

# MOZAMBIQUE - POWERING THE ECONOMY FROM THE GROUND UP - RAPOSO BERNARDO & ASOCIADOS

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**In order to promote the further development of the Mozambique economy, greater emphasis is now being placed on energy and on infrastructure projects, says Bruno Xavier de Pina of Raposo Bernardo & Asociados.**

The Government is very conscious of the importance of the energy sector and is a major driver behind some of the most significant investments being made," he says.



Notable is the emphasis being placed on the coal industry, with new large-scale excavation at Moatize and the construction of an adjacent coal-fired power station. There has also been an expansion of the oil sector, with 10 new bores and a further seven planned for 2009.

"Mozambique's energy sector remains dynamic, but mainly in respect to 'old' energies as it continues to exploit its own significant hydro, natural gas, mineral sands, coal and potential oil

resources," says Xavier de Pina.

Mozambique sigue teniendo gran relevancia en el sector energético, y abundantes recursos de carbón, dice Bruno Xavier de Pina, de Raposo Bernardo & Associados. El país está viviendo la entrada de nuevos inversores en el sector del carbón, petróleo y en el sector hidráulico, además de en infraestructuras en transportes. Esto conlleva un crecimiento económico importante.

Hydro-power remains however the country's main energy source, although of an estimated capacity of 12,500MW only around 2,000MW is currently utilised.

"Cahora Bassa is still the country's main dam and although new hydro dam schemes will be necessary other renewables schemes are not yet a priority. Politically it would be extremely difficult for the government not to use its best efforts to exploit its existing carbon resources."

But investment is also being made in key infrastructure projects, which is also promoting a growing interest in the financial services sectors, notes Xavier de Pina.

"The government is allocating funds to small infrastructure projects but also to major roads and ports projects. There is clearly a virtuous link with the finance sector, but areas such as telecoms, transport, energy, tourism and agriculture are also expected to benefit."

Mozambique's banking sector may continue to present issues, says Xavier de Pina, including regulatory interference. But the government's wider economic goals may yet help to reduce bureaucracy and promote efficiency even there.