

Mphanda Nkuwa Hydropower Project

Minister meets with potential lead investors in Europe

A delegation from Mozambique travelled to London, Berlin, Paris and Brussels 19 - 29 October 2002 to meet with potential partners in the Mphanda Nkuwa Hydropower Project.

The delegation was headed by the Minister of Mineral Resources and Energy, Eng. Castigo Langa and met with key actors of the Power Industry including investors, contractors, suppliers and the service industry (consultants).

Several of the large energy companies in Europe showed a sincere interest in considering investment in the Project. They all clearly stated that the Mphanda Nkuwa is considered as one of the most attractive hydropower projects in the world. Most of the risks normally associated with hydropower are low; the hydrology is well known with long time series of water flow, the geology is well tested and found solid and the environmental impacts are small relative to the size of the Project. The hydropower plant is cheap to develop, and even with the long transmission lines to the market the Project appears to be one of the most competitive alternatives for additional electricity generating capacity in Southern Africa.

The major concern regarding the possibility of financing the Project is linked to the price and security of payment for electricity from the Project. There are concerns about how fast electricity consumption will grow in the future and how electricity prices will develop when additional capacity is needed.

The mission to Europe will be followed up by visits to various financing institutions in late February 2003.



MOZAMBICAN DELEGATION VISTING POTENTIAL PARTNERS IN EUROPE:

Eng. Castigo Langa, Minister of MIREME flanked by Eng. Pascoal Bacela, Director DNE and Mr. João Alves, CPI to his left and Mr. Sverre Edvardsson - Hydropower Planner UTIP to the right.

Second row Eng. Nazário Meguigy, Director UTIP flanked by Mr. Odd K. Ystgaard - Project Manager Core Consultant of UTIP/ Financial Advisor to his left and Mr. Kjell Haagensen - Legal Advisor UTIP to his right.

At the back Mr. António Gumende, the Ambassador of Mozambique to Great Britain and Mr. Jonathan Bamber, Trade and Investment Manager, British High Commission in Mozambique