Mozambique is covered partially by the RIFT VALLEY;

There are about 38 water springs which average between 50 to 100 degrees Celsius.

Wind resources are characterized to be significant. However, the available data shows that there are some sites where deep research is recommended;

The strong wind blows from June to August, in the Northwest direction.
TRANSPORT AND COMMUNICATIONS
Legend

Moatize – Caia – Macuze
(Concession contract under negotiation)

Moatize – Nacala (Via Malawi)
Under construction

Moatize – Nacala (Bypassing Malawi)
Under negotiation

CURRENT SITUATION OF THE COAL LOGISTICS

SENNA LINE OPERATIONAL (Capacity 6 MTPA)
(UPGRADE to 20 - 25 MTPA in 3 years)

Pre-feasibility study done

GEOGRAPHICAL CONFIGURATION

EXISTING RAIL

RAIL LINES PLANED IN THE TRANSPORT SECTOR STRATEGY

Long Distances (North-South): Sea and Rail

Moatize – Nacala (Via Malawi)
Under construction
SPECIAL ECONOMIC ZONES
The Port of Nacala is the third largest with deep waters in Africa’s Eastern Coast;
The port is undergoing rehabilitation and expansion.
The project is being implemented by Vale Mozambique. In addition to the maritime terminal and deep water port, it also includes the construction of a branch rail line in an extension of 200 kilometers, linking the Moatize coal basin, through Malawi, until that district.
The railway line is one of the largest infrastructures, comprising the Nacala Corridor, linking the Port of Nacala to the hinterland countries (Malawi and Zambia).
Under construction, it will feature a runway 3,400 meters long and 45 meters wide, which will allow the landing of large aircraft such as the Airbus A340.
The Nacala Dam will help increase the water supply capacity, from 4.2 to 6.6 million cubic meters, as well as increase their availability, from the current 7,200 cubic meters per day to 25 billion intended to supply the Nacala SEZ.
INVESTMENT OPPORTUNITIES

- Themed Special Economic Zones;
- Agro-processing;
- Technology Parks;
- Tourism;
- Services;
- Industry;
- Cotton Processing Industry;
- Textile industry;
- Infrastructure, among others.
Offers a package of services to assist national and foreign investors facilitating access to incentives offered by the Government and the establishment of their businesses.
Thank you!