

## Mozambique national day/world

## Growing sectors seek Japanese investment

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AMBASSADOR OF MOZAMBIQUE

As Mozambicans celebrate the 36th anniversary of independence, I would like to convey my best wishes to Their Imperial Majesties the Emperor Akihito and Empress Michiko, the government and the people of Japan during this very difficult period after the Great East Japan Earthquake of March 11. We share the sadness and sorrow with all those who suffered directly from the tragedy.

In fact, when the catastrophe struck Japan on March 11, the President of the Republic of Mozambique Armando Emilio Guebuza immediately wrote to Prime Minister Naoto Kan conveying his deepest condolences to the government of Japan and those families who lost their beloved ones and he also wished a quick recovery to those who were devastated by the tragedy. This gesture is the result of the profound respect and admiration that we have for the Japanese people.

We have been impressed by the resilience and the spirit of mutual assistance shown by the Japanese people in the face of this catastrophe. I firmly believe that the Japanese people will prevail and overcome the consequences of this natural disaster. Recently, I visited the Tohoku area and witnessed the



**Strengthening ties: Minister of Energy of Mozambique Salvador Namburete (center) speaks at a Japan Economic Foundation round-table discussion on Feb. 16 in Tokyo.** EMBASSY OF MOZAMBIQUE

great efforts that are being made by the people in order to rebuild their lives and I am honored for the fact that I could take an active part in the process of rebuilding this area.

For the Mozambican community residing in Japan, I would like to extend my warmest greetings and best wishes for a commemorative celebration.

#### Economic growth

The economy of Mozambique registered an average growth of 6.5 percent despite the difficult international environment, which was characterized by economic recession and the surge in the price of commodities including food items. The continuous growth of the country is attributed to the good macroeconomic policies adopted by the government, good performance of key sectors of

the economy and the decision of the government to invest heavily in infrastructure.

All these are indications of positive developments made by the government and the people of Mozambique in their efforts to eradicate poverty and improve the standards of living of Mozambicans. This trend of development is coupled by the consolidation of national unity, peace, democracy and good governance. With the continuous support of our development partners, including the valuable contribution of Japan, we will be able to overcome the challenges and continue with our progress.

#### Mining: a promising sector

Up to now the mining sector represented only 5 percent of gross domestic product (GDP). This situation is dramatically changing and it is hoped that in the next five years the sector will represent 12 percent of GDP. This is attributed to the increase of investments in the mining sector, particularly coal and natural gas.

With the confirmation of the existence of considerable reserves of high-quality cooking coal in Moatize, Tete Province, and the investments so far made in the sector, the exports of coal will grow from 500,000 tons a year to 10 million tons a year in the near future. Judging from the number of new players in the field who are developing projects in the area, the production of coal will further increase to respond to the high demand of this commodity in the international markets, in particular in the emerging economies of

China, India and Brazil. Vale do Rio Doce, a company owning one of the coal exploration licenses, is planning to use the low-quality coal to produce diesel, an important development to help Mozambique reduce the heavy burden of importing petroleum products.

The discovery of large reserves of natural gas, initially estimated at 481 billion cu. meters in the Rovuma basin, by Anadarko Petroleum, a Texas-based company, adding to the already existing reserves in Pande and Temane, has put Mozambique on the map of producers of energy resources. The company is planning to build a natural gas factory by 2018 and that will make Mozambique one of the global suppliers of liquefied petroleum gas (LPG). At the same time, the discoveries have encouraged many global and local players in the field to invest more into the prospecting of natural gas and oil. These prospects are indeed welcome since they will contribute significantly to generate resources that are needed to eradicate poverty in the country.

On the other side it opens new avenues for business interaction between Mozambique and Japan. In fact, many Japanese companies, like Nippon Steel Corp. and Mitsui & Co., are already investing in some mining projects. Also, Mozambique may become one of the suppliers of LPG to Japan.

The development of the mining sector in Mozambique includes other strategic resources, like the development of rare earths, rare metals, gold, iron

ore and many others. These again open opportunities for Japanese companies to invest in Mozambique.

#### Cooperation with Japan

Mozambique and Japan have been enjoying very good relations of friendship and cooperation over a long period of time. The two countries have been partners since 1977, when diplomatic relations between the two countries were established. Since then Japan has provided multifaceted official development assistance (ODA) to Mozambique and has contributed to the development of social and economic infrastructure in areas like education, health, roads and water.

Japan is also a very important partner in the efforts of Mozambique to attain food security. In this context three important projects are currently under implementation. The first one is being implemented in the Chokwe District, Gaza Province, under the Coalition for African Rice Development (CARD) initiative with the aim to improve productivity in rice production. The other, also with the objective to increase the production and productivity of rice, is going to be implemented in Nante, Zambezia Province, in a triangular cooperation model involving Mozambique, Japan and Vietnam. The third one, a triangular project as well, is being developed along the Nacala Corridor in the northern part of Mozambique in a partnership among Mozambique, Japan and Brazil. This is a very important program because it will significantly increase the production of food crops in that region first, for domestic consumption, helping in that manner to mitigate the current surge of food prices in the international market.

The exchange of high-level delegations has been a very important mechanism to promote dialogue and to foster the cooperation that we have built under the umbrella of TICAD IV. It was within this context that, during the first quarter of this year, the Minister of Energy of Mozambique Salvador Namburete visited Japan at the invitation of the Japan Economic Foundation. In addition, high-level delegations from the Japan International Cooperation Agency (JICA) also paid visits to Mozambique during the same period.

During the visit of the Minister of Energy Namburete to Tokyo, important projects and programs were presented in the energy field. Furthermore, the commitment of the government of Mozambique to the development of new sources of energy — biofuels, photovoltaic solar energy systems, wind and others — to complement the traditional resources, such as gas and oil, were presented and discussed. One of the major projects outlined by the minister,



**Official logo: The 10th All Africa Games is scheduled to take place in Mozambique's capital Maputo from Sept. 3 to 18.** EMBASSY OF MOZAMBIQUE

and valued at \$2 billion, is the envisaged construction of the electricity transmission line from Tete to Maputo, known as the north-south backbone. This major project is expected to be formally launched in August this year and provides an opportunity for public and private partnership in its development.

We are greatly encouraged by the fact that cooperation between the countries in the business sector is also gaining momentum. Currently, Japanese corporations, namely Hitachi, Mitsubishi, Mitsui and Sojitz, are investing in different projects in the country as compared to only one company in the recent past. This is a good testimony to the improvement of the environment to do business in Mozambique and an example of success of the introduction of the economic pillar in the TICAD IV process, designed to boost economic growth in Africa.

#### 2011 All Africa Games

This year we are hosting the 10th All Africa Games in Maputo, from Sept. 3 to 18. This is a major continental event that will feature 23 sports. The games are expected to be attended by 5,000 athletes and officials from all African nations. The conditions have already been set to receive the athletes and tourists that will travel to Mozambique during that period. We are honored to host this special event and we will make sure that each and every visitor will have a memorable experience during this period. It is our hope that Japanese who follow African sports will seize this opportunity to visit Mozambique to join this fiesta of African youth and visit the tourist attractions that Mozambique offers.

To conclude my message, I would like to express my profound gratitude to The Japan Times for granting me this valuable opportunity to address and greet its esteemed readers on this special occasion.



**Resource provider: An 865-km-long gas pipeline from Temane and Pande fields (above) supplies gas from Mozambique to South Africa.** EMBASSY OF MOZAMBIQUE

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**Capital: Known as the Pearl of the Indian Ocean, Maputo is the largest city in Mozambique, with the economy centered around the port.** EMBASSY OF MOZAMBIQUE

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