

An Overview of Trade and Investment

Opportunities in Mozambique

Energy and Extractive Industries:

1. **Electricity Market** – Mozambique's electricity demand will grow by 11% each year until 2015 due to an agricultural and manufacturing boom. Recent laws have opened the door for foreign investment, creating equal playing ground for both domestic and foreign investors.
2. **Solar Power Energy** – The electrical grid only reaches 14% of the population. With the support of Mozambique's Vice Minister of Energy, solar power will create renewable energy to bring power to the countryside and extend the national grid.
3. **Hydropower** – The 2nd largest dam in Africa, Mozambique's Cahora Bassa supplies renewable energy for many southern Africa countries. Plans to establish more hydropower dams to meet the region's energy demand are underway.
4. **Mining Industry** – The amount of direct investment in mining activity in Mozambique rose from USD 101 million in 2004 to USD 804 million in 2008.
5. **Titanium Concentrate Deposits** – Major investors (ex. Kenmare Resources) have quickly developed. Since investing USD 460 million in the heavy mineral sands deposit in the northern province of Nampula, Kenmare Resources began production in April 2007 and has produced 701,577 tons of titanium concentrate over the past two years.
6. **Coal Mining** – Just a month ago, a USD 800 million investment was finalized with the Mozambican government to establish one of the largest mining projects in the country. The government is eager to establish more mining projects.

Agriculture:

7. **Agricultural Planting** – Of Mozambique's arable land, 88% is still unused. Inefficient processing and cultivation has hindered this industry from reaching full capacity. Major exports include:
 - Cashew Nuts, Cotton, Sugar Cane, Fruit, Coconuts, Grains, Cassava
8. **Agricultural Equipment Supplies** – Agriculture is responsible for 80% of national employment. There is a rising need for equipment which will only continue to increase.
9. **Mineral Water Production** – Production of mineral water has increased over 500% since 2005. As access to clean drinking water is still insufficient, all provinces will continue to demand more access to potable water.
10. **Alcohol Market** – Africa has an estimated USD 3 billion market which is relatively untapped. In Mozambique, the per capita consumption of beer is at 6.7 liters.

11. **Forestry Processing** – With large areas available for investment, the forestry industry in Mozambique has seen an annual increase of 17.9%.
12. **Cattle Rearing** – Unable to meet the national demand, local suppliers are struggling to provide for a growing market. Since 1993, the national herd has increased by 7% annually.
13. **Fish Processing** – With a coastline of over 1,400 miles, Mozambique’s fishing industry has immense potential as domestic and foreign interest in Mozambican waters is growing.
14. **Prawn Export** – Seafood is the largest single export in Mozambique, especially prawns. Last year, Mozambique earned \$45 million from prawn exports. The abundance of marine resources off the coast has certainly not been fully exploited.

Tourism:

15. **Tourism** – With breathtaking beaches, ideal tropical climate, world class scuba diving and diversified wildlife, Mozambique has a need for hotels, lodges, and resorts to attract a growing tourism industry. The average amount of investment approved for the tourism sector in Mozambique each year was USD 600 million between 2005 and 2008, reaching a peak of USD 977 million in 2007. Hotel attendance has risen by 15% annually since 2005.
 - Infrastructure; Catering Equipment; Leisure Equipment; scuba, sailing, wind surfing

Millennium Challenge Corporation (MCC):

16. **Millennium Challenge Corporation (MCC)** – MCC and Mozambique have signed a USD 506.9 million compact to reduce poverty and encourage economic development. As Mozambique’s economy has one of the fastest growth rates in Africa, MCC is focusing on developing water and sanitation, transportation, and land tenure services.

