Manufacturing Africa: Mozambique Economic and Green Manufacturing Growth Strategy Report and UK Private Sector opportunity assessment

UK opportunities assessment report

March-April 2026

This document has been funded by UK aid from the UK Government; however, the views expressed do not necessarily reflect the UK Government's official policies

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Content

We have identified 23 priority value chains aligned with national strategic documents in Mozambique (1/3)

	Sector	Opportunity	Relevance	Potential Investees[1]	Regional market size, $M
A Short term priority value chains	**Tourism**	Expansion of coastal, eco-, and leisure tourism through development of resort infrastructure, conservation-linked tourism, and improved connectivity	Globally competitive tourism asset base, including pristine coastline, marine biodiversity, and safaris, which remain significantly less commercialised than peer destinations	&BEYOND; Singita Game Reserves	8,000-10,000
	Edible oils	Development of domestic crushing and refining capacity to substitute imports and supply regional markets	High import dependence, with an edible oils import bill of up to ~$200M, combined with a growing domestic oilseed base, creates a strong opportunity for import substitution and local processing	Mount Meru; Moçvo; Olam Agri	500-600
	Rice	Scaling irrigated rice production to reduce import dependence	Favorable agro-ecological conditions, particularly in the Zambezi basin, combined with underutilised irrigation potential and strong domestic demand, positioning it well to increase self-sufficiency	ETG; MOZLAND	1,500-2,000
	Cotton	Development of an integrated textile and garment industry focused on PPE and uniforms production	Established cotton outgrower system and access to low-cost labour, but currently exports low-value lint; this creates a clear opportunity to capture 75–85% significantly more value domestically through downstream processing	jfs	100-150
	Cashew	Expansion of domestic processing to move from raw nut exports to higher-value kernel production	Significant domestic cashew production that is mostly exported raw (RCN) creates immediate headroom to increase domestic value capture by scaling primary processing	Permanuts	15-20
B Flagship long term opportunities	**Fertiliser**	Development of ammonia and urea production for domestic and regional supply	350 Bn SCF annual gas production, 25% restricted for domestic use, facing a global market with demand up 50% in the last 5 years	N/a	800-900
	Aluminium processing	Aluminium smelting and midstream processing hub, reviving ingot capacity from Mozal smelter and adding casting, rolling, and extrusion capacity	The presence of the Mozal aluminium smelter provides an existing industrial anchor and supply of primary aluminium, creating a platform for downstream value addition	N/a	800-1,000

1. Companies currently operating in Mozambique that could be potential investor targets for the sector

We have identified 23 priority value chains aligned with national strategic documents in Mozambique (2/3)

	Sector	Opportunity	Relevance	Potential Investees	Regional market size, $M
B Flag ship long term opportunities	**Critical minerals mining and processing**	Expansion of graphite and heavy mineral sands extraction, alongside development of downstream processing—particularly the production of spherical graphite for battery anodes	Mozambique is the world's 5th largest graphite producer with >25Mt in reserves, anchored by the Balama mine (350kt/year capacity), alongside new projects (e.g., 200kt/year Niassa development), positioning it to supply EV battery value chains and scale downstream beneficiation	SYRAH RESOURCES	1-2
	Methanol	Establish a gas to methanol hub, exporting raw methanol for fuel and petrochemical production	350 Bn SCF annual gas production, 25% restricted for domestic use, facing a global market with demand up 50% in the last 5 years	N/a	15-20
C Other strategic value chains	**Maize**	Commercialisation of maize production through improved yields, aggregation, and market linkages	Large tracts of underutilised arable land, a significant yield gap, and active government support for commercialisation create a strong foundation for scaling production and capturing domestic and regional demand	Premier CIM; **DECA Limitada**	6,000-6,500
	Animal feeds	Commercialisation of feed production by scaling industrial processing of maize and oilseed inputs	High import dependence, strong government backing to localise production, and availability of key inputs (maize, soybean) create a structurally protected market with a captive downstream poultry sector	MEREC; de bruyn; Premier CIM	2,500-3,000
	Poultry	Commercialisation of poultry production through integrated, large-scale operations	Strong demand growth is evidenced by ~100,000 tonnes of chicken and 23 million dozen eggs produced in 2025, with imports declining to ~21,800 tonnes (<20% of consumption), supported by government incentives and rapid urbanisation	Maeva; Novos Horizontes	3,500-4,000
	Aquaculture	Commercialisation of aquaculture through development of large-scale, market-oriented fish farming	Extensive natural water resources, a large domestic protein deficit, and active concessional financing from DFIs position Mozambique as a high-potential market for commercial aquaculture expansion	CHICOA FISH FARM; AQUAPESCA	3,000-5,000
	Logistics	Expansion of logistics capacity, including warehousing, storage, and integrated transport solutions	Mozambique's position as the primary Indian Ocean gateway for 5 multiple landlocked SADC countries, combined with significant ongoing port investments including $7bn from Japan, creates a structurally captive regional logistics market	CFM; *CFM (Portos e Caminhos de Ferro de Moçambique)*; MANICA; GRINDROD	40,000-50,000

We have identified 23 priority value chains aligned with national strategic documents in Mozambique (3/3)

	Sector	Opportunity	Relevance	Potential Investees	Regional market size, $M
C Other strategic value chains	**Renewable energy**	Development and scaling of renewable energy generation and off-grid electrification solutions to meet domestic demand and support industrial growth	Mozambique already generates ~98% of electricity from renewables, with ~23GW hydro, ~23GW solar, and ~5.6GW wind potential, supported by a $80bn energy transition stra-tegy and rising electrification (31% → 60% from 2018–2024)	B&Q Energia	18,700 MW[1]
	Plastic pipe production	Domestic production of plastic pipes through extrusion to reduce import dependence and support infrastructure demand*	High import dependence alongside growing infrastructure and irrigation demand underpins a strong import substitution opportunity	N/a	200-300
	LPG	Expansion of LPG production and distribution for household and industrial use	Strong domestic gas endowment and rising demand for cleaner energy create a clear pathway to scale LPG as a substitute for biomass and traditional fuels	N/a	600-700
	Cleaning products	Entry into domestic FMCG production through blending and packaging of cleaning products to substitute imports and scale with regional demand	Existing basic manufacturing capabilities, growing urban demand, and reliance on imports create a clear pathway for Mozambique to develop a domestic FMCG industry*	Mistolin, Maéva	350-400
	Hydrogen	Development of large-scale green and blue hydrogen production and export (via ammonia), leveraging renewable energy and natural gas resources	Mozambique's strong renewable base and gas resources underpin ambitions to become a regional hydrogen hub, with projects such as a proposed 12GW green hydrogen facility targeting ~4,000 tonnes/day exports	N/a	30-40
	Biofuels	Scale and commercialise production of ethanol and biodiesel from agricultural feedstocks	Mozambique has a strong agricultural feedstock base, parti-cularly sugarcane for ethanol and cottonseed for biodiesel, supported by a mandated domestic blending market	Illovo, jfs san, RCL Foods, Magister	0.2-1
	Energy transmission	Expansion of transmission networks to connect new generation capacity to load centres and support domestic electrification and regional power trade	Significant gaps between generation and consumption centres, combined with active DFI-backed projects and a large pipeline of energy investments, create strong demand for transmission infrastructure	Globeleq	35,000-40,000[2]
D Oil and gas services	**Oil and gas services**	Provision of oil and gas services to a growing O&G sector as new projects come online	Mozambique's large natural gas reserves (85+ Tcf), combined with localisation requirements, create strong demand for domestic service provision across upstream and midstream activities	Detailed ahead	

1. Total installed capacity for renewable energy in Eastern SADC
2. Investment required in Eastern SADC for planned transmission projects, annual market size n/a

Content

Across the 5 priority value chains, ~$200–240M of investment opportunities are identified across key projects

PRELIMINARY

● Greenfield project ● Brownfield project ◐ Both project types

Value chain	Play	Rationale	Potential investees	Expected Investment, USD
Edible oils	◐ 100k t/y Standalone Crushing facility of soybean	Mozambique has ~900 ktpa refining capacity but <50% utilization, signaling structural overcapacity. Strategy should pivot to crude-oil import substitution via soybean crushing—the only oilseed with relevant domestic demand for oil and oilcake—with a potential ~$580M regional opportunity	meru, Maeva, Bakhresa Group, Olam Agri	15–20M
Cotton	◐ Vertically integrated spinning to garments facility, with ~2kt/year of spinning capacity and 200,000 units	Prioritised as the next step in value addition, building on existing ginning capacity to convert lint into yarn locally and establish the necessary input base for PPE and uniforms manufacturing	jfs	25–30M
Rice	● 50k t/y E2E rice production, from certified seed production to rice milling	Reliable access to certified seeds and rice paddy feedstock are main bottlenecks for competitive rice production in Mozambique - thus a completely integrated play is the most viable one	ETG, MOZLAND	120–130M
Cashew	◐ 15k t/y Cashew raw kernel (shelled) play from aggregation to primary processing	Quality and production loss due to unfit aggregator operation, high export incentives and aggregator make it critical for players to control this step of the value chain; Lack of secondary processing (roasting) and storage infrastructure make it less-viable to produce roasted kernel	Permanuts	20–30M
Tourism	● 25-bed luxury hotel and 60-bed premium hotel with full-service amenities	Mozambique benefits from distinctive natural and cultural assets, enabling an integrated marine and wilderness proposition—combining a 2,700km Indian Ocean coastline, rich marine biodiversity and island destinations with inland national parks and frontier wilderness experiences	&Beyond, Singita Game Reserves	20–30M

1. Taking as an example the recent investment on Singita Lodge of ~120M USD

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Oilseeds value chain investment case

March-April 2026

UKaid
from the British people

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Vision for the oilseeds sector in Mozambique

For the country

Position Mozambique as a **top three soyabean producer and processor in SADC** by scaling domestic production, anchoring industrial crushing capacity, and **achieving edible oil and meal self-sufficiency** through structured import substitution and regional export integration

For the industry

Increase national soyabean production **3x to ~300,000 t/year** and enable **≥200,000 t/year of annual domestic soyabean crushing** through **targeted farm-level productivity interventions** to increase yields and expand farmer participation in soyabean cultivation (including structured outgrower models), and **development of new processing plants** aligned with the technical and quality requirements of domestic refineries

The vision for Oilseeds can be achieved by deploying individual projects starting with a soyabean crushing plant

Investment Project

Establish **a soyabean crushing plant (~100 ktpa installed capacity) leveraging current production levels**

$10–15M

Investment required[1]

$45–50M

Annual revenue[2]

$50–55M

FX saved on crude oil and oilcake imports per year[3]

~100

Jobs created

~40,000

Smallholder farmers integrated to achieve <85% utilization

1. Includes CAPEX investment and required working capital for year 1 operations
2. Assumes oilcake price of $500/t and crude oil price of $1025/t
3. Assumes import CIF prices of $656/t for oilcake and $1390/t for crude oil

The investment into a soyabean crushing facility is supported by 5 key pillars

1. Relevant domestic and regional markets…

The domestic market of soyabean crude oil and oilcake presents a ~**$50M import substitution opportunity**, while the **broader Eastern SADC** represents a **~$600M opportunity**, with demand growing at up to **~30% CAGR in select markets**

2. Expanding feedstock scale…

soyabean production is rising ~15% p.a., underpinned by **strong production fundamentals**; leveraging this growth alongside **Mozambique's gateway position can unlock scalable domestic crushing** and regional export integration

3. Distinct value proposition…

Clear **comparative advantages for soyabean crushing production costs in Mozambique**, enable **10-20% higher efficiency** against South Africa, a key exporter to eastern SADC

4. Institutional commitment to import substitution…

Government commitment to **import substitution and agro-processing development**, guaranteeing **institutional support** to **enhance competitiveness** and **streamline investment processes**

5. Attractive business case…

A strong and attractive business case, with **EBITDA of 10%, IRR of 14%** and an estimated payback period of **6-7 years**

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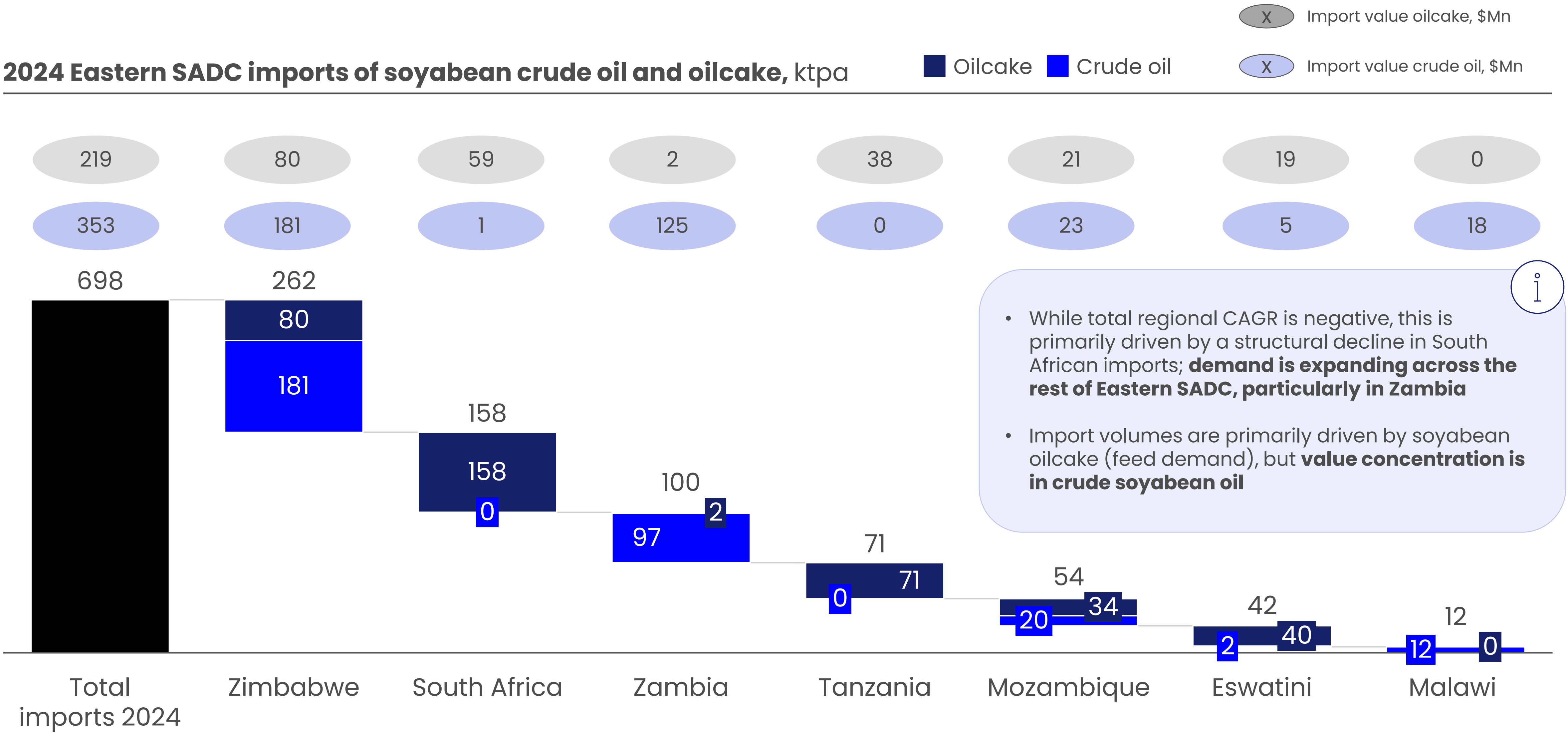
Eastern SADC's ~$600M soyabean oil and oilcake import market presents a significant opportunity for regional import substitution



- While total regional CAGR is negative, this is primarily driven by a structural decline in South African imports; **demand is expanding across the rest of Eastern SADC, particularly in Zambia**
- Import volumes are primarily driven by soyabean oilcake (feed demand), but **value concentration is in crude soyabean oil**

Source: Trademap

Sustained import growth across key SADC markets highlights a scalable regional opportunity for soyabean processing

xx Positive growth | xx Limited growth | xx Negative growth | Deep dive | Key target markets

Crude oil	2024 Import value, $Mn	CAGR, %
Eastern SADC	353	4%
South Africa	1	-29%
Eswatini	5	4.4%
Tanzania	0	n/a
Zambia	125	31%
Zimbabwe	181	6%
Mozambique	23	0%
Malawi	18	-0.4%

Oilcake	2024 Import value, $Mn	CAGR, %
Eastern SADC	219	-7%
South Africa	59	-17%
Eswatini	19	14%
Tanzania	38	29%
Zambia	2	16%
Zimbabwe	80	2%
Mozambique	21	7%
Malawi	0	n/a

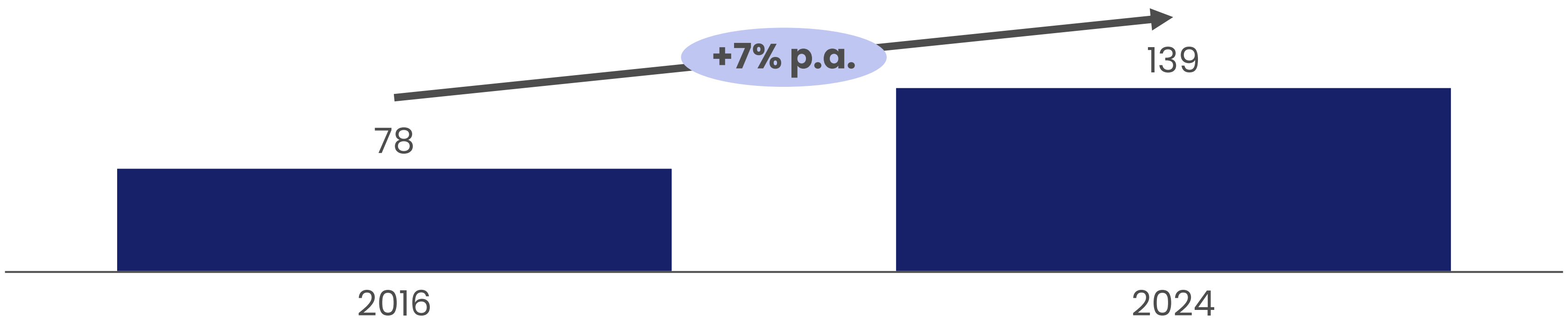
Key insights

- Zambia is the fastest-growing crude oil import market, with imports expanding at 31% CAGR (2016–2024), supported by continued growth in Zimbabwe (6% CAGR)
- Tanzania leads regional oilcake demand growth, with imports increasing at 29% CAGR, followed by Zambia (16%), reflecting rising feed demand

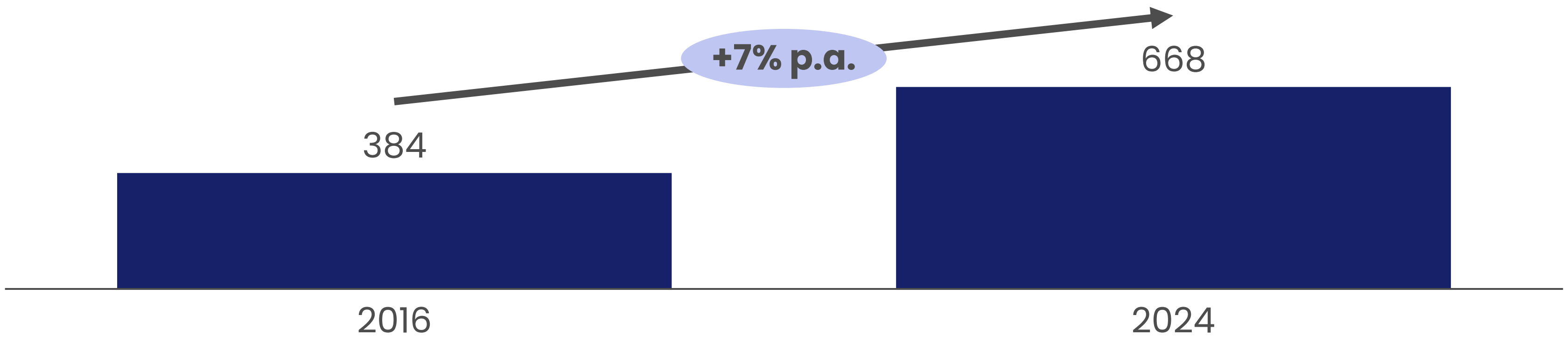
Source: Trademap

Growth in poultry production and animal feed demand underpins a scalable domestic market for soyabean oilcake

Poultry production, 2016 – 2024, ktpa



Animal feed demand, 2016 – 2024, ktpa



Animal feed demand has nearly doubled between 2016 and 2024, growing at approximately 7% p.a., reflecting strong expansion in the livestock sector, with poultry accounting for ~50% of feed demand and serving as the primary driver of growth

Source: FAOSTAT

The investment into a soyabean crushing facility is supported by 5 key pillars

Relevant domestic and regional markets…

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Expanding feedstock scale…

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Institutional commitment to import substitution…

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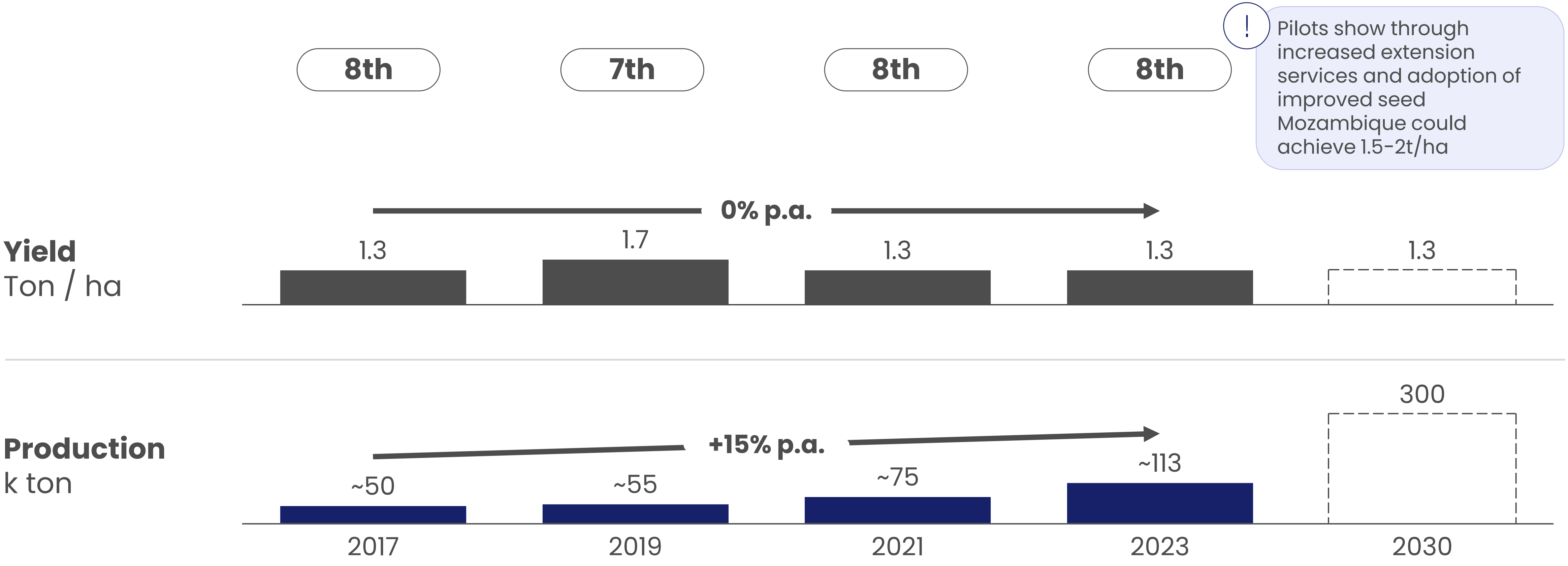
National soyabean production has experienced steady growth in recent years at 15% p.a.

Position in African production ranking

Potential production and yields

soyabean production in Mozambique, 2017-2030[1]



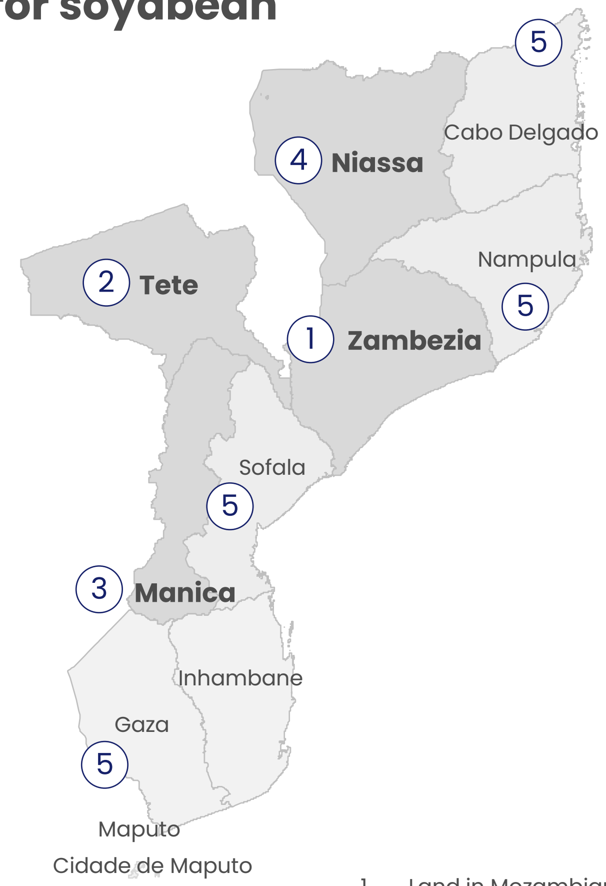
1. 2030 estimates derived by extending historical production CAGR observed between 2017–2023

Source: FAOSTAT, IAI

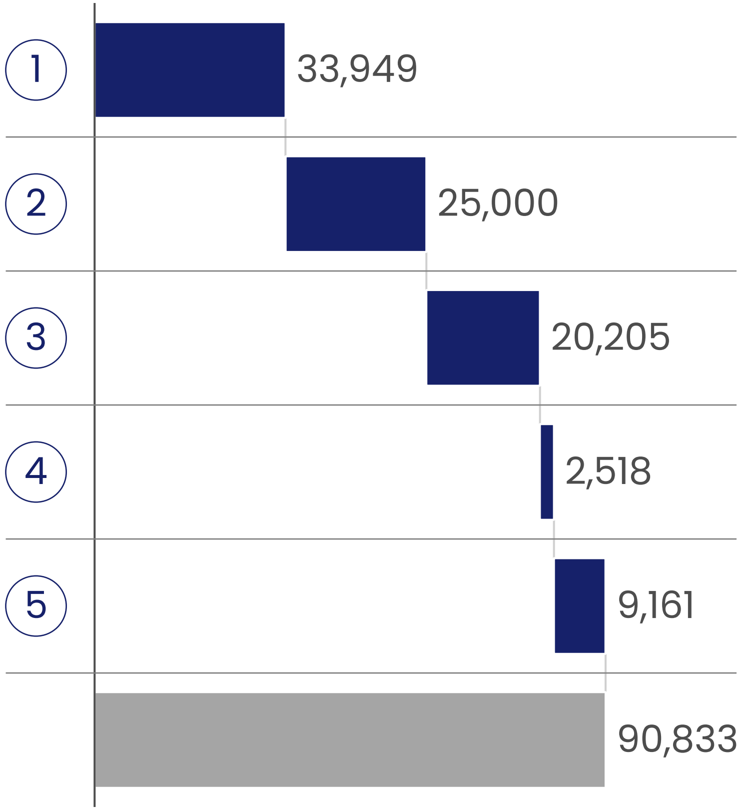
Large areas of arable land provide significant potential to scale soyabean production…

Arable land available under long-term DUAT framework[1]

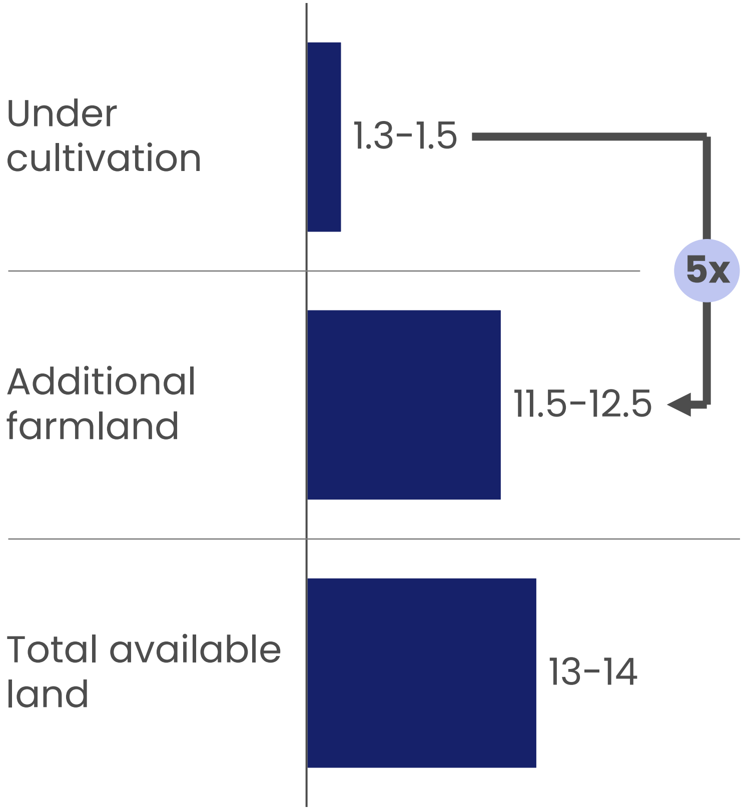
Main cultivation provinces for soyabean



Current land under production, 2023, ha



Available arable land in Nacala and Beira corridor, M ha



1. Land in Mozambique is state-owned and accessed through a renewable 50-year DUAT (land-use right); costs are administrative and annual land tax–based
2. Available arable land derived from assessments of agricultural development potential across the Nacala and Beira corridors

Source: Production and marketing trends of soyabean in Mozambique, JICA, Beira agricultural Growth Corridor

…with favourable climatic and soil conditions for its cultivation

Favourable conditions

Mozambique has an established history in soyabean production and ranks among the **top 10 producers in Africa**, with **~113,000 tonnes** in 2023

Mozambique has privileged conditions to produce soyabean

~5-7

Soil pH, aligned with optimal nutrient availability, reducing the need for extensive soil correction relative to alkaline systems

800-1,200 mm

Average annual rainfall; optimal soyabean production requires ~500–800 mm; Mozambique's rainfall indicates adequate moisture contingent on seasonal distribution

24-28° C

Average annual temperature, within the optimal physiological range for photosynthesis and reproductive development

7-9 H

Daily sunlight exposure, sufficient to sustain continuous photosynthesis and productivity growth

5 -25 m

Groundwater depth, indicating low water table risk and well-drained profiles, critical given soyabean's sensitivity to waterlogging and root hypoxia

65-80%

Average annual humidity, supporting stable vegetative growth; however, requires disease management to mitigate fungal pressure in high-humidity zones

Productivity

Improved seed adoption

Introduction of early-maturing, drought-tolerant varieties with yield potential >2.5 t/ha

Yield perfomance

Average yields reach up to ~1.7 t/ha, with upside potential through improved seed, fertilizer optimization, and aggregation models

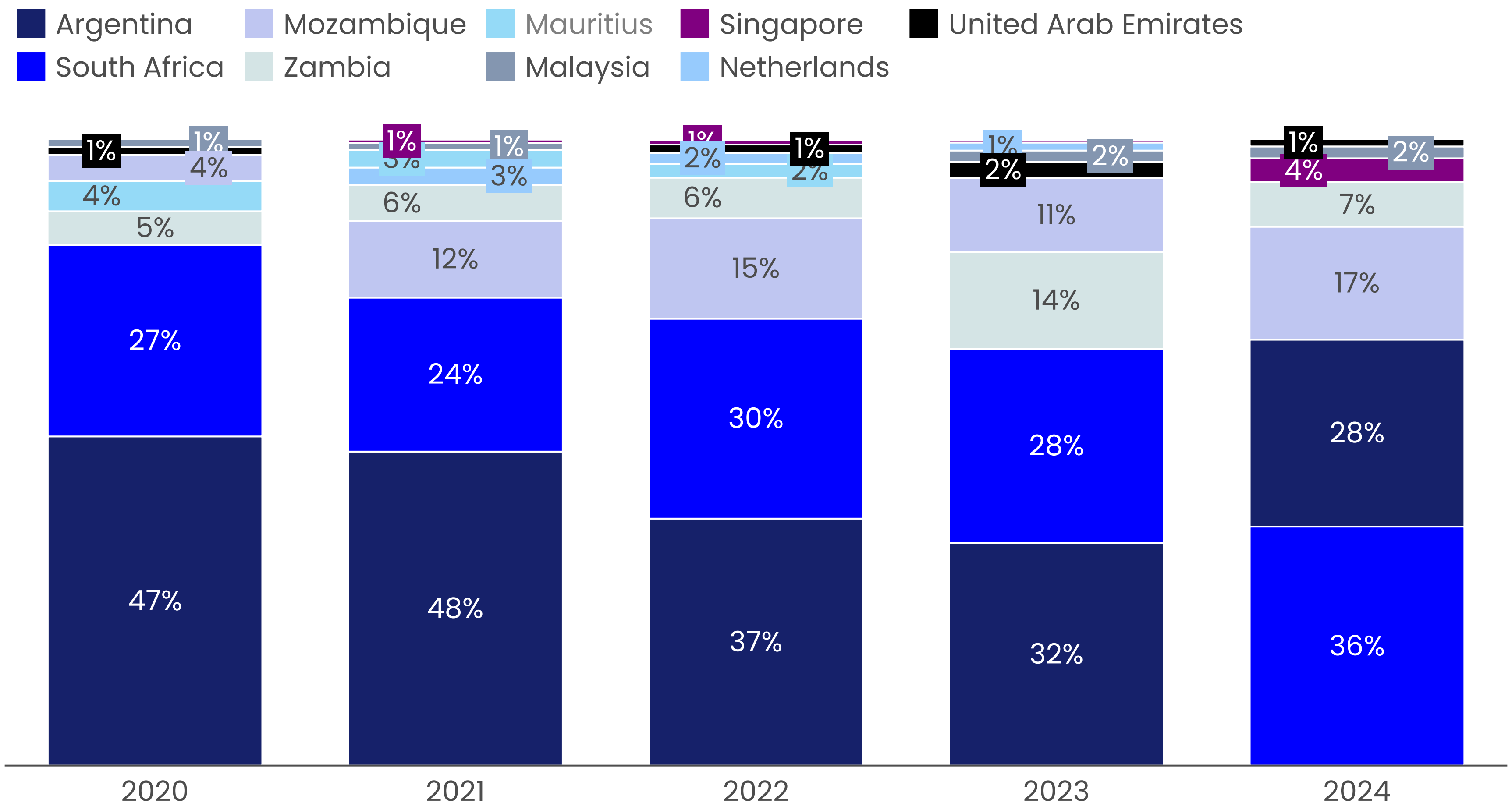
Production cycle

90–120 day maturation period, consistent with global best-practice production systems

Source: Trading economics, FAOSTAT

Mozambique's role as a trade gateway to Eastern SADC creates an opportunity to capture additional value through domestic crushing

Market share[1] of top soyabean crude oil and oilcake exporters to Eastern SADC, 2020-24, %



- **Mozambique is a meaningful trade gateway into Eastern SADC**, capturing ~11–17% market share (2020–24) and demonstrating an entrenched role in regional soyabean crude oil and oilcake flows
- **However, this role is largely transit-based**, with volumes driven by re-exports rather than domestic processing
- **Developing cost-competitive crushing could internalise these margins**, repositioning Mozambique from a transit corridor to a regional value-adding processing hub

1. Based on import value (USD) into Eastern SADC

Source: Trade Map

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Relevant domestic and regional markets…

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Opportunities identified…

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soyabean production is rising ~15% p.a., underpinned by **strong production fundamentals**; leveraging this growth alongside **Mozambique's gateway position can unlock scalable domestic crushing** and regional export integration

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Relative to exporters serving Eastern SADC, Mozambique demonstrates cost competitiveness at farm-gate and labour

Comparative advantage analysis against top three exporting countries to Eastern SADC

● High competitiveness
○ Low competitiveness
Key competitive factor

Group	Productive factor	Mozambique	Argentina	South Africa	Zambia	Key insights
Raw materials	Farm gate price of soyabean	●	●	◑	◕	Mozambique and Argentina are among the lowest soyabean producers, **with farm-gate prices around $0.3-0.35/kg**
Structural factors	Utilities[1]	◕	◑	◔	●	Mozambique's electricity tariffs (~$0.08/kWh) are **nearly 1.3× higher than Zambia's ($0.06/kWh) but are 1.2x lower than South Africa and Argentina**
	Labour[2]	●	◔	○	◕	Mozambique's minimum wage ($104/month) is approximately **3× lower than South Africa** ($328/month)
	Diesel price	◕	◔	●	◔	Mozambique's diesel price is the **second most competitive; 1.1x higher than South Africa** ($1.25/l vs. $1.12/l)
Other factors	Storage[3]	○	●	◕	◔	Mozambique has the highest costs to store crude oil ($10/t vs $2-4/t in Argentina)
	Maintenance	○	●	◕	◔	Argentina and South Africa crushing industries are supported by local manufacturing of machinery and spare parts. **Mozambique and Zambia are import dependent**

1. Utilities reflect industrial electricity tariffs (USD/kWh) and industrial water tariffs
2. Labour reflects the national statutory minimum wage (USD/month)
3. Storage reflect the price to store crude oil for approximately 7 days

Source: World Bank Trading Across Borders WTO Tariff and Trade Data

Cost advantages could enable Mozambique to be 10–20% more competitive in soyabean crushing than South Africa

Comparison of soyabean crushing production costs versus South Africa

High competitiveness | Low competitiveness

Category	Shares of production costs for soyabean crushing	Competitiveness percentage[2]	Share of production costs in Mozambique
Raw soyabean	65-70%	20-25% (High)	50-55%
Labour	5-10%	65-70% (High)	1-5%
Fuel	3-8%	10-15% (Low)	4-9%
Utilities	1-5%	25-30% (High)	1-2%
Maintenance	1-5%	20-25% (Low)	1-7%
Storage	5-10%	50-65% (Low)	10-15%
Total	100%		80-90%

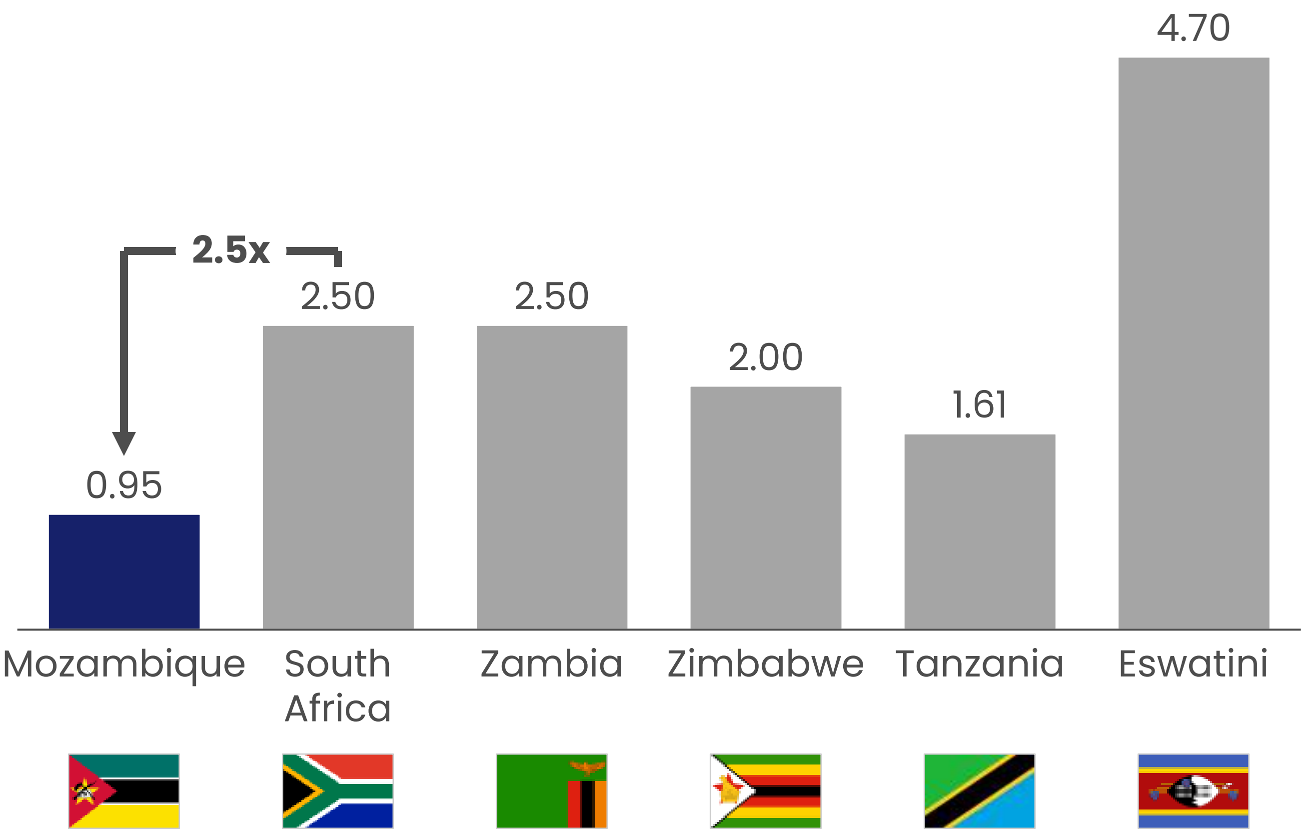
1. South Africa selected as it was the largest exporter to Eastern SADC in 2024
2. Competitiveness was determined by the percentage difference between South Africa's cost structure and Mozambique's, after adjusting each category for Mozambique's local advantages. A negative difference indicates Mozambique's competitiveness or disadvantage in that item

Source: Globalpetrolprices, tridge

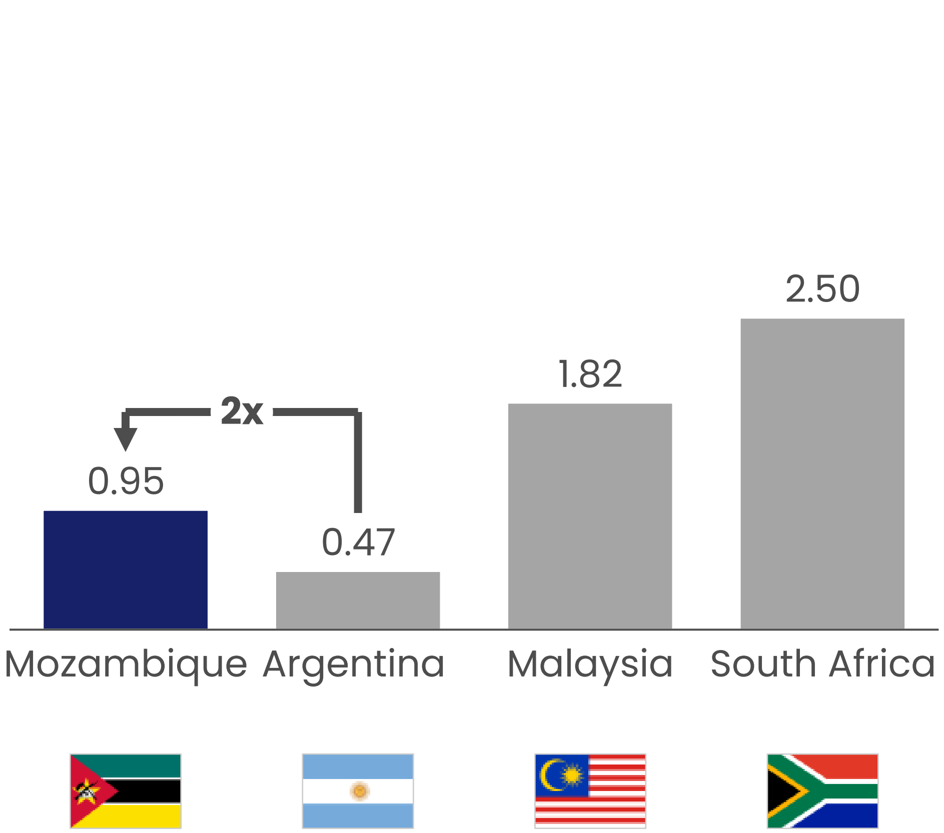
soyabean prices in Mozambique remain competitive relative to exporters and regional peers

Retail prices per kg of soyabean in 2025

2025 Price of soyabean in importing markets, $



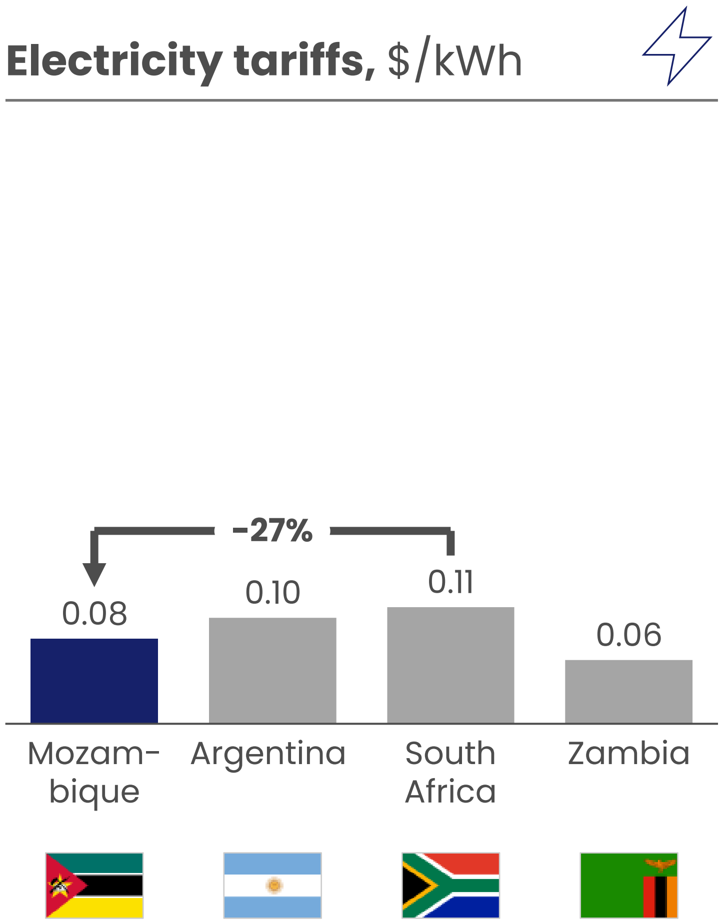
Price of soyabean in exporting markets, $

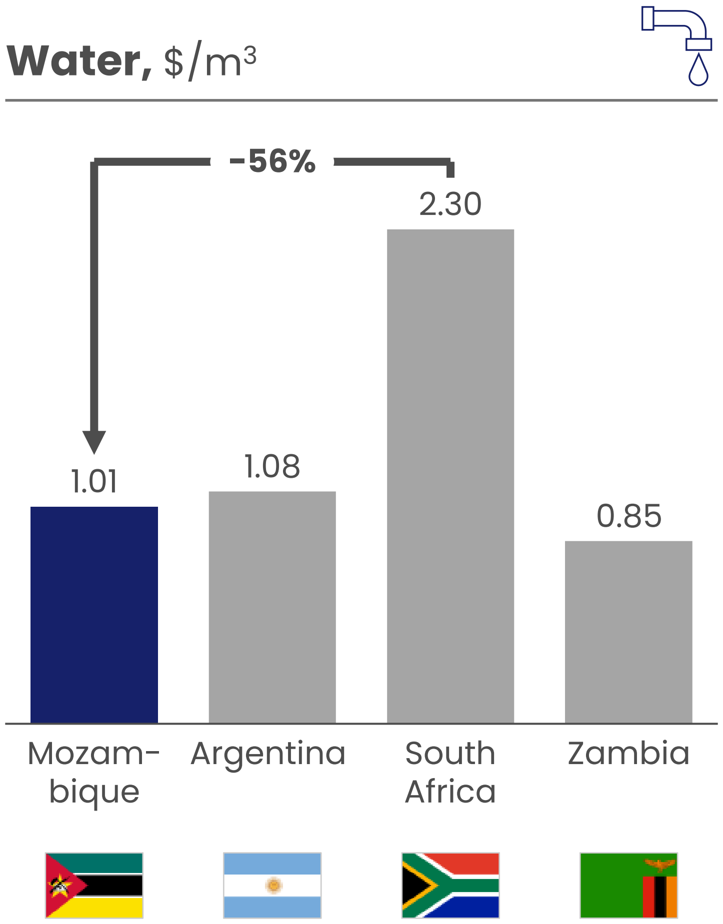


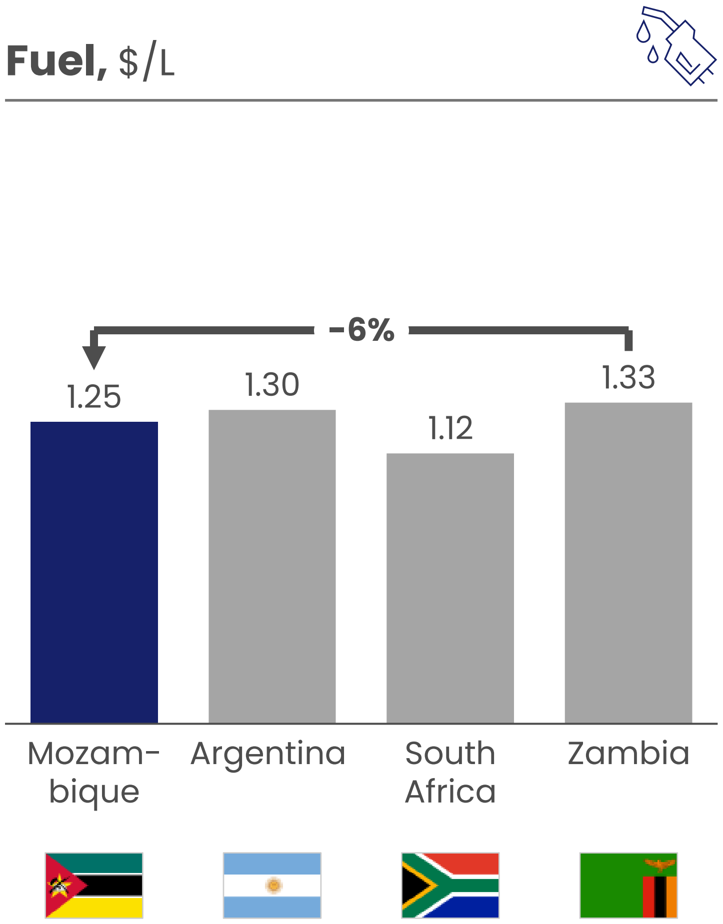
Source: Selina Wamucii, Tridge

Electricity and fuel prices are lower than in exporting markets, reinforcing industrial cost competitiveness

Prices of key industrial utilities







Source: GlobalPetrolPricess

Maputo, Beira and Nacala corridors secure direct linkage between production clusters and ports, anchoring regional competitiveness

NON-EXHAUSTIVE

Context

What is it?

- Beira, Maputo and Nacala are historic colonial-era **anchor ports, originally established as primary trade gateways**, and have since been modernised through successive public and private investments in corridor infrastructure
- Strategic rail–port logistics axes linking the Ports of Beira and Nacala to inland Mozambique and regional markets including South Africa, Zimbabwe, Zambia, and Malawi

Relevance

- More **than $15B in public and private investment** has been committed to infrastructure along the Beira and Nacala corridors, including a **$7B pledge from Japan in Nacala**
- Together, the corridors provide over **70 million tonnes of annual port capacity**, with 4.05 million tonnes handled through Beira in 2024
- Strategically supported by initiatives such as the EU's Global Gateway (~$2.0B) and Japan's Tokyo International Conference for African Development
- The corridor serves as a platform for industrial diversification, regional integration, and access to global value chains

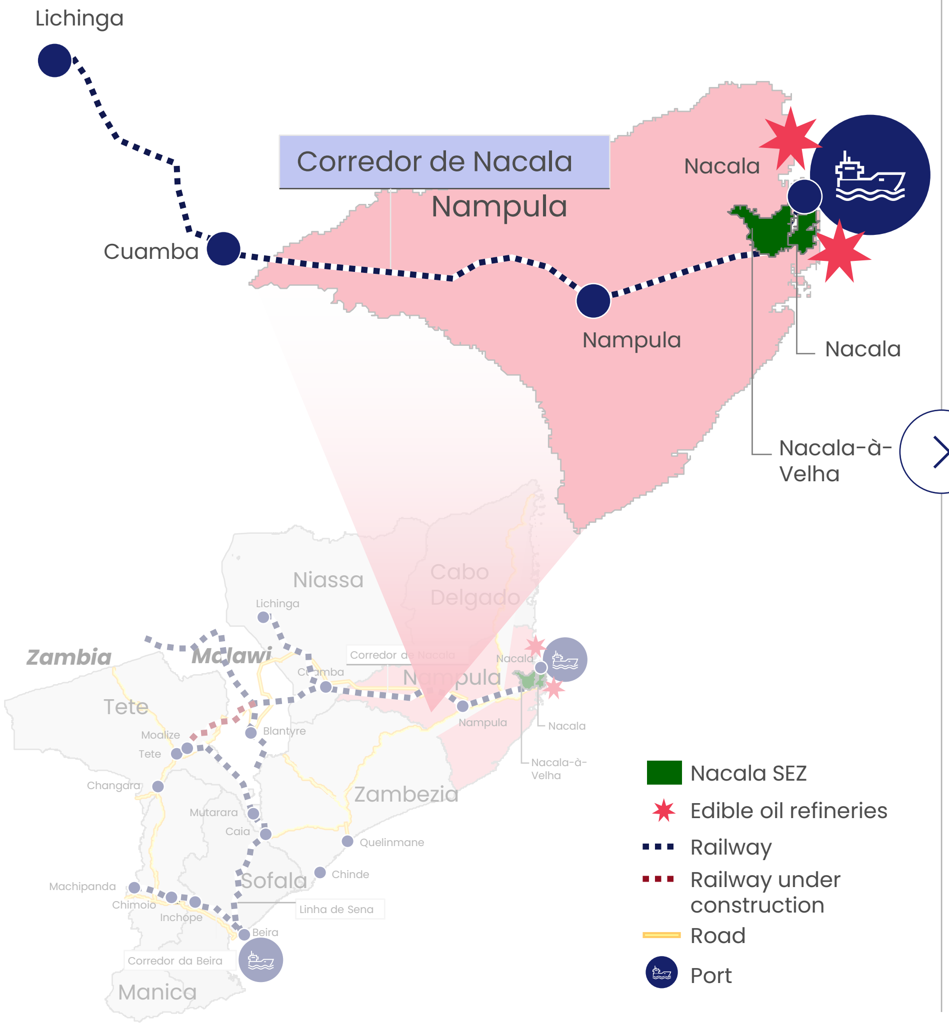
Interested parties

THE WORLD BANK | JICA | IFC | Global Gateway | Value | RMB

Source: JICA

Nacala offers a strategic location for a crushing facility due to proximity to production zones, refining capacity and SEZ incentives

NON-EXHAUSTIVE



Factor	Why Nacala?
Special Economic Zone	• Nacala hosts a **designated Special Economic Zone (SEZ)** providing a range of incentives for industrial investors, including: – **Corporate tax incentives**, including 0% income tax for the first 3 years and a 50% reduction from years 4–10 – **Full exemption from customs duties and VAT** on imported construction materials, machinery, equipment, spare parts and other inputs required for SEZ-licensed operations – **Streamlined investment approval** and licensing processes through APIEX – **Facilitated work permits and visas** for foreign technical and managerial staff
Proximity to farming regions	• Zambezia, Niassa and Tete provinces represent the primary soyabean production zones in Mozambique, making **Nacala a strategic location to aggregate feedstock while minimizing transport and logistics costs**
Northern refineries location	• Existing edible oil refineries are concentrated in northern Mozambique, creating a **nearby market for crude soyabean oil**
Nacala corridor logistics	• **Provides efficient access to the Port of Nacala as well as regional export markets**, enabling cost-effective logistics for both soyabean aggregation and export of processed products to neighbouring countries

Source: JICA

The investment into a soyabean crushing facility is supported by 5 key pillars

Relevant domestic and regional markets…

1.

The domestic market of soyabean crude oil and oilcake presents a **~$50M import substitution opportunity**, while the **broader Eastern SADC** represents a **~$600M opportunity**, with demand growing at up to **~30% CAGR in select markets**

Opportunities identified…

2.

soyabean production is rising ~15% p.a., underpinned by **strong production fundamentals**; leveraging this growth alongside **Mozambique's gateway position can unlock scalable domestic crushing** and regional export integration

Distinct value proposition…

3.

Clear **comparative advantages for soyabean crushing production costs in Mozambique**, enable **10-20% higher efficiency** against South Africa, a key exporter to eastern SADC

Institutional commitment to import substitution…

4.

Government commitment to **import substitution and agro-processing development**, guaranteeing **institutional support** to **enhance competitiveness** and **streamline investment processes**

Attractive business case…

5.

A strong and attractive business case, with **EBITDA of 10%, IRR of 14%** and an estimated payback period of **6-7 years**

Government guarantees full support to investors to ensure the success of soyabean production as well as the industrial crushing unit

TO BE VALIDATED BY GOVERNMENT

soyabean production

Strengthen soyabean seed certification and compliance by implementing mandatory producer registration, field inspections, traceable seed labelling systems, and enforcement mechanisms, while supporting adoption of certified seed through targeted subsidy and extension programs

Crushing production

Introduce **import safeguard measures** to protect domestic soyabean processing, including **tariff escalation on crude and refined oils**, targeted import restrictions during harvest periods to increase demand for domestically processed edible oils

Provide 5 hectares of serviced land in the Nacala SEZ and fast-track plant establishment through streamlined industrial and environmental licensing via APIEX, ensuring rapid investor onboarding and project implementation

Guarantee reliable and competitively priced electricity supply in the Nacala SEZ by completing the North–South transmission line and providing industrial power tariffs **below ~USD 0.08/kWh** to support uninterrupted operation of the crushing facility

Streamline export processes to reduce export costs through **granting project-specific green-lane clearance** to reduce physical inspections and border delays

Streamline import procedures and remove import duties on critical processing inputs including solvents, processing chemicals, and spare parts—to reduce operating costs and ensure uninterrupted industrial operations

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A soyabean crushing facility presents an attractive investment case with strong returns…

Economics for a crushing plant with 100 ktpa capacity

IRR

~14–20%

NPV

~$25–30 M

Payback time

~6–7 years

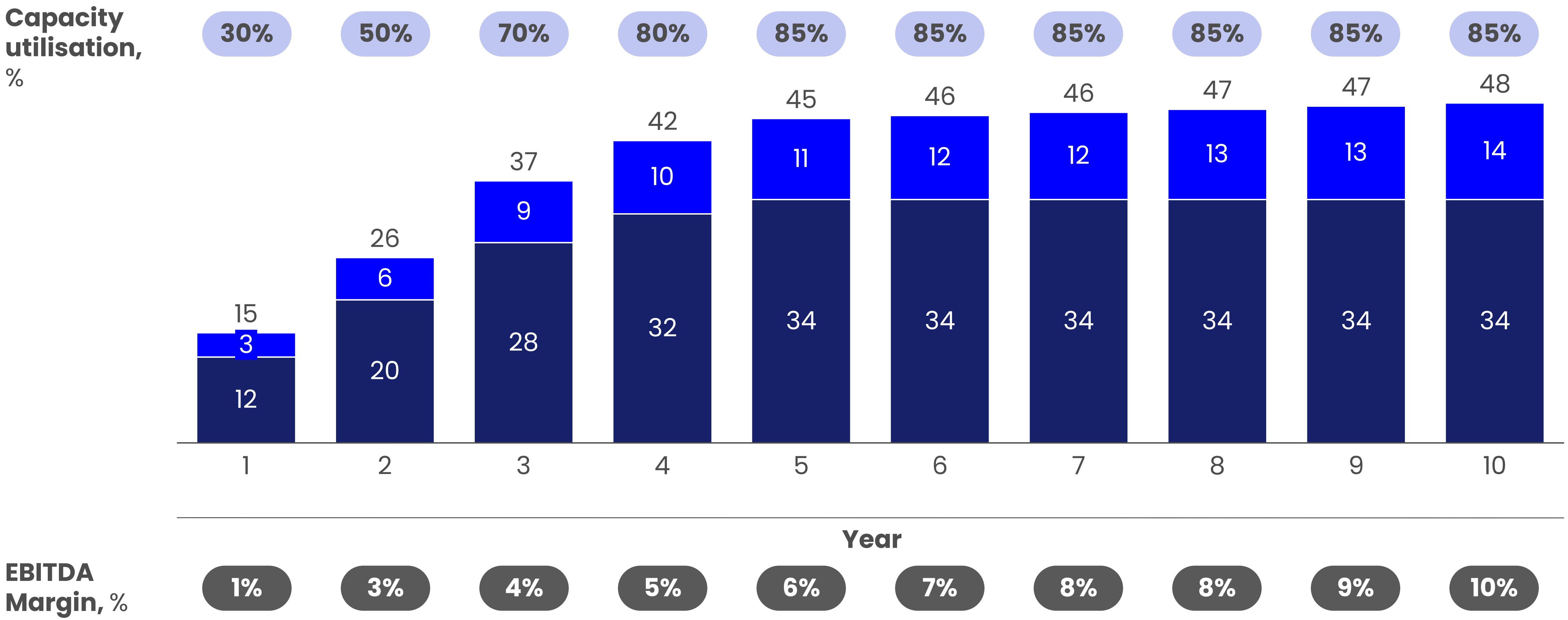
Total investment

~$10–15 M

...generating ~$50Mn in annual revenue at steady state, achieving EBITDA margins of ~10%

PRELIMINARY PROJECTIONS

Economics for a crushing plant with 100 ktpa capacity



1 Earnings Before Interest, Taxes, Depreciation and Amortization. Further margin details (i.e., EBIT and net profit) would require accounting for CAPEX depreciation and tax considerations (0% for the first 10 years if the facility is located in EPZ)

2 Internal Rate of Return. Based on nominal cash flows -- does not account for time value of money

Across the 5 priority value chains, ~$200–240M of investment opportunities are identified across key projects

PRELIMINARY

Greenfield project | Brownfield project | Both project types

Value chain	Play	Rationale	Potential investees	Expected Investment, USD
Edible oils	100k t/y Standalone Crushing facility of soybean	Mozambique has ~900 ktpa refining capacity but <50% utilization, signaling structural overcapacity. Strategy should pivot to crude-oil import substitution via soybean crushing—the only oilseed with relevant domestic demand for oil and oilcake—with a potential ~$580M regional opportunity	meru, Moēvo, Bakhresa Group, Olam Agri	15–20M
Cotton	Vertically integrated spinning to garments facility, with ~2kt/year of spinning capacity and 200,000 units	Prioritised as the next step in value addition, building on existing ginning capacity to convert lint into yarn locally and establish the necessary input base for PPE and uniforms manufacturing	jfs	25–30M
Rice	50k t/y E2E rice production, from certified seed production to rice milling	Reliable access to certified seeds and rice paddy feedstock are main bottlenecks for competitive rice production in Mozambique - thus a completely integrated play is the most viable one	ETG, MOZLAND	120–130M
Cashew	15k t/y Cashew raw kernel (shelled) play from aggregation to primary processing	Quality and production loss due to unfit aggregator operation, high export incentives and aggregator make it critical for players to control this step of the value chain; Lack of secondary processing (roasting) and storage infrastructure make it less-viable to produce roasted kernel	Permanuts	20–30M
Tourism	25-bed luxury hotel and 60-bed premium hotel with full-service amenities	Mozambique benefits from distinctive natural and cultural assets, enabling an integrated marine and wilderness proposition—combining a 2,700km Indian Ocean coastline, rich marine biodiversity and island destinations with inland national parks and frontier wilderness experiences	&Beyond, Singita	20–30M

1. Taking as an example the recent investment on Singita Lodge of ~120M USD

Manufacturing Africa: Mozambique Economic and Green Manufacturing Growth Strategy Report and UK Private Sector opportunity assessment

Cotton value chain investment case

March-April 2026

This document has been funded by UK aid from the UK Government; however, the views expressed do not necessarily reflect the UK Government's official policies

www.manufacturingafrica.org

Vision for the cotton and textiles sector in Mozambique

For the country

Position Mozambique as **a regional hub for short- to medium-staple cotton textiles** by developing integrated spinning, weaving, finishing, and garment manufacturing to **supply PPE, uniforms, and hospitality fabrics**, leveraging domestic cotton production to capture greater value and create skilled manufacturing jobs

For the industry

Kickstart garment and hospitality textile manufacturing to serve a **regional market of ~800K PPE and uniforms and ~540K hospitality textiles** annually by expanding spinning capacity to 5,000t, kickstarting weaving and finishing capacity to 3,500t of cotton fabric, and establishing garment and textile manufacturing capacity of 1,340,000 units, with surplus yarn supplying regional export markets

Vision for cotton can be achieved by deploying individual projects starting with an integrated textile mill serving domestic PPE's

Investment opportunities mapped for cotton industry:

A Establish **vertically integrated spinning to garments facilities**, with ~2,000 t/year of spinning capacity and garment capacity of 200,000 units. At scale, this requires **$10–15M in FDI and can deliver $10–15M in annual revenues**

$10-15M	$10-15M	~400
Initial investment required[1]	Annual revenue[2]	Jobs created[3]

B **Downstream entry into weaving and finishing for oil and gas PPE** for an established industrial cotton player in Mozambique

~$4M	$2-4M	300-400
Initial investment required[1]	Annual revenue	Jobs created[3]

1. Includes CAPEX investment and required working capital for year 1 operations
2. Assumes domestic price of $25 per workwear kit for PPE and uniform and $2900 per ton of yarn
3. Does not include eventual seasonal workers

A Spinning-to-garment investment unlocks 75–85% of value, with PPE and uniforms best aligned to Mozambique's short fibre profile

Executive summary

Current commercial scale footprint | No commercial-scale production | Most viable investment opportunity | XX Cumulative share of value captured, %

Stage of the value chain		Current status	Opportunity to be captured
Cotton production	0-5%	**Widespread smallholder-based production** concentrated in the north and central regions	✗
Ginning and pressing	5-10%	**Operational but concentrated** in a small number of concessionaires	✗
Spinning mills	15-25%	**Single commercial spinning mill** operating in Maputo producing **short fibres**	✓
Weaving and knitting	20-30%	**Limited commercial capacity** operates today	✓
Dyeing and finishing	40-50%	**Limited commercial capacity** operates today	✓
Garment manufacturing	100%	**Limited commercial capacity** operates today	✓

Spinning remains constrained by the absence of commercial-scale mills in northern production zones, making it uneconomical to anchor a textile hub due to high feedstock and yarn transport costs

Fabric type suited to short fibres	Opportunity	Economic viability
Twill	**PPE and uniforms**	• Stable domestic demand for uniforms and PPE provides anchor offtake • Targeted procurement or local-content incentives may be required to compete with low-cost Asian imports
	Denim	• Domestic denim demand remains limited and heavily constrained by the prevalence of second-hand clothing imports • Export competitiveness is challenging relative to established regional textile hubs (e.g., Mauritius, Lesotho)
Plain weave	**Hospitality (e.g., bed-sheets and pillowcases)**	• Hospitality or retail textile markets may not justify large investments due to limited scale domestically and limiting export competitiveness
	Capulanas	• Large imports in the North from Tanzania, however irregular purchasing patterns that limit the ability to anchor stable industrial production

UKaid from the British people
Manufacturing Africa

The investment into an integrated textile mill for PPE and uniform production is supported by 6 key pillars

A/B

Relevant domestic and regional markets…

1

The regional **yarn market represents a $50M opportunity** supported by established export flows

Eastern SADC's PPE and uniform market represents a **~$140M opportunity, with the domestic market providing a ~$10M anchor** for initial scale

Established cotton supply base with momentum to boost production…

2

Existing **cotton production and ginning capacity, combined with government efforts to boost yields** and output, provide a strong foundation for scaling textile manufacturing

Distinct value proposition…

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Clear cost advantages position Mozambique competitively for textile manufacturing, enabling **5–10% higher efficiency than Egypt in spinning** and **25-30% higher efficiency than South Africa in PPE and uniform production**

Institutional commitment to downstream value addition…

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Attractive business case…

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A strong and attractive business case, with **EBITDA of 36%, IRR of 15-20%** and an estimated payback period of **5-6 years**

B

Investable local players…

6

Attractive downstream entry for an existing cotton player into weaving and finishing for oil & gas PPE, producing ~90,000 workwear units per year and generating **$2-4M incremental revenues with 37% EBITDA and 26% IRR**

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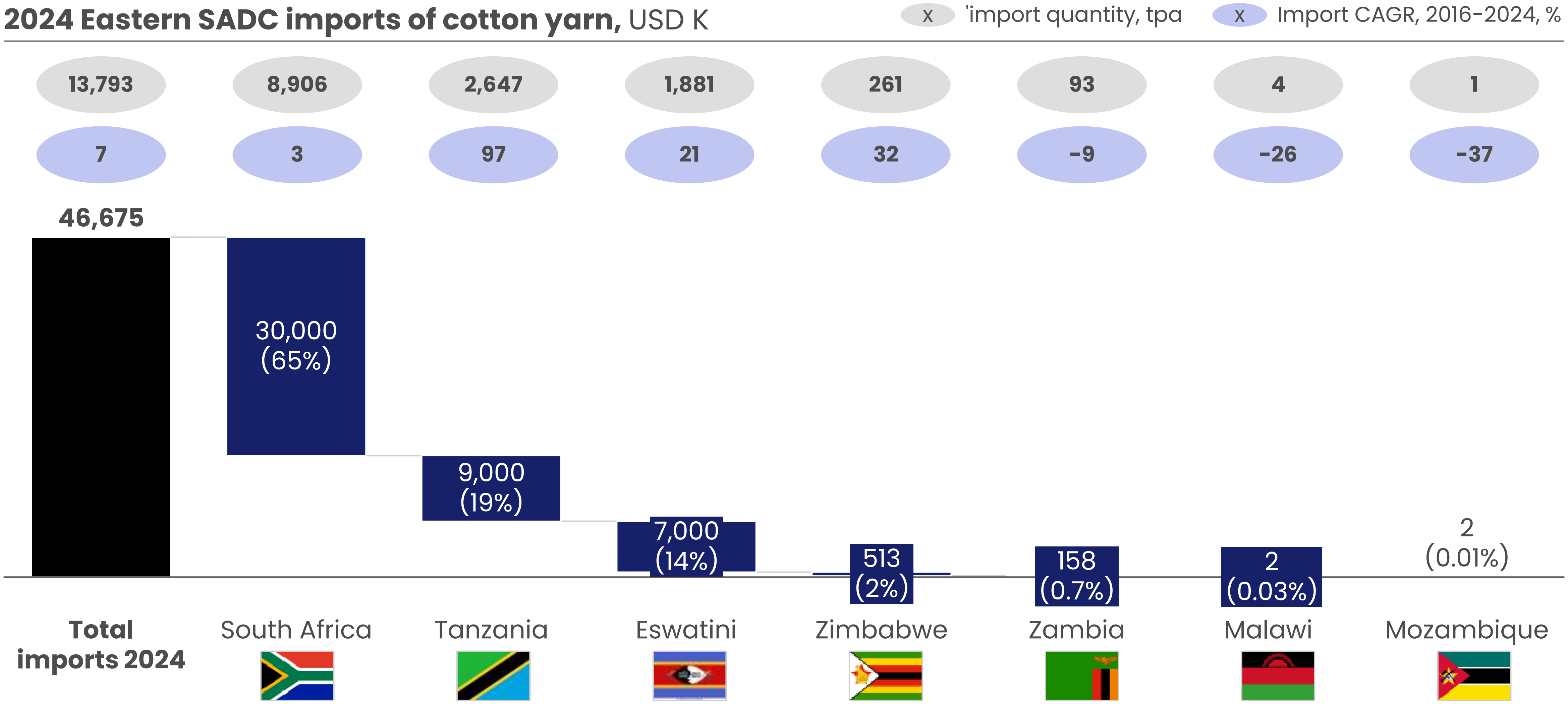
Regional yarn imports (~$50M) provide the demand required to support excess spinning capacity with demand growing at 7%

2024 Eastern SADC imports of cotton yarn, USD K



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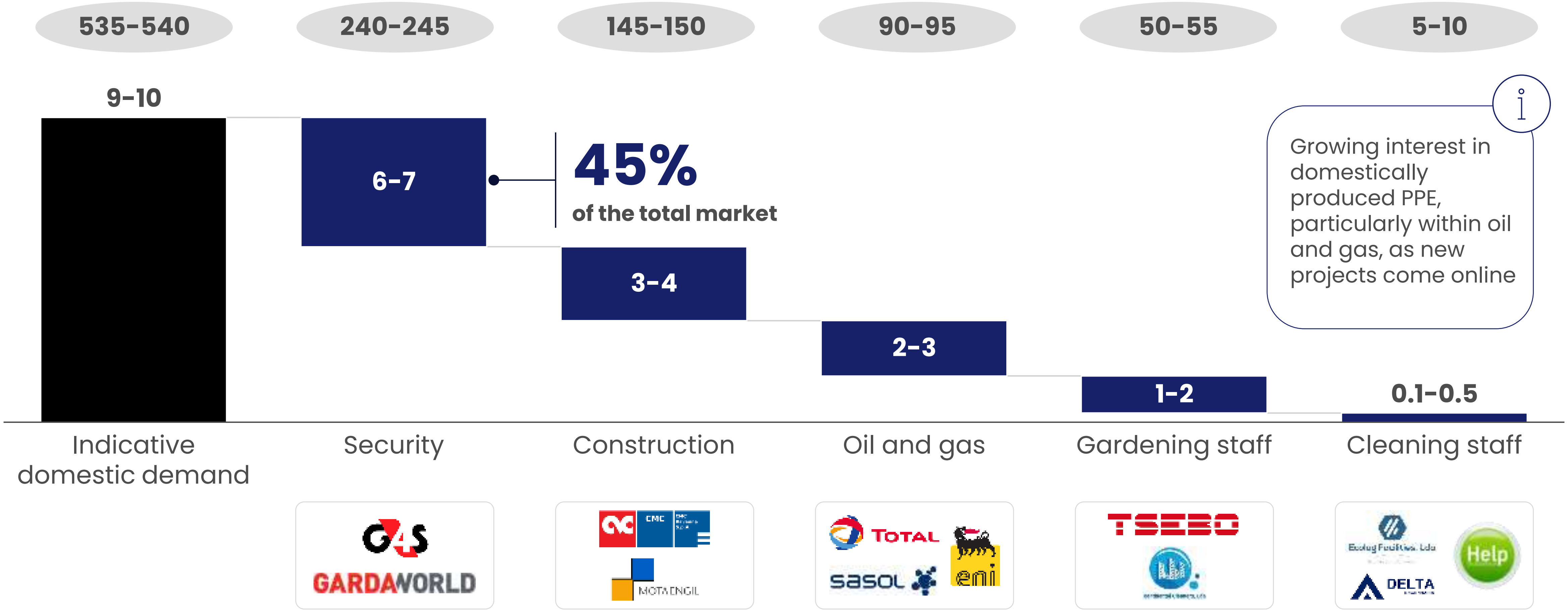
Source: Trademap

Mozambique’s PPE and uniform market represents a ~$10M opportunity, with private security driving the largest share

Mozambique PPE and uniform market size[1], USD K

x **Garment value**, pieces p.a., ‘000

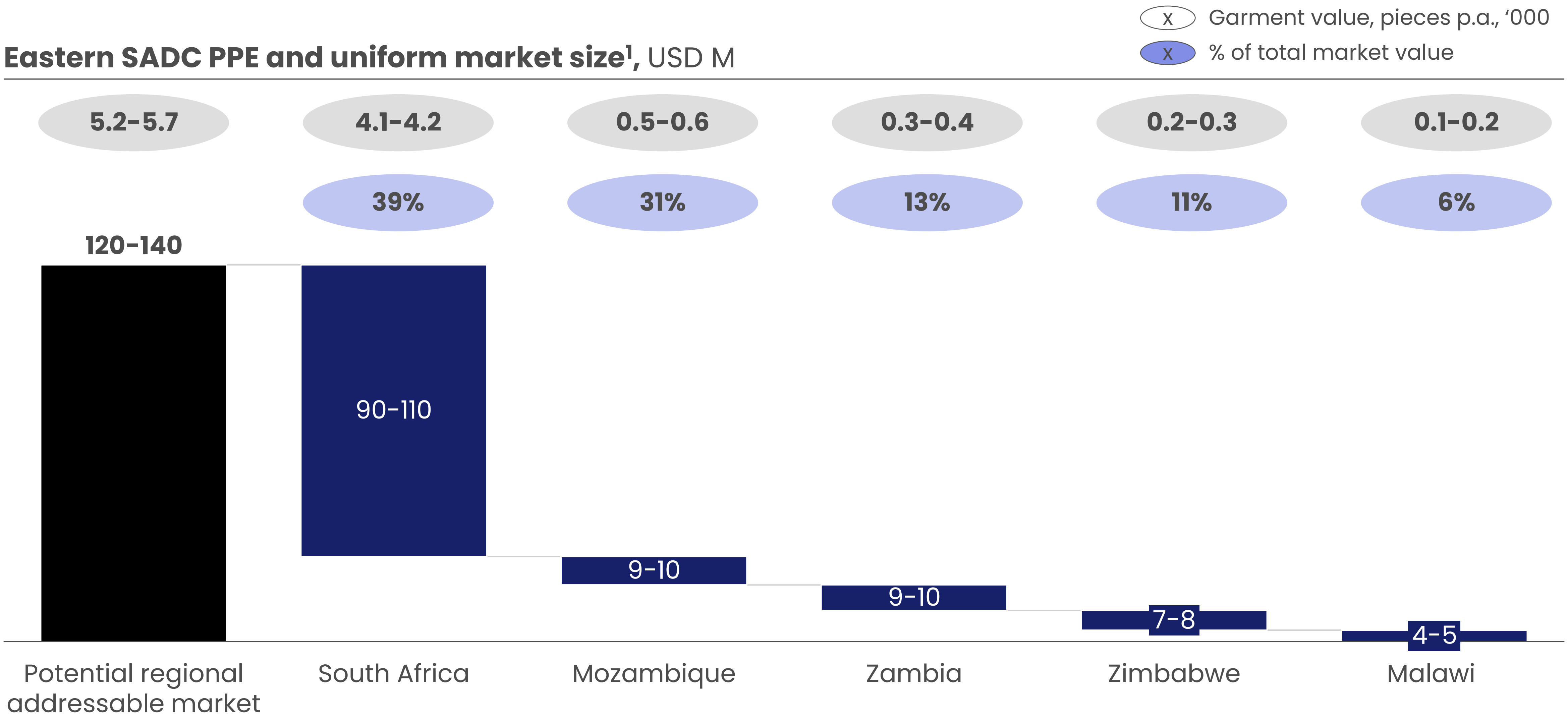


1. Market sizing based on estimated workforce by sector: security uniforms derived from the number of private security personnel in Mozambique; construction uniforms estimated using formal construction workforce data; oil and gas uniforms estimated through stakeholder interviews; cleaning uniforms estimated using employment in the tourism sector as the largest commercial offtaker of cleaning services; and gardening uniforms estimated based on the workforce of local gardening and landscaping companies

Source: Security , ILO

Beyond Mozambique, the ~$140M regional PPE and uniform market presents a scalable opportunity

Eastern SADC PPE and uniform market size[1], USD M



1. Market sizing based on formal employment across key sectors (security, mining, cleaning, gardening, oil & gas, and construction); where official employment data was unavailable, estimates were derived using company counts and average headcount per firm

Source: Security , ILO , company reports

Manufacturing Africa

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Cotton is a national priority within Mozambique's agricultural sector, with a focus on boosting cotton production and quality

NON-EXHAUSTIVE

Cotton Value Chain Revitalization Plan (CVCRS) *2011-2021*	**Better Cotton Initiative (BCI) National standard** *2014-Present*	**Strategic Plan for Agricultural Development (PEDSA II) | *2020-2030***	**Programa Integrado de Investimento (PII)** *2026–2030*
Launched by the cotton institute (IAOM) that set specific targets to transform the low productivity baseline	**Strategic partnership to adopt the Better Cotton Production Standard as Mozambique's national cotton system**	**10-year roadmap for agricultural sector transformation**	**Five-year national investment programme of Mozambique's long-term development strategy (ENDE 2025–2044)**
Focus on improved productivity, commercialisation and value addition	Focus on sustainable farming and improved quality	Focus on productivity increase, market access and competitiveness	Downstream value addition, export-oriented textile manufacturing
Example priorities	**Example priorities**	**Example priorities**	**Example priorities**
Production target: Achieve 10% annual growth from 80,000 tones to 200,000 tones of seed cotton Yield improvement: Increase from 550 kg/ha to 1,000 kg/ha Quality enhancement: Improve ginning out-turn (GOT) from 38% to 41%	Transition all cotton production to Better Cotton standards Implement sustainable environmental practices Secure premium markets Ensure Mozambique cotton is recognized as a certified BCI product	Poverty reduction: Target 40% poverty reduction through enhanced agricultural income Improve cotton productivity from 0.6 t/ha to 1.5 t/ha	USD 40 Mn integrated textile park in central Mozambique Restructure old textile factors focusing on technical and hospitality textiles Mobilise private investment via PPP's

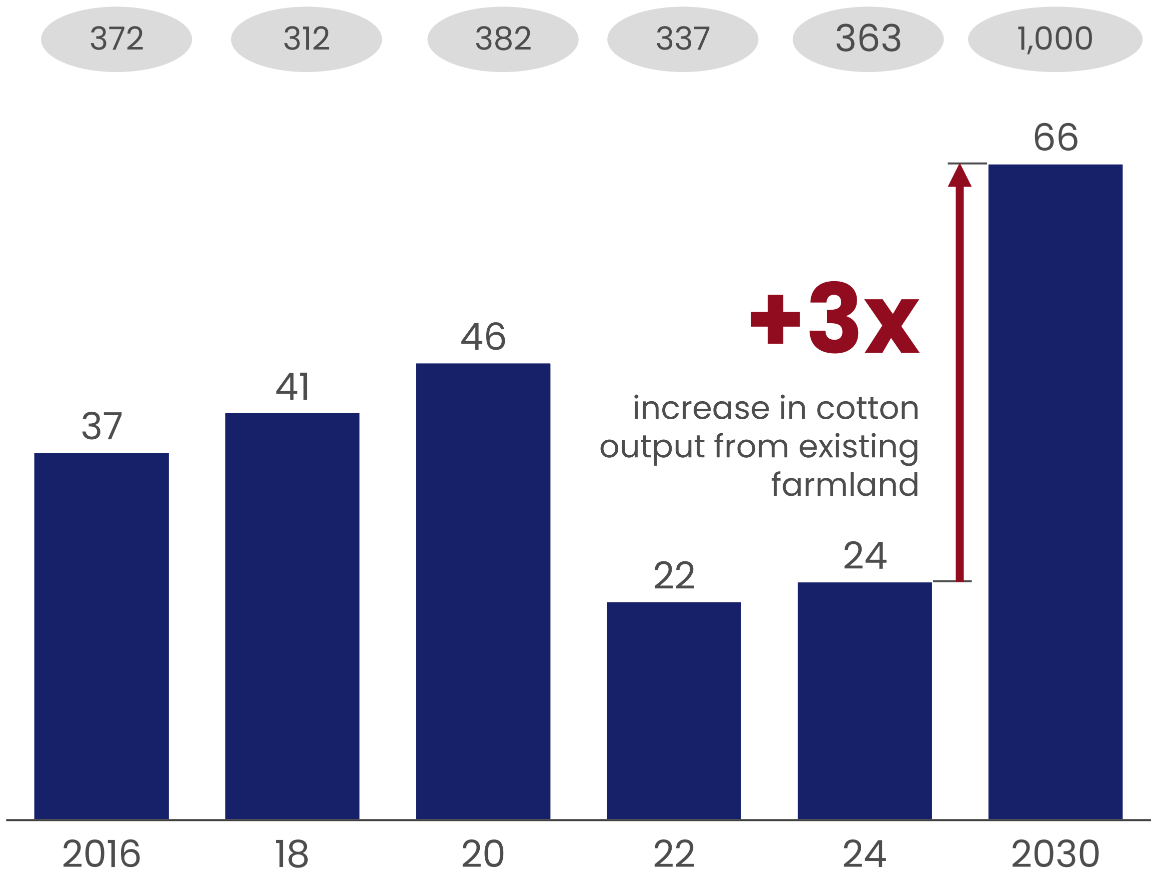
Current government and industry initiatives could unlock a ~3x increase in cotton production through yield improvements

Non-exhaustive

Stakeholder	Initiative	Impact
Government	**0% interest rate subsidies**	Input financing for registered farmers can significantly improve productivity; **pilot programs show yields of up to ~3 t/ha with basic input packages**, compared to current yields reflecting minimal input use
	Price stabilization mechanism (MEP)	Government-approved minimum pricing (~110Mn meticais) provides **revenue certainty for farmers, reducing planting risk and encouraging greater investment** in cotton cultivation and productivity improvements
Private and social sector	**Better Cotton initiative**	Industry partnerships **are improving agronomic practices and reducing production costs, driving yield gains**, currently ~86% of Mozambique's cotton farmers produce Better Cotton, covering ~90% of national cotton area

Cotton production, ktpa

x Cotton yield, kg/ha



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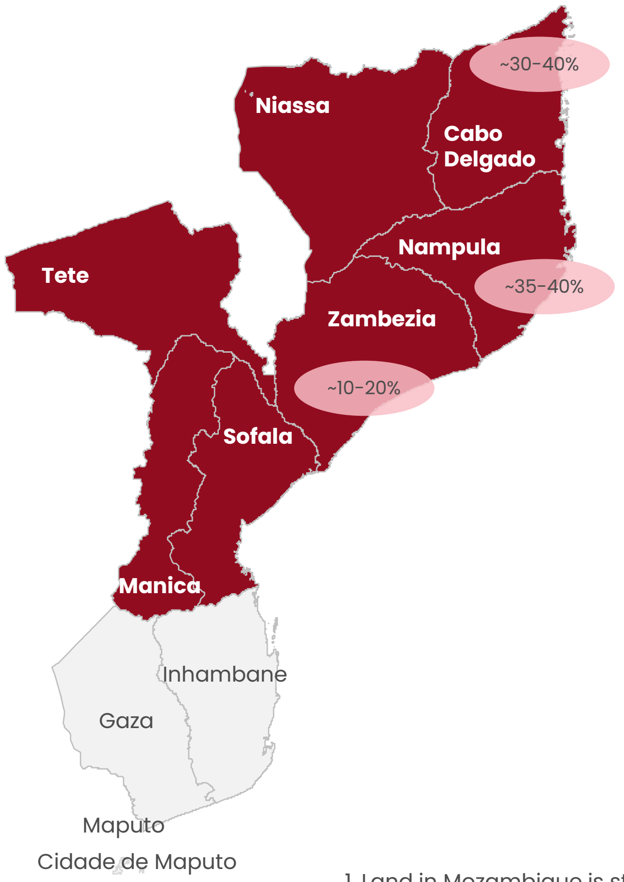
Source: Better Cotton , AAM

Large areas of arable land provide significant potential to scale cotton production…

Arable land available under long-term DUAT framework[1]

Main cultivation provinces for cotton

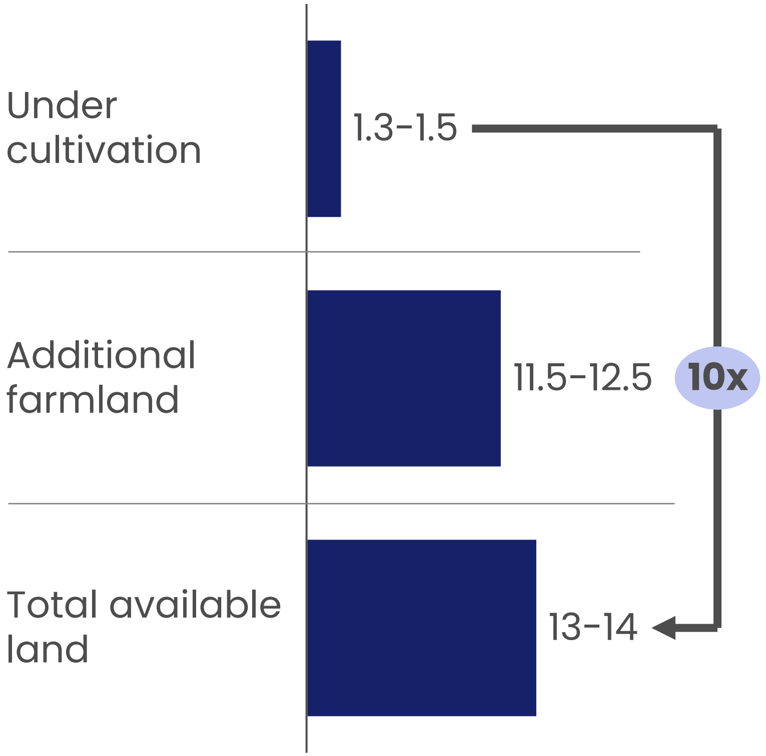
Production as % of total xx



~66,062 ha

Land under cotton cultivation in 2023, with production primarily concentrated in Nampula, Cabo Delgado, and Zambezia

Available arable land in Nacala and Beira corridor, M ha



1. Land in Mozambique is state-owned and accessed through a renewable 50-year DUAT (land-use right); costs are administrative and annual land tax–based
2. Available arable land derived from assessments of agricultural development potential across the Nacala and Beira corridors

Source: JICA, Beira Agricultural Growth Corridor, AAM

…with favourable climatic and soil conditions for its cultivation

Favourable conditions

Mozambique has an established history in cotton production with 24,000 tonnes in 2024

Mozambique has privileged conditions to produce cotton

800–1,200 mm

Average annual rainfall; optimal cotton production requires ~500–800 mm; Mozambique's rainfall indicates adequate moisture contingent on seasonal distribution

24–28° C

Average annual temperature, within the optimal physiological range for photosynthesis and reproductive development

7–9 H

Daily sunlight exposure, sufficient to sustain continuous photosynthesis and productivity growth

5 –25 m

Groundwater depth, indicating low water table risk and well-drained profiles, critical given cotton's sensitivity to waterlogging

65–80%

Average annual humidity; optimal humidity for cotton production is 40–60% requiring disease management to mitigate fungal pressure

~5–7

Soil pH, moderately acidic relative to optimal ranges (6-8), potentially requiring targeted soil management and nutrient correction

Productivity

Improved seed adoption

Introduction of early-maturing, drought-tolerant varieties with yield potential 3 t/ha

Yield performance

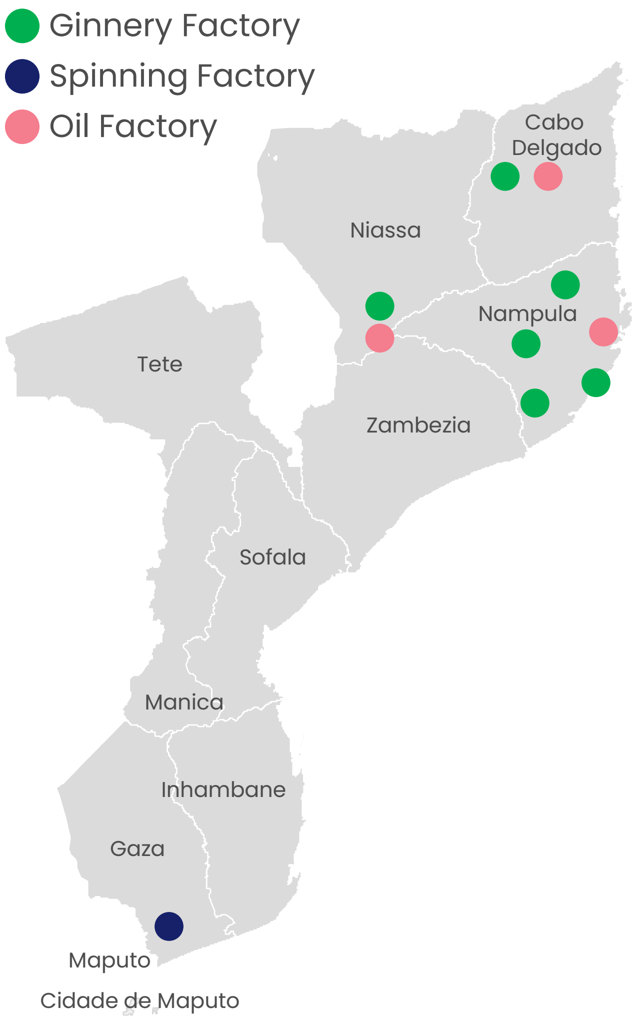
Average yields reach up to ~0.4 t/ha, with upside potential through improved seed, fertilizer optimization, and aggregation models

Production cycle

150–180 days maturation period, consistent with global best-practice production systems

Source: Trading economics, FAOSTAT

An established cotton ecosystem provides the supply base required to support textile manufacturing



Existing cotton industry

Cotton industry	Company	2023 production ktpa
6 cotton gins	JFS san	5.0
	Olam	0.3
	Sanam	4.0
	FESAP	0.1
	Cotton Africa	N/A
	SAM	1.0
1 spinning mill	MCM Mahalaxmi Cotton Mills	1.1
3 cotton oil factories	JFS san	7.5 (*Installed capacity; production n/a*)
	Olam	N/A

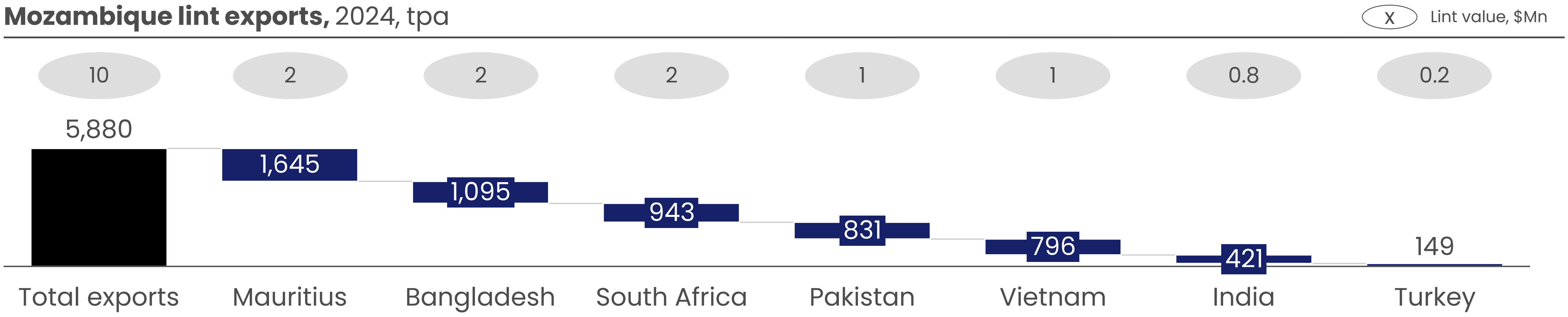
Supported by

142, 000 Smallholder farmers

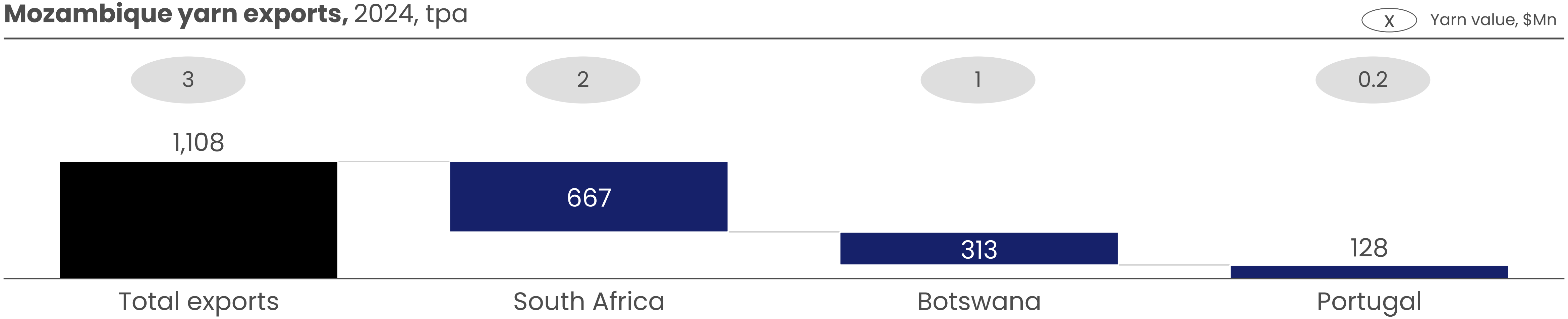
30,000 Jobs (direct and indirect)

Mozambique's cotton exports demonstrate established markets that textile manufacturing can build upon

Mozambique lint exports, 2024, tpa

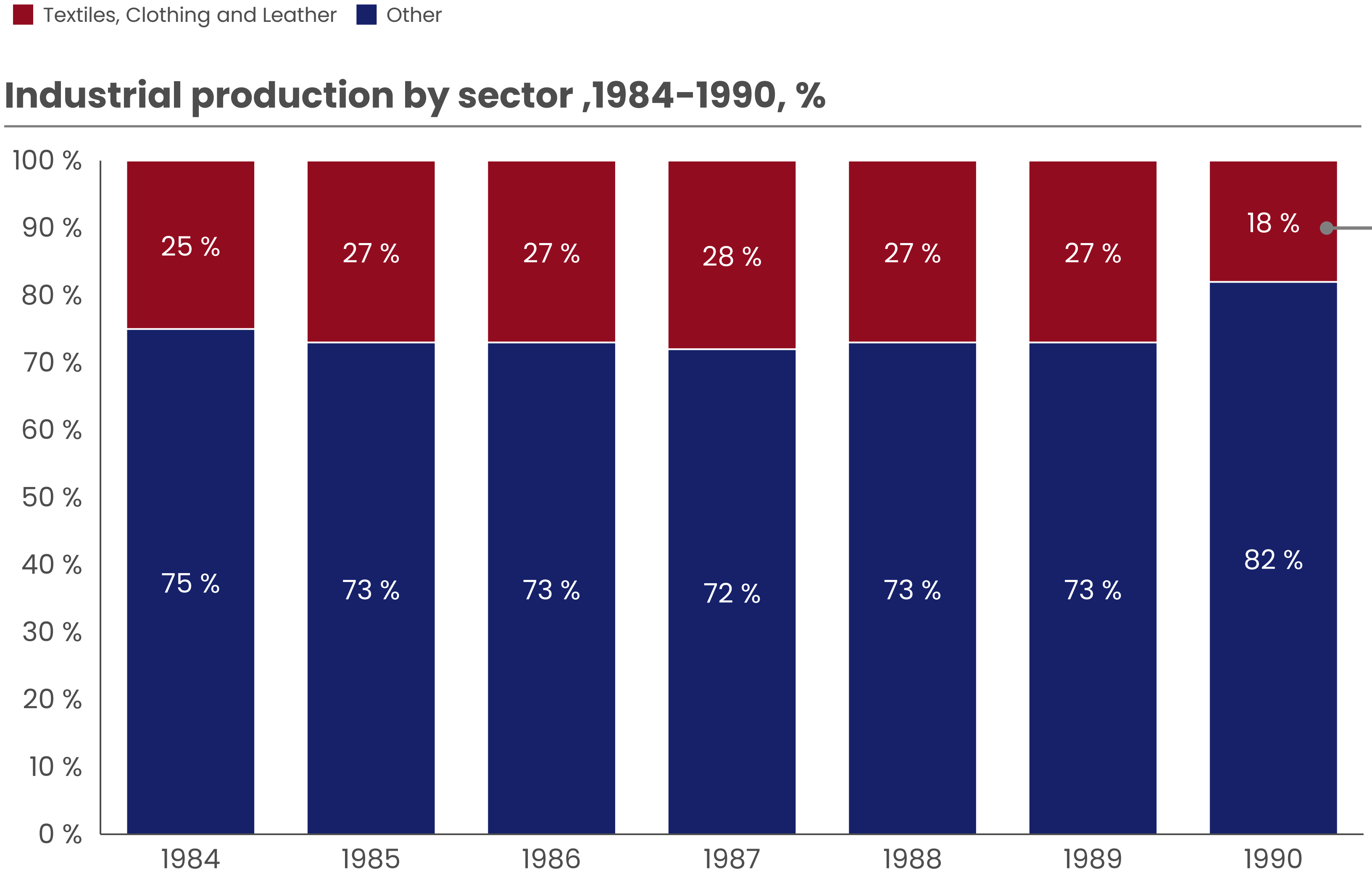


Mozambique yarn exports, 2024, tpa



Source: TradeMap

Historical textile industry scale highlights Mozambique's potential, with government commitment to revive production



$70Mn

Value of Mozambique's output of clothing and textiles in 1990

#19

Textile factories in operation

#26

Clothing factories in operation

Source: An-Enterprise-Map-of-Mozambique-English.pdf , Mozambiques-Industrial-Journey.pdf

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Mozambique’s low cotton feedstock costs provide a key competitive advantage relative to African textile hubs

Comparative advantage analysis against textile players in Africa[1]

● High competitiveness ○ Low competitiveness Key competitive factor

Group	Productive factor	Mozambique	Ethiopia	Kenya	Egypt	South Africa	Key insights
Raw materials	**Farm gate price of cotton**	●	●	◑	○	◔	Mozambique and Ethiopia are among the lowest-cost seed cotton producers, **with farm-gate prices around US$0.4/kg**, supporting competitiveness in cotton-linked downstream activities
	Cotton lint price	●	●	◔	○	◑	Mozambique’s electricity tariffs (~US$0.08/kWh) are **nearly 3x higher than Ethiopia’s, while water tariffs are the highest** among comparable countries
Structural factors	**Utilities[2]**	◔	●	○	●	◔	Mozambique’s electricity tariffs (~US$0.08/kWh) are **nearly 3x higher than Ethiopia’s, while water tariffs are the highest** among comparable countries
	Labour[3]	◑	●	◔	○	○	Mozambique’s minimum wage (US$104/month) is approximately **2x higher than Ethiopia**
Other factors	**Maintenance[4]**	○	○	◑	◑	◑	Mozambique’s and Ethiopia’s **import duties on textile manufacturing spare parts is 5%** whilst Kenya and Egypt import duties are **0%**

1.
2. Utilities reflect industrial electricity tariffs (USD/kWh) and industrial water tariffs
3. Labour reflects the national statutory minimum wage (USD/month)
4. Maintenance reflects the import duties on textile manufacturing spare parts

Source: World Bank Trading Across Borders WTO Tariff and TradeMap

Cost advantages could enable Mozambique to be 5–10% more competitive in spinning than Egypt

Comparison of spinning production costs versus Egypt to produce twill

High competitiveness · Low competitiveness

Category	Shares of production costs for spinning	Competitiveness percentage[2]		Share of production costs in Mozambique
Cotton lint	65-70%	15-20%	High competitiveness	50-60%
Utilities	10-15%	90-95%	Low competitiveness	20-30%
Maintenance	5-10%	1-5%	Low competitiveness	5-10%
Labour	5-10%	20-25%	High competitiveness	3-8%
Total	100%			90-95%

1. Egypt was selected as the largest spinner in Africa
2. Competitiveness was determined by the percentage difference between Egypt's cost structure and Mozambique's, after adjusting each category for Mozambique's local advantages. A negative difference indicates Mozambique's competitiveness or disadvantage in that item

Source: Globalpetrolprices, tridge, WITS trade data

Cost advantages could enable Mozambique to be 25–30% more competitive in PPE and uniforms production than South Africa

Comparison of weaving and finishing costs versus South Africa

High competitiveness Low competitiveness

Category	Shares of production costs for weaving and finishing	Competitiveness percentage[2]	Share of production costs in Mozambique
Labour	50-55%	60-65%	20-25%
Yarn	30-35%	5-10%	27-33%
Maintenance	10-15%	5-10%	11-17%
Utilities	1-5%	15-20%	1-4%
Total	100%		70-75%

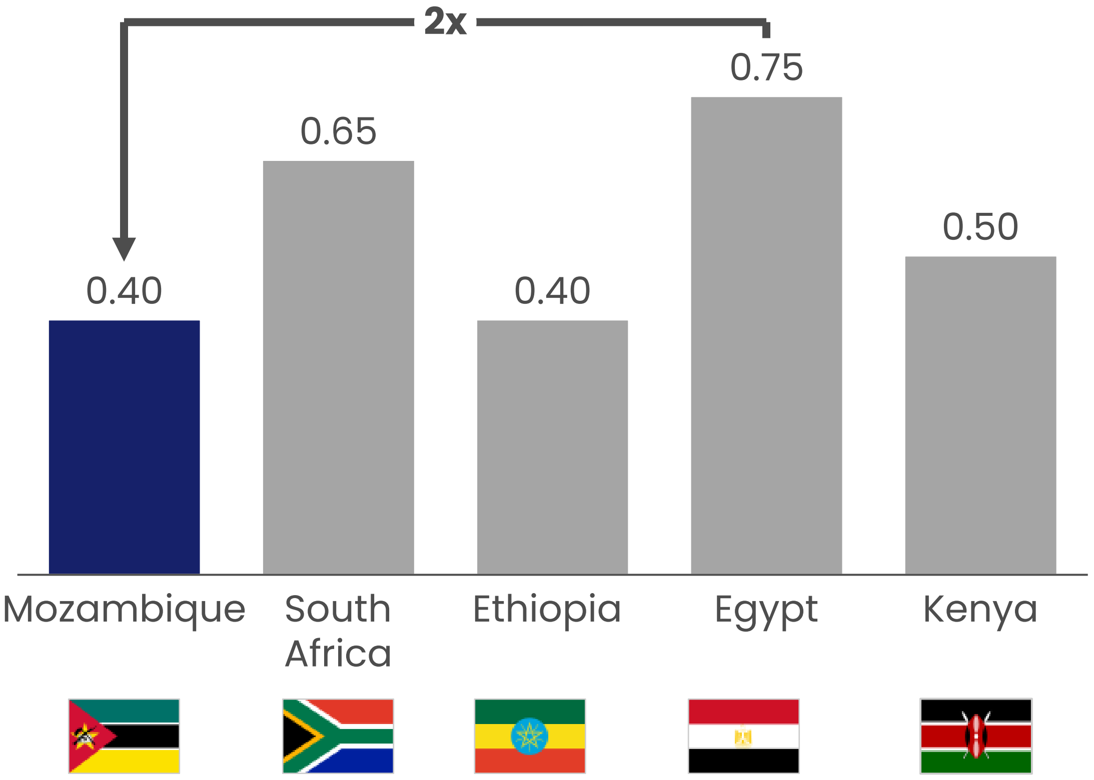
1. South Africa selected as it is the largest producer of PPE and uniform in Africa
2. Competitiveness was determined by the percentage difference between South Africa's cost structure and Mozambique's, after adjusting each category for Mozambique's local advantages. A negative difference indicates Mozambique's competitiveness or disadvantage in that item

Source: Globalpetrolprices, tridge, WITS trade data

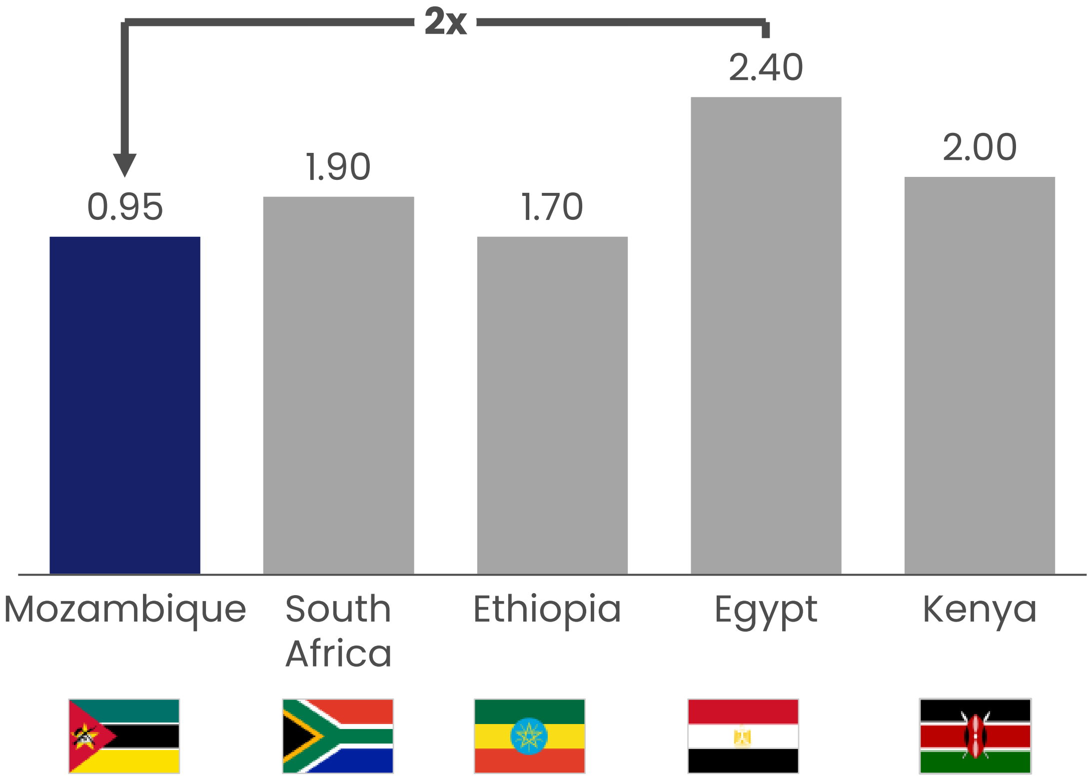
Cotton feedstock prices in Mozambique remain competitive relative to African peers

Retail prices per kg in 2024

Farm gate price of cotton, $/kg



Price of cotton lint, $/kg



 Source: Selina Wamucii, Tridge, WITS trade data

Maputo, Beira and Nacala corridors secure direct linkage between production clusters and ports, anchoring regional competitiveness

NON-EXHAUSTIVE

Context

What is it?

- Beira, Maputo and Nacala are historic colonial-era **anchor ports, originally established as primary trade gateways**, and have since been modernised through successive public and private investments in corridor infrastructure
- Strategic rail–port logistics axes linking the Ports of Beira and Nacala to inland Mozambique and regional markets including South Africa, Zimbabwe, Zambia, and Malawi

Relevance

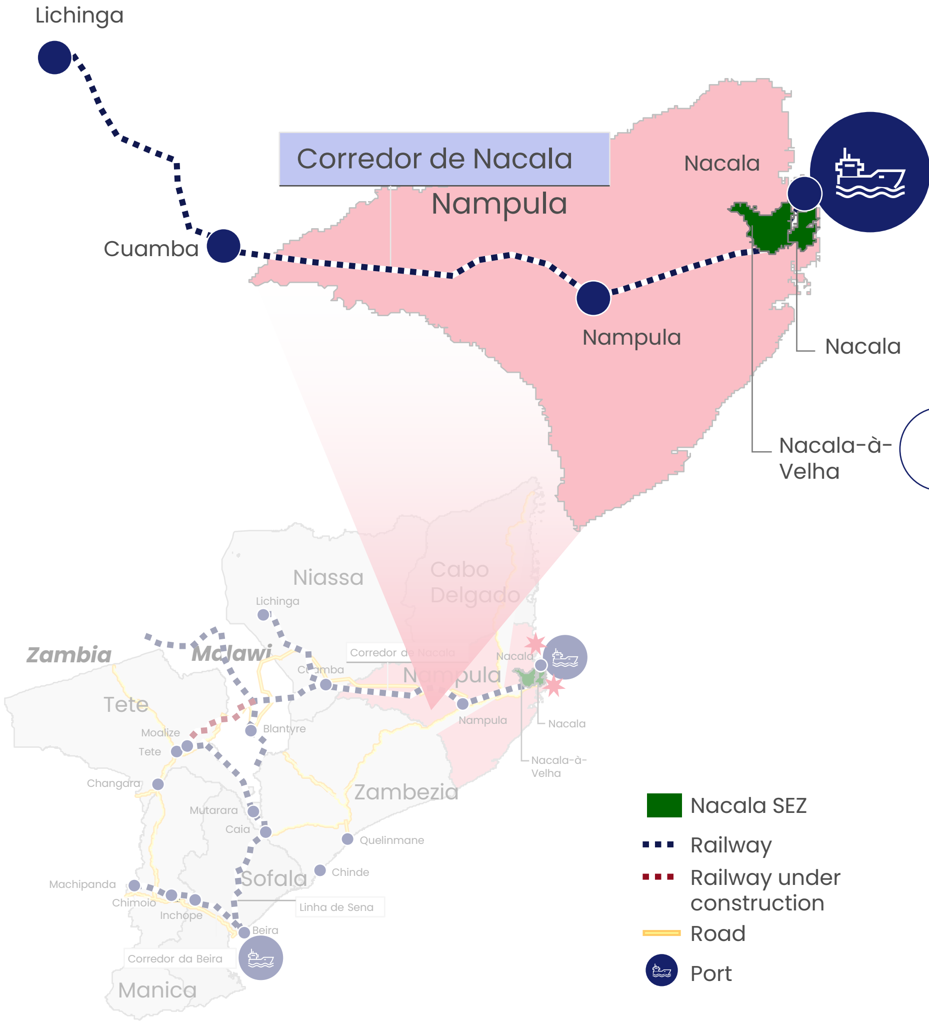
- More **than $15B in public and private investment** has been committed to infrastructure along the Beira and Nacala corridors, including a **$7B pledge from Japan in Nacala**
- Together, the corridors provide over **70 million tonnes of annual port capacity**, with 4.05 million tonnes handled through Beira in 2024
- Strategically supported by initiatives such as the EU's Global Gateway (~$2.0B) and Japan's Tokyo International Conference for African Development
- The corridor serves as a platform for industrial diversification, regional integration, and access to global value chains

Interested parties

THE WORLD BANK | JICA | IFC | Global Gateway | Value | RMB

Nacala offers a strategic location for a textile facility due to proximity to production zones and SEZ incentives

NON-EXHAUSTIVE



Factor	Why Nacala?
Special Economic Zone	• Nacala hosts a **designated Special Economic Zone (SEZ)** providing a range of incentives for industrial investors, including: – **Corporate tax incentives**, including 0% income tax for the first 3 years and a 50% reduction from years 4–10 – **Full exemption from customs duties and VAT** on imported construction materials, machinery, equipment, spare parts and other inputs required for SEZ-licensed operations – **Streamlined investment approval** and licensing processes through APIEX – **Facilitated work permits and visas** for foreign technical and managerial staff
Proximity to farming regions	• Nampula (35–40%), Cabo Delgado (30–40%), and Zambezia (10–20%) together account for the majority share of Mozambique's cotton production, **positioning Nacala as a strategic aggregation hub to minimise transport distances and logistics costs**
Nacala corridor logistics	• **Provides efficient access to the Port of Nacala as well as regional export markets**, enabling cost-effective logistics for both cotton aggregation and export of final products to neighboring countries

The investment into an integrated textile mill for PPE and uniform production is supported by 6 key pillars

A/B

Relevant domestic and regional markets…

1

The regional **yarn market represents a $50M opportunity** supported by established export flows

Eastern SADC's PPE and uniform market represents a **~$140M opportunity, with the domestic market providing a ~$10M anchor** for initial scale

Established cotton supply base with momentum to boost production…

2

Existing **cotton production and ginning capacity, combined with government efforts to boost yields** and output, provide a strong foundation for scaling textile manufacturing

Distinct value proposition…

3

Clear cost advantages position Mozambique competitively for textile manufacturing, enabling **5–10% higher efficiency than Egypt in spinning** and **25-30% higher efficiency than South Africa in PPE and uniform production**

Institutional commitment to downstream value addition…

4

Government commitment to **downstream cotton value capture**, guaranteeing **institutional support** to enhance regional **competitiveness and streamline investment processes**

A

Attractive business case…

5

A strong and attractive business case, with **EBITDA of 36%, IRR of 15-20%** and an estimated payback period of **5-6 years**

B

Investable local players…

6

Attractive downstream entry for an existing cotton player into weaving and finishing for oil & gas PPE, producing ~90,000 workwear units per year and generating **$2-4M incremental revenues with 37% EBITDA and 26% IRR**

Government guarantees full support to investors to ensure the success of textile and garment manufacturing in Mozambique

TO BE VALIDATED BY GOVERNMENT

Streamline export and import processes to reduce trade costs through **granting project-specific green-lane clearance** to reduce physical inspections and border delays

Apply 0% import duties and VAT on **textile machinery, spare parts, solvents, and processing chemicals** to reduce operating costs and ensure uninterrupted industrial operations

Review **minimum wage structures for textile manufacturing** to ensure labour costs remain competitive with key African textile hubs while maintaining fair labour standards

Guarantee reliable and competitively priced electricity supply in Nacala SEZ by completing the Chimuara–Nacala power transmission project and providing industrial power tariffs **below ~USD 0.08/kWh** to support uninterrupted operation of the textile facility

Provide 5 hectares of serviced land in the Nacala SEZ and fast-track plant establishment through streamlined industrial and environmental licensing via APIEX, ensuring rapid investor onboarding and project implementation

Establish targeted training programs and on-the-job skilling in partnership with investors and donors to build capabilities in textile operations

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An integrated textile mill presents an attractive investment case with strong returns…

Economics for a integrated textile mill with 2,000t of spinning capacity producing 200,000 workwear units

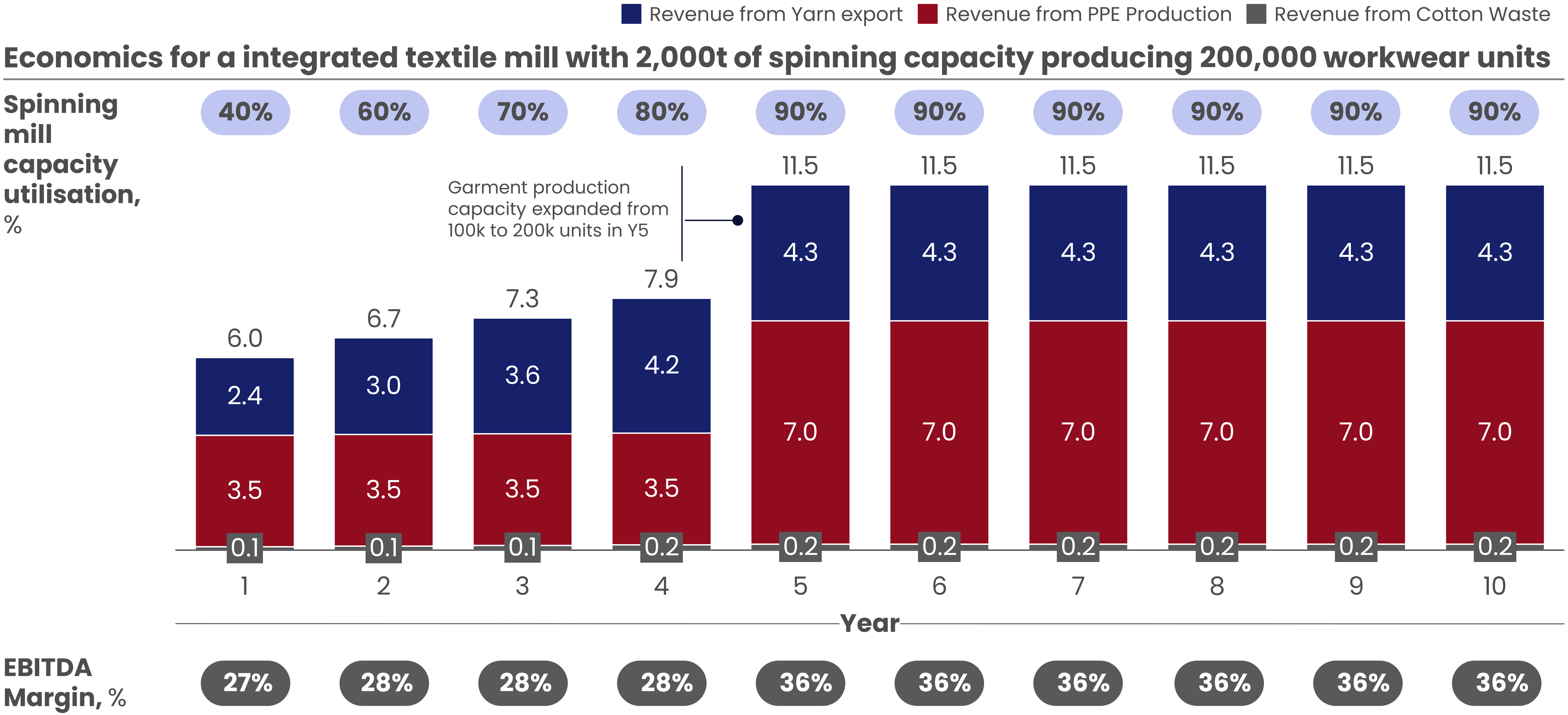
IRR
~15–20%

NPV
~$25–30 M

Payback time
~5–6 years

CAPEX
~$10–15 M

...generating ~$12Mn in annual revenue at steady state, achieving EBITDA margins of ~36%



1 Earnings Before Interest, Taxes, Depreciation and Amortization. Further margin details (i.e., EBIT and net profit) would require accounting for CAPEX depreciation and tax considerations (0% for the first 10 years if the facility is located in EPZ)

The investment into an integrated textile mill for PPE and uniform production is supported by 6 key pillars

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JFS is Mozambique's leading cotton producer and processor, combining strong growth with scaled impact since 1939

Company snapshot

JFS-SAN is Mozambique's oldest and largest cotton concessionaire. SAN-JFS is the cotton arm of the João Ferreira dos Santos (JFS) Group, one of Mozambique's leading diversified conglomerates with interests spanning agriculture, automotive, real estate, energy, and manufacturing

Ethical procurement

+40,000 smallholder farmers achieving <1t/ha engaged across Mozambique primarily in Niassa, supported through input financing, training, and guaranteed offtake, underpinning rural incomes

Primary processing

30 ktpa installed ginning capacity and 7.5 ktpa edible oil processing across Northern Mozambique, enabling local processing

+200 employees, with a significant part of the Mozambican factory workforce made up of **women working along the cotton value chain**

Globally certified on cotton quality

bci better cotton initiative

regenagri

COTTON MADE IN AFRICA

E2E traceability

Offering clear provenance **valued by premium buyers**

Commitment to social impact, providing education for farmers' children as a core pillar of its **social** investment

A weaving and finishing plant presents an attractive investment case with strong returns

Economics for a weaving and finishing plant producing 90,000 workwear units

IRR

~20–25%

NPV

~$10–15 M

Payback time

~3–4 years

CAPEX

~$3–5 M

Across the 5 priority value chains, ~$200–240M of investment opportunities are identified across key projects

PRELIMINARY

Greenfield project | Brownfield project | Both project types

Value chain	Play	Rationale	Potential investees	Expected Investment, USD
Edible oils	100k t/y Standalone Crushing facility of soybean	Mozambique has ~900 ktpa refining capacity but <50% utilization, signaling structural overcapacity. Strategy should pivot to crude-oil import substitution via soybean crushing—the only oilseed with relevant domestic demand for oil and oilcake—with a potential ~$580M regional opportunity	meru, Moėvo, Bakhresa Group, Olam Agri	15–20M
Cotton	Vertically integrated spinning to garments facility, with ~2kt/year of spinning capacity and 200,000 units	Prioritised as the next step in value addition, building on existing ginning capacity to convert lint into yarn locally and establish the necessary input base for PPE and uniforms manufacturing	jfs	25–30M
Rice	50k t/y E2E rice production, from certified seed production to rice milling	Reliable access to certified seeds and rice paddy feedstock are main bottlenecks for competitive rice production in Mozambique - thus a completely integrated play is the most viable one	ETG, MOZLAND	120–130M
Cashew	15k t/y Cashew raw kernel (shelled) play from aggregation to primary processing	Quality and production loss due to unfit aggregator operation, high export incentives and aggregator make it critical for players to control this step of the value chain; Lack of secondary processing (roasting) and storage infrastructure make it less-viable to produce roasted kernel	Permanuts	20–30M
Tourism	25-bed luxury hotel and 60-bed premium hotel with full-service amenities	Mozambique benefits from distinctive natural and cultural assets, enabling an integrated marine and wilderness proposition—combining a 2,700km Indian Ocean coastline, rich marine biodiversity and island destinations with inland national parks and frontier wilderness experiences	&Beyond, Singita Game Reserves	20–30M

1. Taking as an example the recent investment on Singita Lodge of ~120M USD

Manufacturing Africa: Mozambique Economic and Green Manufacturing Growth Strategy Report and UK Private Sector opportunity assessment

Rice value chain investment case

March-April 2026

This document has been funded by UK aid from the UK Government; however, the views expressed do not necessarily reflect the UK Government's official policies

www.manufacturingafrica.org

Vision for Mozambique's rice sector in 2044

For the country

Achieve **rice self-sufficiency** by scaling competitive domestic production and modern milling capacity for **Mozambican-preferred rice varieties**, enabled by expanded irrigation, better access to quality inputs, and a larger cultivated area

For the industry

Increase domestic milled rice production by ~8x to close the import gap, raising paddy output and milling capacity to roughly 990[1] ktpa. This growth will be enabled by expanding rice cultivation area to +80,000 ha, boosting farm and mill yields, and supporting **end-to-end value-chain integration to ensure reliable, high-quality paddy supply for millers**

1. Milled rice target of 2024's imported volume (688.5 ktpa) translated into required milling throughput of ~990 ktpa, assuming a 70% milling yield (i.e., paddy input = 688.5 / 0.70). To size upstream paddy production, volumes were allocated by cultivation type: (i) Investment project: 28.6 ktpa at 6.6 t/ha, requiring ~4,300 ha; (ii) Irrigated: assumed to remain at 30% of total production with yield held at 8.9 t/ha, requiring ~28,500 ha; and (iii) Non-irrigated: balance of production, assuming yield increases to PNA target of 2.2 t/ha, requiring 318,800 ha. Current cultivated area of 273,100 ha was subtracted from total required land (351,600 ha) to size the required cultivated land expansion of 78,500 ha

A first integrated project in Zambézia can anchor Mozambique's path to rice self-sufficiency

Investment Project

Operationalize **Mozambique's largest rice mill (50 ktpa capacity) in Zambézia as a vertically integrated platform,** combining certified seed, irrigated own-farm production, and outgrower sourcing

$35-40M

Investment required[1]

$36-40M

Annual revenue[3]

$34-55M

FX on milled rice imports saved per year[4]

~3,300

Jobs created[2]

~9,000

Smallholder farmers integrated (farm of avg. 1.5 ha)

1. Includes CAPEX investment and working capital for year 1 operations, including investment for double cropping, seed acquisition for the 1st crop and agricultural support for outgrower farmers. Already reduced capex due to receiving access to land with irrigation infrastructure and existing milling facility
2. Does not include eventual seasonal workers
3. Assumes domestic milled rice price of 60-70 MTZ in line with data from the Competitiveness Analysis of Local Rice to Imported Rice in Mozambique
4. Considers 2025 average international price for milled rice of $790-910 USD/t (equivalent to 50-60 USD/kg)

Five key pillars create structural advantages for a vertically integrated rice investment in Mozambique

1. Relevant market currently underserved…

Mozambique has a **sizeable rice market ($530M)** growing ~6% p.a. since 2015, yet there is a **structural production gap as imports supply about 90% of total demand**

Population growth indicates that **the market value could further expand to $1.2–1.5Bn by 2030**

2. Momentum to accelerate local production…

Policy reform might **stimulate domestic rice production** with new import restrictions and ICM centralization in 2026

Despite visible interest from international investors, current rice FDI **only meet ~23% of required capacity to achieve self-sufficiency by 2044**

3. Domestic premium increases competitiveness…

Locally produced rice can outperform imports on economics, capturing ~5–10 p.p. higher margins than medium-quality imports, while **quality upgrades and stronger branding could unlock an additional ~10% price premium** in a market that values local rice attributes

4. Institutional commitment to import substitution…

Government commitment to **drive domestic production**, guaranteeing **institutional support and investment** to **enhance competitiveness** and **streamline investment processes**

5. Attractive business case…

A strong and attractive business case, with **EBITDA of 25-30%, IRR of ~20-25%** and an estimated payback period of **4-5 years**

The investment into a vertically integrated rice production and milling facility is supported by 5 key pillars

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Visible interest from international investors signal **growing confidence that the market is ready for FDI-led expansion across production and processing**

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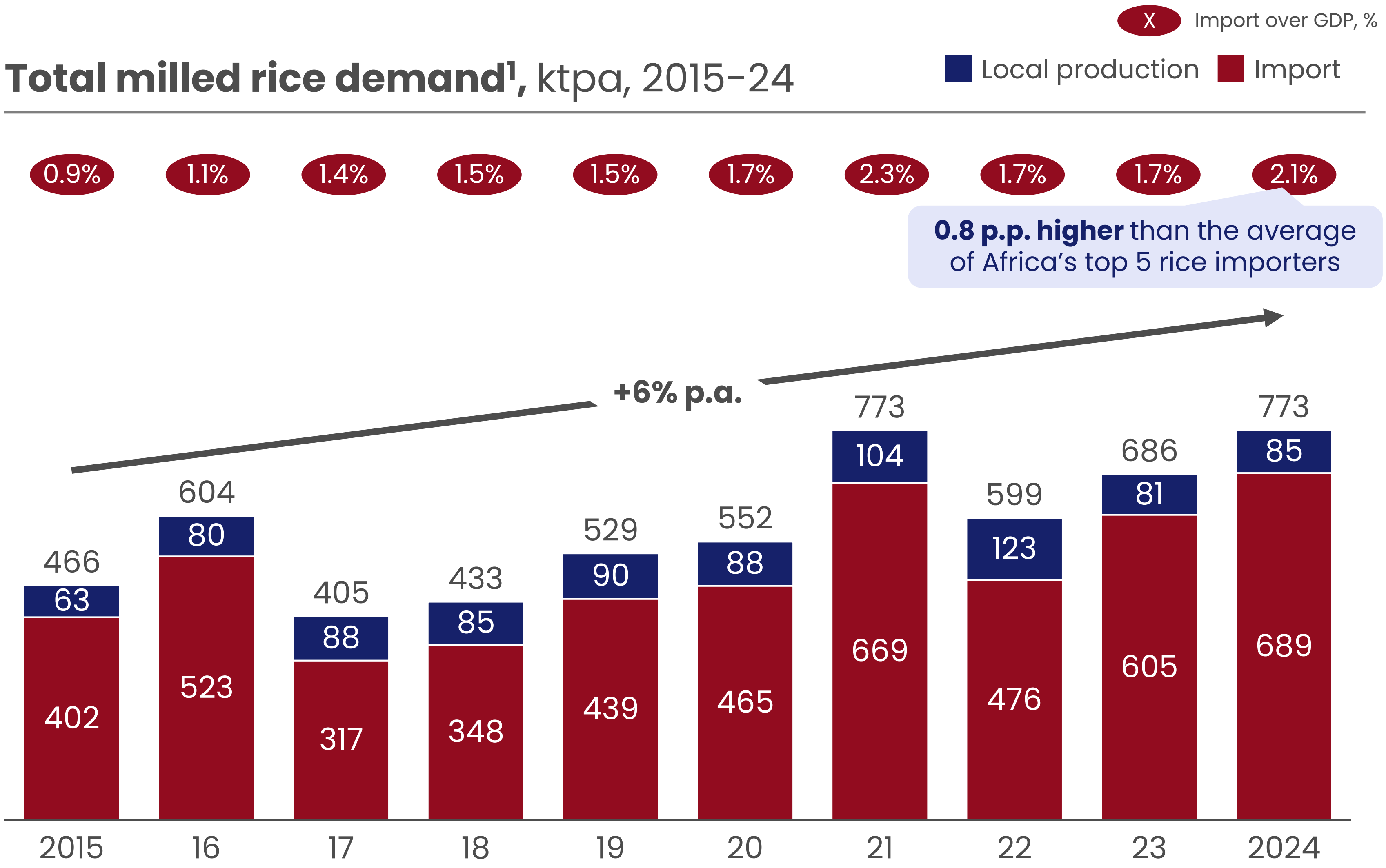
Mozambique's rice market is already large but remains import-dependent, with imports absorbing 2.1% of GDP in 2024

Total milled rice demand[1], ktpa, 2015-24



Key insights

5th

Largest import in Mozambique in 2024, only behind Petroleum, Chromium Ore, Ferroalloys and Iron Ore

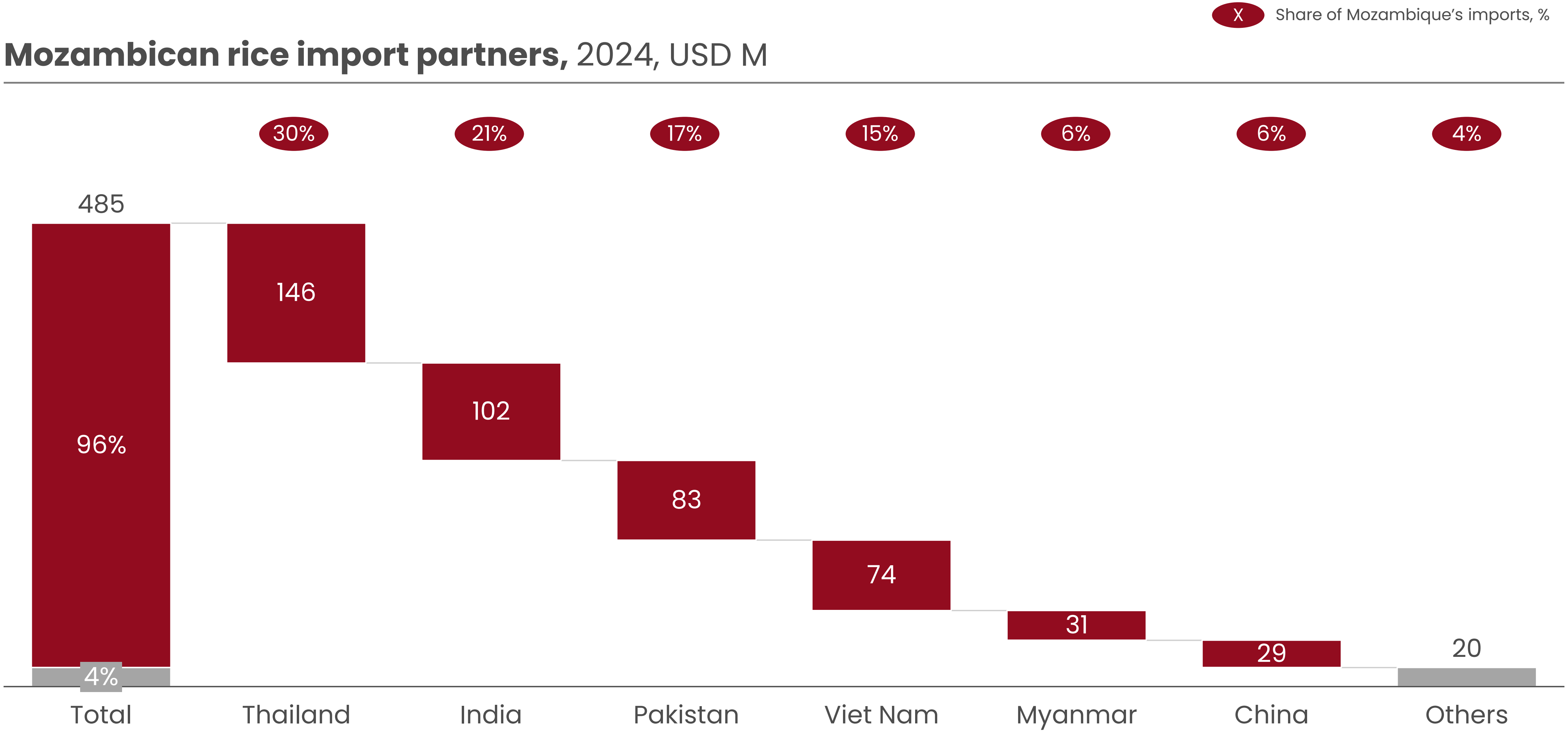
- **Population growth, urbanization, and rising incomes are the main drivers**for steady rice demand in Mozambique due to the grain's versatility and convenience
- Rice is the **5th most important household staple food[2]**, representing an avg. of ~6% of a household's budget

1. Assumes that all imports are destined to internal consumption; considers a transformation factor of 0.5 from paddy production to milled rice, as per the Competitiveness Analysis of Local Rice to Imported Rice Mozambique
2. USAID study shows that on average Mozambique households spend ~6% of food expenditure on rice purchases, making it the 5th most relevant item budget-wise

Source: FAOSTAT; ITC Trade Map; Ministério da Agricultura de Moçambique, Rice for Africa, Mozambique staple food market fundamentals, Competitiveness Analysis of Local Rice to Imported Rice Mozambique, TradeMap, World Bank

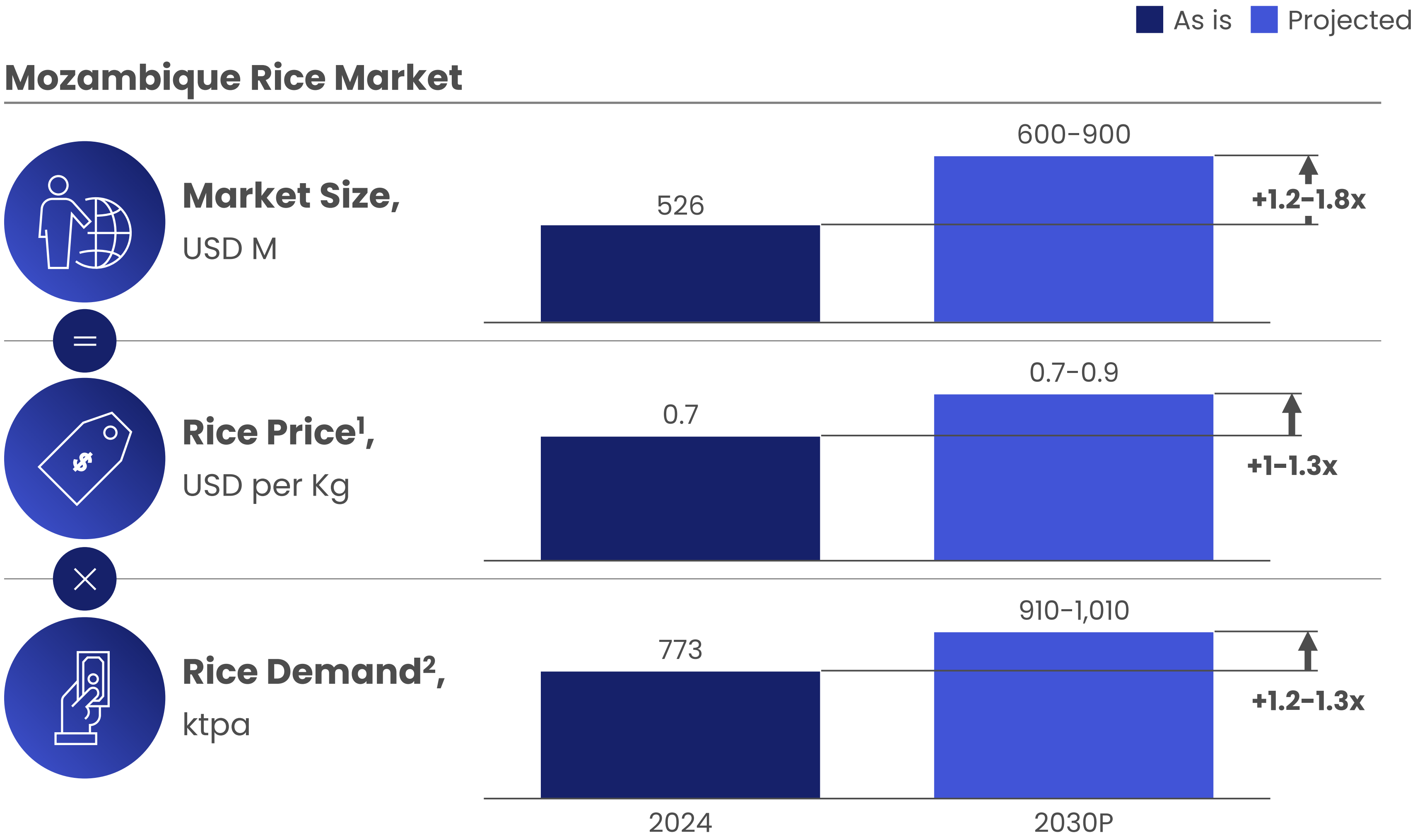
96% of total rice imported value in Mozambique was imported from 6 commercial partners, all from Asian countries

Mozambican rice import partners, 2024, USD M



Source: TradeMap

Mozambique’s rice market is set to increase to $600–900 Mn by 2030, creating a sizable near-term investment opportunity



1. Considers a no change scenario (lower end) and a scenario with price increase in line with average YoY change from 2020-24
2. Rice demand is projected by holding per-capita consumption constant at 22.3 kg/person and scaling with population growth considering UN Population Projection. The lower bound applies the median projection (historical median assumptions for fertility, mortality, and international migration), while the upper bound applies a higher population-growth case (i.e., higher fertility, medium mortality, and medium migration)

Key insights

- Mozambique’s rice market could grow up to ~$600–900 Mn by 2030, representing a **~1.2–1.8× expansion in market value**
- Market value growth is driven by a combination of volume growth and price uplift, with **rice demand rising to ~910–1,010 ktpa by 2030, aligned with an expected population growth**

Source: United Nations, Department of Economic and Social Affairs, Population Division (2024); FAOSTAT; TradeMap

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Mozambique is tightening the rice import regime and accelerating policy support for domestic rice production

New policy is set to be enforced starting on February 2026


Forbes

Africa Lusófona

The Mozambican government and ICM are analyzing the implementation of the decree that imposes restrictions on the import of rice and wheat.

The meeting was preceded by the Secretary of State for Commerce of Mozambique, António Grispos, and the Director-General of the ICM, Luís Fazenda, at the request of the Confederation of Economic Associations of Mozambique (CTA), according to a publication on the CTA's official website.

360

ICM and OLAM Mozambique Define New Procedures for Rice and Wheat Imports

Following the ... the import o... Mozambique... on Monday, February... Mozambique to coor... new rules.

"The objective of the ... supplying the national ... cereals management ... a press release consu...

O Governo moçambicano anunciou limitações à importação de produtos como cerveja, arroz e água engarrafada, visando estimular a produção interna, proteger a posição externa e apoiar indústrias emergentes no país.

por Forbes Staff

19 Dezembro 2025 09:56

O Governo de Moçambique decidiu aplicar restrições temporárias à importação de 16 produtos, entre os quais cerveja, carne, água engarrafada, arroz, trigo e milho, numa medida que visa estimular a indústria nacional, poupar divisas e reforçar a capacidade produtiva interna, segundo informação do Ministério da Economia.

Key insights

December 2025

Government issues two decrees to implement **restrictions on rice imports**[1], centralizing all imports through Mozambique Cereals Institute (ICM), aiming to **manage foreign reserves and stabilize prices**

February 2026

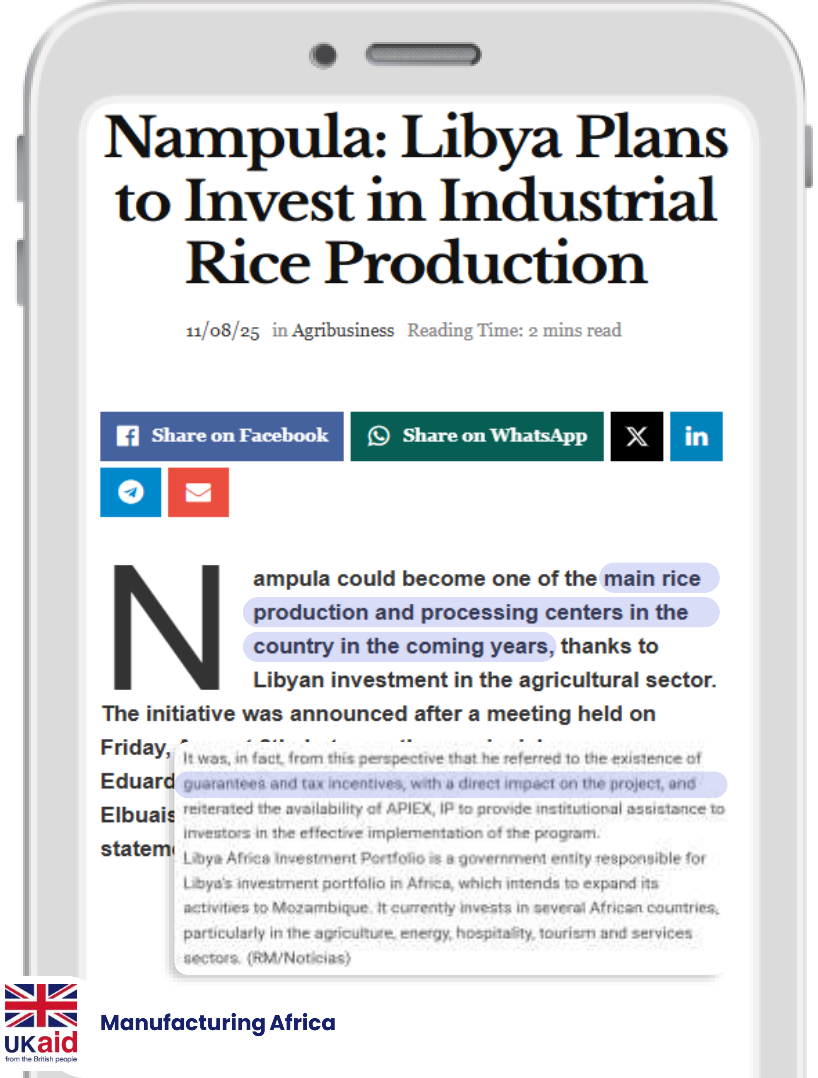
Restriction take effect, with concerns from private sector groups

1. Humanitarian imports are exempted from the restriction

Source: Press search

Despite increasing FDI interest, expected capacity increase can only meet ~23% of Mozambique's self-sufficiency target

Libyan investment plans to reach installed capacity of ~220 ktpa



Nampula: Libya Plans to Invest in Industrial Rice Production

11/08/25 in Agribusiness Reading Time: 2 mins read

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Nampula could become one of the main rice production and processing centers in the country in the coming years, thanks to Libyan investment in the agricultural sector. The initiative was announced after a meeting held on Friday,

Eduard

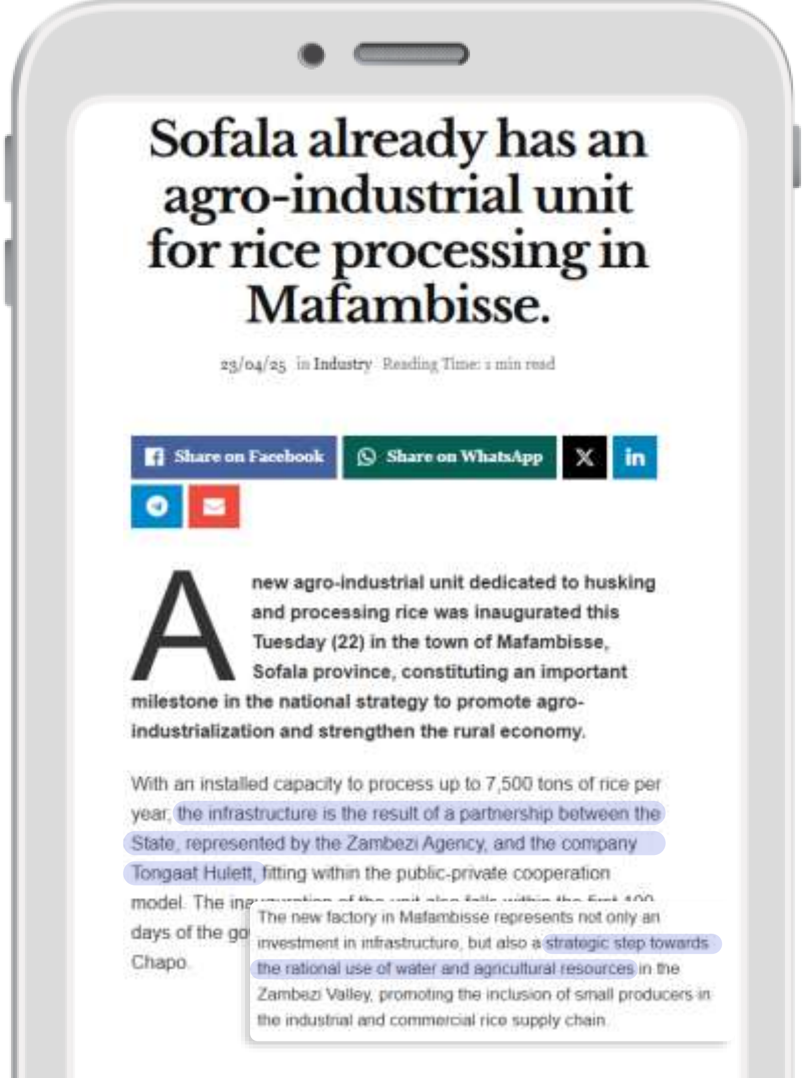
Elbuais

statem

It was, in fact, from this perspective that he referred to the existence of guarantees and tax incentives, with a direct impact on the project, and reiterated the availability of APIEX, IP to provide institutional assistance to investors in the effective implementation of the program.

Libya Africa Investment Portfolio is a government entity responsible for Libya's investment portfolio in Africa, which intends to expand its activities to Mozambique. It currently invests in several African countries, particularly in the agriculture, energy, hospitality, tourism and services sectors. (RM/Noticias)

Inaugurated a processing facility with installed capacity of 7.5 ktpa



Sofala already has an agro-industrial unit for rice processing in Mafambisse.

23/04/25 in Industry Reading Time: 1 min read

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A new agro-industrial unit dedicated to husking and processing rice was inaugurated this Tuesday (22) in the town of Mafambisse, Sofala province, constituting an important milestone in the national strategy to promote agro-industrialization and strengthen the rural economy.

With an installed capacity to process up to 7,500 tons of rice per year, the infrastructure is the result of a partnership between the State, represented by the Zambezi Agency, and the company Tongaat Hulett, fitting within the public-private cooperation model. The ina

days of the go

Chapo.

The new factory in Mafambisse represents not only an investment in infrastructure, but also a strategic step towards the rational use of water and agricultural resources in the Zambezi Valley, promoting the inclusion of small producers in the industrial and commercial rice supply chain.

Key insights

~227.5 ktpa

Of **additional milling capacity expected** with existing international investments in Mozambique, will bridge **only ~23% of the 900 ktpa required to achieve self-sufficiency by 2040**

It will be pivotal to **leverage current momentum to increase FDI attraction** across the Rice value chain to achieve the country's target

The investment into a vertically integrated rice production and milling facility is supported by 5 key pillars

1. Relevant market currently underserved…

Mozambique has a **sizeable rice market ($530M)** growing ~6% p.a. since 2015, yet there is a **structural production gap as imports supply about 90% of total demand**

Population growth indicates that **the market value could further expand to $1.2–1.5Bn by 2030**

2. Momentum to accelerate local production…

Policy reform might **stimulate domestic rice production** with new import restrictions and ICM centralization in 2026

Visible interest from international investors signal **growing confidence that the market is ready for FDI-led expansion across production and processing**

3. Domestic premium increases competitiveness…

Locally produced rice can outperform imports on economics, capturing ~5–10 p.p. higher margins than medium-quality imports, while **quality upgrades and stronger branding could unlock an additional ~10% price premium** in a market that values local rice attributes

4. Institutional commitment to import substitution…

Government commitment to **drive domestic production**, guaranteeing **institutional support and investment** to **enhance competitiveness** and **streamline investment processes**

5. Attractive business case…

A strong and attractive business case, with **EBITDA of 25-30%, IRR of ~20-25%** and an estimated payback period of **4-5 years**

Mozambique has the potential to reach yields of top rice producers when receiving the necessary intensification inputs

Comparison to global top African country in yield and regional emerging countries

Top African yield · Top 3 emerging African producers

Peer countries, per production ranking	**Rice production,** 2024, ktpa	**CAGR,** 2015-24, %	**National rice yield,** 2024, t/ha	**Irrigated rice yield per season,** t/ha	**Share of irrigated area,** %
16th	6,430	3%	9.1	9.1-10.1	100%
32nd	1,721	10%	3.6	5.2-5.7	4%
51st	501	9%	3.9	5.5-5.4	47%
61st	282	9%	6.6	6.6-7.1	95%
69th	169	3%	0.6	6.0-9.0	2%

+15x

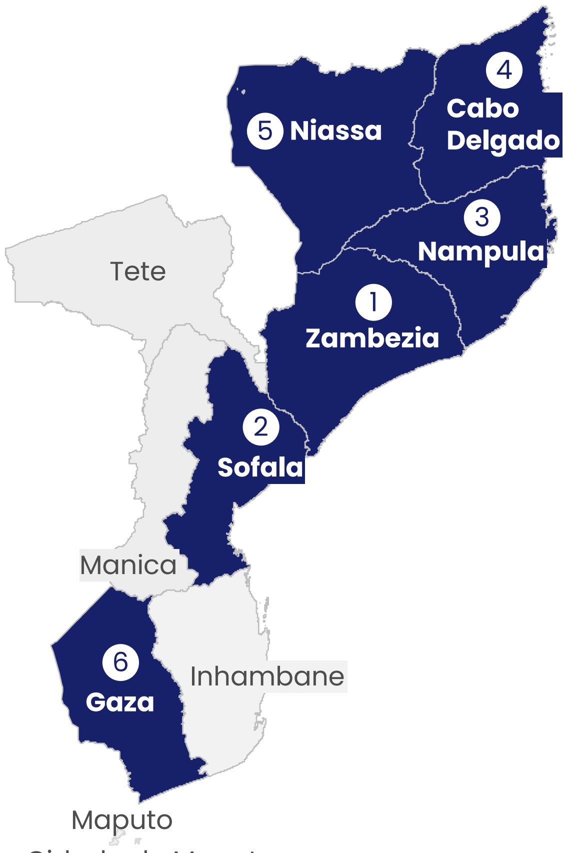
Source: FAO 2025, Our World in Data, Yield Gap, CARD reports, IRRI, Frontiers in Agronomy

Total rice productivity in Mozambique could be further expanded by expanding rice production area by 3.3x to achieve full potential

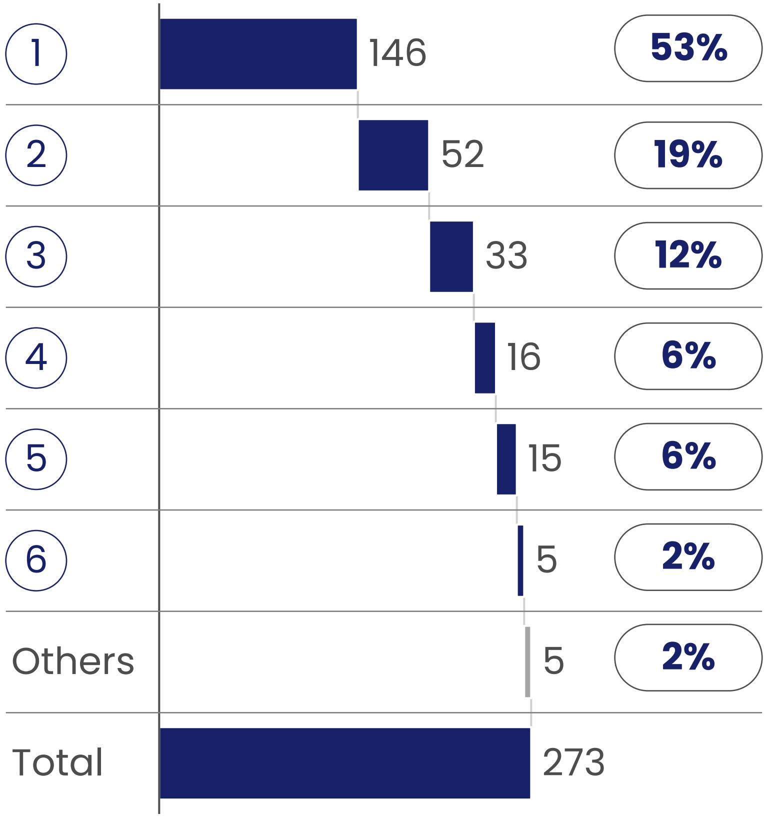
There is a total of 900,000 ha of suitable land for rice production

X Share of total, %

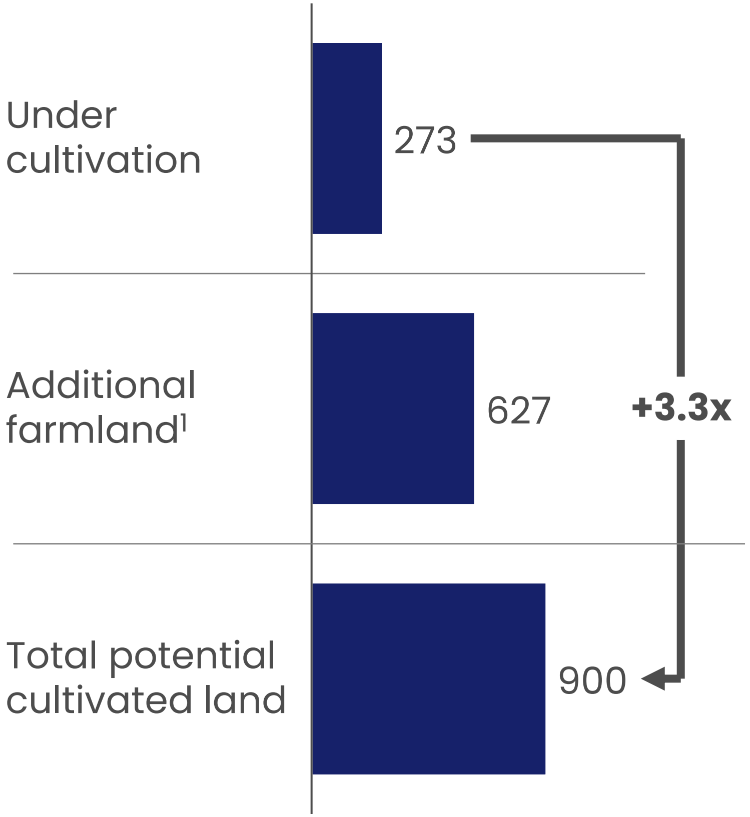
Main cultivation provinces for Paddy Rice



Current land under rice production, 2024, '000 ha



Available agricultural land suitable for rice, '000 ha

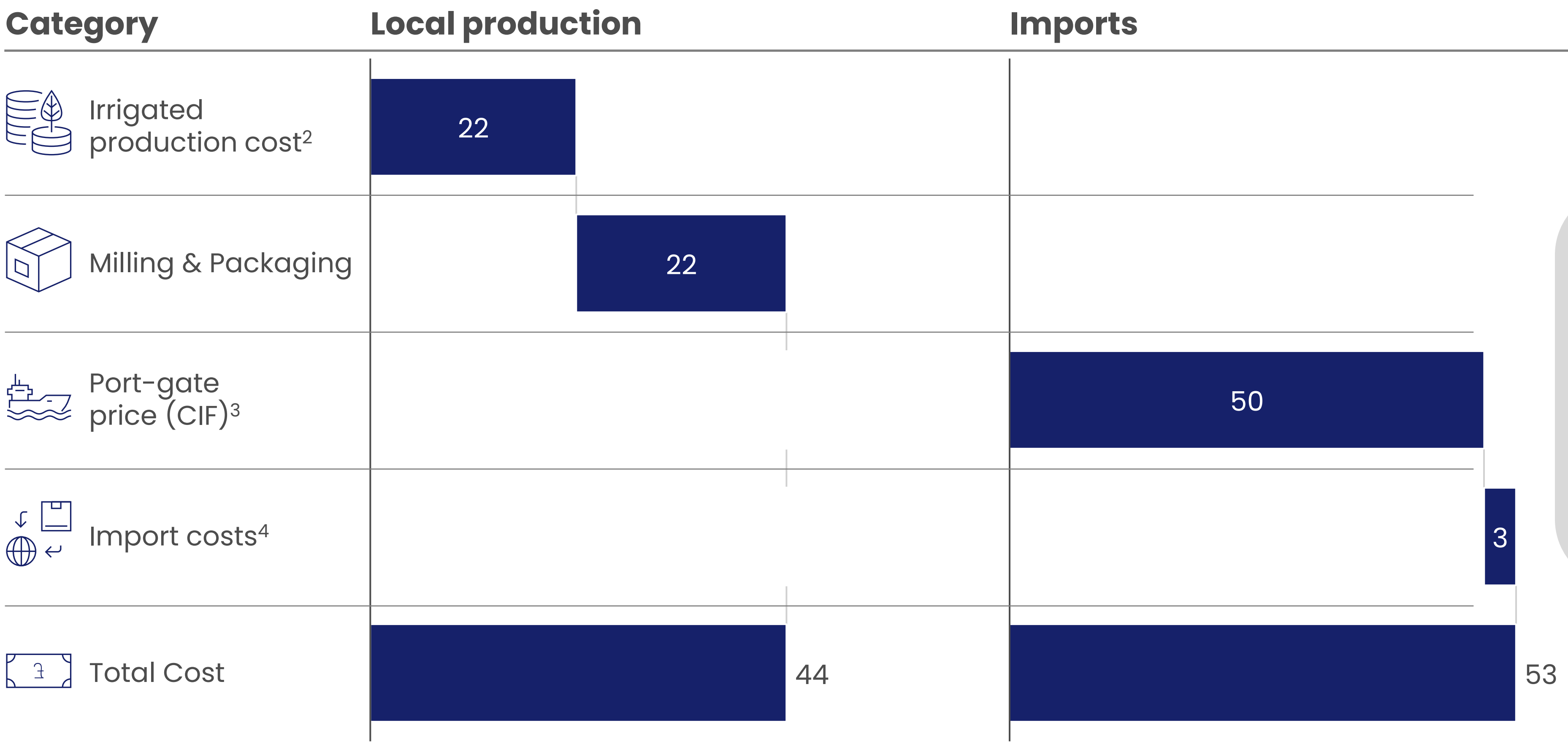


1. Government studies suggest there is 900,000 ha of land suitable for rice production in Mozambique, 70% of which is available for cultivation (626,918 ha)

Source: Production and marketing trends of Soybean in Mozambique, JICA, Beira Agricultural Growth Corridor

Locally produced rice has a ~18% total cost advantage compared to imports…

Rice cost to the supermarket[1], MZN per kg of milled rice



Insights

Local milled rice has a structural cost advantage at source, with production plus milling/packaging at ~44 MZN/kg versus ~53 MZN/kg for imported rice delivered to port, a **~18% lower base cost**

1. Production and import costs adjusted to 2024 inflation
2. Production cost considers average cost for irrigated rice cultivation and milling in Zambézia (e.g., agricultural inputs, labour and post-harvest)
3. Assumes average price for regular quality imported rice arriving at Mozambican ports
4. Includes bureaucracy (e.g., documents) and handling costs | 5. Considers selling cost (e.g., labour and dealer's margin)

Source: Coalition for African Rice Development (CARD) - Competitiveness Analysis of Local Rice to Imported Rice

… which is enhanced considering the price premium over imports due to local valorization of Mozambican rice attributes

Consumers show a preference for Mozambican rice, which can command a premium price

Brands | **Average price, 2026, MTZ per kg**

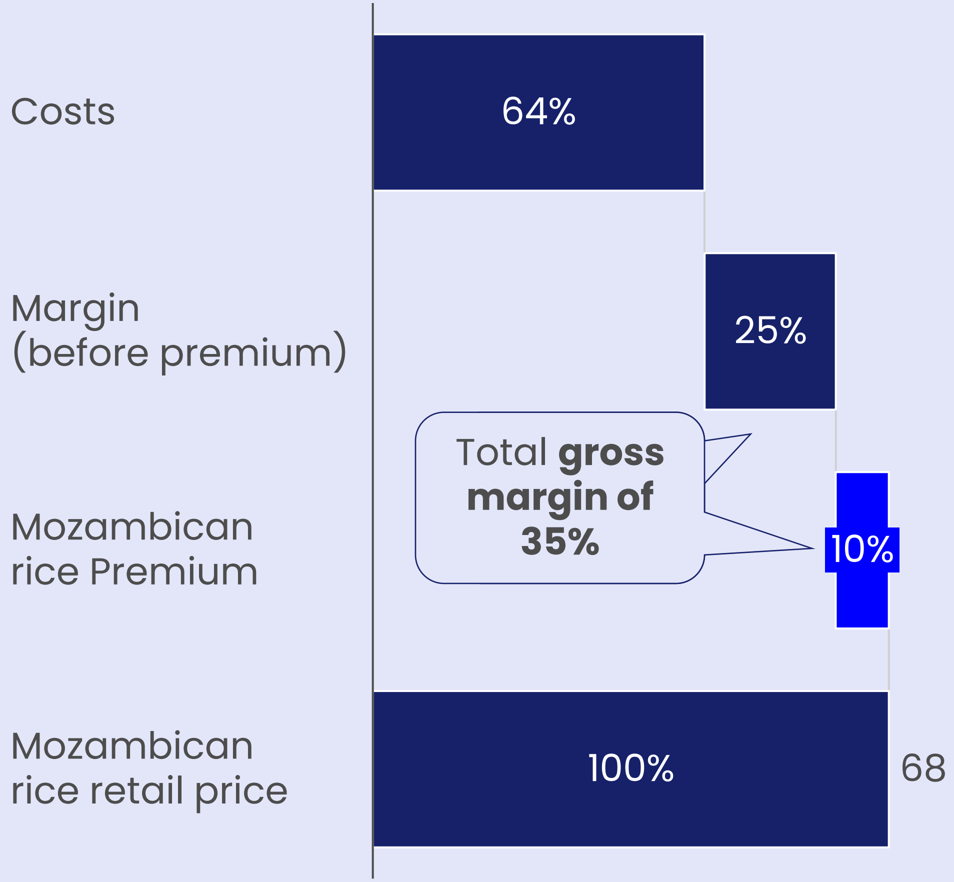
~10%

Premium for Mozambican rice over premium over medium-quality imported rice retail rice

Key qualities required to ensure premium capture

- High-quality reliability (e.g., aroma, stickiness and cooking performance)
- Cleanliness (e.g, absence of foreign matter)
- Premium appearance (e.g., translucent, uniform grain size)
- Consistent market availability

Resulting in **improved gross margins** for domestically produced rice



Five key pillars create structural advantages for a vertically integrated rice investment in Mozambique

Relevant market currently underserved…

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Despite visible interest from international investors, current rice FDI **only meet ~23% of required capacity to achieve self-sufficiency by 2044**

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Government commitment to **drive domestic production**, guaranteeing **institutional support and investment** to **enhance competitiveness** and **streamline investment processes**

Attractive business case…

5.

A strong and attractive business case, with **EBITDA of 25-30%, IRR of ~20-25%** and an estimated payback period of **4-5 years**

Government guarantees full support to investors to ensure the success of rice production as well as the industrial processing

Rice Seed

Stablish a **dedicated fast-track line** for rice seed certification and **guarantee timely and sufficient supply of preferred varieties of basic seeds** each season

Rice Production and Milling

Guarantee **~25 years of exploring rights** (incl. water-use rights) **to a 2,600 ha of agricultural land** near the Zambézia milling facility; the land should have **existing irrigation infrastructure** that may require rehabilitation

Enforce an **agribusiness reduced water tariff of 0.39MZN per m³ for ~25 years**, including commitment to perform any infrastructure rehabilitation required to ensure reliable access (e.g., dams and canals)

Grant access and operating rights for ~25 years to the Zambézia milling facility (50 ktpa installed capacity) reduce time to market and de-risk scale-up for international investors

Overarching Impact

Ensure application of current **reduced corporate tax for agricultural business of 10%** vs. the original 32% and application of **accelerated depreciation** (50% of useful life)

Ensure application of **0% import duties and VAT exemption**[1] on capital goods (e.g., irrigation and machinery) and agricultural inputs (e.g., fertilizers and herbicides) imports to reduce production costs

1. Typical import duty corresponds to 20% over CIF and VAT of 16% over the value post-import duty

Government's rice milling facility and productive land in the heart of Zambézia region could be leveraged for the investment play

Existing structure can be leveraged to quickly ramp-up operations

Storage facilities (paddy & milled rice)

Storage facility (husk)

Rice quality control laboratory

Rice milling facility

Key informations

- The Zambézia rice mill offers a ready-made entry platform with ~50 ktpa installed capacity and adjacent irrigated agricultural land to enable an end-to-end integrated operation
- Estimated rehabilitation investment required of ~$0.5–0.7M can quickly ramp-up operations

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A vertically integrated rice production and milling facility presents an attractive investment case with strong returns…

Economics for operationalizing Zambézia's vertically integrated rice production and milling

IRR

~30–35%

NPV

~$70–80 M

Payback time

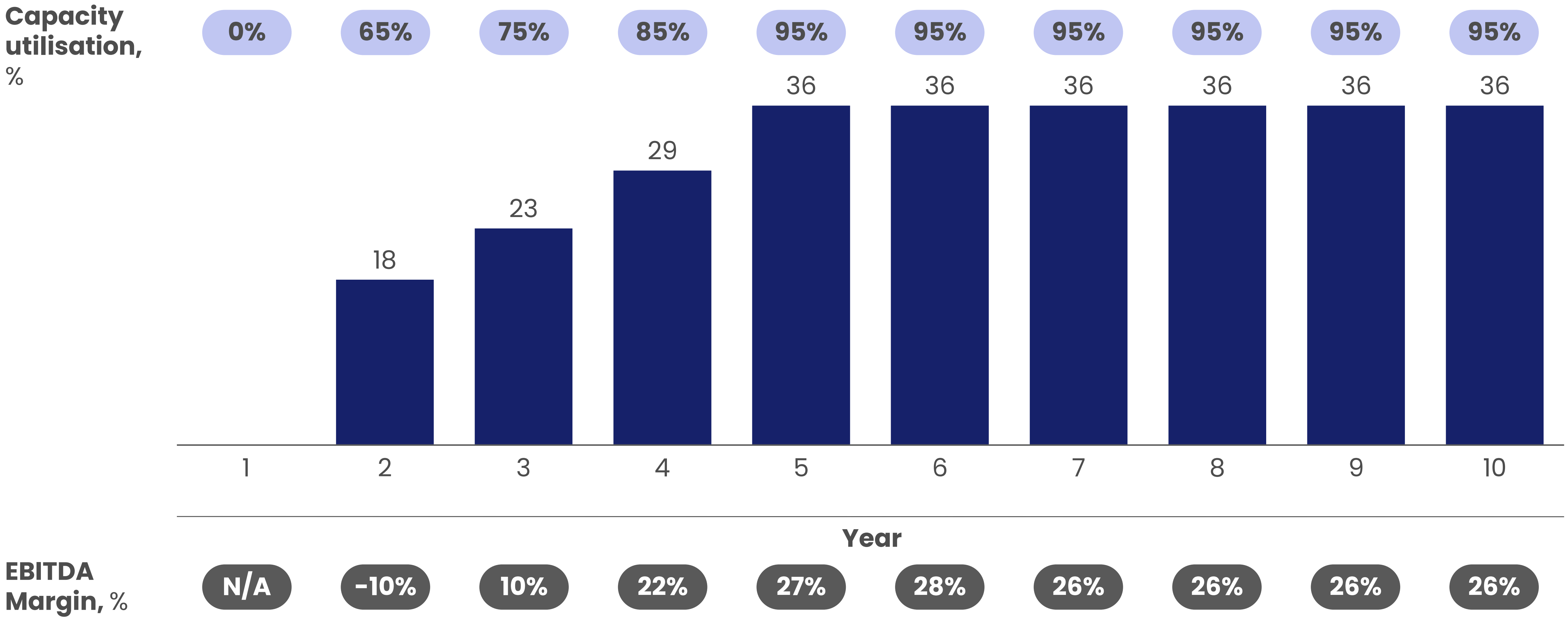
~5–6 years

CAPEX

~$16–18 M

...generating ~$35Mn in annual revenue at steady state, achievingng EBITDA margins of ~26%

Economics for a rice milling plant with 50 ktpa capacity, Rice milling revenue, USD M



1 Earnings Before Interest, Taxes, Depreciation and Amortization. Further margin details (i.e., EBIT and net profit) would require accounting for CAPEX depreciation and tax considerations

2 Internal Rate of Return. Based on nominal cash flows -- does not account for time value of money

Potential investors (1/2)

Company	Country	Description/ Relevance	Country of operations	Revenue, USD Bn	Presence in Sub-Saharan Africa
Wilmar	Singapore	Agribusiness group that operates a **globally integrated rice business** across Asia and selected African markets (e.g., Tanzania for production)	+50	70	✓ +9 more
Dangote	Nigeria	Agro-industrial company involved in **large-scale processing and export-oriented value chains**	13	15	✓ +8 more
Olam	Singapore	**Leading global rice merchant and integrated rice value chain player** across key producing regions such as Nigeria and Vietnam.	+60	42	✓ +2 more

1. Information not available

Potential investors (2/2)

Company	Country	Description/ Relevance	Country of operations	Revenue, USD Bn	Presence in Sub-Saharan Africa
CASL		**Leading cereal producer supporting Senegal's rice self-sufficiency and food sovereignty agenda**, as a large integrated rice producer in Senegal	1	25	✓
MTI INVESTMENT		Venture capital and impact investing company, taking long-term, active ownership stakes in **high-growth SMEs in East Africa with potential to become national or regional champions**	2	0.2	✓
KOM FOOD PRODUCTS		Agro-industrial company involved in **large-scale processing and export-oriented value chains**	1	N/A[1]	✓

1. Information not available

Across the 5 priority value chains, ~$200–240M of investment opportunities are identified across key projects

PRELIMINARY

Greenfield project · Brownfield project · Both project types

Value chain	Play	Rationale	Potential investees	Expected Investment, USD
Edible oils	100k t/y Standalone Crushing facility of soybean	Mozambique has ~900 ktpa refining capacity but <50% utilization, signaling structural overcapacity. Strategy should pivot to crude-oil import substitution via soybean crushing—the only oilseed with relevant domestic demand for oil and oilcake—with a potential ~$580M regional opportunity	meru, Moévo, Bakhresa Group, Olam Agri	15–20M
Cotton	Vertically integrated spinning to garments facility, with ~2kt/year of spinning capacity and 200,000 units	Prioritised as the next step in value addition, building on existing ginning capacity to convert lint into yarn locally and establish the necessary input base for PPE and uniforms manufacturing	jfs	25–30M
Rice	50k t/y E2E rice production, from certified seed production to rice milling	Reliable access to certified seeds and rice paddy feedstock are main bottlenecks for competitive rice production in Mozambique - thus a completely integrated play is the most viable one	ETG, MOZLAND	120–130M
Cashew	15k t/y Cashew raw kernel (shelled) play from aggregation to primary processing	Quality and production loss due to unfit aggregator operation, high export incentives and aggregator make it critical for players to control this step of the value chain; Lack of secondary processing (roasting) and storage infrastructure make it less-viable to produce roasted kernel	Permanuts	20–30M
Tourism	25-bed luxury hotel and 60-bed premium hotel with full-service amenities	Mozambique benefits from distinctive natural and cultural assets, enabling an integrated marine and wilderness proposition—combining a 2,700km Indian Ocean coastline, rich marine biodiversity and island destinations with inland national parks and frontier wilderness experiences	&Beyond, Singita Game Reserves	20–30M

1. Taking as an example the recent investment on Singita Lodge of ~120M USD

Manufacturing Africa: Mozambique Economic and Green Manufacturing Growth Strategy Report and UK Private Sector opportunity assessment

Cashew value chain investment case

March-April 2026

from the British people

This document has been funded by UK aid from the UK Government; however, the views expressed do not necessarily reflect the UK Government's official policies

www.manufacturingafrica.org

Vision for Mozambique’s cashew sector in 2044

For the country

Become the **top 3 exporter of processed cashew kernels in Africa** by shifting value capture from RCN exports to domestic primary processing—creating rural jobs, increasing FX earnings, and raising smallholder incomes through yields increase, stronger quality practices and traceable market access

For the industry

Scale Mozambique’s raw cashew kernel exports by ~7.5× (to ~48 ktpa) to become a top-3 African exporter, by expanding primary processing capacity to ~220 ktpa (assuming ~22% conversion yield). This will require ~1.8× growth in national raw cashew nut (RCN) production, with a shift away from RCN exports to **secure reliable, high-quality domestic feedstock for processors**

To achieve the National Vision for cashews, individual projects can be implemented in phases, starting with a cashew processing plant

Investment opportunities mapped for Cashew Industry:

A Establish the **biggest cashew processing plant in Mozambique**, with 15,000 t of total installed capacity

B **Expand the operations of** an established industrial cashew player in Mozambique, building a new facility in Nampula (15,000 t)

$22–26M
Investment required[1]

$20–23M
Annual revenue

500–600
Jobs created

<75,000
Smallholder farmers

Manufacturing Africa

1. Includes CAPEX investment and required working capital for year 1 operations

Five key pillars create structural advantages to support a cashew primary processing plant investment in Mozambique

A B | A | B

Attractive global export market…

1.

Cashew is a ~$9B global market growing ~5% p.a.

Mozambique's exports are scaling rapidly, yet **~84% of value remains in RCN**, leaving a **clear opportunity to move into processing and capture ~20–30%** value across the chain

Momentum to accelerate local processing…

2.

Mozambique can leverage regional momentum into FDI by **enforcing pro-processing cashew regulations and government industrial commitments,** leveraging underutilized installed capacity to quickly ramp up FDI

Distinct value proposition…

3.

Distinguished export proposition, combining **higher quality nuts, an off-season harvest window, and skilled processing labour,** which is supported by proximity to import markets (e.g., South Africa) and strong port access

Institutional commitments…

4.

Government commitment to **support agro-processing increase**, guaranteeing **institutional support** to **enhance competitiveness** and **streamline investment processes**

Attractive greenfield investment…

5.

A strong and attractive business case, with **EBITDA margin of 10-15%, IRR of 30-35%** and an estimated payback period of **4-5 years**

Investable local players …

6.

Attractive add-on investment to **scale an established cashew processor capacity by installing a new plant with +15 ktpa**, driving $20-23M incremental revenues

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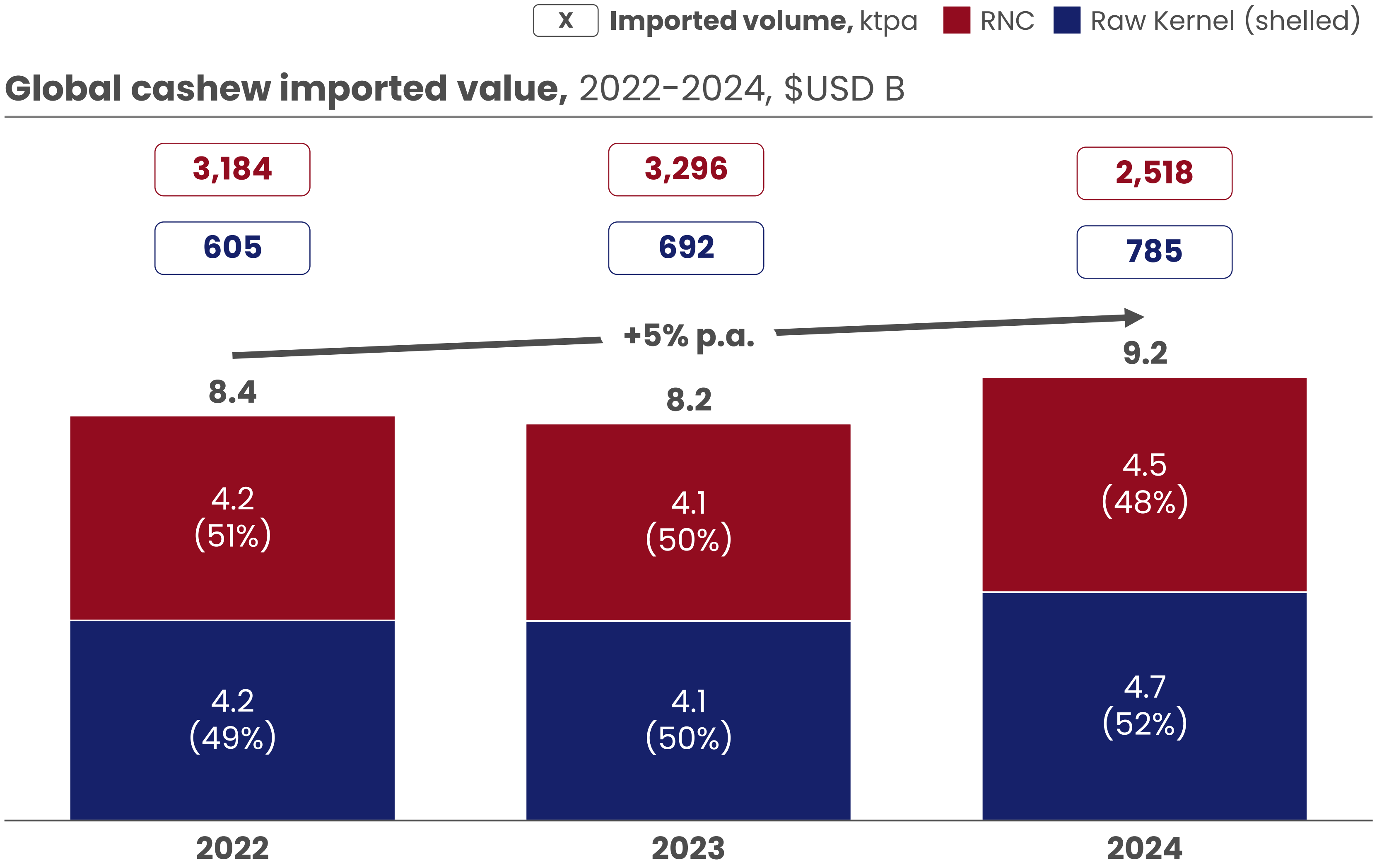
Global imports of RCN and Raw Kernel represents a ~$9B market, growing at a 5% p.a. over the past few years

Global cashew imported value, 2022-2024, $USD B



Key insights

Two main trends are driving demand for cashew:

- Consumer demand for **health-conscious snacking and plant-based proteins**
- **Stronger presence from emerging markets** (e.g., Middle East, South America, and Southeast Asia)

50%

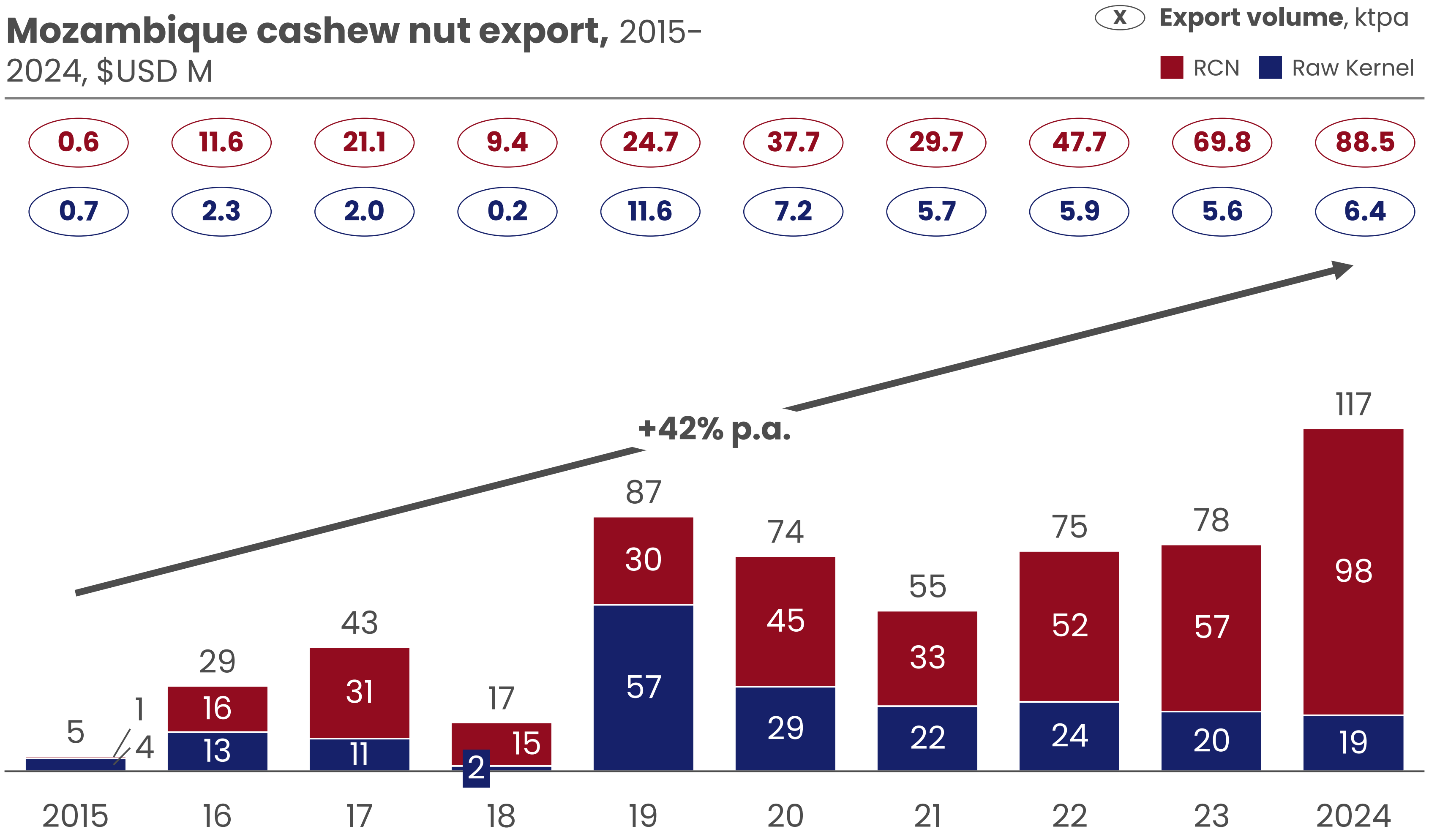
Of global raw kernel traded is destined to 5 countries: USA (23%), Germany (9%), Netherlands (7%), UAE (6%) and China (5%)

Source: TradeMap

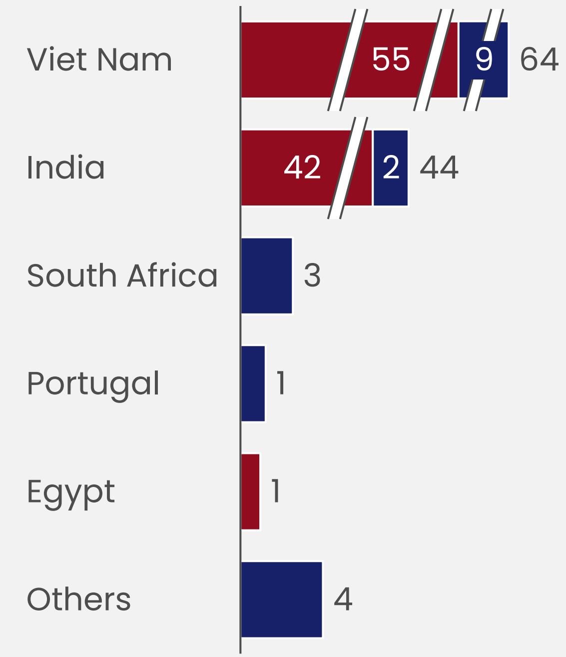
Mozambique cashew exports are growing rapidly, but 84% of the value generated relies on RCN exports…

Recent export growth was anchored on RCN exported volume

Mozambique cashew nut export, 2015-2024, $USD M



Main export partners, 2024, $USD M



Export of raw, shelled nuts can **expand Mozambique's trade partner network**

Source: TradeMap

… Indicating an opportunity to increase domestic value creation up to 30% by expanding cashew primary processing

Cashew Value Chain

	Cashew production	Aggregation and drying	Primary processing	Secondary processing
Cashew value chain	**Planting and cultivating Cashew orchards**, taking 3 years to yield fruits, and 5-8 years for high yields	**Drying and storage, critical step to mitigate aflatoxin development**, cause up to $450 M annually in crop losses in Africa	**Removal of toxic shell and skin, blanching, grading, and sorting** to prepare for sale or secondary processing	**Roasting and packaging** for retail and consumption
Share of value captured, %	5-10%	10-15%	20-30%	100[1]%

~85% of current export value in Mozambique

1. Value aggregation analysis considered consumer-level price for packaged Roasted Cashew, as it is the typical commercial level

Source: Sunflower and palm oil value chain analysis, TradeMap

Five key pillars create structural advantages to support a cashew primary processing plant investment in Mozambique

A B | A | B

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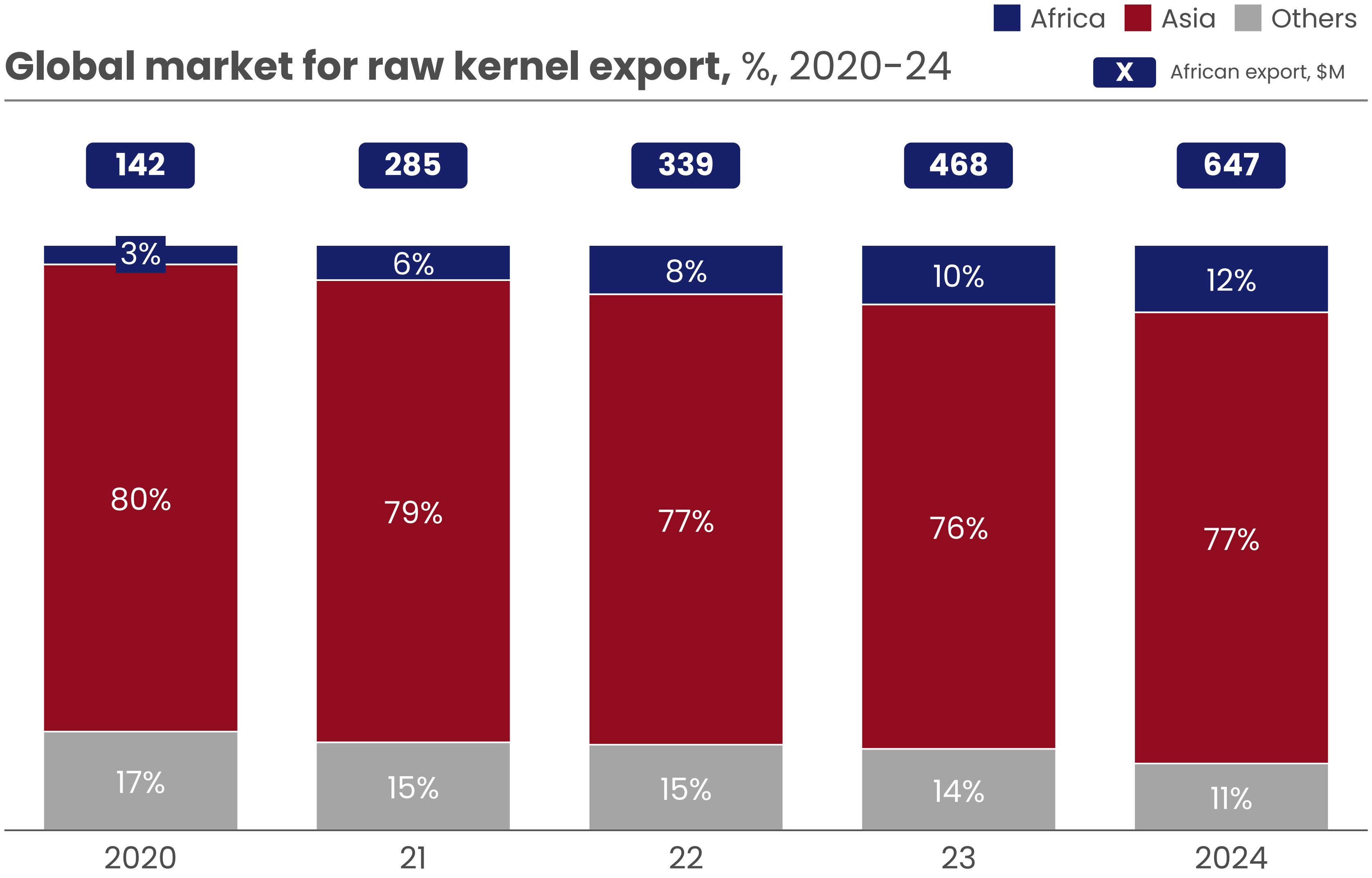
Attractive add-on investment to **scale an established cashew processor capacity by installing a new plant with +15 ktpa**, driving $20-23M incremental revenues

There is momentum for increased presence of African raw kernel on the global export market, achieving a 12% share in 2024

Global market for raw kernel export, %, 2020-24



Key insights

12%

global market share captured by African countries, generating 3.3x more value compared to 2015

There are 2 main **drivers to unlock rapid increase:**

- **Targeted government interventions** to support domestic processing
- **Global recognition** of African kernel **quality and food-safety**, enforced by certifications and adherence to international standards

Source: TradeMap, African Cashew Alliance

Regional peers are succeeding in accelerating domestic cashew processing, indicating a material opportunity for Mozambique

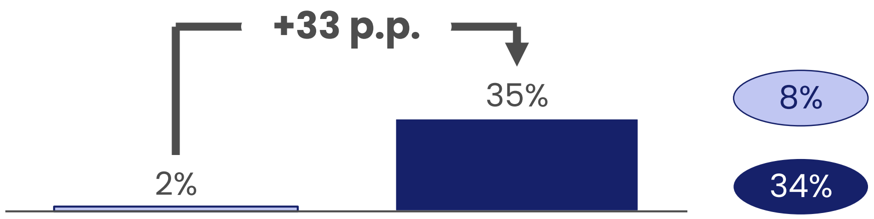
X% Raw Kernel share of cashew export, 2024, % | Baseline | 2024

Domestic processing share of total RCN[1], %

Policy year | **Country context**

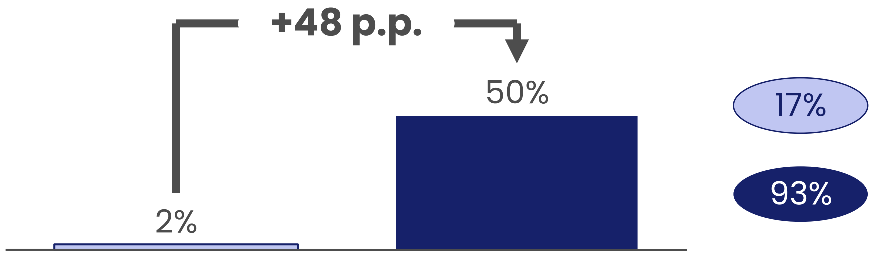
2013 — **Côte d'Ivoire**

Implemented **targeted governmental interventions** to increase and enable domestic processing capacity by 5,5x (350 ktpa)



2022 — **Benin**

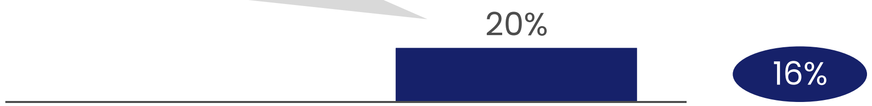
Introduced **export controls on RCN aligned with investment-attraction strategies** to drive domestic processing



2023-25 — **Mozambique**

Mozambique is **creating domestic momentum** by approving a new cashew law and national strategy to drive domestic processing

Mozambique is **already well positioned to accelerate domestic cashew processing**



1. Estimated by deriving total exported raw kernel volume transformed into RCN volume (considers an average of 22% processing yield), which is compared to FAOSTAT data on yearly production to result in approximated value on how much was processed domestically per year

Source: TradeMap, FAOSTAT, press research

New Mozambican law creates regulatory support for the cashew industry, but requires institutional commitment to full enforcement

DE diario

Celso Correia: "Nova Lei do Caju Estimula a Indústria Nacional e Promove as PME"

O ministro da Agricultura e Desenvolvimento Rural, Celso Correia, defendeu esta quinta-feira, 4 de Maio, a necessidade de aprovar a proposta de lei que altera a lei do caju, no sentido de assegurar quer o aumento da renda familiar dos produtores através da melhoria da qualidade e produtividade da castanha do caju, quer a geração de mais oportunidades de emprego no sector industrial e ao longo da sua cadeia de valor.

Segundo o governante, que esteve na Assembleia da República (AR) a apresentar a proposta para ser debatida em plenário, o novo instrumento prevê a reactivação da indústria do caju, que outrora já elevou o País a ser considerado um dos grandes produtores mundiais, com um pico de produção de 240 mil toneladas antes de registar o seu colapso nos anos 90 resultante das políticas do Banco Mundial.

"A presente proposta de lei vai seguramente consolidar o regime jurídico da cadeia de valor do caju, através da sua adequação às exigências actuais do mercado nacional e internacional, estimular a competitividade entre os actores e garantir a segurança e previsibilidade necessárias aos investidores", anuiu Celso Correia.

Para o governante, a lei n.º 13/99, de 1 de Novembro, foi concebida num contexto político e socioeconómico com especificidades próprias do momento e tinha como propósito responder aos desafios igualmente conjunturais do País e do subsector do caju. Para tal, a nova proposta inclui, entre outras inovações, o estabelecimento de políticas e regras para o fomento, produção, comercialização, processamento, exportação e importação do caju, assim como a isenção para exportação da amêndoa da castanha de caju crua.

Key changes to drive domestic processing

- **Increase tax levy[1] over FOB value of unprocessed exports to 22% on RCN** and 15% on cashew with peel – mandated that 20% of tax revenues is earmarked to support industry development
- **Priority access to RCN for domestic industry**, with non-industrial players having raw exports limited until domestic processing demand is met
- **Duty-free import of machinery, packaging and critical inputs for primary processing** aiming to improve returns for industrials investing in the country
- **Broader investment benefits for cashew industrials** (IRPC, VAT, customs incentives) under the national investment code and industrial parks/SEZ regimes

1. Processed cashew products (e.g., raw kernel or further processed) are exempt from additional export tax

Source: Boletim da República, IAM, Expert interviews

The 10-year National Cashew Plan creates material support to drive and enable cashew industrials in Mozambique

Objective

Promote **sustainable and competitive development** of the cashew value chain across three pillars:

- Cashew research
- Promotion and extension
- Cashew Industry and commercialization

Key targets

+12x of processing installed capacity by 2034 via plant construction and rehabilitation

~750 ktpa of RCN produced by 2035, with ~60% of it being processed domestically

Key enablers for cashew industrial development

Priority RCN access for industry

Industrials receive **two months of exclusive RCN sales** (Nov–Dec)

In parallel, IAM will operate **dedicated buying fairs to improve processors' access to high-quality nuts** (e.g., moisture, nut count)

Concessional finance for processors

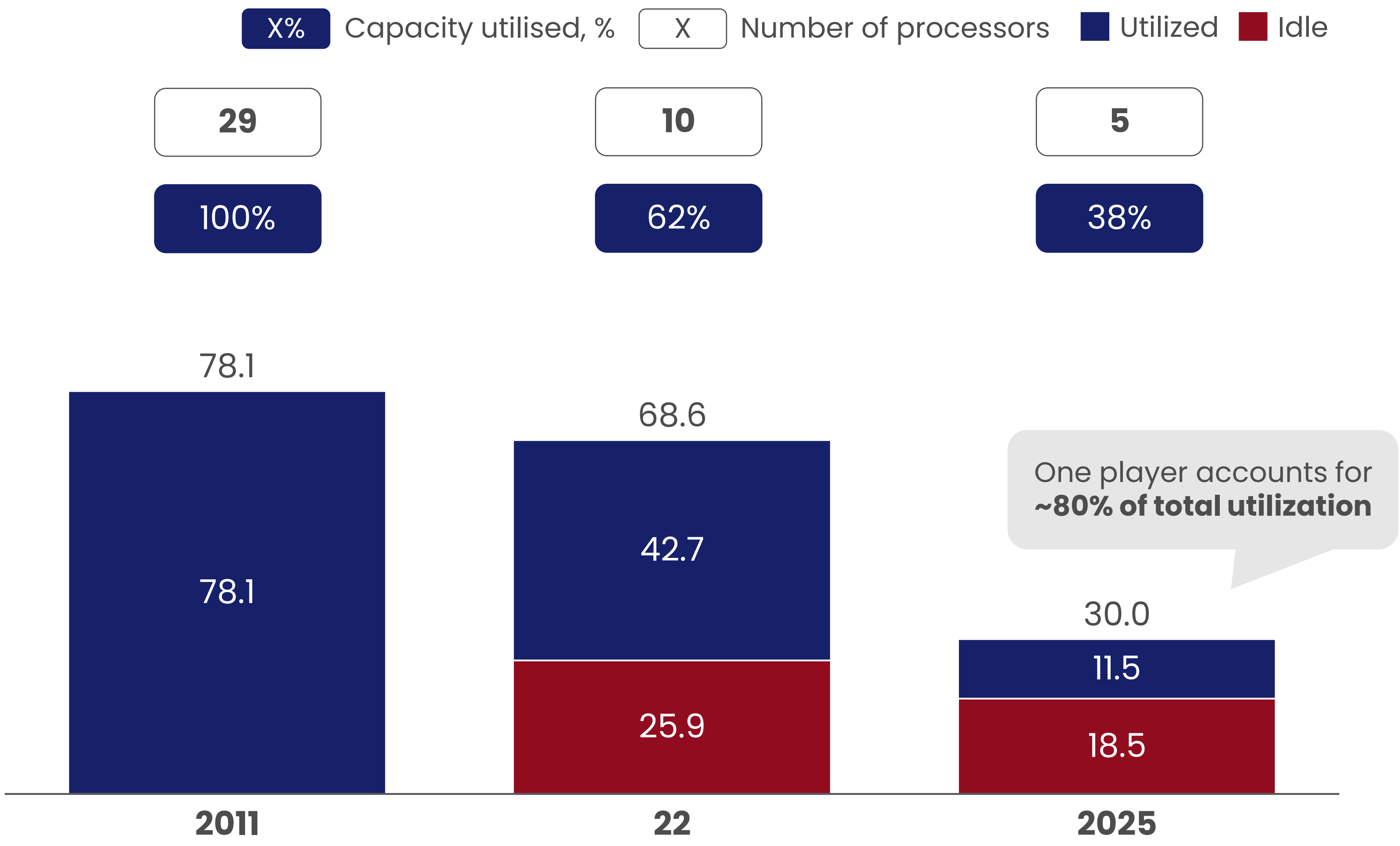
Partner with a private finance institution to define, manage, and oversee **dedicated financing mechanism for primary processors** (e.g., credit lines at ≤10% interest and potential grant for investments)

Sector digitization and traceability

Fully deploy the Connect Caju platform to **facilitate value-chain cooperation and enable full value-chain traceability**, valued in premium European markets

Today, Mozambique's cashew processing market has a significant gap, creating a clear entry opportunity for new players

Mozambique cashew primary processing capacity, ktpa



Key insights

- Mozambique has a **proven track record of industrial-scale cashew processing**, with capacity reaching ~78 ktpa in 2011
- International investors can ride domestic and regional raw kernel export momentum to enter Mozambique's **primary processing industry given headroom opportunity in the market**

Source: TechnoServe, Expert interviews

Five key pillars create structural advantages to support a cashew primary processing plant investment in Mozambique

A B | A | B

1. Attractive global export market…

Cashew is a ~$9B global market growing ~5% p.a.

Mozambique's exports are scaling rapidly, yet **~84% of value remains in RCN**, leaving a **clear opportunity to move into processing and capture ~20–30%** value across the chain

2. Momentum to accelerate local processing…

Mozambique can leverage regional momentum into FDI by **enforcing pro-processing cashew regulations and government industrial commitments,** leveraging underutilized installed capacity to quickly ramp up FDI

3. Distinct value proposition…

Distinguished export proposition, combining **higher quality nuts, an off-season harvest window**, **and skilled processing labour,** which is supported by proximity to import markets (e.g., South Africa) and strong port access

4. Institutional commitments…

Government commitment to **support agro-processing increase**, guaranteeing **institutional support** to **enhance competitiveness** and **streamline investment processes**

5. Attractive greenfield investment…

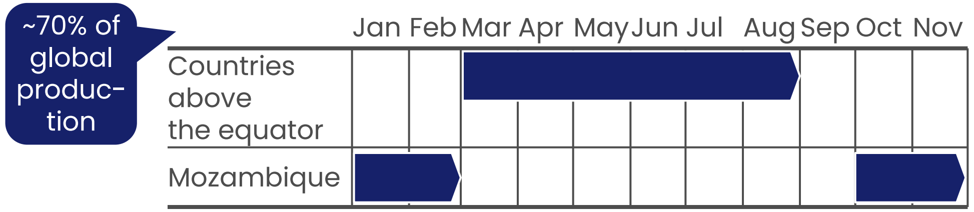
A strong and attractive business case, with **EBITDA margin of 10-15%, IRR of 30-35%** and an estimated payback period of **4-5 years**

6. Investable local players …

Attractive add-on investment to **scale an established cashew processor capacity by installing a new plant with +15 ktpa**, driving $20-23M incremental revenues

Mozambique combines distinguished competitive advantages to support local primary processing for exports

Key sources of competitiveness for Mozambique in cashew production and processing

Dimension	Mozambique	Key insights
High-quality cashew nut	**Mozambique sits in a high-performance cashew belt,** with lower pellicle (testa) weight supporting higher kernel yield	Mozambique nuts have **~10% pellicle share vs ~25% in Côte d'Ivoire varieties**, enabling more value creation (i.e., raw kernel) per RCN purchased
Strategic harvest season	Cashew harvests occur when West African and Asian peak supply fades, creating a **lever for qualified raw kernel export to bridge off-season global demand**	
Skilled labour	The historical presence in cashew production and processing translates into **existence of experienced workforce for factory operations and machinery handling**	Peers such as Côte d'Ivoire often face **shortages of technically skilled labour, impacting quality and efficiency**
Strategic export location	**Proximity to South Africa and access to strong port infrastructure** (including Maputo) improves route economics and delivery reliability	Many regional exporters rely on **longer maritime routes, increasing time and cost and compressing margins**

Manufacturing Africa

Source: African cashew alliance, expert interview, press search

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Government guarantees full support to investors to ensure the success of rice production as well as the industrial processing

RCN Sourcing

Enforce the **higher RCN export levy (22%),** with an earmark 20% of revenues for sector development, including an **industrial loan-guarantee fund**

Guarantee **two months of exclusive RCN sales to domestic processors** (Nov–Dec) and run **cashew-dedicated buying fairs to improve processors' access** to high-quality nuts (e.g., moisture, nut count)

Guarantee **~25 years of exploring rights to a 15,000 m² of land** in the Nacala SEZ for construction of cashew processing plant

Cashew processing

Offer a more **competitive financing package for cashew** industrials by deploying dedicated credit lines at ≤10% interest, reducing mandatory FX conversion to ≤30% (vs 50% today), and providing targeted investment incentives

Ensure application of current **reduced corporate tax for agricultural business of 10%** vs. the original 32% and application of **accelerated depreciation** (50% of useful life)

Ensure application of **0% import duties and VAT exemption**[1] on capital goods (e.g., machinery) imports to reduce production costs

1. Typical import duty corresponds to 20% over CIF and VAT of 16% over the value post-import duty

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A cashew primary processing facility presents an attractive investment case with strong returns…

Economics for a cashew primary processing plant with 15 ktpa capacity

IRR
~30–35%

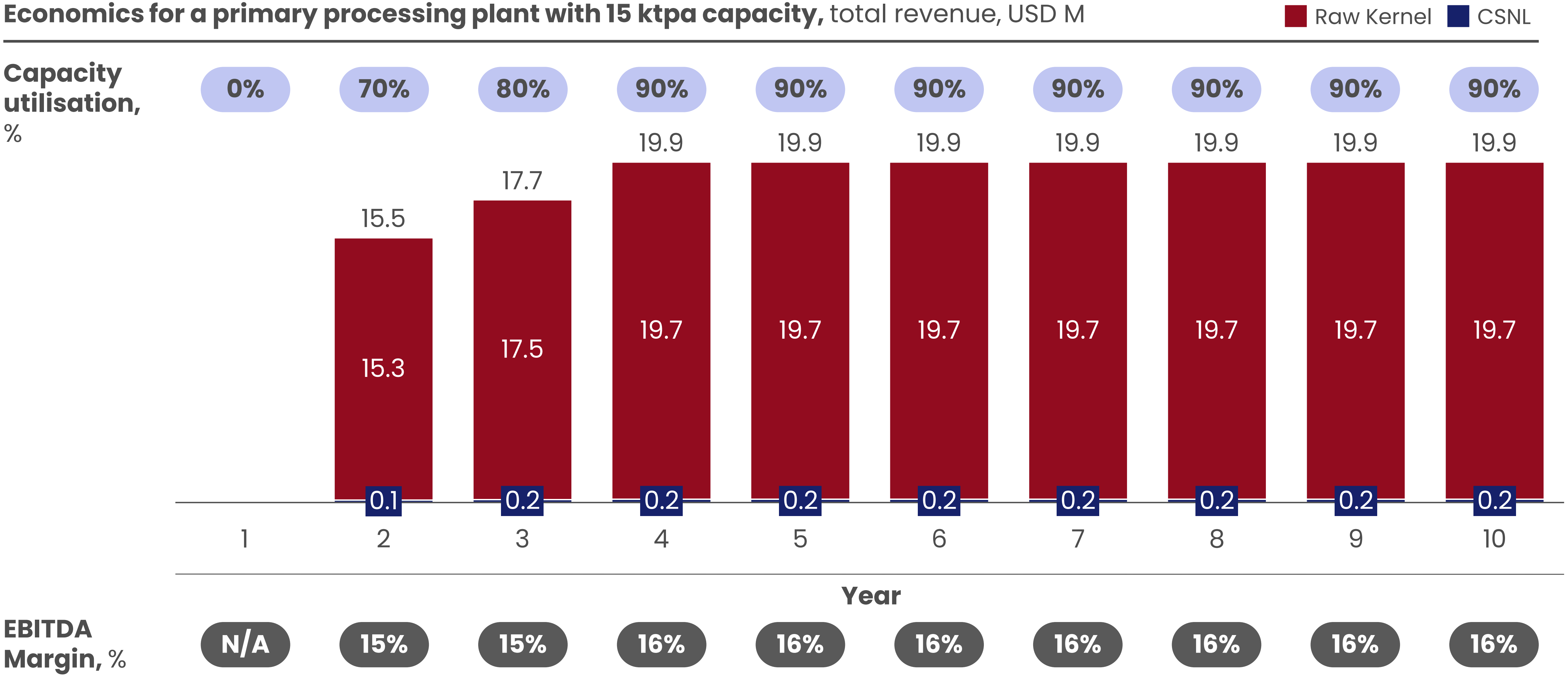
NPV
~$25–30 M

Payback time
~4–5 years

CAPEX
~$8–9 M

...generating ~$18Mn in annual revenue at steady state, achieving EBITDA margins of ~19%

Economics for a primary processing plant with 15 ktpa capacity, total revenue, USD M



1 Earnings Before Interest, Taxes, Depreciation and Amortization. Further margin details (i.e., EBIT and net profit) would require accounting for CAPEX depreciation and tax considerations
2 Internal Rate of Return. Based on nominal cash flows -- does not account for time value of money

UKaid from the British people Manufacturing Africa

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Permanuts is Mozambique's leading cashew processor, combining strong growth with scaled impact since 2017…

Permanuts®

Company snapshot

Permanuts is a single-origin cashew platform with a mission to supply the food industry with **high-quality, ethically processed nuts and a lower carbon footprint**

Ethical RCN procurement

+50,000 smallholder farmers engaged for RCN procurement across Mozambique, under a strong regional tradition where nut buying is crucial for family income

Primary processing

10 ktpa installed capacity at proprietary plant in rural Mozambique, which **reduces carbon footprint** relative to the traditional model where nuts are shipped in shell to distant processors

+500 employees, with a significant part of the Mozambican factory workforce made up of **women working along the cashew value chain**

Globally certified on food safety

BRCGS Food Safety CERTIFICATED

IFS Food

E2E traceability

At district-level, offering clear provenance **valued by premium buyers**

Commitment to social impact, providing on-site kindergarten for the **children of factory working mothers**

Opportunity to partner with Permanuts to scale cashew processing in Mozambique with an attractive return profile

Economics for an additional 15 ktpa cashew primary processing plant

Permanuts®
The pure taste of nature

brings 10+ years of proven cashew procurement and processing expertise in Mozambique, with a trusted network of farmers and aggregators to secure high-quality RCN sustainably and ethically

A new processing facility anchored can leverage its operating know-how and sourcing relationships, accelerating ramp-up and de-risking performance

IRR **~25-30%**	NPV **~$25-30 M**
Payback time **~5-6 years**	CAPEX **~$8-9 M**

Across the 5 priority value chains, ~$200–240M of investment opportunities are identified across key projects

PRELIMINARY

Greenfield project · Brownfield project · Both project types

Value chain	Play	Rationale	Potential investees	Expected Investment, USD
Edible oils	100k t/y Standalone Crushing facility of soybean	Mozambique has ~900 ktpa refining capacity but <50% utilization, signaling structural overcapacity. Strategy should pivot to crude-oil import substitution via soybean crushing—the only oilseed with relevant domestic demand for oil and oilcake—with a potential ~$580M regional opportunity	meru, Moëvo, Bakhresa Group, Olam Agri	15–20M
Cotton	Vertically integrated spinning to garments facility, with ~2kt/year of spinning capacity and 200,000 units	Prioritised as the next step in value addition, building on existing ginning capacity to convert lint into yarn locally and establish the necessary input base for PPE and uniforms manufacturing	jfs	25–30M
Rice	50k t/y E2E rice production, from certified seed production to rice milling	Reliable access to certified seeds and rice paddy feedstock are main bottlenecks for competitive rice production in Mozambique - thus a completely integrated play is the most viable one	ETG, MOZLAND	120–130M
Cashew	15k t/y Cashew raw kernel (shelled) play from aggregation to primary processing	Quality and production loss due to unfit aggregator operation, high export incentives and aggregator make it critical for players to control this step of the value chain; Lack of secondary processing (roasting) and storage infrastructure make it less-viable to produce roasted kernel	Permanuts	20–30M
Tourism	25-bed luxury hotel and 60-bed premium hotel with full-service amenities	Mozambique benefits from distinctive natural and cultural assets, enabling an integrated marine and wilderness proposition—combining a 2,700km Indian Ocean coastline, rich marine biodiversity and island destinations with inland national parks and frontier wilderness experiences	&beyond, Singita Game Reserves	20-30M

1. Taking as an example the recent investment on Singita Lodge of ~120M USD

Manufacturing Africa: Mozambique Economic and Green Manufacturing Growth Strategy Report and UK Private Sector opportunity assessment

Tourism value chain investment case

March-April 2026

UKaid from the British people

This document has been funded by UK aid from the UK Government; however, the views expressed do not necessarily reflect the UK Government's official policies

www.manufacturingafrica.org

Vision for the Tourism sector in Mozambique

For the country

Position Mozambique as a **top-5 Sub-Saharan African destination** by scaling a **luxury and premium leisure travel platform** anchored on its safari, adventure, beach, and other nature-based assets

For the industry

Grow international tourist spend more than 5x to reach a top-5 position **focused on attracting high-ticket, luxury leisure travelers** by scaling hospitality infrastructure, services and tours in **strategic destinations across the country and increasing management effectiveness of PA system**

Vision for tourism can be achieved by deploying different project profiles targeting priority tourism development areas

Investment opportunities mapped for Tourism

A

Develop a **25-bed luxury hotel with integrated high-end guest services** and annual capacity of ~9,000 room-nights

$10-15M
Initial investment required[1]

~$5M
Annual revenue[2]

~50
Jobs created[3]

B

Develop a 60-bed premium hotel with full-service amenities and annual capacity of ~22,000 room-nights

$10-15M
Initial investment required[1]

$7-8M
Annual revenue[2]

~100
Jobs created[3]

The opportunities were structured using a "hotel-in-a-box" model

- Investment opportunities structured as replicable, area-agnostic models that are not tied to a single location
- Standardisation of the core concept, service offer, and financial profile so each model can be deployed across multiple priority tourism areas with minimal redesign
- This model is intended to raise investment conversion by giving investors a proven, transferable blueprint, lowering the barrier to commitment

1. Includes CAPEX investment and required working capital for year 1 operations

Additionally, a longer term goal could be to develop a coutada, potentially driving additional investment for Tourism

As an **additional investment play, developing a coutada** – a large conservation concession with significant tourism potential – could be considered.

This is attractive because it **combines sizeable land parcels, unique nature assets, and**, potentially**, an established operator** that lowers execution risk and provides a platform for phased development beyond the core hotel

Coutada Name	**Coutada Area,** kha	**Presence of Operator**
1 Coutada Oficial Nº9	376	✓
2 Coutada Oficial Nº7	477	✓
3 Coutada Oficial Nº4	302	
4 Coutada Oficial Nº13	471	
5 Coutada Oficial de Nicage	62	
6 Coutada Oficial de Mulela	96	
7 Coutada Oficial de Marangira	270	✓
8 Coutada Oficial de Lureco	230	

2,284

Kha of land available for concessional development within priority tourism areas, within 8 coutadas

1,123

Kha of of developable land available within coutadas, located in areas where an operator is already established

The investment into a premium and luxury hotel projects is supported by 6 key pillars

1 Relevant domestic and regional markets…

Global tourism is rebounding to a **~$1.6T market**

Luxury leisure is a **rising trend across African countries Within luxury travel,** with Safari & Adventure as the largest segment (~33% of luxury)

2 Mozambique offers a unique value proposition in key areas…

Mozambique has a unique set of natural endowments that uniquely position it for a premium, low-volume and nature-based tourism

There are **8 priority tourism areas identified**, including selective zones still offering white space for luxury development

3 Momentum is here for Tourism in Mozambique.

Tourism is in the **centre of Mozambique's growth agenda,** focused on destination-led growth in flagship areas such as Vilankulos and Bazaruto

Investor confidence is already material, with >$1Bn in tourism investments, mostly anchored on protected areas

4 Relevant Partners on Protected areas are open to support…

Priority tourism zones are anchored in national parks; concession operators are actively providing an **execution-ready platform to encourage partnerships** to generate sustainable revenue for park management and conservation

5 Institutional commitment to value addition…

Government commitment to drive the growth of the tourism sector, guaranteeing **institutional support and investment** to **facilitate and streamline investment processes**

6 Attractive business cases…

Two strong and attractive business cases, with **EBITDA margin of 30%, IRR of ~20-25%** and an estimated payback period of 6-7 years

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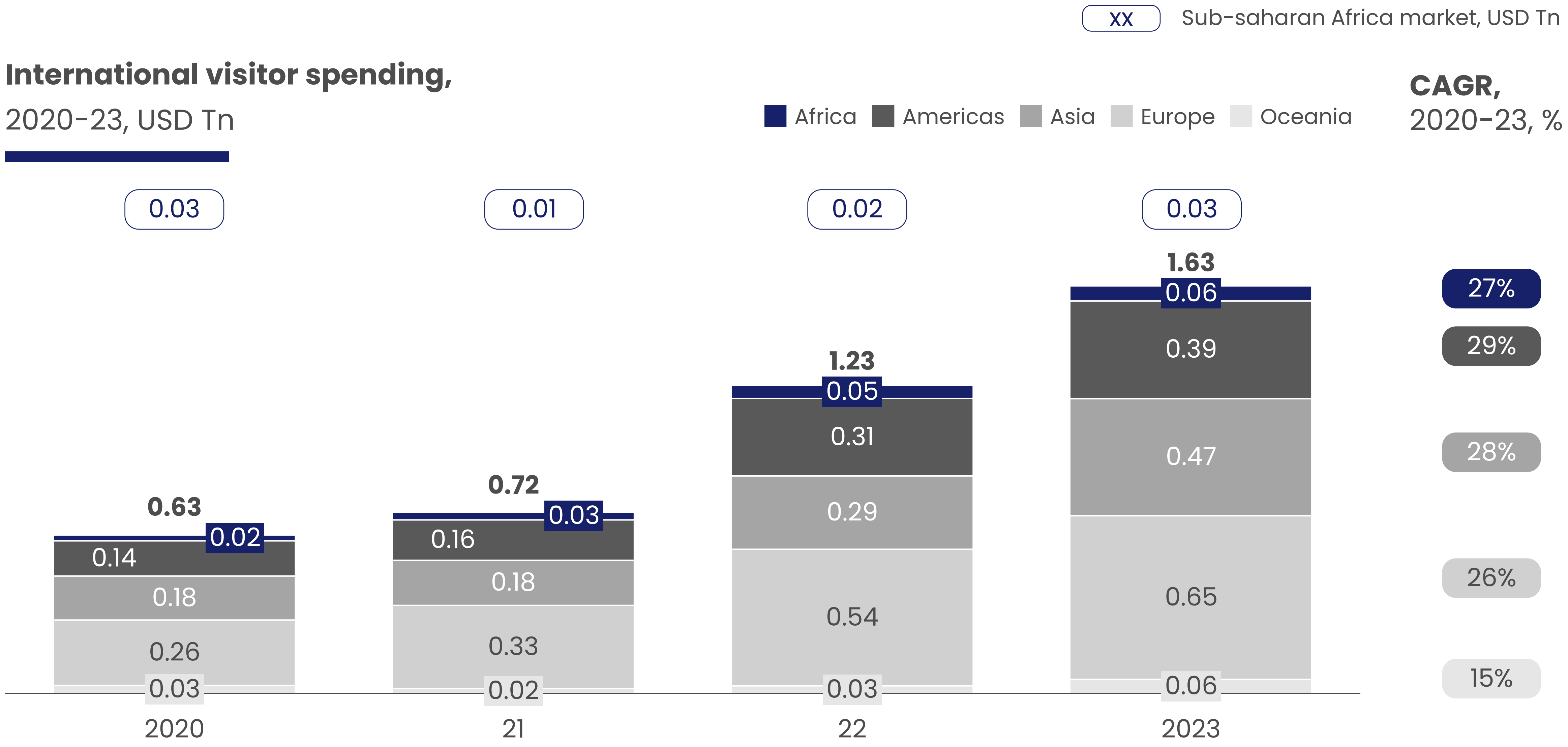
Global tourism market represents a recovering $1.6 Tn market, with increasing participation of Sub-Saharan African countries



Source: UN Tourism

Main international destinations within Sub-Saharan Africa have clearly defined travel value propositions

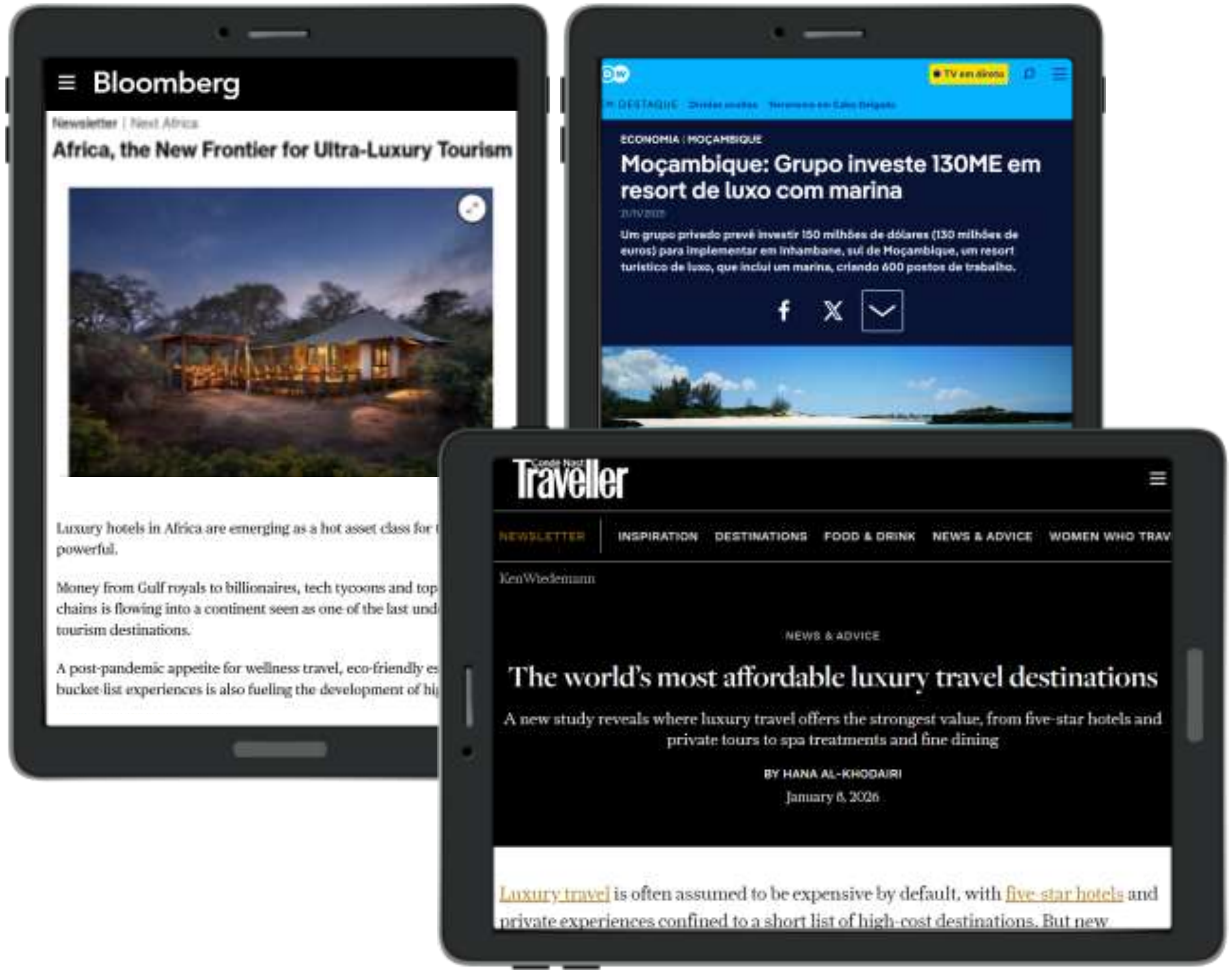
Top 5 Sub-Saharan African destinations

XX Tourists[1], # M

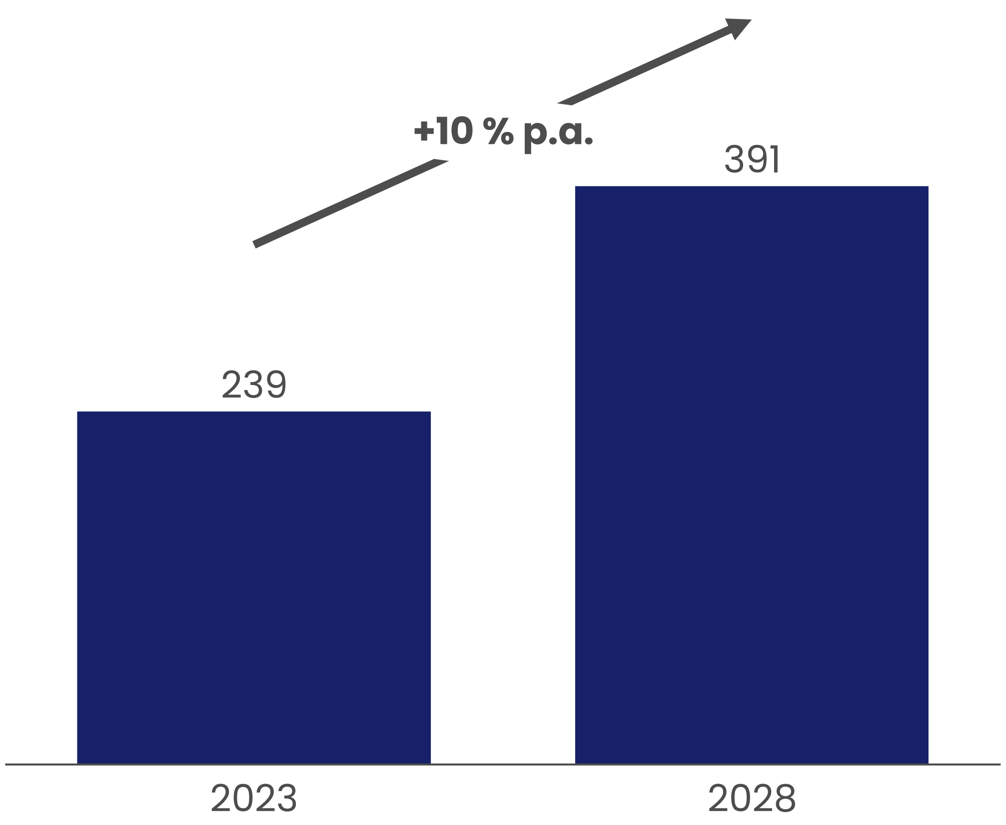
Sub-Saharan African destinations, 2023, USD Bn		Tourists[1], # M	**Main type of traveler[2]**	**Main travel purpose per country**
South Africa	6.0	5.7	Mid-range	**Leisure** focused on **safari and adventure tourism** (e.g., hiking)
Ethiopia	5.0	0.9	High-end	**MICE[3] Business** travelers
Tanzania	3.4	1.0	High-end	**Leisure** with dual proposition of **safari and beach tourism**
Mauritius	2.2	1.0	High-end	**Leisure** focused on **beach tourism** (e.g., celebrations and wellness)
Kenya	1.7	1.5	Mid-range	**MICE[3] and leisure** with dual proposition of **safari and beach tourism**
Mozambique	0.3	0.5	Mid-range	**Leisure** with dual proposition of **safari and beach tourism**

1. Considers the latest data available per country, 2022 for South Africa, Ethiopia, Mauritius and Kenya, and 2021 for Tanzania and Mozambique
2. Consider average spend per traveler in 2023 to identify traveler average spend-profile per country
3. Meetings, Incentives, Conferences, and Exhibitions

Luxury travel is a segment that has increasing relevance in Africa, which can create an opportunity given expected market growth



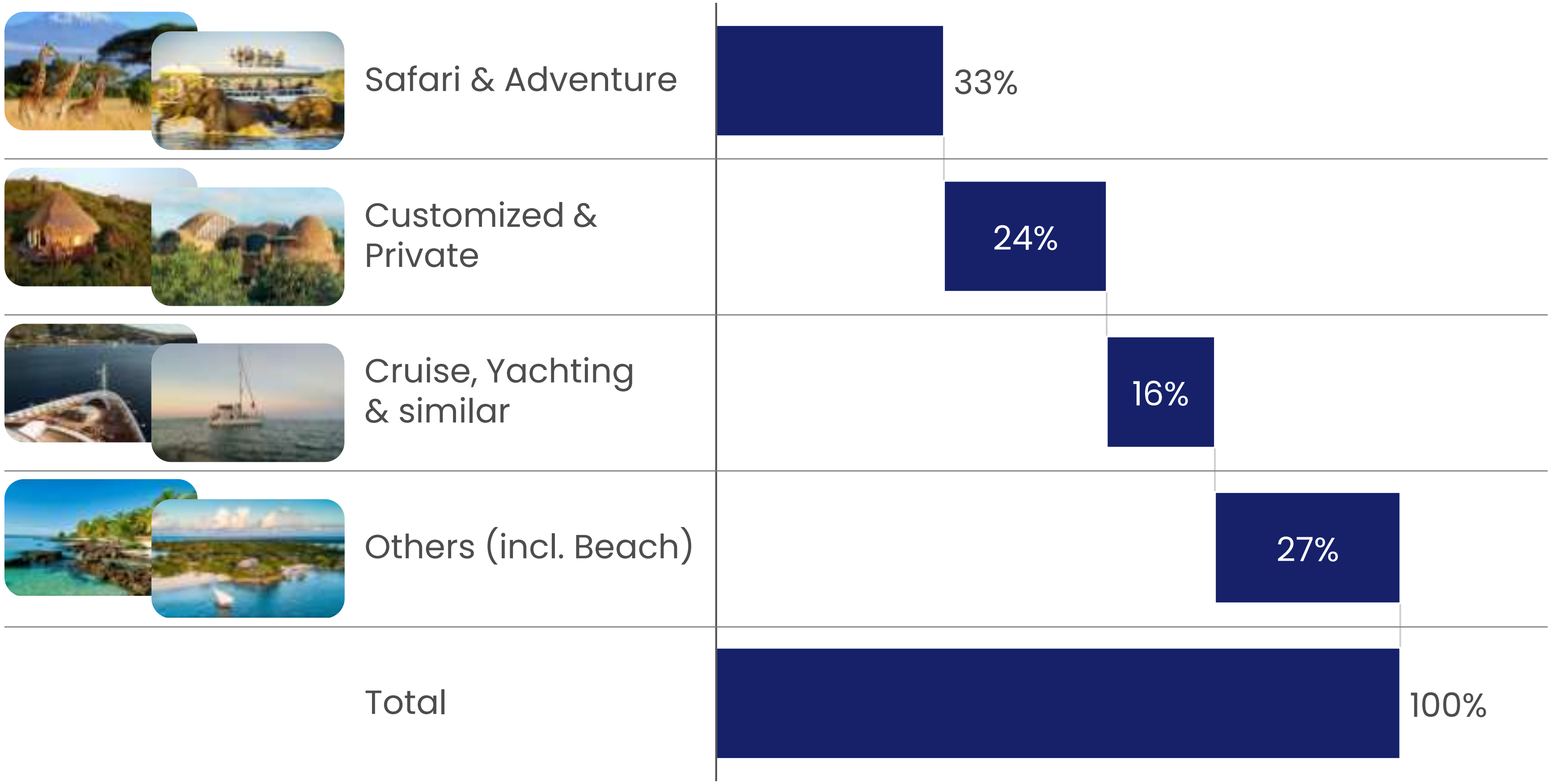
Luxury leisure hospitality spending, projected growth, 2023-28, USD Bn



Source: Updating perceptions about today's luxury traveler, Press search

Safari&Adventure is the most representative segment of Luxury tour types, creating headroom opportunity for African markets

Luxury travel spend per category,
2025, % of total



Key insights

- Luxury travelers are increasingly prioritizing **experience-led, novelty-driven trips** and are ~2× more likely to choose exotic, adventure-focused vacations than regular travelers
- This segment consistently values **adventure, exclusivity, sustainability, authenticity, and comfort,** creating strong demand for premium nature-based propositions

Source: Updating perceptions about today's luxury traveler, Luxury Travel Market (2026 - 2033)

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Mozambique’s competitive advantages positions it with a unique set of characteristics for a Tourism value proposition

PRELIMINARY **TO BE VALIDATED**

Extensive and rich coastline

Africa’s **longest Indian Ocean coastline at ~2,700 km**, with coral reefs, mangroves, seagrass meadows, and turquoise beaches

Dual Big 5 proposition

Africa’s only country to host a **unique combination of Marine Big Five** (i.e., whale shark, dugong, manta ray, turtle, dolphin) with the **Terrestrial Big Five** inland (e.g., Zinave National Park)

Protected area backbone

36 KBAs[1], split into national parks (~29% of land protected) and marine protected areas (4% of maritime area) enable **high-value, low-volume eco-tourism and biodiversity protection**

UNESCO cultural heritage

Ilha de Moçambique is a UNESCO World Heritage Site, with **Maputo National Park** recently nominated as a World Heritage Site

Proximity to nearby hubs

Close to **cross-border tourism hotspots** (e.g., Kruger), enabling **multi-destination circuits and higher capture of regional travel flows**

Wilderness and frontier state

Largely **untapped frontier destination with low visitation and vast wilderness areas,** enabling distinctive, authentic experiences and room to scale sustainable

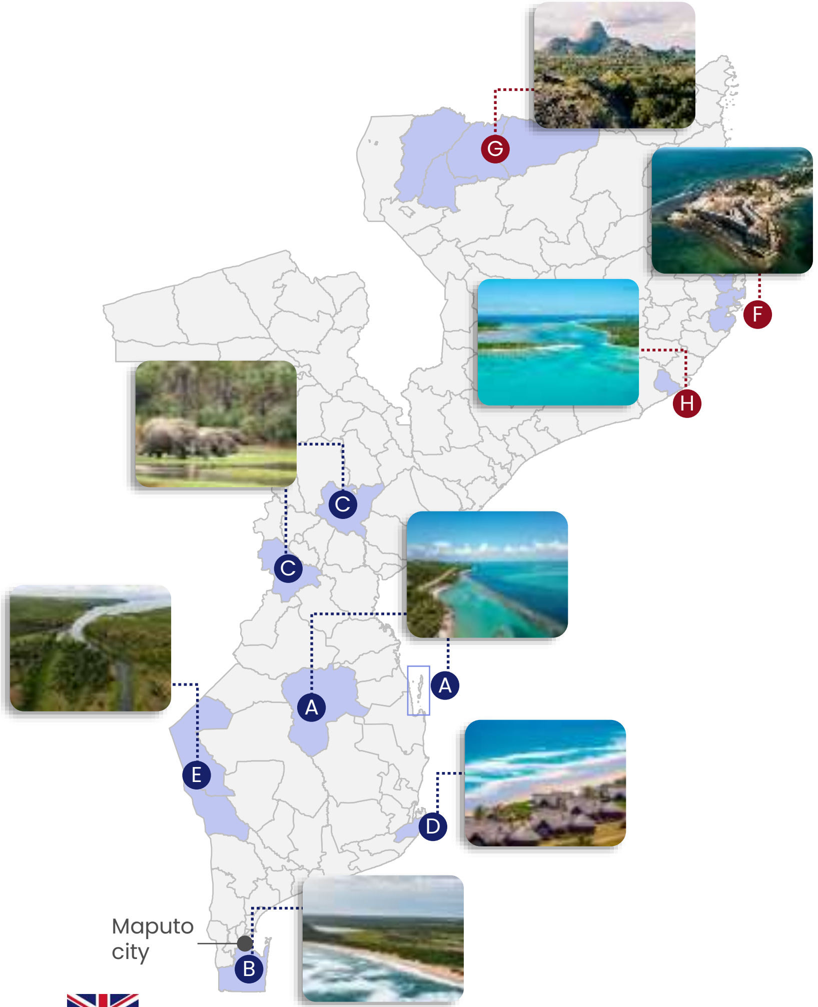
1. Key Biodiversity Areas

There are 8 main potential touristic areas considering uniqueness and strategic alignment

PRELIMINARY

Island hopping | Beach | Cultural and Heritage | Diving | Safari | Mountain and adventure | X Shorter term priority tourism areas | X Longer term priority tourism areas

Potential touristic areas



Area	Area Name	Touristic potential
A	Vilankulos + Bazaruto + PN Zinave	Beach, Island hopping, Diving, Safari
B	Maputo (City + Maputo National Park + Ponta do Ouro)	Beach, Cultural and Heritage, Diving, Safari
C	Gorongosa / Chimanimani	Safari, Mountain and adventure
D	Inhambane e Tofo	Beach, Cultural and Heritage, Diving
E	Limpopo National Park	Safari
F	Nacala Cluster (Ilha de Moçambique + Mossuril)	Beach, Cultural and Heritage, Diving, Island hopping
G	Niassa	Safari, Mountain and adventure
H	Arquipélago das Primeiras e Segundas	Beach, Island hopping, Diving

The 8 Priority tourism areas were identified based on a combination of **infrastructure readiness**, **nature uniqueness**, and **strategic positioning,** including access, existing hotel base, safety, endemism, biodiversity density, nature attraction, beaches, destination awareness, and proximity to cross-border tourism flows

Out of the 10 tourism zones, there are 8 areas that could be considered as potential investment locations

PRELIMINARY

X Deprioritized due to saturation | Low | Mid | High

Shorter term priority tourism areas	Zone	Offer saturation[1]	Access	Premium offer	Luxury offer	Context
Vilankulos + Bazaruto + NP Zinave	1 Vilankulos	Mid	High	✓	✗	Long coastline with room for additional hotels, but limited opportunities to differentiate a true luxury experience, even though access is good
	2 Bazaruto	Low	High	n/a	n/a	Effectively no remaining space for new premium or luxury developments; the high-end offer is already saturated
	3 NP Zinave	High	Mid	✓	✓	Although there are no contracts in place yet, at least one luxury-focused operator has shown clear interest in the area
Maputo (City + NP Maputo + Ponta de Ouro)	4 City	Low	High	n/a	n/a	Currently saturated from a hotel offering standpoint, with the other zones with greater potential to explore
	5 NP Maputo	Mid	High	✓	✓	Selective, higher-end development space remains, i.e., 2 to 3 locations with potential for commercial exploration
	6 Ponta do Ouro	Mid	Mid	✓	✗	Selective locations located slightly on North of the main town with space for a premium offering
NP Gorongosa + NP Chimanimani	7 NP Gorongosa	Mid	Mid	✓	✓	Already hosts one or two hotels, and there is still room for an additional property
	8 NP Chimanimani	High	Low	✓	✓	No airstrip and currently no hotel infrastructure, which significantly constrains access and short-term development potential
Inhambane City + Tofo	9 Inhambane + Tofo	Mid	Mid	✓	✗	Concessions already cover most of the prime coastal areas and access is more difficult than comparable coastal destinations
Limpopo National Park	10 Limpopo National Park	Mid	Mid	✓	✓	Top areas are already under pre-concessions, with reasonable access from Kruger, but reaching the area from the rest of Mozambique remains more difficult

1. Accounts for existing commercial penetration, i.e., number of beds and already announced pipeline capacity, and is further adjusted based on the local supply gap—considering area-specific benchmarks to assess available development potential versus current saturation levels

Manufacturing Africa
UKaid from the British people

1. Premier coastal tourism gateway, combining pristine beaches with rich marine megafauna

Accessibility

3 routes
of operated weekly at Vilankulo Airport (VNX), with 1 daily from South Africa and 2 domestic from Maputo and Inhambane

~715 km
of road distance **from Maputo city**

2-3 km
Kms from city centre to **Vilankulo Airport** (VNX)

Key stats

170k
Foreign tourists in the Inhambane province in 2024

~66
Hotels in the region, **~4 considered as premium or above**

~30 km
of offshore distance to **Bazaruto Archipelago National Park**

Main area attributes


Access to **high-density marine megafauna** (e.g., whales, sharks, manta rays) of BANP[1]


Pristine coral and rocky reefs, hosting +400 marine life species


Existing **cluster of coastal lodges** focused on nature-based tourism and conservation


Main coastal gateway town to the Bazaruto Archipelago National Park (BANP)

Current tourism operators

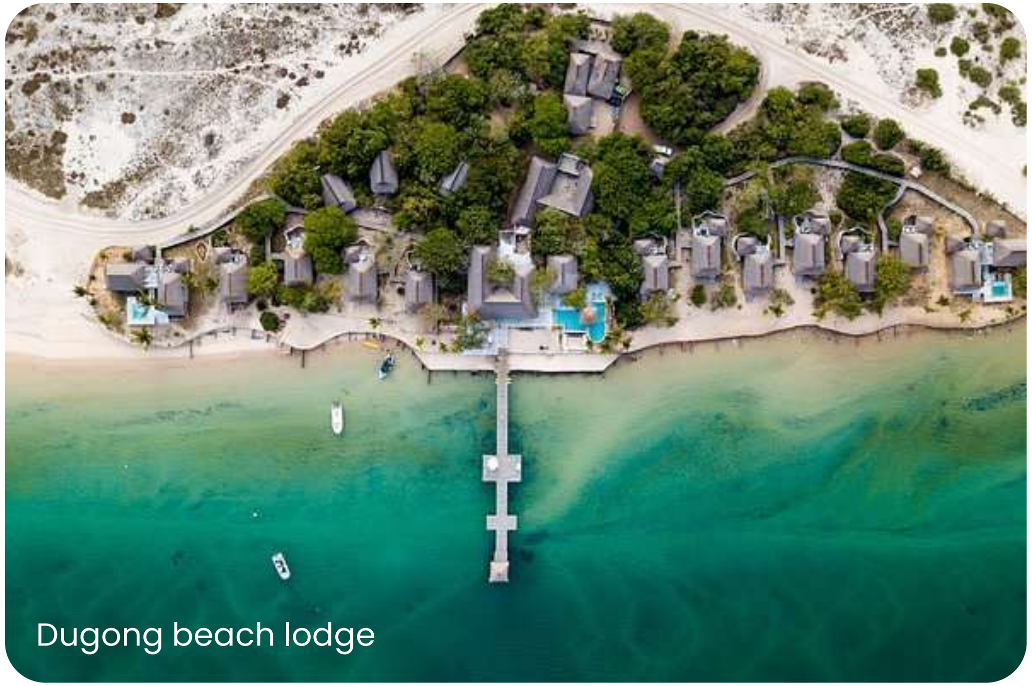
BAHIA MAR
CASA REX
WILD AFRICA
Archipelago resort
Dugong Beach Lodge

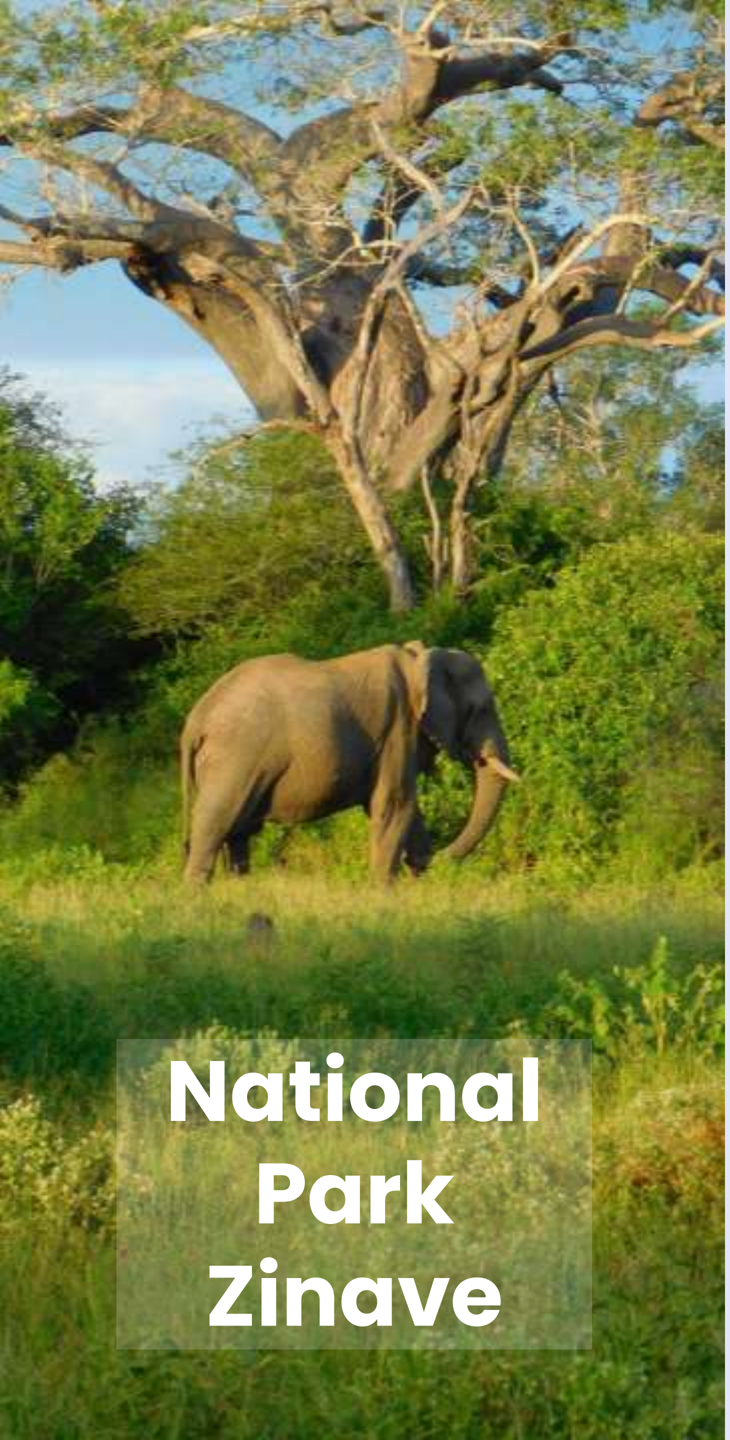
1. Bazaruto Archipelago National Park (BANP)

1. Scenic natural endowments

Vilankulos at a glance


Dugong beach lodge


Dugong beach lodge



3. Mozambique's hidden gem with unique terrestrial big 5 presence

Accessibility

3 routes
of operated weekly at Vilankulo Airport (VNX), with 1 daily from South Africa and 2 domestic from Maputo and Inhambane

~900 km
of road distance **from Maputo city**

~250 km
Kms from **Vilankulo Airport** (VNX), the closest airport in the region

Key stats

1.2k
Tourists in the Zinave National Park province in 2024, a 65% increase compare vs. 2023

3
In-park lodges, with 2 rustic campsites and 1 tented camp

~250 km
of road distance to **Vilankulos and BANP**

Main area attributes


Only NP in to have all terrestrial Big 5 (lion, leopard, rhino, elephant, and buffalo)


Relatively predictable wildlife viewing compared to fully open, lightly stocked parks

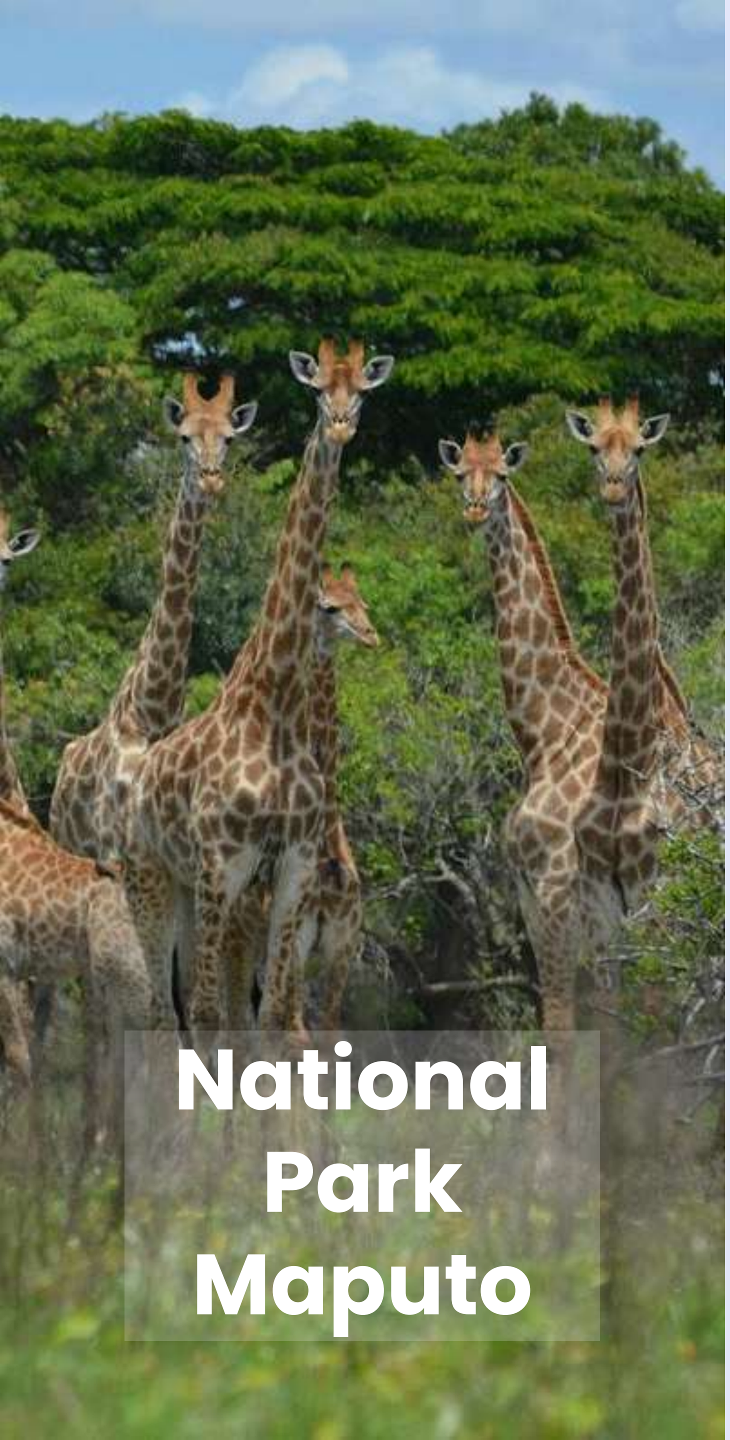

Strong wilderness conservation and restauration purpose (e.g., rhino protection)


Genuine exclusivity and "no-traffic-jam" game viewing due to low tourism density

Current tourism operators

3. Impressive nature, home to all terrestrial Big 5

National Park Zinave at a glance



5. World Heritage landscape with terrestrial and maritime megafauna

Accessibility

16 routes

operated weekly at Maputo International Airport (MPM), with 10 domestic flights and 6 international flights from South Africa, Doha, Ethiopia and Portugal

~80 km

of road distance **from Maputo city**

~80 km

Kms from city centre to **Maputo International Airport** (MPM), the closest airport in the region

Key stats

19.5k

Tourists in the Maputo National Park in 2024 , a 4% increase compare vs. 2023

~4

Accomodations within the NP, **2 considered as premium or above**

~40 km

of road distance to **iSimangaliso Wetland Park (South Africa)**

Main area attributes

World Heritage landscape with unique coastal-savanna combining diverse ecosystems

Combine terrestrial and marine megafauna, with strong potential for multi-day wildlife itineraries

Strong conservation linkage to other protected areas along the Mozambique–South Africa–Eswatini interface

Pristine beaches, dunes and offshore reefs adjacent to relatively intact coastal forests

Current tourism operators

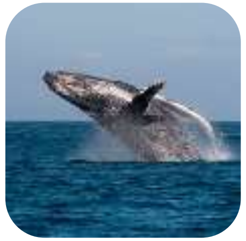
PONTA MEMBENE UNTOUCHED WILDERNESS

MONTEBELO GIRASSOL MAPUTO HOTEL

ANVIL BAY

5. Impressive landscape and fauna

Maputo National Park at a glance



6. Premier scuba diving spot with pristine beaches and rich marine life

Accessibility

16 routes
operated weekly at Maputo International Airport (MPM), with 10 domestic flights and 6 international flights from South Africa, Doha, Ethiopia and Portugal

~450 km
of road distance **from Durban and ~650 km from Johannesburg**

~120 km
Kms from city centre to **Maputo International Airport** (MPM), the closest airport in the region

Key stats

220.5k
Foreign tourists in the Maputo province in 2024

~25
Hotels in the region, **~2 considered as premium or above**

~40 km
of road distance to **Maputo National Park**

Main area attributes


Rich marine biodiversity, home to a variety of sharks, dolphins, sea turtles and dugongs,


World-class scuba diving spot with rich marine life and colorful coral reef


Unique cross-border beach tourism agreement with South Africa


Well positioned for multi-destination tourism, near Maputo NP, South Africa and Maputo city

Current tourism operators

DEVOCEAN LODGE
WHITE PEARL – THE PEARL OF THE INDIAN OCEAN
DOLPHIN ENCOUNTOURS RESEARCH CENTER
Ponta Accommodation
The Dolphin Centre

6. Impressive beaches and diverse activities

Ponta do Ouro at a glance











7. Impressive cloud forest with high-density savanna wildlife

Accessibility

5 routes
operated weekly from Beira International Airport (BEW), 2 domestic and 3 international from Ethiopia and South Africa, with an **air-transfer to the NP**

~1.1k km
of road distance **from Maputo city**

~180 km
Kms from **Beira International Airport (BEW)**, also **~140 km from Chimoio Airport (VPY)**

Key stats

16k
Foreign tourists in the Sofala province in 2024

~5
Hotels in the region, **~3 considered as premium or above**

~300 km
of road distance to **Chimanimani National Park**

Main area attributes

High-density classic savanna and wetland wildlife (e.g., elephant, buffalo, hippo, Blue Wildebeest)

Unique nature combination with **Afromontane meadows and cloud forest**, above the hot valley

One of Africa's **greatest wildlife restoration success stories**, rapidly recovering its ecosystem

Internationally recognized high-end tourism destination, being featured at Condé Nast Traveler

Current tourism operators

MONTEBELO GIRASSOL MAPUTO HOTEL

GORONGOSA

Chicari Camp

GORONGOSA

7. Impressive nature and animal population

Gorongosa National Park at a glance

8. Exclusive wilderness immersion spot, with flagship summit for trekking

Accessibility

1 route
of operated daily from Chimoio Airport, with daily flights from Maputo

~1.1k km
of road distance **from Maputo city**

~80 km
Kms from **Chimoio Airport (VPY),** also **~260 km from Beira International Airport (BEW)**

Key stats

~3.5k
Tourists in the Chimanimani National park in 2024

~4
Accomodations in the park, with **1 being a eco-tourism camp**

~300 km
of road distance to **NP Gorongosa**

Main area attributes


Diverse ecosystems with rivers, tropical vegetation and deep valleys


Mount Binga, Mozambique's highest point, is a **flagship summit for multi-day trekking**


Ancient rock art sites and diverse flora and fauna, **focused on wilderness immersion**


Low visitor numbers and relative remoteness preserve a feeling of authenticity and exclusivity

Current tourism operators

Ndzow Camp

Chikukwa Camp

Mahate Camp

8. Pristine natural beauty

NP Chimanimani at a glance

Inhambane & Tofo

9. Dive-and-beach cluster known for whale shark diving and relaxed coastal atmosphere

Accessibility

3 routes
operated weekly from Inhambane Airport (INH), 2 domestic and 1 international from South Africa

~500 km
of road distance **from Maputo city**

~20 km
Kms from **Inhambane Airport** (INH), for both Tofo beach and Inhambane city centre

Key stats

170k
Foreign tourists in the Inhambane province in 2024

~70
Hotels in the region, **~7 considered as premium or above**

~280 km
of road distance to **Bazaruto Archipelago National Park**

Main area attributes

Largest identified population of whale sharks and manta rays in Africa, along with other megafauna

Established megafauna research and tourism (e.g., dive centres), leveraging science-driven tourism

Scenic, laid-back beach town with strong local culture, live music and high-quality food

Pristine coral reefs hosting turtles, rays and reef fish, with year-round diving and snorkeling

Current tourism operators

SENTIDOS BEACH RETREAT
MASSINGA BEACH MOZAMBIQUE
KUMBALODGE TOFO BEACH
DIVERSITY SCUBA
Tofinho Beach Cottages
SAVA DUNES TOFO, MOZAMBIQUE

9. Largest marine megafauna with crystal water

Inhambane & Tofo at a glance

10. Unspoilt wilderness with border access Kruger Park

Accessibility

Kruger
Tourist border provides direct access for tourists visiting across parks

~350 km
of road distance **from Maputo city**

~350 km
Kms from city centre to **Maputo International Airport** (MPM)

Key stats

5.3k
Tourists in the Limpopo National Park in 2024 , a 34% increase compare vs. 2023

~4
Hotels inside the NP, **with an high-end concession being developed**

~70 km
of road distance to **Kruger National Park (South Africa)**

Main area attributes


Specialist birding potential, already hosting +500 bird species


Unspoilt wilderness with **smaller volume of game sightings** (vs. Kruger)


Direct frontier with Kruger NP, the most visited park in Africa with ~1.8 M yearly


Increasing **wildlife cross-border movements** (e.g., elephants, giraffe, buffalo, and hippo)

Current tourism operators

albufeira camping

Massingir Safaris Moçambique

Dumela

Parque Nacional Limpopo Moçambique

10. Limpopo National Park

Limpopo National Park at a glance

The investment into a premium and luxury hotel projects is supported by 6 key pillars

Relevant domestic and regional markets…

1

Global tourism is rebounding to a **~$1.6T market**

Luxury leisure is a **rising trend across African countries Within luxury travel,** with Safari & Adventure as the largest segment (~33% of luxury)

Mozambique offers a unique value proposition in key areas…

2

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There are **8 priority tourism areas identified**, including selective zones still offering white space for luxury development

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Investor confidence is already material, with >$1Bn in tourism investments, mostly anchored on protected areas

Relevant Partners on Protected areas are open to support…

4

Priority tourism zones are anchored in national parks; concession operators are actively providing an **execution-ready platform to encourage partnerships** to generate sustainable revenue for park management and conservation

Institutional commitment to value addition…

5

Government commitment to drive the growth of the tourism sector, guaranteeing **institutional support and investment** to **facilitate and streamline investment processes**

Attractive business cases…

6

Two strong and attractive business cases, with EBITDA margin of 30%, IRR of ~20-25% and an estimated payback period of 6-7 years

National policy momentum and recent investment signaling place tourism at the centre of Mozambique's growth agenda

Tourism is a national priority within Mozambique's development agenda…

PEDTM

PQG

ENDE

PII

Recent Government strategy documents **position tourism as a national development priority**, with a strong emphasis on **sustainable, destination-led growth across Mozambique**'s coastal, marine, and wildlife assets, **while safeguarding the country's natural and cultural heritage**. These documents also **identify key priority destinations for development**, including Quirimbas, Niassa, Gorongosa, Vilankulo/Bazaruto, Maputo/Ponta do Ouro, and Crusse Jamali

… translating on recent double-down on Tourism with Vilankulos taking centre stage

…Mozambique can become the epicenter of sustainable coastal and maritime tourism in Southern Africa…

Onório Boane, *CTA's Vice-President*

Tourism has attracted >USD 1 Bn in investments, primarily directed toward anchor developments adjacent to Protected Areas

Operational | Under development | To start

Operator	Project(s)	Disclosed Investment, USD	PA proximity	Beach proximity	Status
FARUHAR Mozambique	FARUHAR integrated tourism & real-estate project	~500 M	✓	✓	To start
Minor / Rani	Anantara Bazaruto Island Resort; Anantara Medjumbe Island and Matemo Islands	~200 M	✓	✓	Operational
The Firm of Strategic investments	Pérola de Moçambique resort & marina in Vilanculos	150 M	✗	✓	To start
Aman	Aman Karingani safari resort & branded residences	140 M	✓	✗	Under development
Singita	Singita Santa Carolina Island lodge	102 M	✓	✓	Under development
AKFED	Kisawa Sanctuary & Bazaruto centre for Scientific Studies (BCSS)	34 M	✗	✗	Operational
Montebelo Hotels	Montebelo Milibangalala Bay Resort; Montebelo Indy Maputo; Montebelo Girassol; Montebelo Gorongosa Lodge	> 10 M	✓	✓	Operational
&Beyond	&Beyond Benguerra Island lodge & Oceans Without Borders programme	At least ~6 M disclosed	✓	✓	Operational

~1.1Bn

USD disclosed of investment in Tourism

*Most leading **operators** in Mozambique **invest within or adjacent to Protected Areas**, making an anchor for sustained **investment momentum** in the country*

Source: Press search

There are 3 main governmental institutions overseeing and regulating Mozambique's tourism sector

Ministry of Economy *Direcção de Turismo*

Central body for **tourism policy and coordination:**

- Define **national strategy and set regulatory framework** for the sector (e.g., visa simplification)
- Lead the **implementation of national development plans** for tourism (e.g., 5-Year Programme 2025–2029)
- Lead and monitor **inter-ministerial tourism-related reforms**

National Tourism Institute (INATUR)

Promote and develop tourism services, supporting investment attraction:

- **Governmental counterpart to facilitate** investment programs and institutional cooperation, aiming to improve investment climate
- Promote **targeted capability development for tourism and hospitality** in strategic regions

National Administration of Conservation Areas (ANAC)

Manage the **national network of protected areas**:

- **Manage or co-manage all conservation areas**, including national parks, reserves and hunting areas
- Guarantee sustainability of tourism and natural-resource usage in protected areas
- **Develop and enforce regulation frameworks** for conservation-area management and activities

Other key institution in Mozambique

Instituto Nacional de Estatística

National statistical office **collecting and publishing official tourism data** on arrivals and hotel-guest

AHTPI

ASSOCIAÇÃO DOS HOTÉIS DO SUL DE MOÇAMBIQUE

Provincial or regional tourism associations to drive local tourism

The investment into a premium and luxury hotel projects is supported by 6 key pillars

1 Relevant domestic and regional markets…

Global tourism is rebounding to a **~$1.6T market**

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5 Institutional commitment to value addition…

Government commitment to drive the growth of the tourism sector, guaranteeing **institutional support and investment** to **facilitate and streamline investment processes**

6 Attractive business case…

Two strong and attractive business cases, with EBITDA margin of 30%, IRR of ~20-25% and an estimated payback period of 6-7 years

National parks anchor priority tourism areas, with operators actively enabling new partnerships

Most **key tourism areas lie within national parks**, where there are **CMP operators welcoming tourism concessions that can provide essential revenue** for the financial sustainability of the parks

Zone	PA Operator	Description	Current contract status
1 Vilankulos	African Parks	Nonprofit conservation organization managing protected areas long-term in partnership with governments and communities	Proximity to Bazaruto National Park, where African Parks has managed the area since December 2017 under a 25-year public–private co-management concession with ANAC
3 NP Zinave	Peace Parks Foundation	Nonprofit facilitating transfrontier conservation areas; co-manages protected areas with governments and communities	Peace Parks Foundation has a mandate in Zinave from 2015–2035 and is in discussions with ANAC to extend it to 2050, with the contract under renegotiation for integrated co-management via an SPV
5 NP Maputo	Peace Parks Foundation	Nonprofit facilitating transfrontier conservation areas; co-manages protected areas with governments and communities	ANAC and Peace Parks Foundation formalised their partnership for Maputo Special Reserve and Ponta do Ouro Partial Marine Reserve in 2018 through a 15-year co-financing and co-management agreement
6 Ponta do Ouro		Peace Parks Foundation is currently in charge on managing Ponta do Ouro Partial Marine Reserve	
7 NP Gorongosa	Carr Foundation	Philanthropic foundation managing Gorongosa Project, combining conservation restoration with community sustainable development	Carr Foundation has been operating in Gorongosa under an integrated/delegate CMP since 2008, with the current mandate running to 2028
8 NP Chimanimani	Fauna & Flora	International conservation charity working with partners to protect habitats, save species, support livelihoods	Fundação Fauna & Flora is in Chimanimani providing technical and financial assistance under a 2023–2033 arrangement
9 Inhambane + Tofo	n/a		
10 Limpopo National Park	Peace Parks Foundation	Nonprofit facilitating transfrontier conservation areas; co-manages protected areas with governments and communities	Peace Parks Foundation has been in Limpopo under a 2002–2025 mandate and is in discussions with ANAC to extend it to 2050, with the contract under renegotiation for integrated co-management via an SPV

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Government guarantees full support to investors to ensure the growth of the tourism sector

TO BE VALIDATED BY GOVERNMENT

Fully operationalise the eVisa/ETA platform and while expanding visa-waiver eligibility to OECD and other source markets to increase accessibility and arrivals

Provide long-term tourism concession guarantees (≥25 years) with clearly defined renewal mechanisms, revenue-sharing frameworks, and asset reversion terms to reduce investor uncertainty and enable, long-term capital deployment in protected and coastal areas

Scale CMPs across priority conservation areas by standardising concession frameworks, accelerating approvals, and ensuring timely budget disbursement, building on successful models (e.g., Gorongosa, São Sebastião)

Streamline tourism investment approvals by consolidating licensing across MITUR, Land, Environment, and other authorities into a single-window process with defined timelines to materially reduce approval complexity and lead times

Establish hospitality and tourism vocational training centres in priority regions to build a skilled local workforce and reduce reliance on imported labour

Create sustainable financing mechanisms for protected areas through cross-subsidisation and dedicated funding streams to ensure operational viability and infrastructure development

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A 25-bed luxury hotel presents an attractive investment case with strong returns…

Economics for a 25-bed luxury hotel with integrated high-end guest services

IRR

~20–25%

NPV

~$10–15 M

Payback time

~7 years

Total investment

~$10–15 M

… similarly to the expected return metrics profile of 1 60-bed premium hotel investment opportunity

Economics for a 60-bed premium hotel with full-service amenities

IRR
~25–30%

NPV
~$25–30 M

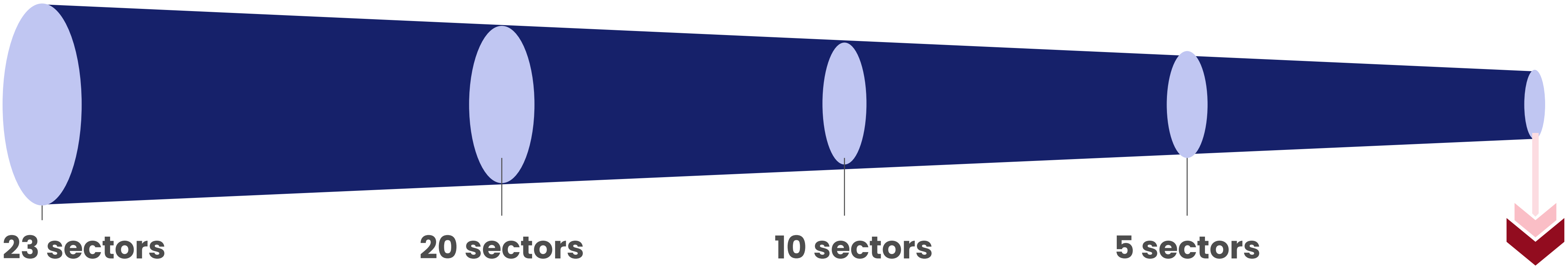
Payback time
~6 years

Total investment
~$10–15 M

Content

We implemented a 4-step approach to identify 5 sectors that could attract flagship investment opportunities for Mozambique

XX Detailed next



1 Priority sectors for Mozambique

23 sectors identified via literature review of **national strategic documents**

2 Productive sectors

Excluded sectors from enabling ecosystem[1], to guarantee focus on productive sectors

3 Opportunity relevance

Considered **typical FDI investment size** for each sector in Africa to **identify sizeable opportunities,** also considering regional and global import value

4 Competitive advantages

Evaluated **synergy:**

- Natural endowments
- Input ecosystem
- Logistic positioning
- Production factors

Flagship opportunities

- Urea Fertiliser Hub
- Methanol Hub
- Graphite Processing
- Aluminium Products[3]

+ Glass production, to support and enable domestic and regional industrialization[2]

1. Excluded Logistics, Energy Transmission and Renewable Energy
2. Glass is a key product for production of more complex and value aggregated products (e.g., solar power, pharmaceuticals), typically a supportive for industrialization and have been seen in other African Countries
3. Semi-finished aluminium products

Source: IDRC – Development Policy Research Unit; UNCTAD; IFC

3. There are 10 high-potential sectors that stand out due to large historical investments

High-potential sectors

Sector[1]	Largest investment per sector[2], $M	Bordering countries imports, 2024, $M	Global imports, 2024, $Bn
Tourism	8,000	NA	NA
Fertilizer	2,500	2,715.9	90.6
Aluminium products	2,000	997.5	231.4
Methanol	1,850	19.1	12.9
LPG	1,350	414.7	218.5
Aquaculture	640	559.9	133.1
Glass production	600	469.2	82.8
Hydrogen	471	0	0.2
Plastic pipe production	350	240.1	31.1
Graphite mining and processing	321	32.6	4.1
Poultry	250	45.6	3.7
Cotton	214	186.4	46.6
Animal feeds	162	300.8	44.5
Biofuels	109	0.2	20.7
Maize	100	907.3	46.6
Rice	50	1,344.5	39.0
Edible oils	35	1,722.2	98.8
Cashew	28	19.8	4.7
Cleaning products	25	382.9	37.2

1. Excluded Logistics, Energy Transmission, Renewable Energy, and Oil and gas services
2. Considers the largest, operational investment project per sector

4. There are four main competitive advantages that support attraction of flagship investments in Mozambique

Dimensions of competitive advantages

(X) Detailed next

Natural endowments (A)

Abundant natural resources, for example:

- Africa's top 3 **natural gas reserve**
- Global top 3 **graphite reserve**
- Large **mineral reserves** (e.g., iron ore, bauxite)
- **Extensive agricultural land** (~50 M ha in total)

Input ecosystem (B)

Existing business and infrastructure that can unlock downstream sectors:

- **Mozal aluminium smelter** (non-utilized)
- **Graphite mines** (<50% utilisation)
- **Gas pipelines**

Logistic positioning (C)

Strategic position for **regional and global exports:**

- **11 ports**
- **3 logistical corridors** connecting to 5 countries
- Direct border to **6 markets** with a combined GDP of ~$600 Bn

Production factors (D)

Competitive labour cost[1], considered globally low (~$80-240), with expected workforce increase

Key industrial inputs (e.g., energy and water) have **competitive costs compared to other SADC countries**

UKaid from the British people

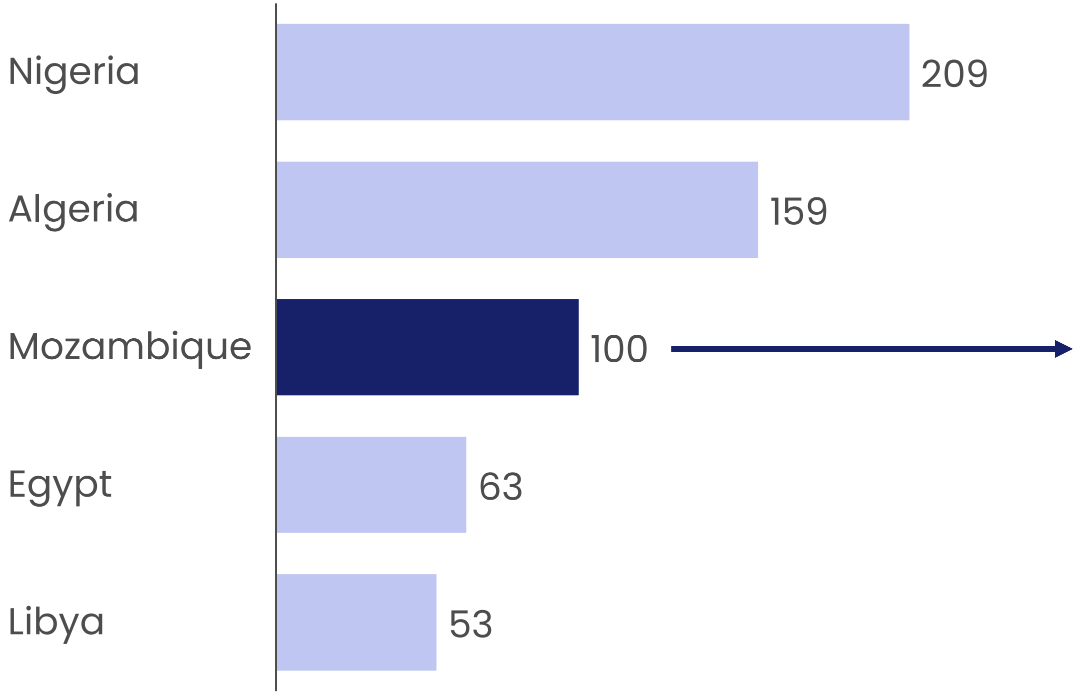
Manufacturing Africa

1. Considering learning-adjusted years of schooling

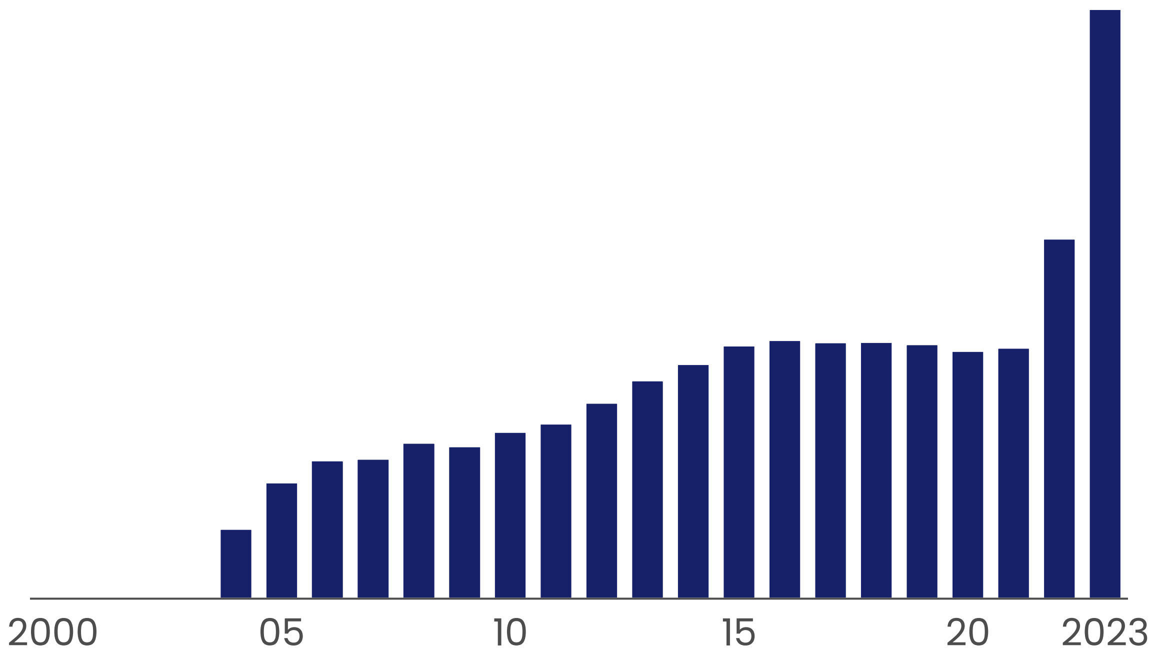
Source: World Population Review, FAO,

4A. Mozambique has the 3rd largest natural gas reserve in Africa, with increasing production and domestic priority consumption

Largest proved reserve holders of natural gas in Africa, 2024, *T SCF*



Mozambique domestic gas production, 2000-23, *T SCF*

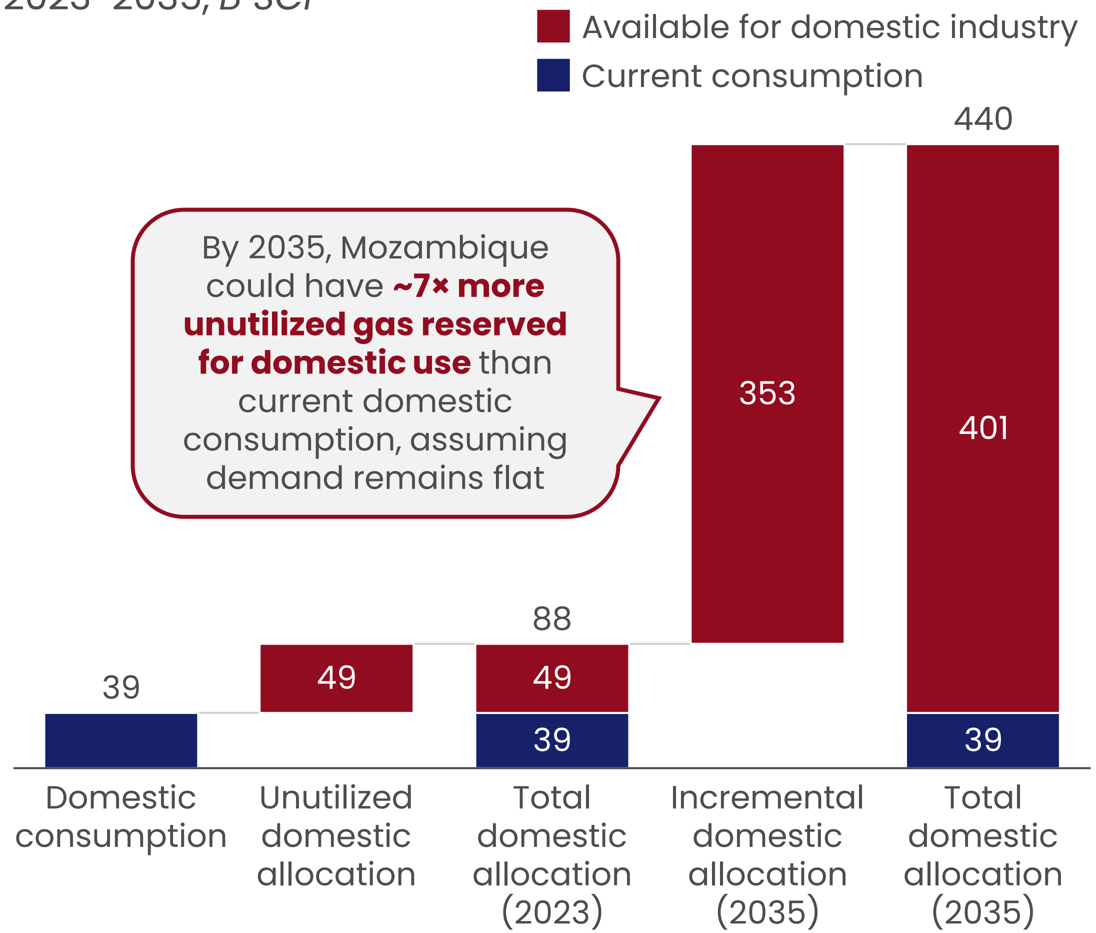


Mozambique has a gas requirement policy in place, guaranteeing that **25% of total gas produced must be reserved for domestic consumption**, creating an opportunity for gas-related industries

Source: US Energy Information Administration (EIA), International Energy Agency (IEA)

4A. Current underutilized volume of gas reserved for domestic usage creates tailwind opportunity for gas-enabled value-chains

Mozambique natural gas availability for domestic use[1], 2023-2035, *B SCF*



	Potential gas-enabled value chains	Considerations
LNG	**LNG distribution and gas pipeline**	Largest liquefaction project under construction in Africa (12.9 Mtpa), **with potential to become a top 3 African gas exporter**
Gas-to-Power	**Gas-to-liquids (e.g., diesel)**	Alternative for imported petroleum products, but is **very capital-intensive, technology complex and sensitive to gas and oil prices**
Gas-to-Power	**Gas-fired power plants**	Secondary electricity source in Mozambique (~15% of total), but face **cost and sustainability competition from renewable sources**
Gas-to-Power	**Industrial fuel (e.g., glass and ceramics)**	Reliable, low-cost natural gas can make Mozambique an **attractive destination for energy and heat-heavy industries**
Gas-as-Feedstock	**Ammonia and Urea fertiliser**	**SADC's nitrogen fertiliser demand is heavily import dependent** (~$800M imports in 2024)
Gas-as-Feedstock	**Petrochemical products (e.g., Methanol)**	**Global demand for methanol** ($13Bn in 2024), with rapid Southeast Africa demand growth (50% 2020-24)

1. Analysis uses (i) current domestic gas consumption from the IEA, (ii) the 25% domestic allocation applied to current gas production to estimate today's reserved volume and the unutilized portion after subtracting current consumption, and (iii) 2035 production projections for all operating projects, applying the same 25% allocation and subtracting today's reserved volume to estimate additional unutilized domestic gas available by 2035

Source: International Energy Agency, International Journal of Greenhouse Gas Control

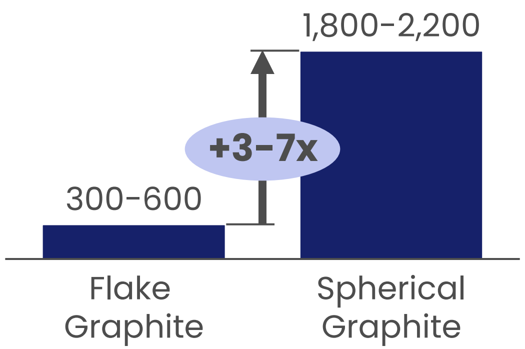
4B. There are 2 strategic industries in Mozambique that create an input ecosystem that can unlock downstream operations

Value chain | **Existing input platform** | **Value at stake,** USD/MT | **Anchor player**

Graphite

Existing input platform: Mozambique is the **3rd-largest global graphite producer (72 KT)** with proximity to regional mining hubs (Tanzania 8 KT; Madagascar 70 KT) with **no presence of a regional processor player**; therefore, exports remain in Flake Graphite format (unprocessed)

Value at stake, USD/MT:

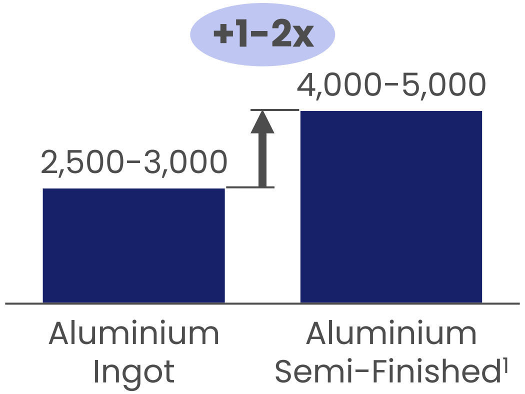


Anchor player: Balama mine is one of the largest high-grade graphite deposits in Africa, **with ~350 ktpa production capacity and 50+ years of mine life**

Aluminium

Existing input platform: Current presence of **Africa's 2nd-largest aluminium smelter**, with existing high production capacity of aluminium ingots (~580 ktpa), but focus remains mostly focused on **primarily processed exports**

Value at stake, USD/MT:



Anchor player: Mozal is the 2nd largest **smelter plant in Africa with ~580 ktpa total capacity,** mostly focused on ingots production for export

1. Aluminium casting, rolling and extruding products

Source: International Energy Agency, BM, African Minerals Development Centre, Press search

4. Mozambique can prioritize five flagship investments anchored on its main competitive advantages

Flagship opportunities **Synergy with competitive advantages:** Low or none Medium High

High-potential sectors	Natural endow.	Existing infra.	Geographic location	Production factors	Selection rationale
Tourism	High	Medium	Medium	High	Despite exceptional natural endowments for tourism, **infrastructure remains limited** with lesser access options from international markets
Fertiliser	High	Medium	High	High	**Gas feedstock advantage and strategic corridors position** Mozambique to supply SADC fertiliser demand
Aluminium processing	Medium	High	High	High	**Largest aluminium smelter in sub-Saharan Africa is underutilized**, with access to renewable and cost-competitive electric energy
Methanol	High	Medium	High	High	**Gas feedstock advantage and corridor connectivity** support a competitive export-oriented platform into the region
LPG	High	Low or none	Medium	Medium	Despite strong supply base, **domestic usage requires subsidies to continue cost-competitive** versus other energy sources
Aquaculture	High	Low or none	Medium	Medium	Large potential, but the se**ctor remains largely artisanal with limited enabling infrastructure** (e.g., cold chain)
Glass production	High	Medium	High	High	**Competitive gas-based energy and strategic location** for exports to import-dependent bordering countries
Hydrogen	High	Medium	Low or none	Low or none	**Hydrogen price volality and higher distance to export markets** (compared to peers) make a less economically viable sector
Plastic pipe production	Medium	Medium	High	Medium	Despite privileged location to SADC exports, **there is no reserves for raw materials and skilled, cost-effective labour**
Graphite mining and processing	High	High	High	High	**World's 3rd-largest graphite reserves** and established mining infrastructure operating under-capacity

Mozambique's flagship opportunities are gas derivatives and value-added processing of aluminium and graphite

NON-EXHAUSTIVE

Competitive anchor	Flagship opportunity	Why Mozambique	Confirmed growth momentum
Gas-as-Feedstock	Urea fertiliser production	Relevant gas base (**~370 Bn SCF**) with **25% reserved for domestic use** provides secure feedstock, while Maputo, Beira and Nacala corridors could enable competitive urea fertilizer supply into import-dependent bordering[2] markets (**~$690M imports in 2024**)	Increasing **investment pipeline on urea fertilizer across Sub-Saharan Africa**, such as Nigeria (~$3 Bn in multiple projects) and Angola (~$2 Bn)
	Methanol production	**Cost-advantaged gas** (~$2-4 per MMBtu versus ~$5-5.5 per MMBtu in South Africa and ~$4 per MMBtu in Nigeria, the main Sub-Saharan producers) and strategic position of Nacala port for exports to South and Southeast Asia (**~$900M imports in 2024**)	Large **gas-to-methanol investment projects are reaching origination** across African countries, such as Nigeria (~$1-2 Bn)
Gas-to-Power	Glass production	**Cost-advantaged gas** (~$2-4 per MMBtu versus ~$5-5.5 per MMBtu in South Africa, the main supplier for Mozambique and bordering countries) and regional access to critical raw materials reserves, while Maputo, Beira and Nacala corridors could enable competitive exports[1] into bordering[2] markets **(~$360 M imports in 2024)**	Glass represents an **increasing demand in bordering markets[2]** (10% import CAGR 20-24) driven by **packaging demand;** additional opportunity as the main player may experience challenges with gas and electricity prices increase
Input ecosystem	Graphite processing	World's 3rd largest graphite producer (72 KT) and proximity to regional mines (Tanzania 8 KT; Madagascar 70 KT) provide an **input platform to move into higher-value processing, supported by strategic export positioning (e.g., Pemba port)**	**Graphite demand is expected to double by 2035 (~10,000 KT),** in a movement to **diversify processing supply** from China via investment pipelines across Asia, Europe and USA – with Africa positioning itself as a potential destination
	Aluminium processing	Existing **~580k mtpa smelter capacity**, upside to position "green aluminium" given abundant renewable electricity, and Maputo, Beira and Nacala corridors could enable **competitive supply into bordering markets**	There is **significant bordering import demand (~$420 M),** driven by increasing infrastructure development, urbanization, and industrial growth

1. Glass is a very localized industry, typically closely located to end-market due to higher weight, transport-sensibility and overall logistics complexity
2. Excluding South Africa, as the country leads regional glass production

Source: UNComtrade, African Minerals Development Centre, Strengthening Sustainability in the Glass Industry, Africa Aluminium Market, press search

These can be translated into five megaprojects, with potential to bring up to $5 Bn in investment and $3.5 Bn in annual revenues

Competitive anchor	Flagship investment	Vision	Description	CAPEX, Bn USD
Gas-as-Feedstock	**A** **Urea fertiliser complex**	Position Mozambique as **a relevant producer and exporter of fertilisers to Africa**, leveraging domestic gas availability to **scale fertiliser production respond to current gaps** in Southern African supply	**1.3 MMTPA urea fertiliser complex**, turning gas to ammonia and ammonia to urea, leveraging natural gas resources to capture $800 M fertiliser import demand in Southern Africa	**1.0–2.0**
	B **Gas to methanol complex**	Become a **top 3 methanol producer in Africa, leading exports to East and Southern Africa** as well competing in the South and East Asian markets	**1.8 MMTPA gas to methanol hub**, exporting raw methanol for fuel and petrochemical production	**1.5–2.0**
Gas-to-Power	**C** **Glass production**	**Become the top-5 Sub-Saharan country in container glass exports,** establishing Mozambique as a key supplier for bordering countries'[2] demand	**150 KTPA container (packaging) glass production plant**, supplying increasing domestic and regional demand for beverages and food industry	**0.1–0.2**
Input ecosystem	**D** **Graphite processing hub (mine to CSPG[1])**	**Become the third largest processor of graphite globally,** establishing Mozambique as a **key node in the global battery supply chain** and a leader in mineral transformation in Africa	**50,000 MTPA spherical graphite processing complex**, refining graphite sourced from Balama mine production and imported from Madagascar and Tanzania, localising currently exported production and competing with China	**0.5–0.6**
	E **Aluminium casting, rolling and extruding**	Keep **Mozambique a top 2 African producer of aluminium** and expand scope to regionally focused **semi-processed products**	**580,000 MTPA Aluminium smelting and midstream processing hub**, reviving ingot capacity from Mozal smelter and adding casting, rolling, and extrusion capacity	**0.4–0.5**

1. Concentrated Spherical Purified Graphite
2. Malawi, Mozambique, South Africa, United Rep. of Tanzania, Zambia and Zimbabwe

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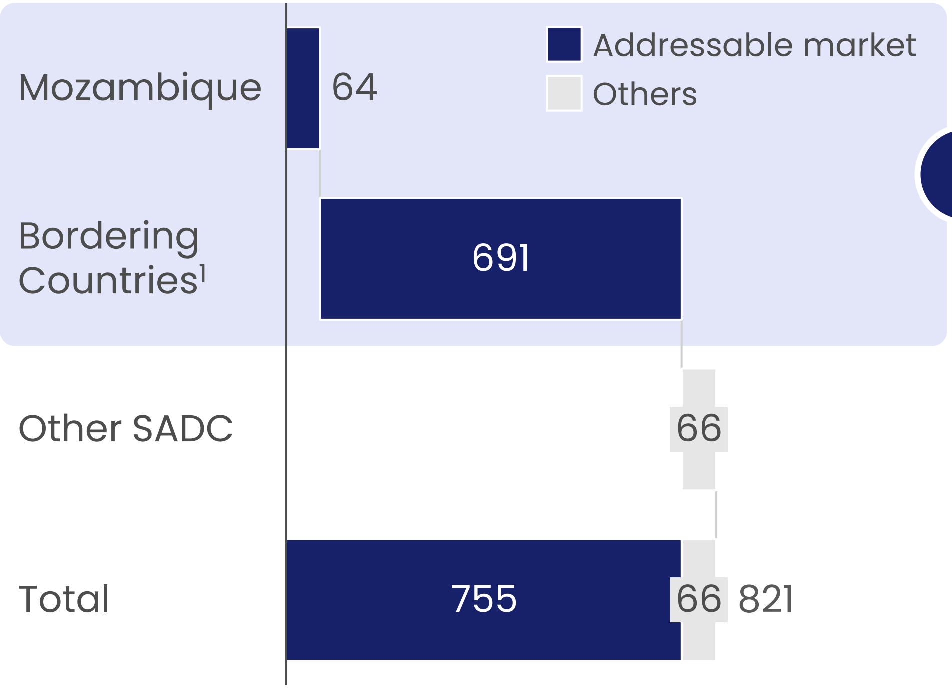
A. Mozambique could capture a $690 M urea fertilizer market in SADC, anchored on high availability and low cost of natural gas

SADC Urea Fertilizer Imports, 2024, *M USD*



Global agricultural production is expected to grow 68% by 2030, which will further create Urea Fertilizer demand

Dimension	Why Mozambique
Secured gas supply	**25% of gas production is reserved for domestic use,** providing higher supply security than peers where no domestic allocation applies (e.g., Angola)
Lower cost of production	Gas drives 60–80% of urea production costs; **Mozambique's gas pricing (~$2-4 per MMBtu) can underpin a structurally competitive cost curve versus regional alternatives** (e.g., ~$5-5.5 per MMBtu in South Africa and ~$4 per MMBtu in Nigeria)
Strategic position for regional export	Mozambique is already a **main corridor for urea fertilizer transport within SADC;** as Maputo, Nacala and Beira corridors provide direct access to bordering countries that represent 90% of the regional demand (South Africa, Tanzania, Zambia, Malawi, Zambia and Zimbabwe)

Mozambique can also access Asian[2] and Oceanian markets (~20% of global demand, corresponding to ~$8 Bn) via Nacala port with an advantaged route-to-market versus Angola and Nigeria

Manufacturing Africa

1. Southeast African countries for short-term market capture, given Mozambique's competitive advantages over regional fertilizer producers
2. Considers South and Southeast Asian countries

Source: UNComtrade, HIS Markit

A. There is an opportunity to stablish an E2E Urea Fertiliser complex with 1.3 MMTPA capacity

Urea fertiliser complex

E2E production hub of Urea Fertilizer with 1.3 MMTPA capacity, leveraging existing natural gas for Ammonia and Urea production

Investment metrics

$1-2 Bn
Investment required

$450-550 M
Annual revenue[1]

~200
~2500 indirect
Jobs created

$120-150 M
FX on nitrogenous fertilisers saved annually

Potential investors

Country	Company name[1]	Revenue, Bn USD	Presence in Africa
Japan	Sumitomo	48.7	✓ 19 countries
Norway	Yara International	15.6	✓ 7 countries
Nigeria	Dangote Group	4.0	✓ 13 countries
Singapore	Indorama	7.1	✓ 2 countries
Canada	Nutrien Ltd.	26.0	✗
Switzerland	Syngenta	28.5	✓ ~2 countries
USA	Mosaic	12.1	✗
Australia	CSBP Ltd.	9.0	✗
China	Yunnan Yuntiahua	7.4	✗
USA	CF Industries	7.1	✓ 2 countries

1. Ranked by revenues, with companies with a demonstrated interest in Africa listed first
Source: Company website

A. Government could guarantee a de-risking package to enable delivery of a Urea Fertilizer Complex

Guarantee stable, cost-competitive industrial gas pricing below regional competitors[1] (<~$3/MMBtu) via long-term contracts

Upgrade and expand gas pipeline infrastructure to secure continuous supply of at least 75 mscf/day and reliable logistics access

Upgrade and operate critical transport infrastructure, including rehabilitation of the **national N1 road (Maputo–Pemba)**, and enable a competitive **cabotage ecosystem** across ports

Guarantee long-term land-use rights to establish an **ammonia–urea hub in the Nacala SEZ**, leveraging proximity to gas pipelines and the Nacala port

Guarantee that the industry can benefit from **0% import duties and VAT exemption** on capital goods imports to reduce implementation costs

1. For comparison, the main Sub-Saharan producers gas pricing are ~$5–5.5/MMBtu in South Africa and ~$4/MMBtu in Nigeria

A. To ensure success of a fertiliser complex, lessons should be taken from Yara regarding gas availability and price consistency

Project concept

Yara International proposed to build a **gas-based fertilizer complex** in Cabo Delgado which included:

- **1.3 million tones** of fertilizer annual capacity
- **30-50 MW integrated gas-fired power station** to supply the facility and local grid
- **$2 billion** requirement

Timeline of investment

- **2016** — **Global tender launched** offering domestic gas at **a fixed price of $2.6 per MMBtu and 100 MMcf/d across all domestic projects**
- **2017** — **Yara's proposal was selected by the government,** and a MoU was signed; Yara paid $1Mn security deposit to Mozambique as a commitment
- **2018** — **Critical prerequisites ongoing** (e.g., gas purchase agreements, securing project finance)
- **2019** — **Yara threatened to abandon project** unless gas could be purchased at a more cost-competitive price
- **2020** — **Yara officially withdrew from the project,** after failing to reach an agreement on gas price

Government commitments

- **Stabilize gas pricing** by implementing targeted subsidies and clear rules to keep prices steady and under $3/MMBtu
- **Secure LNG supply chain**, strengthen site and corridor security to ensure continuous output of at least 75M scf/day and logistics access
- **Provide fertiliser policy certainty**, set predictable trade rules and regulation to reduce volatility and delays

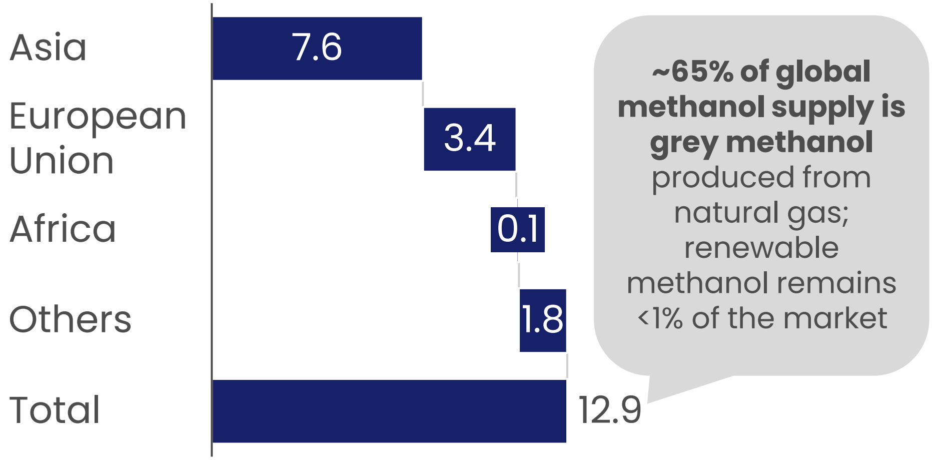
These can be translated into five megaprojects, with potential to bring up to $5 Bn in investment and $3.5 Bn in annual revenues

Competitive anchor	Flagship investment	Vision	Description	CAPEX, Bn USD
Gas-as-Feedstock	A Urea fertiliser complex	Position Mozambique as **a relevant producer and exporter of fertilisers to Africa**, leveraging domestic gas availability to **scale fertiliser production respond to current gaps** in Southern African supply	**1.3 MMTPA urea fertiliser complex**, turning gas to ammonia and ammonia to urea, leveraging natural gas resources to capture $800 M fertiliser import demand in Southern Africa	1.0–2.0
	B Gas to methanol complex	Become a **top 3 methanol producer in Africa, leading exports to East and Southern Africa** as well competing in the South and East Asian markets	**1.8 MMTPA gas to methanol hub**, exporting raw methanol for fuel and petrochemical production	1.5–2.0
Gas-to-Power	C Glass production	**Become the top-5 Sub-Saharan country in container glass exports**, establishing Mozambique as a key supplier for bordering countries'[2] demand	**150 KTPA container (packaging) glass production plant**, supplying increasing domestic and regional demand for beverages and food industry	0.1–0.2
Input ecosystem	D Graphite processing hub (mine to CSPG[1])	**Become the third largest processor of graphite globally**, establishing Mozambique as a **key node in the global battery supply chain** and a leader in mineral transformation in Africa	**50,000 MTPA spherical graphite processing complex**, refining graphite sourced from Balama mine production and imported from Madagascar and Tanzania, localising currently exported production and competing with China	0.5–0.6
	E Aluminium casting, rolling and extruding	Keep **Mozambique a top 2 African producer of aluminium** and expand scope to regionally focused **semi-processed products**	**580,000 MTPA Aluminium smelting and midstream processing hub**, reviving ingot capacity from Mozal smelter and adding casting, rolling, and extrusion capacity	0.4–0.5

1. Concentrated Spherical Purified Graphite
2. Malawi, Mozambique, South Africa, United Rep. of Tanzania, Zambia and Zimbabwe

B. Mozambique can leverage advantaged gas economics to capture the growth tailwind in grey methanol

Global methanol imports, 2024, *Bn USD*



There is a **tailwind opportunity for grey methanol,** due to emerging demand as an alternative marine fuel, with **~15M MT** demand expected by **2050**, supported by liquid handling at ambient conditions, compatibility with dual-fuel engines, and simpler storage/port logistics than traditional fuels

Dimension	Why Mozambique
Lower cost of production	Mozambique's **gas position (~$2–4/MMBtu) supports a structurally competitive cost curve** versus regional alternatives (e.g., South Africa ~$5.0–5.5, Nigeria ~$4/MMBtu)
Secured gas supply	**25% of gas production is reserved for domestic use,** providing high supply security
Strategic position for export	**Nacala port provides competitive access to South and Southeast Asia and flexibility to supply** other demand centres (Europe, Middle East, Latin America) and maritime clients

Even under optimistic cost-reduction scenarios, **e-methanol and bio methanol are projected to meet only ~75% of global demand by 2050**, sustaining a structural role for grey methanol

Source: UNComtrade, Innovation Outlook: Renewable Methanol, Renewable and Sustainable Energy Reviews

B. There is an opportunity to stablish a Grey Methanol production Hub with 1.8 MTPA capacity

Methanol production hub

Production hub of Grey Methanol with 1.8 MTPA total installed capacity in the Nacala Special Economic Zone, leveraging existing natural gas capacity

Investment metrics

$1.5-2.0 Bn
Investment required

$450-550 M
Annual revenue

~700
~2500 during construction
Jobs created

Potential investors

Country	Company name[1]	Revenue, Bn USD	Presence in Africa
	Methanex	3.6	✓ 1 country
	Mitsui & Co.	89.5	✓ 1 country
	Saudi ARAMCO	455.6	✗
	PETRONAS	65.6	✓ 9 countries
	Shaanxi Yanchang	51.8	✗
	OQ SAOC Oman	39.0	✗
	ThyssenKrupp	37.8	✗
	SABIC	31.1	✗
	Samsung C&T	28.4	✗
	Jiangsu Shenghong	16.6	✗

1. Ranked by revenues, with companies with a demonstrated interest in Africa listed first

C. Government could guarantee a de-risking package to enable the implementation of a Methanol production hub

Guarantee stable, cost-competitive industrial gas pricing below regional competitors[1] (<~$3/MMBtu) via long-term contracts

Upgrade and expand gas pipeline infrastructure to secure continuous supply of at least 170 mscf/day and reliable logistics access

Upgrade and operate critical export infrastructure, including reliable port access with **methanol storage** and **fuelling stations** to deliver methanol offtake directly to ships, and a competitive **cabotage ecosystem** to deliver feedstock across ports

Guarantee long-term land-use rights to establish a **Methanol production hub in the Nacala SEZ**, leveraging proximity to gas pipelines and the Nacala port

Guarantee that the industry can benefit from **0% import duties and VAT exemption** on capital goods imports to reduce implementation costs

1. For comparison, the main Sub-Saharan producers gas pricing are ~$5–5.5/MMBtu in South Africa and , Nigeria ~$4/MMBtu

These can be translated into five megaprojects, with potential to bring up to $5 Bn in investment and $3.5 Bn in annual revenues

Competitive anchor	Flagship investment	Vision	Description	CAPEX, Bn USD
Gas-as-Feedstock	A **Urea fertiliser complex**	Position Mozambique as **a relevant producer and exporter of fertilisers to Africa**, leveraging domestic gas availability to **scale fertiliser production respond to current gaps** in Southern African supply	**1.3 MMTPA urea fertiliser complex**, turning gas to ammonia and ammonia to urea, leveraging natural gas resources to capture $800 M fertiliser import demand in Southern Africa	1.0–2.0
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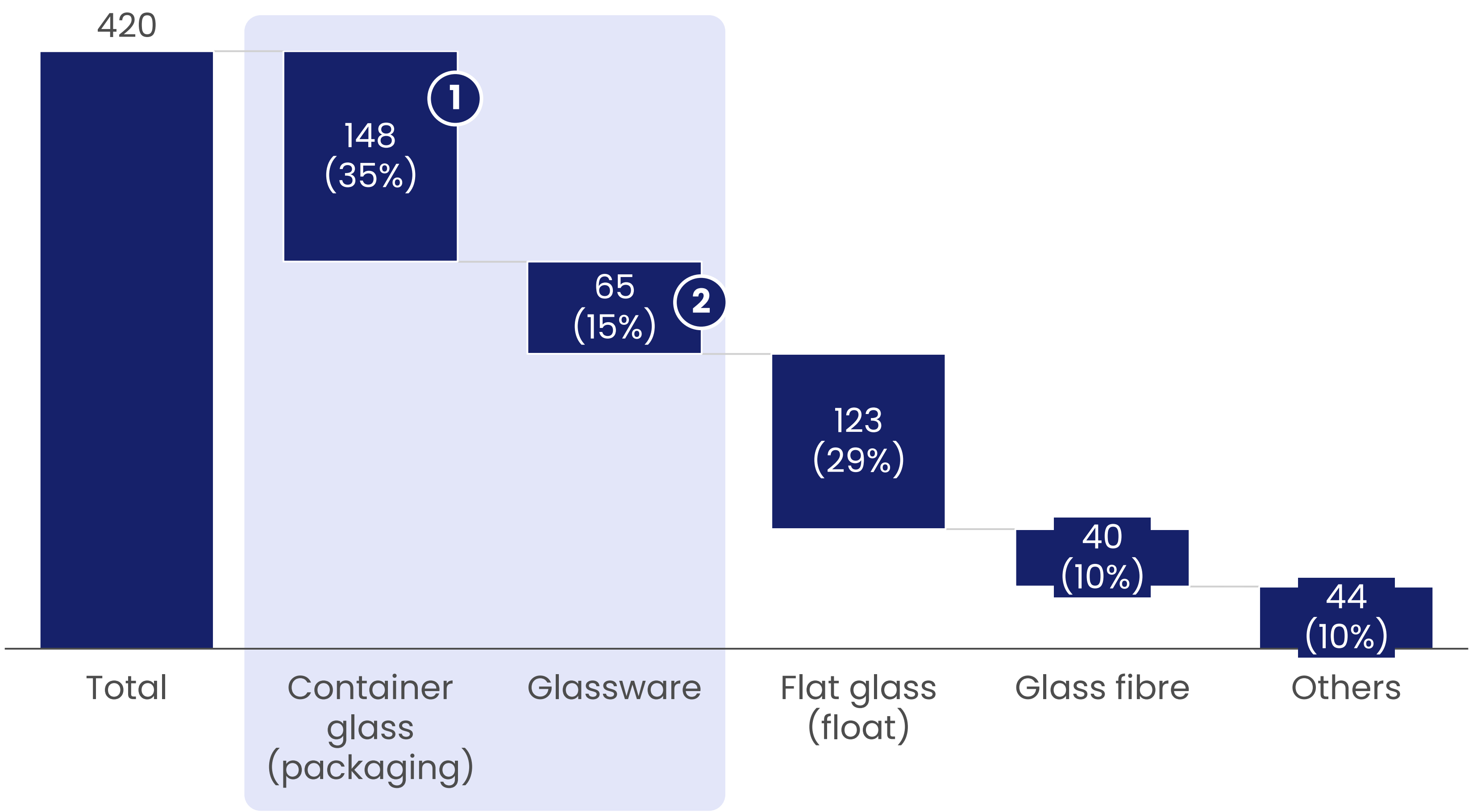
Gas-to-Power	C **Glass production**	**Become the top-5 Sub-Saharan country in container glass exports,** establishing Mozambique as a key supplier for bordering countries'[2] demand	**150 KTPA container (packaging) glass production plant**, supplying increasing domestic and regional demand for beverages and food industry	0.1–0.2
Input ecosystem	D **Graphite processing hub (mine to CSPG[1])**	**Become the third largest processor of graphite globally,** establishing Mozambique as a **key node in the global battery supply chain** and a leader in mineral transformation in Africa	**50,000 MTPA spherical graphite processing complex**, refining graphite sourced from Balama mine production and imported from Madagascar and Tanzania, localising currently exported production and competing with China	0.5–0.6
	E **Aluminium casting, rolling and extruding**	Keep **Mozambique a top 2 African producer of aluminium** and expand scope to regionally focused **semi-processed products**	**580,000 MTPA Aluminium smelting and midstream processing hub**, reviving ingot capacity from Mozal smelter and adding casting, rolling, and extrusion capacity	0.4–0.5

1. Concentrated Spherical Purified Graphite
2. Malawi, Mozambique, South Africa, United Rep. of Tanzania, Zambia and Zimbabwe

C. Container glass is the most compelling product for Mozambique as the largest regional[1] import category with a $148 M market

Domestic and bordering countries[1] glass imports by product type, 2024, *M USD*



Key insights

A container glass plant is the most compelling entry point for Mozambique, given it **addresses the largest import pool and anchors scale**

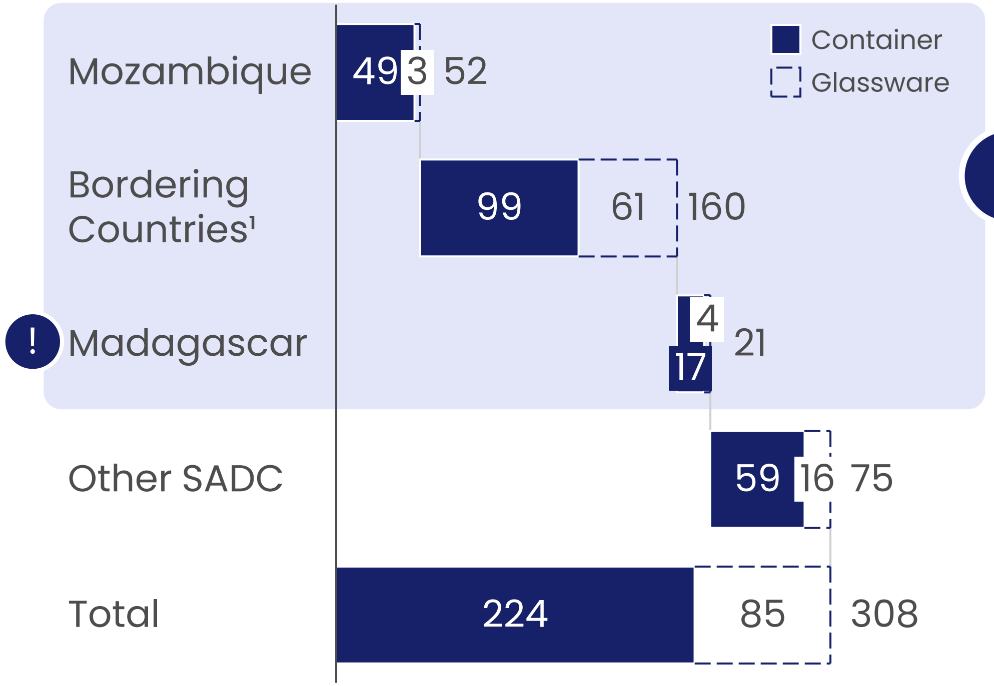
1. Demand is supported by **food and beverage packaging growth** across domestic and regional markets
2. The **same asset base can also capture adjacent glassware demand**, with strong manufacturing synergies for similarly formed products (e.g., tumblers and simple pressed/blown items)

1. Includes imports for Malawi, Tanzania, South Africa, Zambia and Zimbabwe

Source: UNComtrade

C. There is a regional ~$165M market opportunity for container glass exports, with an additional potential of $68M in glassware

Regional container glass and glassware imports, 2024, *M USD*



Dimension	Mozambique advantage
Lower cost of production	Glass production is highly energy and heat-intensive, with utilities representing **40–50% of production cost** **Mozambique's gas position (~$2–4 MMBtu) can underpin a structurally competitive cost curve versus regional alternatives** (e.g., South Africa ~$5.0–5.5, Tanzania $3.7–4.1 MMBtu)
Strategic position for regional export	Maputo, Nacala and Beira corridors provide **direct access into bordering countries while Nacala port** gives the country a privileged export-positioning into Madagascar
Secured gas supply	**25% of gas production is reserved for domestic use,** providing higher supply security than peers without a formal domestic allocation (e.g., Tanzania has no formal or uniform arrangement)

Global glass demand is forecasted to grow 30% by 2030, reflections of which are likely to increase SADC demand

!

Madagascar imports ~40% of its container glass from Tanzania, which indicates an opportunity to leverage logistical advantages to capture this market

Manufacturing Africa

1. Bordering countries include Malawi, South Africa, Tanzania, Zambia and Zimbabwe

Source: UNComtrade, HIS Markit, Africa Market Outlook

C. There is an opportunity to stablish a Container&Glassware Production Plant with 150KTPA capacity for regional supply

Container&Glassware Production Plant

Establish a Container&Glassware Production Plant with 150 KTPA capacity, supplying increasing domestic and regional demand for beverages and food industry

Investment metrics

$140–160 M
Investment required

$80–110 M
Annual revenue

~650
Jobs created

$150–190 M
FX on container glass import saved annually

Potential investors

Country	Company name	Revenue, Bn USD	Presence in Africa
	Ardagh Group S.A	9.1	✓ 1 country
	O-I Glass, Inc	6.5	✗
	Verallia S.A.	3.7	✗
	Şişecam	4.17	✓ 1 country
	BA Glass	1.7	✗
	Vitro International	N/A	✗
	Beta Glass Plc	0.08	✓ 1 country
	Madhvani Group	0.5	✓ 4 countries

Source: Company website

C. Government could guarantee a de-risking package to enable the implementation of a Container&Glassware Production Plant

Guarantee stable, cost-competitive industrial gas pricing below regional competitors[1] (<~$3/MMBtu) via long-term contracts

Invest in targeted capability development to guarantee existence of skilled operators of furnaces and forming lines

Upgrade and operate critical transport infrastructure, including rehabilitation of the **national N1 road (Maputo–Pemba)**, and enable a competitive **cabotage ecosystem** across ports

Guarantee long-term land-use rights to establish a Container and Glassware Plant **in the Nacala SEZ**, leveraging proximity to gas pipelines and the Nacala port

Guarantee that the industry can benefit from **0% import duties and VAT exemption** on capital goods imports to reduce implementation costs

1. For comparison the main Sub-Saharan producers gas pricing are ~$5–5.5/MMBtu in South Africa and $3.7-4.1 MMBtu in Tanzania

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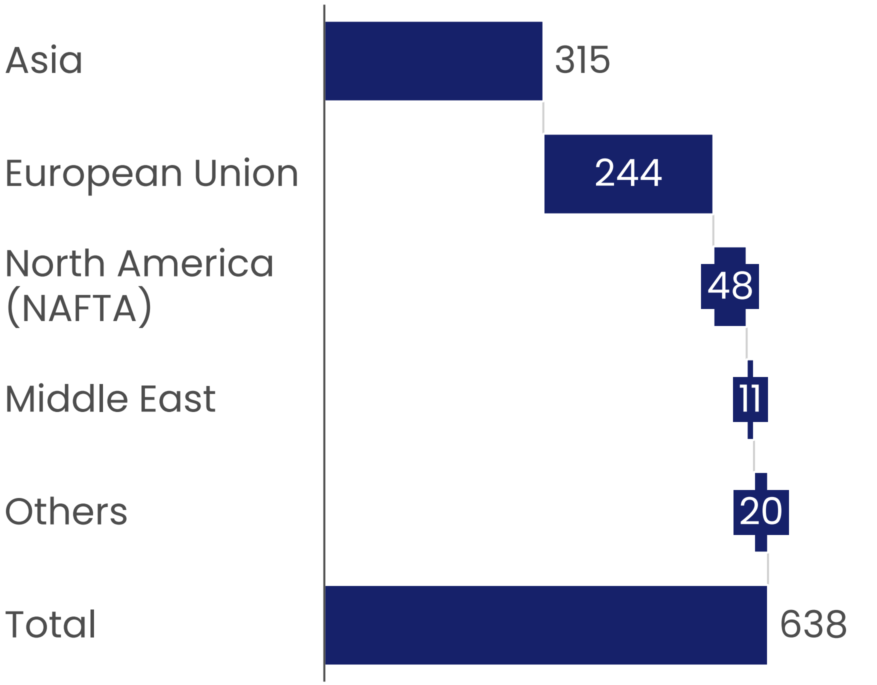
Input ecosystem	D **Graphite processing hub (mine to CSPG[1])**	**Become the third largest processor of graphite globally,** establishing Mozambique as a **key node in the global battery supply chain** and a leader in mineral transformation in Africa	**50,000 MTPA spherical graphite processing complex**, refining graphite sourced from Balama mine production and imported from Madagascar and Tanzania, localising currently exported production and competing with China	0.5-0.6
	E **Aluminium casting, rolling and extruding**	Keep **Mozambique a top 2 African producer of aluminium** and expand scope to regionally focused **semi-processed products**	**580,000 MTPA Aluminium smelting and midstream processing hub**, reviving ingot capacity from Mozal smelter and adding casting, rolling, and extrusion capacity	0.4-0.5

1. Concentrated Spherical Purified Graphite
2. Malawi, Mozambique, South Africa, United Rep. of Tanzania, Zambia and Zimbabwe

D. Mozambique can become a competitive spherical graphite supplier in a ~$638M global market by building refining capacity

Global spherical graphite imports[1], 2024, *M USD*



Dimension	Mozambique advantage
Existing input ecosystem	**Balama provides ~350 ktpa mining capacity,** enabling reliable feedstock for spherical graphite refining **Additional volumes can be sourced from nearby producers** to increase refinery throughput (Tanzania ~8 ktpa; Madagascar ~70 ktpa)
Long-term feedstock supply	**Mozambique sits near ~21% of global graphite reserves** across Mozambique (~25,000 kt), Madagascar (~26,000 kt) and Tanzania (~18,000 kt), supporting a **long-term refining hub**
Strategic position for export	**Pemba port provides strategic access to international markets** in Asia, Europe and the USA, supporting its participation in the global value chain as countries aim to diversify refining supply from China

Global spherical graphite demand value is expected to **double by 2035**; without domestic refining, Mozambique risks remaining a raw-material exporter and missing the value-capture upside, despite being projected to become the **#2 global feedstock supplier**

UKaid from the British people — Manufacturing Africa

1. HS code 3801.90

Source: UNComtrade, African Minerals Development Centre, Syrah Resources

D. Mozambique can build a Regional CSPG[1] hub with 50 K MTPA capacity to become a kappa key node in the global supply chain

Regional CSPG hub

Regional graphite mining and refining complex with 50,000 MTPA spherical graphite capacity, anchored on Balama feedstock and supplemented by Tanzania and Madagascar

Investment metrics

$400–500 M
Investment required

$450–550 M
Annual revenue

~300–500
New jobs created

Potential investors

Country	Company name[2]	Revenue, Bn USD	Presence in Africa
Australia	Syrah Resources	0.1	✓ 1 country
France	Mersen	1.4	✓ 1 country
Germany	SGL Carbon	0.6	✗
USA	GrafTech International	0.5	✗
USA	Morganite Industries	0.5	✓ 1 country
India	Graphite India	0.3	✗
Japan	Toyo Tanso	0.3	✗
India	HEG Ltd	0.3	✗
Japan	Nippon Carbon Co.	0.2	✗
Germany	De Nora Germany	0.2	✗

1. Coated Spherical Purified Graphite
2. Ranked by revenues, with companies with a demonstrated interest in Africa listed first

D. Government could guarantee a de-risking package to enable delivery of a Regional CSPG hub

Guarantee long-term access to cost-competitive industrial electric energy tariff (~$0.08/kWh) and other power-sources (e.g., gas) via long-term contracts, including electricity gridline upgrades and access to renewable sources

Invest in targeted capability development and technological transfer to guarantee existence of skilled labour for graphite refining and adjacent processes

Upgrade and operate critical transport infrastructure, including continued rehabilitation of Pemba port and adjacent logistical capabilities (e.g., graphite storage)

Guarantee that **benefits from the SADC free trade area are applied to imports of unprocessed graphite** from Tanzania and Madagascar (i.e., preferential tariffs)

Guarantee that the industry can benefit from **0% import duties and VAT exemption** on capital goods and key inputs' imports to increase cost-competitiveness in the global market

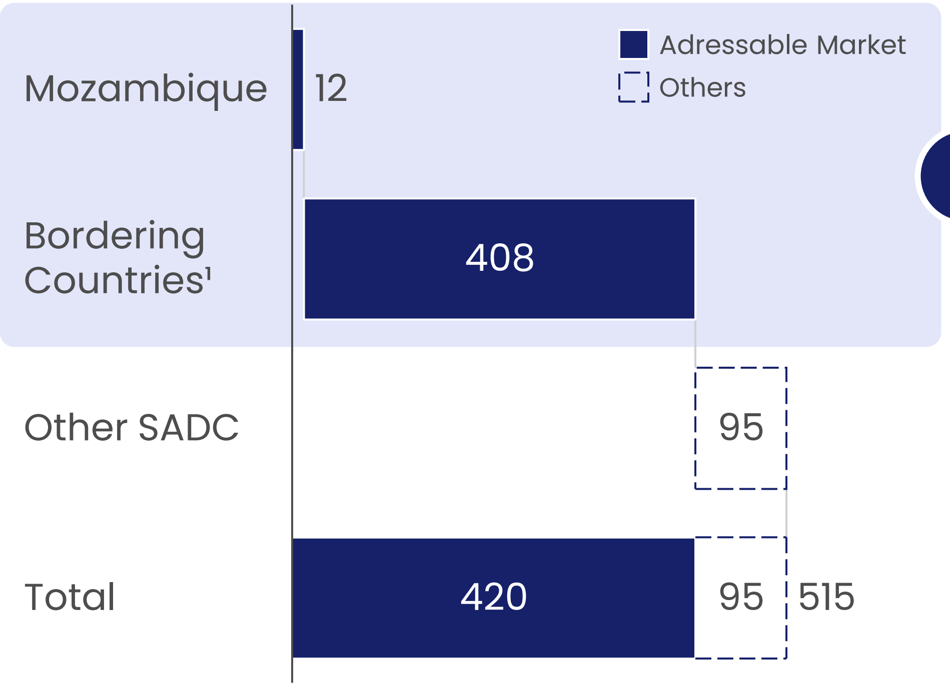
These can be translated into five megaprojects, with potential to bring up to $5 Bn in investment and $3.5 Bn in annual revenues

Competitive anchor	Flagship investment	Vision	Description	CAPEX, Bn USD
Gas-as-Feedstock	A Urea fertiliser complex	Position Mozambique as **a relevant producer and exporter of fertilisers to Africa**, leveraging domestic gas availability to **scale fertiliser production respond to current gaps** in Southern African supply	**1.3 MMTPA urea fertiliser complex**, turning gas to ammonia and ammonia to urea, leveraging natural gas resources to capture $800 M fertiliser import demand in Southern Africa	1.0–2.0
	B Gas to methanol complex	Become a **top 3 methanol producer in Africa, leading exports to East and Southern Africa** as well competing in the South and East Asian markets	**1.8 MMTPA gas to methanol hub**, exporting raw methanol for fuel and petrochemical production	1.5–2.0
Gas-to-Power	C Glass production	**Become the top-5 Sub-Saharan country in container glass exports**, establishing Mozambique as a key supplier for bordering countries'[2] demand	**150 KTPA container (packaging) glass production plant**, supplying increasing domestic and regional demand for beverages and food industry	0.1–0.2
Input ecosystem	D Graphite processing hub (mine to CSPG[1])	**Become the third largest processor of graphite globally**, establishing Mozambique as a **key node in the global battery supply chain** and a leader in mineral transformation in Africa	**50,000 MTPA spherical graphite processing complex**, refining graphite sourced from Balama mine production and imported from Madagascar and Tanzania, localising currently exported production and competing with China	0.5–0.6
	E **Aluminium casting, rolling and extruding**	Keep **Mozambique a top 2 African producer of aluminium** and expand scope to regionally focused **semi-processed products**	**580,000 MTPA Aluminium smelting and midstream processing hub**, reviving ingot capacity from Mozal smelter and adding casting, rolling, and extrusion capacity	**0.4–0.5**

1. Concentrated Spherical Purified Graphite
2. Malawi, Mozambique, South Africa, United Rep. of Tanzania, Zambia and Zimbabwe

E. Aluminium semi-finished products represent a ~$420M addressable market for Mozambique

Regional semi-finished aluminium products imports, 2024, *M USD*



Dimension	Mozambique advantage
Existing input ecosystem	Re-operating **installed capacity of 580,000 MTPA Aluminium smelting** can provide a high and reliable input supply for production of semi-finished aluminium
Strategic position for regional export	Maputo, Nacala and Beira corridors provide **direct access to bordering countries,** which represent a significant target market for semi-finished aluminium
Lower cost of production	Utilities represent **40-45% of production cost, Mozambique** has a structurally competitive electricity price **(~$0.08/kWh)** versus regional competitors (e.g., South Africa ~$0.14/kWh) Parallel to that, **Mozambique's labour** (~$160/month minimum wage[2]) is **comparably cheaper than South Africa** (~$290/month minimum wage[2])

Africa aluminium products demand is forecasted to grow 30-35% by 2030, which driven by urbanization, population growth, and infrastructure expansion

At scale, Mozambique could **capture other SADC and international markets given price competitiveness and green premium** (e.g., USA and Europe)

1. Bordering countries include Malawi, South Africa, Tanzania, Zambia and Zimbabwe
2. Minimum wage value: Consider Mozambique's minimum industrial wage (MZN 10,147/month) and South Africa's general minimum wage per hour assuming a 8 hour/day shift for 20 days/month (ZAR 30.2/hour * 8 * 20)

Source: South Africa Government Gazette, INSS Moçambique, GlobalPetrolPrices

E. Reviving Mozal and adding 450,000 MTPA of midstream capacity could position Mozambique as a lead regional aluminium exporter

Aluminium casting, rod, rolling, and extruding hub

Integrated aluminium smelting and midstream processing hub with 580,000 MTPA capacity, from Mozal smelter and adding casting, rolling, and extrusion capacity

Investment metrics

$400-500 M
Investment required

$1-1.5 Bn
Annual revenue

~800-2000
~2000-7000 indirect
New jobs[1] created

$4 M
FX on rolled and extruded aluminium imports saved annually

Potential investors

Country	Company name[1]	Revenue, Bn USD	Presence in Africa
Australia	South32	0.7	✓ 2 countries
China	Chinalco Group	33.7	✓ 1 country
China	GCL Group	28.0	✗
Bahrain	Midal Cables	0.1	✓ 1 country
China	Hongqiao Group	22.8	✓ 1 country
Norway	Norsk Hydro ASA	20.6	✗
Russia	En+ Group	16.6	✗
Russia	Rusal	13.9	✓ 1 country
USA	Alcoa Corp.	12.8	✓ 1 country
China	Shandong Innovation	11.3	✗

1. Ranked by revenues, with companies with a demonstrated interest in Africa listed first

E. Government could guarantee a de-risking package to enable the implementation of an Aluminium Hub in Mozambique

Guarantee long-term access to cost-competitive industrial electric energy tariff (~$0.08/kWh) via long-term contracts

Upgrade energy gridline to ensure consistent and reliable energy availability in the Aluminium Hub (e.g., minimum of 1000 MWh), done via **storing surplus energy** and guaranteeing access to **renewable sources** to enable exports to environmentally conscious markets like the E.U.

Upgrade and operate critical transport infrastructure, including rehabilitation of the **national N1 road (Maputo–Pemba)**, and enable a competitive **cabotage ecosystem** across ports

Guarantee long-term **land-use rights for land near the current Mozal facility**, to establish an Aluminium Hub

Guarantee that the industry can benefit from **0% import duties and VAT exemption** on capital goods imports to reduce implementation costs

A delivery lab could drive origination and conversion of large-scale FDI through tight coordination and direct executive alignment

PRELIMINARY **FOR DISCUSSION**

A delivery lab should be created to d**rive origination and conversion of large-scale FDI projects by ensuring tight coordination across government, rapid decision-making, and direct escalation to the Presidency**

Dimension	Description
Core functions	• **Strategic development thinking** – Build strategic documents on main short-term themes for Mozambique, i.e., Gas Master Plan (what can we do with the domestic Gas) • **Investment case development** – Build and refine investor-ready cases, including commercial, regulatory, and financing packages • **Investor origination & engagement** – Identify, target, and actively engage strategic investors and partners
Participants	**Bi-weekly working sessions** with the following stakeholders: • **GRPE (Presidential Delivery Unit) –** Provides direct link to the Presidency, ensures rapid escalation and political alignment • **UK FCDO –** Co-leads coordination, ensures delivery discipline, provides technical support and international best practices • **APIEX –** Lead investor interface; responsible for investor targeting, engagement, and facilitation across the lifecycle • **MPD –** Ensures alignment with national development priorities and project prioritisation; supports structuring of flagship opportunities • **IFC / World Bank** – Support structuring of bankable projects, mobilise private capital, and design de-risking instruments

Key next steps

1. Formally confirm membership and roles and secure formal endorsement from Presidency (via GRPE) and MPD
2. Schedule the first monthly coordination session and lock recurring dates in all participants' calendars
3. Nominate senior representatives with decision-making authority across institutions
4. Define clear pathways for fast-tracking approvals and escalating blockers to GRPE / Presidency
5. Identify target investors and initiate engagement through APIEX and diplomatic channels

! The **high complexity** of the topics under consideration **may warrant establishing a dedicated strategic taskforce** to support

Content

Mozambique's natural gas sector represents a ~$21Bn near-term opportunity, with production expected to grow ~4x

$4Bn

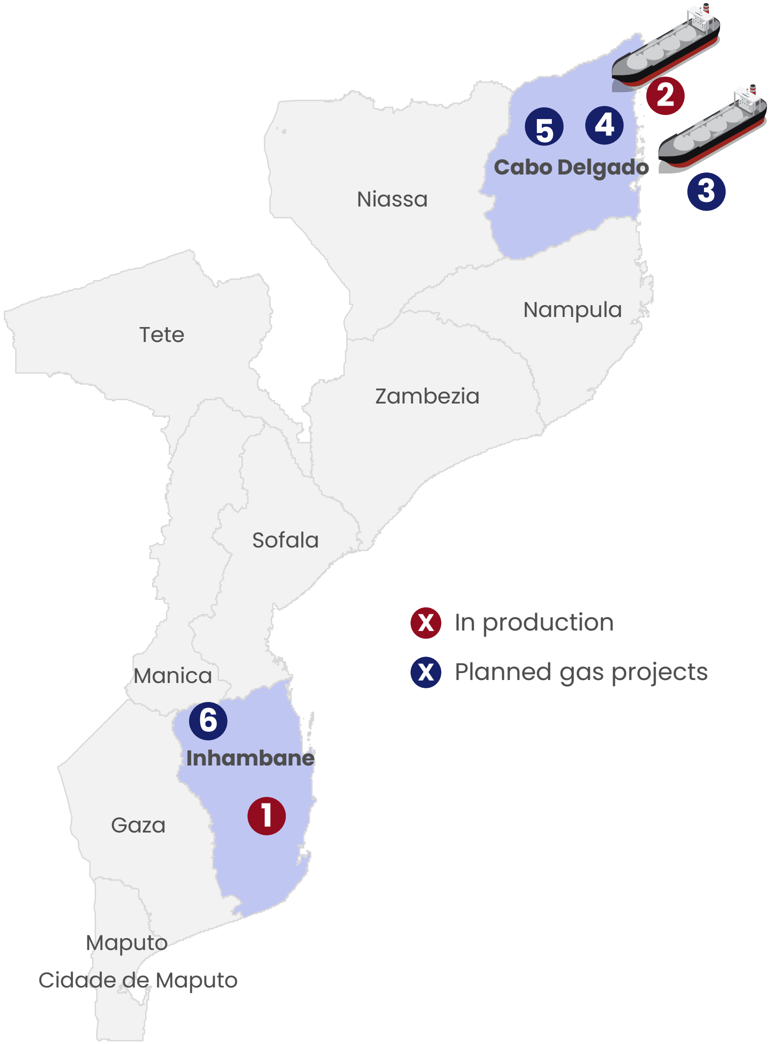
Value of natural gas production from 10.7 bcm in 2023

$17Bn[1]

Additional natural gas value unlocked through medium-term investments to produce ~44 bcm

~$58Bn

Total investment required for planned gas projects



Project	Type	Expected Output, bcm/ yr	Expected SOP	Operator
1 Panda Temane	Onshore gas	5.0	2004	sasol
2 Coral south	Offshore FLNG	4.6	2022	Eni
3 Coral North LNG	Offshore FLNG	5.0	2028	Eni
4 Area 1 LNG (T1 &T2)	Onshore FLNG	18.0	2031	TotalEnergies
5 Area 4 LNG Phase 1	Onshore LNG	21.0	2032	ExxonMobil
6 Baobab	Onshore gas	N/A	2036	sasol

1. Gross value calculated assuming LNG price of $11/Mbtu

Source: IEA Energy Policy Review 2024, INP

Rapid growth in Mozambique's O&G sector creates a compelling opportunity for foreign investors to localise service provision

Local content framework for O&G services under Article 27 of the Petroleum Law (Law 21/2014)

1 Mandatory association with a Mozambican entity

Any foreign company wishing to provide services to petroleum operations must legally associate with a Mozambican company to be eligible. The permitted structures are an equity joint venture, association in participation, consortium, or subcontracting arrangement

2 Procurement preference for local suppliers (with a 10% price premium allowance)

Key implications

An investor can leverage two entry routes to enter the Mozambican O&G services market:

- Associate with an existing Mozambican entity
- Incorporate a new Mozambican company through establishing a local subsidiary and hiring Mozambican nationals at the prescribed minimum ratios

Source: Mayer Brown , Local content in Mozambique

There are ~54 segments in Mozambique's O&G sector

Sectors with high localisation potential detailed ahead

Seismic and G&G
- 1A Seismic acquisition
- 1B Seismic processing services
- 2 Geotechnical & geophysical services

Engineering services
- 3 FEED studies
- 4 Detailed engineering

Drilling tools and services
- 5 Drilling fluids services
- 6 Pumping services
- 7 Cement products
- 8 Solids control
- 9 DD/MWD/LWD & Gyro services
- 10 Coring services
- 11 Liner hanger services
- 12 OCTG and associated services
- 13 Wellhead and X-Mas trees
- 14 Drill bits and services
- 15 Casing and tubular running services

Rigs
- 16A Onshore Rigs (e.g., Land rigs)
- 16B 16B Offshore Rigs (e.g., Jack-Up/ Drill ships)

Completion and intervention
- 17 Well completion & engineering
- 18 Down hole tools and fishing
- 19 Well interventions

Subsea services
- 20 ROV and diving services
- 21 Subsea equipment and services
- 22 Subsea engineering

Well services
- 23 Nitrogen and pumping services
- 24 Well testing
- 25 Slickline services[2]
- 26 Wireline services[2]

EPCM services
- 27 FPSO topside EPC

EPCM services (contd.)
- 28 Onshore civil EPC services
- 29 Offshore EPC

Manufacturing services
- 30 IT, electro, control & telecom equip.
- 31 Metal and processing equip.
- 32 Valves
- 33 Cables
- 34 Building components
- 35 Insulation, scaffolding & surface treatment

Transportation & logistics
- 36 Marine services
- 37 Aviation services
- 38 Freight forwarding & land logistics
- 39 Supply base

Maintenance services
- 40 General O&M contract services
- 41 Pipeline maintenance and repairs

Maintenance services (contd.)
- 42 General inspection services
- 43 Maintenance of advanced rotating equipment

Operational support services
- 44 General manpower services
- 45 Vehicle purchase and supply
- 46 Major equipment procurement (e.g., pipeline, generators, etc.)
- 47 Facilities management

Professional services
- 48 ICT services
- 49 Medical services
- 50 Waste management
- 51 Safety training and emergency response services
- 52 Insurance services

Support services
- 53 Catering and housekeeping
- 54 Security services

1.Does not include evaluation or formation

Source: Expert Interviews; Angola Country Sustainability Report;

Sectors with high localisation potential could capture $5.1Bn in value as new projects scale

Service category	Typical % of opex	Total market size, $Mn[1]	Example of companies present in Mozambique
Well services	3%	510	slb, Baker Hughes, Halliburton, Weatherford, Expro
Manufacturing services	4%	680	Topack, Métalec, Engco, Mota-Engil, Cimentos de Moçambique
Maintenance services	10%	1,700	RITC MOZ, SGS, Southey, Nikham, MOEMS
Operational support services	8%	1,360	Tsebo, Horizon Sales, COEM
Professional services	3%	510	Hollard, Emose, Moz Environmental, Global Alliance
Support services	2%	340	G4S, GardaWorld, Tsebo Servco
Total		5,100	

Manufacturing Africa

1. Percentage applied to approximate annual gross value of $17Bn from upcoming projects (Area 1 LNG, Area 4 LNG and Coral North FLNG)

Content

Potential UK investors: Short term priority value chains (1/4)

Value chain	Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
Tourism	IHG HOTELS & RESORTS	Develops and operates a global portfolio of hotel brands through an asset-light model, expanding into new markets primarily via franchising and management contracts with local partners	100+	4,920	✓
	BELMOND	Owner-operator of luxury hotels, lodges, and experiential travel assets, investing directly in high-end hospitality properties and expanding through acquisition and development of iconic destinations	20+	600	✓
	THE RED CARNATION HOTEL COLLECTION	Family-owned luxury boutique hotel group that owns and operates a portfolio of high-end properties, expanding selectively through direct ownership and long-term management of flagship assets	5	n/a	✓
	Virgin LIMITED EDITION	Develops and operates a curated portfolio of ultra-luxury retreats and lodges, investing directly in unique, high-end experiential properties across global destinations	5	n/a	✓
	ABERCROMBIE & KENT	Luxury tourism operator and investor that develops and operates high-end lodges, camps, and destination experiences, expanding into new markets through owned assets and partnerships	50+	~500	✓

Potential UK investors: Short term priority value chains (2/4)

Value chain

Edible oils

Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
Associated British Foods plc	Diversified agri-food group operating across sugar, edible oils, and ingredients, expanding internationally through large-scale production and processing assets and strong regional supply chains	n/a	20,000	✓
KTC Food Group	Manufacturer and distributor of edible oils and food products, expanding through sourcing, refining, and distribution partnerships across international markets	20+	n/a	✗
British International Investment	Backed Robust International's sesame processing in Mozambique ($30M) and Nigeria cashew ($75M guarantee via GuarantCo); provides equity and debt to agro-processors across Africa	10	290	✓

Potential UK investors: Short term priority value chains (3/4)

Value chain

Rice

Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
Ebro	UK-headquartered branded rice company 'Tilda', market leader in basmati in the UK, with sales in 40+ countries and a full rice estate and mill in Africa	80+	n/a	✓
AgDevCo	AgDevCo is an impact investor that provides patient debt and equity to build and scale agribusinesses in Africa; Portfolio includes large irrigated farms and grain projects (e.g., Babator irrigated rice hub in Ghana)	11	414	✓
unitedgreen	Has a mandate and track record for greenfield irrigated farming plus processing in East Africa; Signed a $200M+ MoU with the Government of Kenya in 2023 to develop irrigated cereals and oilseeds and build local processing capacity	80	n/a	✓

Potential UK investors: Other strategic value chains (4/4)

Value chain	Company	Description/ Relevance	Country of operations	Revenue, USD Mn		Presence in Africa
Cashew	PIDG Private Infrastructure Development Group	De-risk private investment through guarantees; Provided a 100% guarantee for Robust International's $75M cashew processing plant in Ogun State, Nigeria — enabling plant expansion from 100 MT/day to 220 MT/day	30+	n/a		+16 others
	British International Investment	Invested £12.3M in Valency (Nigeria, 2023) and a further £11.6M in Valency (Côte d'Ivoire, 2024) for integrated cashew processing plants and biochar facilities	10	290	✓	
Cotton	Carrington Textiles	A large-scale UK fabric manufacturer specialising in workwear and technical fabrics; while Carrington does not yet manufacture in Africa, its 130M metres annual production capacity and global distribution model positions it as a potential investor	80+	n/a	✗	

Potential UK investors: Flagship long term opportunities (1/2)

Value chain	Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
Fertiliser	British International Investment	British International Investment (BII) committed US$65 million to support Indorama's fertiliser expansion project in Nigeria	10	290	✓
Aluminium processing	Novelis	**Recycling & Circular Economy:** With Europe facing an aluminum structural deficit, Novelis could transform Mozambique's operations into a regional recycling hub, utilizing its expertise in processing used beverage cans into high-grade sheet.	11	571	✗
	Hydro Aluminium Limited	**Green Transition & Renewables:** Mozambique's reliance on hydropower aligns with Hydro's "green aluminum" strategy. They could provide the technology to integrate solar and wind into existing smelter grids to lower operational costs.	40	336	✗
	Bridgnorth Aluminium Limited	**Downstream Value-Addition:** As a specialist in flat-rolled coils, Bridgnorth could help Mozambique shift from exporting raw ingots to producing finished products for the global packaging and data centre cooling markets.	1	287	✗
	Arconic	**High-Performance Alloys:** Arconic's expertise in aerospace and defense grade aluminum could enable Mozambique to tap into high-value global supply chains, increasing the per-tonne value of domestic aluminum production.	7	220	✗

Potential UK investors: Flagship long term opportunities (2/2)

Value chain	Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
Critical minerals mining and processing	KORE POTASH FROM THE GROUND UP	UK-based mining company Kore Potash has secured a $2.2 billion loan agreement with Swiss investment firm OWI-RAMS GmbH to finance the development of the Kola Potash Project in Congo	2	n/a	✓
	BLENCOWE RESOURCES	Exploration, evaluation, and development of mineral resources; Blencowe Resources is advancing its Orom-Cross Graphite Project in Uganda with continued support from the US International Development Finance Corporation	1	n/a	✓
	APPIAN CAPITAL ADVISORY LLP	Private equity firm specializing in middle market, growth capital, turnaround and buyout investments in the natural resources sector with a focus on mining companies	9	36	✗
Methanol	Shell	Shell plc is a global integrated energy and chemicals company and a highly credible industrial investor, with strong capabilities across gas monetization, LPG value chains, and upstream chemical production	70	284,000	✓

Potential UK investors: Other strategic value chains (1/6)

Value chain	Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
Animal feeds	AgriProtein Holdings UK Limited	Develops and operates insect protein production facilities using organic waste, typically expanding through building and operating plants in new markets in partnership with local stakeholders	n/a	n/a	✓
Poultry	AgDevCo	AgDevCo is an impact investor that provides patient debt and equity to build and scale agribusinesses in Africa, making it well-suited to invest in and develop poultry, feed, and farming platforms in Mozambique	11	414	✓
	Anpario	Manufactures and sells feed additives globally, expanding into new markets through distributor networks and local commercial partnerships rather than direct production	80	48	✓
Aquaculture	FutureFish	Invests in and develops aquaculture businesses, typically entering new markets through partnerships and co-development of local production platforms	27	n/a	✓
	blue ventures beyond conservation	Implements community-based fisheries and aquaculture programmes, expanding into new geographies through partnerships with governments, donors, and local communities	11	n/a	✓

Potential UK investors: Other strategic value chains (2/6)

Value chain

Logistics

Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
M&G Real Estate	Real estate investment manager focused on logistics and industrial assets, typically expanding into new markets through direct property investment and development platforms	29	95	✗
Africa Logistics Properties (ALP)	Developer and owner of grade-A logistics warehouses in Africa, entering new markets by building and operating logistics parks in partnership with local stakeholders	3	n/a	✓

Potential UK investors: Other strategic value chains (3/6)

Value chain	Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
Renewable energy	octopus energy	Octopus Energy Generation, partnered with South Africa-based Pembani Remgro Infrastructure Managers (PRIM) to launch the Octopus Energy Power Africa Fund (OEPA), targeting clean energy projects across Sub-Saharan Africa. The fund aims to raise $250 million over three years	18	n/a	✗
	British International Investment	Private equity and venture capital firm specializing direct and fund of funds investments. BII increases its investment in Egypt's renewable energy sector. British International Investment (BII) has committed $37 million to the Abydos II Solar PV and Battery Energy Storage System	10	290	✓
Plastic processing	Global Innovation Fund	Global Innovation Fund (GIF), in partnership with Unilever, have invested in Mr. Green Africa, a Kenya-based plastics recycler	n/a	22	✓
	Mura Technology	Mura Technology, a UK-based recycler, plans to build a 50,000 t/yr plastic recycling plant on Jurong Island in Singapore. The facility will use its Hydro-PRT technology to convert plastic waste into high-quality circular hydrocarbons	3	n/a	✗

Potential UK investors: Other strategic value chains (4/6)

Value chain	Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
LPG	Shell	Shell plc is a global integrated energy and chemicals company and a highly credible industrial investor, with strong capabilities across gas monetization, LPG value chains, and upstream chemical production	70	284,000	✓
Cleaning products	Unilever	Manufactures and markets products across Beauty & Wellbeing, Personal Care, Home Care, and Foods, with flagship cleaning brands including OMO/Persil, Sunlight, Domestos, Cif, and Comfort	50+	~50.000	✓
	Reckitt Benckiser	British FMCG focused on Hygiene, Health, Nutrition; key cleaning brands include Dettol, Lysol, Harpic, Cillit Bang, Finish, Vanish	60	~15,000	✓

Potential UK investors: Other strategic value chains (5/6)

Value chain	Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
Biofuels production	green fuels	British International Investment (BII) committed €30 million to the Africa Renewable Energy Fund II (AREF II), managed by Berkeley Energy, as part of a €130 million first close in 2021. The fund focuses on developing, building, and operating early-stage renewable energy projects	80	n/a	✓
	British International Investment	Green Fuels Ltd actively expanding its biofuel production in Asia, notably through a joint venture with Aris BioEnergy in India to convert waste cooking oil into biodiesel	10	290	✓
Hydrogen	bp	BP announced a $3.5 billion, three-year investment plan in Egypt to boost oil and gas exploration while driving energy transition initiatives	70+	188,000	✓
	ITM POWER Energy Storage | Clean Fuel	Designs and manufactures electrolysers for green hydrogen production, expanding globally through project partnerships and supplying equipment to large-scale hydrogen developers	2	34	✗
	HiiROC	Develops hydrogen production technology (thermal plasma electrolysis) to produce low-carbon hydrogen from natural gas, typically commercialising through partnerships and deployment with industrial and energy players	2	0.9	✗

Potential UK investors: Other strategic value chains (6/6)

Value chain	Company	Description/ Relevance	Country of operations	Revenue, USD Mn	Presence in Africa
Energy transmission	Gridworks	Gridworks, a subsidiary of British International Investment, focuses on investing in electricity network infrastructure across Africa	18	n/a	✓
	Xlinks	Xlinks First Ltd. secured a $14.1 million investment from Africa Finance Corporation (AFC) to advance the Morocco–UK Power Project, aimed at delivering clean energy from Morocco to United Kingdom	2	n/a	✓
	British International Investment	IndiGrid, a Mumbai-based power transmission InvIT backed by KKR, partnered with British International Investment (BII) and the Norwegian Climate Investment Fund to create EnerGrid, a new platform focused on greenfield transmission and standalone battery energy storage. The partners—IndiGrid, BII, Norfund, and KLP via KNI India AS—have collectively committed around $300 million, with each contributing roughly $100 million	10	290	✓

Potential UK investors: Oil and gas service sectors (1/3)

Service category	Company	Description	Countries of operations	Revenue, $K	Presence in Africa
Maintenance	Subsea 7 Inc.	Underwater Infrastructure: They are experts at building the pipelines and structures on the seabed that connect deepwater gas wells to production ships or the shore	33	6,837,000	✓
	Plexus Holdings plc	Leak-Proof Wellheads: Their "POS-GRIP" technology uses high pressure to create a perfect seal on wells, which is vital for the extreme safety requirements of Mozambique's high-pressure gas fields	Global (IP)	16,023	✓
Manufacturing	Hunting PLC	Precision Tools: They manufacture specialized steel tubes and tools that go inside gas wells, ensuring they stay open and productive for decades	25	1,048,900	✓
	National Oilwell Varco (UK)	Total Equipment Supply. They are a -one-stop-shop- for everything from drilling rig parts to the robot-controlled arms used to build subsea equipment	15	478,124	✓

Potential UK investors: Oil and gas service sectors (2/3)

Service category	Company	Description	Countries of operations	Revenue, $K	Presence in Africa
Manufacturing	Tekmar Group plc	Protective Armor. They provide protective coverings for underwater cables and pipes, keeping them safe from strong ocean currents or heavy fishing equipment	15	41,601	✓
	Chesterfield Cylinders	Safe Gas Storage: They build massive, ultra-strong steel tanks for storing high-pressure gas, which is essential for transporting gas from remote Mozambique sites	38	18,795	✓
Operational	John Wood Group PLC	Lifelong Maintenance: They provide the "doctors and mechanics" for the energy industry, maintaining LNG plants to ensure they operate safely without shutting down unexpectedly	60+	5,155,400	✓
	ASCO Group Limited	Supply Chain Logistics: They manage the movement of millions of items—from drill bits to food—to remote offshore platforms ensuring projects never run out of supplies	9	614,845	✓
	ABL Group ASA	Safety & Planning Advice: They act as independent consultants, checking that ships and rigs are safe to use and that projects are following the best environmental standards	43	309,624	✓

Potential UK investors: Oil and gas service sectors (3/3)

Service category	Company	Description	Countries of operations	Revenue, $K	Presence in Africa
Well Services	TechnipFMC plc	Deepwater Robots: They use high-tech robotic systems to install and repair equipment thousands of feet underwater, where humans cannot go	41	9,083,300	✓
	KCA Deutag Alpha Ltd.	Deep Drilling Experts: They own and operate the massive rigs that drill into the ocean floor to reach the gas reservoirs, specializing in difficult and remote environments	20	1,711,600	✓