



REPUBLIC OF MOZAMBIQUE MINISTRY OF ENERGY

Mozambique & Biofuels EASTERN AND SOUTHERN AFRICA REGIONAL WORKSHOP ON BIO-FUELS

UNEP HEADQUARTERS, 28 – 29 JUNE 2007





Geographical Location

- South East of African Continent;
- Total land area of 800 000 Square Km
- Population: 18 Million;
- 80% of population uses biomass as sources of energy;
- Official language: Portuguese;
- The neighboring countries are South Africa, Swaziland, Zimbabwe, Malawi, Zambia and Tanzania





Presentation Contents

- Mozambique Vision;
- National Strategy and Policy;
- Legal Frameworks;
- Actual Situation;
- Barriers to development of biofuels programmes;
- Conclusion.



Mozambique Vision

- Foster large-scale production of bio-fuels for national consumption and exports;
- Gradual introduction of blending of petrol and diesel;
- Co-generation of electricity (also off-grid);
- Address energy needs of the poor using modern bio-fuels.



National Strategy and Policy

- **Encourage cross-sectoral cooperation:**
 - Ministry of Energy,
 - Ministry of Agriculture;
 - Ministry of Science and Technology;
 - Ministry and of Industry and Trade,
 - Universities, Banks, civil society, NGOs, among others; an inter-institutional forum comprising most of these entities has been established by the GoM under the coordination of the Minister of Energy to address a national strategy for biofuel in Mozambique.



Legal Frameworks

- ❑ **GoM has already adopted appropriate Legislation for introducing bio-fuels;**
- Decree No. 1/97 28th January that defines the system import, distribution and commercialization of petroleum products and the determination of their prices in the national territory; was revised in order to accommodate Biofuels issues;
- Specification of petroleum products is under review (Blending: 10% for bioethanol and 5% for Biodiesel)



Actual Situation

- Government is very actively encouraging introduction of bio-fuels
- Environmental problems are increasing
- Traffic and use of petroleum based products are increasing fast
- Global oil prices will stay unpredictable and volatile
- A great need for generating employment
- Mozambique is very suited for sugar and other bio-fuel crops
- Old sugar factories under rehabilitation by the private sector
- Several projects are testing jatropha cultivation



Potentials benefits & Local conditions

- ❑ They are labour intensive, and can create agricultural and agro-industrial employment, self-employment, and income;
- ❑ Potential markets for surplus bio-fuels, in particular, bio-ethanol have been identified in a number of countries, including Europe.
- ❑ Mozambique has 36,000,000 ha of arable land, of which only 9% is under cultivation, abundant labour and water with which to produce bio-fuels without threatening food production and food security;



Mozambique Petroleum Sector- Downstream (Some Figures)

- ❑ 12 Oil Companies operating in the country, including the State owned National Oil Company
- ❑ One oil procurement company owned by the 12 Oil Companies
- ❑ The oil imports follows international competitive tender rules
- ❑ The three main ports: Maputo, Beira and Nacala, are the gateways for oil products supply to the neighboring countries:, Swaziland, Zimbabwe, Zambia and Malawi inc. South Africa
- ❑ Domestic Consumption of Oil Products: 700,000 m³ per year
- ❑ Average Cost of Imported Oil Products: 270 million USD per year (11% of the Total National Imports)



Barriers to development of Bio-fuels programmes

- ❑ There is no national policy and national strategy for Bio-fuels;
- ❑ Definition of the Bio-fuels chain and determination of their price in order to be competitive with conventional fuels.





Conclusion

- Very large bio-fuel production possibilities in Mozambique;
- Early experience is very encouraging;
- Support on political level and Good investment climate;
- Macro-economic and political stability;
- The Government of Mozambique reiterates the invitation to the potential investors for business opportunities in the country, and expresses its willingness to provide the necessary support.



THANK YOU!