

A wealth of opportunities

INTERVIEW WITH HE ESPERANÇA LAURINDA FRANCISCO NHIUANE BIAS

MINISTER OF MINERAL RESOURCES, REPUBLIC OF MOZAMBIQUE



ESPERANÇA LAURINDA FRANCISCO NHIUANE BIAS became Minister for Mineral Resources in 2005. Prior to that she held the Deputy Minister's position in the same Ministry from 1999, having joined in 1991. She has worked in the mining sector all her career, joining the ENM national mining company in 1983 then taking on the post of Delegate Director in the national gemstone company. Her knowledge of Mozambique's mining sector has been further extended by sitting on the boards of several bodies in this sector.

What is the current state of play and investor sentiment in the Mozambican mining sector?

Fresh investment has been flowing into a variety of minerals. Coal has led the way, with large investments in world-class deposits in Tete in progress. As well as coal investment is focussed on gold, mineral sands, rare earth minerals and semi-precious stones. Given that geological mapping is far from complete, and exploration still in its early stages, it is very likely that more commercial discoveries will be made. Based on the results in neighbouring countries with mature mining industries, such as South Africa and Zimbabwe, I think we can say with confidence that Mozambique's mineral endowment is substantial. In addition to the abundance of minerals, investors who wish to process their output in Mozambique can take advantage of relatively inexpensive energy, derived from hydroelectricity, natural gas and, in the near future, thermal coal. Mozambique also has the additional benefits of excellent natural ports and a motivated, trainable workforce.

What role do you see for British mining companies in the development of mining in Mozambique?

We welcome British investors to the mining sector. So far, not too many British companies have come here,

but there are some, and they are actively looking for gas. We hope to continue working with them in other areas including the mining sector. We are particularly interested in British companies' expertise and experience, and what we can learn from them through skills transfers. I hope that President Guebuza's visit encourages British mining companies to come here.

The recent gas discoveries have attracted significant attention from the international community...

Yes, and we hope that international companies take a serious look at the gas sector's potential. We would be particularly interested in help with training, and with updating our capacity. Gas is a new area for us, and we would look to the United Kingdom to become trusted partners in the development of this sector.

How do you intend to address the issue of managing the expectations of the people of Mozambique regarding the gas discoveries?

This is an important area. We in the Government have to make sure that we really explain to people that developing oil, gas, coal, and other resources is a long-term project. At the same time, we are introducing legislation to balance the interests of



Infrastructure to transport minerals to the sea ports for export is being upgraded

foreign companies investing in our country with the needs of Mozambicans. We are proposing that business deals regarding mining rights and licences involving the country's resources will have to be executed within the country's borders. This will benefit the public purse and allow Mozambicans who have access to the necessary financing to participate in such transactions. This proposal is intended to end the current situation in which the rights to projects in Mozambique can be bought and sold outside the country by international companies, without the knowledge or agreement of the authorities in Maputo and without any benefits accessing to the Mozambican treasury.

You have mentioned the importance of developing the local skills base – please explain.

This is one of our top priorities: we need to improve our skills base if the mining industry is to benefit Mozambicans. We want our people to manage the sector, to be involved in the daily running of things, and this requires the appropriate skills. We would like to see British universities offering our students scholarships. We send a lot of students abroad, and we are really pushing ahead with developing training and skills. We are looking for international partners and I think this is something that the UK can help us with.

There is the issue of managing the new revenue from gas. Do you have a model to address this challenge?

Obviously there are countries we can learn from, like Norway. But there is no off-the-shelf model. We want to create a model specifically for Mozambique, that addresses our needs and reflects our situation.

We can learn from the good experiences and the bad experiences of other countries. At the end of the day, our goal is to help the Mozambican people benefit from this country's substantial resources.


What would you say is most important for global companies to recognise about Mozambique?

This is a friendly country. Mozambique is also a stable country. We are open for business and for investment. We have new legislation that is based on the latest developments in the industry.

Has joining the Commonwealth created significant advantages for Mozambique?

Being a member of the Commonwealth has benefitted us greatly. It is a kind of family, a framework of trust that we can operate in. It is a lot easier to do business with companies from the Commonwealth, there is a clearer understanding of our shared goals.

Do you have a message for the global investment community in the context of the Presidential visit?

I would like to encourage to British and other international companies to see that Mozambique's future as a destination for mining investment rests not only on the country's generous natural endowment. It is founded also on the proven commitment of the Mozambican Government to create the conditions necessary to bring the country's resources into production. Attracting investment in mining is a high national priority; it is part of the Government's larger policy goal of industrialisation, intended to create jobs and increase the living standards of Mozambicans. 

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Minister Bias addressing an international conference