



## VITAL INDUSTRY UPDATES - 07/08/2015

### Mozambique keen on tie-ups in agri-business

Eyeing strong bilateral relations with India, Mozambique President Filipe Jacinto Nyusi expressed eagerness to build cooperation in the areas of agriculture and infrastructure.

Speaking to mediapersons at IIM-A here on Thursday, he said, “in our discussion with the government, we focused on agriculture and agri-business because we feel that this is an area we can unlock each other’s potential. Gujarat is quite strong in that area. This is a great opportunity for business people from this state,” he said.

The President, along with a delegation of businessmen, visited the campus of the Indian Institute of Management - Ahmedabad (IIM-A), where he had done a four-month programme in 2003.

Nyusi, who spoke in Portuguese, said that there were opportunities of strong bilateral cooperation in the area of agriculture. Mozambique has discovered reserves of natural gas, there are companies from India participating in the exploration of these resources.

The President visited a textile plant here on Thursday, and plans to visit some agriculture facilities, university and Petroleum university on Friday. He added that the two countries have signed some MoUs to facilitate cooperation between the entrepreneurs of the two nations.

He is in India on state visit six months after he was initiated as President of the Republic of Mozambique. “It strengthens our cooperation and friendly relations,” he said adding that “my visit is the first in any Asian country after I became President. So, I took this opportunity to visit India first. But my visit takes place 40 years after our independence but 40 years after establishment



of our political and diplomatic relations.” He had earlier visited India in 2011 as the Defence Minister.

India-Mozambique bilateral trade in 2014-15 is estimated to be around \$2.4 billion. India’s investments in Mozambique are presently valued at over \$7 billion primarily in the hydrocarbon and coal sectors.

## **Mozambique can be a vital source for coal, gas: PM**

Prime Minister Narendra Modi on Wednesday expressed the hope that Mozambique would continue to provide an encouraging environment for investments from India, including in the areas of hydrocarbons, minerals and infrastructure.

Speaking to the media after a delegation-level meeting with Mozambique’s President, Filipe Nyusi, the Prime Minister said that the African nation can be a significant source of natural gas, coal and other minerals that are vital for India’s growth. It also offers huge opportunities in the agriculture sector.

“I am pleased that Indian investments in these sectors have grown significantly in recent years. Mozambique hosts nearly 25 per cent of Indian investments in Africa. Our trade has multiplied five times in the last five years,” the Prime Minister said, adding that India seeks to deepen its relations with Mozambique and enhance its engagement in the region.

The two countries also agreed to explore ways to speed up the implementation of power supply projects in Maputo, Mozambique’s capital, which are being funded by an Indian line of credit.

The Prime Minister also assured the Mozambican President of India’s full assistance and collaboration in agriculture and food security. The two countries also finalised a Memorandum of Understanding on Cooperation in the field of Renewable energy.



Briefing newsmen, Navtej Sarna, Secretary, Ministry of External Affairs, said that the parleys between the Prime Minister and President Nyusi mostly focussed on economic cooperation. “They discussed specific projects in terms of gas, railways and coal,” the External Affairs Ministry official said.

### Inviting investments

On Wednesday Nyusi invited investments from the Indian private sector for the African nation’s agriculture sector.

Addressing members of the industry chambers CII, Assocham and Ficci, he said: “Mozambique is a large country with favourable conditions for cash and food crops. Our railway, road and port infrastructure provides a market locally and export options.”

“Our strategy is to explore value addition for our agri-industry. We would like private investors to come into Mozambique for this sector,” President Nyusi added.

## India to partner with Mozambique

India stands ready to partner with Mozambique in all areas of its development and both countries should work together to diversify bilateral trade, President Pranab Mukherjee has said.

The President said India is happy to see Mozambique continuing its high rate of economic growth. “With the recent discoveries of natural gas and minerals, the future holds a lot of promise. India stands ready to partner with Mozambique in all areas of its development. Mukherjee had yesterday received Filipe Jacinto Nyusi, President of the Republic of Mozambique and his wife Isaura Farrao Nyusi at Rashtrapati Bhavan.



## **Vedanta to start iron ore mining operations in Goa next week**

Mining conglomerate Vedanta Ltd is likely to start iron ore mining operations at the Codli mines in Goa on August 10.

Vedanta will restart iron ore business in Goa on August 10 after a closure for nearly 3 years. It will be a ceremonial reopening, scheduled to be formally inaugurated by Goa Chief Minister Laxmikant Parsekar, a person in the know of the development said.

The actual operations will begin post monsoon around the second half of September, he added.

The Anil Agarwal-led firm has a permission to mine 5.5 million tonnes per annum (MTPA) of the total permitted 20 million tonnes (MT) capacity for iron ore production in Goa by the Supreme Court.

"As of now, approvals have been obtained for Codli mine, which has 3 leases and 3 million tonnes permissible production capacity (out of 5.5 MTPA)," he said.

The company is making its best efforts to begin mining at the earliest. Bicholim is another mine for which all permissions have been granted, which means approval of the mine plan from IBM and NOC from Goa Pollution Control Board on water and air pollution, he added.

Vedanta Ltd will commence operations at a time when iron ore prices are at their lowest. Since the closure of mining operations in September 2012, prices



have crashed to USD 32-33 per tonne for Goa grade of iron ore (average grade 58 per cent FE) from a peak of about USD 140 per tonne in 2012.

On the reasons behind commencing operations despite the unviable low prices, a senior company official said the firm has been paying salaries and wages to all its nearly 4,000 workforce for last 3 years, incurring around Rs 1 crore a day.

"Vedanta's iron ore business has paid over Rs 1,000 crore as salaries and wages without generating any revenues as all workforce is sitting idle due to closure of operations. Starting them will at least will help us fill some of that gap," the official ..

The Goa government temporarily banned iron ore mining in September 2012 pending verification of documents in the wake of Justice M B Shah Commission's report.

During the same month, Environment Ministry had put the environment clearance granted to the mining leases in Goa in abeyance.

In October 2012, Supreme Court imposed a blanket ban on mining while hearing a petition. It lifted the ban in April last year, but with conditions.

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