Tourism Investment Opportunities

by MINISTRY OF TOURISM, HIUANE ABACAR
at UK – Mozambique Investment Forum, in London, Dec 2, 2010
Tourism importance in MOZAMBIQUE

- In Mozambique, Tourism has a role to contribute for job creation, economic, social and environmental sustainable growth, foreign currency attraction, national unity preservation, a tool for investment attraction and natural resources conservation.

- To coordinate and develop the sector the country has a Tourism Law and its regulations, Tourism Development Plan, Strategies and action plans.

- Mozambique has a vision to develop and position itself as a Premium Tourism Destination, with special emphasis on: Integrated Tourist Resort, Diversity of Eco-tourism, Exploiting Adventure opportunities, and Cultural Experiences.

- By 2020 Mozambique intend to reach 4.5 million international tourists per annum.

- Tourism is a significant contributor to the Balance of Payments and is responsible for 2.2% Of GDP in 2008 (1.7% in 2004).

- Mozambique’s blend of African, Arab, Portuguese and Indian influences have had an extraordinary impact on the country’s cultural identity.
Mozambique’s Tourism Facts

- **Geograph and Location**: a total area of 799,380 Km² in Southern & East Africa; with 2,750 Km Coastline; average temperature of 26°C; GMT+2 zone; 11(9 to Nacala) Hours from London.

- **Population**: 22,416,881 people (INE 2010); Friendly; Willing to work and Learn; proud of its traditional and cultural values; Portuguese is the official language and English is widely spoken.

- **Conservation Area and Ecology**: 16% of total area - Unique and wide variety of flora and fauna; Rich in underwater archaeological resources; 6 National Parks; 6 National Reserves; 12 Hunting Blocks; 19 Game Farms, 12 Hunting Blocks and 3 Community based natural resources management.

- **Product and Attractions**: +40 Islands; Beach & Bush combination; Cultural & Historical Assets; Ecotourism & Diving; Eco Oriented Operations; Existing Brand Destination; good standard of safety and security.

- With Nacala International Airport, Mozambique will be MORE closer to UK (9 hours from London), EU, Asia and Middle East source markets. And, With the technological progress in the airline industry the distance will slowly but surely become irrelevant.
PRODUCT’S LINES

<table>
<thead>
<tr>
<th>Sand, Sea, Sun</th>
<th>Eco-tourism</th>
<th>Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.jpg" alt="Image" /></td>
<td><img src="image2.jpg" alt="Image" /></td>
<td><img src="image3.jpg" alt="Image" /></td>
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<tr>
<td>Water Sports</td>
<td>Adventure</td>
<td>Entertainment</td>
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<td><img src="image4.jpg" alt="Image" /></td>
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1. In a total of **2,386,326** international tourists visiting Mozambique in 2009, leisure was the first reason, followed by MICE and by those going to visit family and friends.

2. **THERE IS** a growing domestic market, more and more Mozambicans are doing tourism within their own country and use the established facilities. In 2009 more than **400,000** ware registered as guests.
The Tourism Indicators (2)

International Arrivals by Country in 2009
(source: National Institute of Statistics / Migration Department)

<table>
<thead>
<tr>
<th>Country of Permanent Residence</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>1,288,819</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>963,907</td>
</tr>
<tr>
<td>Suaziland</td>
<td>207,293</td>
</tr>
<tr>
<td>Malawi</td>
<td>86,814</td>
</tr>
<tr>
<td>Portugal</td>
<td>55,267</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>58,450</td>
</tr>
<tr>
<td>Germany</td>
<td>43,252</td>
</tr>
<tr>
<td>United States of America</td>
<td>38,702</td>
</tr>
<tr>
<td>Others</td>
<td>335,768</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,110,272</strong></td>
</tr>
</tbody>
</table>

Revenue from Tourism 2004 – 2010
(source: Central Bank)

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010 (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD Millions</td>
<td>95.3</td>
<td>129.6</td>
<td>139.7</td>
<td>163.4</td>
<td>190.0</td>
<td>195.6</td>
<td>88.3</td>
</tr>
</tbody>
</table>

1. In the Top 10 international arrivals to Mozambique, the UK, with 58,450 visitors, is on 6th place and is the 2nd among the European countries,
2. The most predominant segment travelling from UK to Mozambique is medium and upmarket and uses tourism facilities. A lot seek for pristine beaches and tropical islands, diving and cultural experiences.
3. The regional tourists are mainly self driving and excursionists. And reasonable number prefer self catering accommodation along the beaches.
1. UK is investing in all Mozambican Provinces with **206,348,112 USD**, in 74 hotel and tourism facilities, representing **9.37%** of tourism investment market share. Largest amount invested by UK in tourism in USD: 58,388,160 in Matutuine (2010).

2. Direct investment made by Mozambicans in tourism sector have grown by 153.2% during 2008 to 2009.

3. Mozambican’s Authorities response on investment approval raised from 56% to 92% from 2005 to 2009.

4. In 2009 Mozambique got more than 195.6 millions USD as tourism revenue (from 95.3 million USD in 2004).
British INVESTMENT Map in Mozambique
(2005 – 2010, just in 23 projects as example)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Province</th>
<th>District</th>
<th>Employment</th>
<th>UK in USD</th>
<th>Total in USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAIA BRANCA</td>
<td>Kampala</td>
<td>Mossuril</td>
<td>20</td>
<td>140,000</td>
<td>405,000</td>
</tr>
<tr>
<td>LIBÉLULA</td>
<td>Nampula</td>
<td>Nacala</td>
<td>11</td>
<td>25,000</td>
<td>300,000</td>
</tr>
<tr>
<td>COMPLEXO TURÍSTICO CASA MESSICA</td>
<td>Manica</td>
<td>Manica</td>
<td>58</td>
<td>1,250,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>BENGUERRA VILLAS</td>
<td>Inhambane</td>
<td>Vilankulo</td>
<td>51</td>
<td>12,231,700</td>
<td>12,589,170</td>
</tr>
<tr>
<td>CHAREU MARINA</td>
<td>Inhambane</td>
<td>Vilankulo</td>
<td>21</td>
<td>463,333</td>
<td>1,390,000</td>
</tr>
<tr>
<td>A TURÍSTICA</td>
<td>Tete</td>
<td>Cahora Bassa</td>
<td>66</td>
<td>500,000</td>
<td>3,200,000</td>
</tr>
<tr>
<td>HOTEL DE TETE</td>
<td>Tete</td>
<td>Tete</td>
<td>52</td>
<td>100,000</td>
<td>19,090,000</td>
</tr>
<tr>
<td>BALULE GAME PARK</td>
<td>Gaza</td>
<td>Massingir</td>
<td>30</td>
<td>433,333</td>
<td>1,700,000</td>
</tr>
<tr>
<td>ARTEMIS</td>
<td>Zambézia</td>
<td>Chinde</td>
<td>49</td>
<td>354,286</td>
<td>714,286</td>
</tr>
<tr>
<td>VILAMAR</td>
<td>Inhambane</td>
<td>Vilankulo</td>
<td>28</td>
<td>47,500</td>
<td>250,000</td>
</tr>
<tr>
<td>DONA ANA DEVELOPMENT VILANKULO</td>
<td>Inhambane</td>
<td>Vilankulo</td>
<td>200</td>
<td>22,400,000</td>
<td>22,400,000</td>
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<tr>
<td>SABLE FISHING SAFARIS</td>
<td>Inhambane</td>
<td>Inhassoro</td>
<td>7</td>
<td>26,250</td>
<td>105,000</td>
</tr>
<tr>
<td>MILPARK HOTEL</td>
<td>Manica</td>
<td>Gondola</td>
<td>10</td>
<td>200,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>DIVERS ECO OPERATION</td>
<td>Nampula</td>
<td>Memba</td>
<td>12</td>
<td>25,000</td>
<td>500,000</td>
</tr>
<tr>
<td>GABRIEL’S ECO ISLANDS</td>
<td>Inhambane</td>
<td>Vilankulo</td>
<td>63</td>
<td>900,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>AFRICAN EXPEDITIONS MOZAMBIQUE</td>
<td>Manica</td>
<td>Tambara</td>
<td>24</td>
<td>452,000</td>
<td>457,000</td>
</tr>
<tr>
<td>GREAT HEARTH SAFARIS MOZAMBIQUE</td>
<td>Sofala</td>
<td>Maringue</td>
<td>21</td>
<td>376,000</td>
<td>383,000</td>
</tr>
<tr>
<td>PLOUZIN - CHICAMBA</td>
<td>Manica</td>
<td>Manica</td>
<td>25</td>
<td>430,121</td>
<td>430,121</td>
</tr>
<tr>
<td>EL HACIENDA BEACH LODGE</td>
<td>Inhambane</td>
<td>Inhassoro</td>
<td>9</td>
<td>92,500</td>
<td>92,500</td>
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<tr>
<td>CHONGOENE RESORTS</td>
<td>Gaza</td>
<td>Xai-Xai</td>
<td>250</td>
<td>15,000,000</td>
<td>65,000,000</td>
</tr>
<tr>
<td>DUGONG INVESTIMENTOS</td>
<td>Inhambane</td>
<td>Inhassoro</td>
<td>16</td>
<td>75,000</td>
<td>75,000</td>
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<tr>
<td>TECOMAJI PROJECT</td>
<td>Cabo Delgado</td>
<td>Palma</td>
<td>40</td>
<td>50,250</td>
<td>10,000,000</td>
</tr>
<tr>
<td>NHAMABWE LODGE</td>
<td>Inhambane</td>
<td>Inhassoro</td>
<td>11</td>
<td>100,000</td>
<td>100,000</td>
</tr>
</tbody>
</table>
At least 14 SITES for Investment Opportunities

- Chuianga Metangula
- Forest Zone of Lichinga City
- Gorongosa National Park
- Limpopo National Park
- Xai-Xai Beach Resort
- East of Pemba City
- Pemba Bay
- Crusse Jamali
- Lumbo, Sancul and Ilha de Moçambique
- Gile Anchor Site
- Inhassoro Anchor Site
- Inharrime Anchor Site
- Quissico Zavala Anchor Site
- Maputo Elephant Reserve Anchor Site
OVERVIEW OF OPPORTUNITIES – in the Arc North sites:

• A phased development of a minimum of 5,000 new rooms by 2020 (2010-13: 1,000 rooms; 2014-17: 2,000 rooms; 2018-20: 2,000 rooms)

• Proposed 200 berth Marina for Pemba

• 18-hole golf course in Lumbo - Sancul

• Identified public investment needs on infrastructures ($93,400,000 - on roads, water, sanitation, electricity, environmental)

• Concluded a Master Plan (land use, environmental management plans, government plans & Infrastructure programmes for the 6 tourism development sites

Northern Mozambique is home to serene beauty, well-preserved culture, authentic experiences, and a land brimming with opportunities.
OVERVIEW OF OPPORTUNITIES – *in the Arc*

**North sites (2):**

1. Investment in a *mixed use resort of boutique hotels, waterfront villas, townhouses, leisure and recreational amenities* - 2,955 new units.

2. The concept calls for:
   i) 250-300 rooms 5-star hotel/conference facility with 100 associated golf villas and tennis academy;
   ii) 150 room boutique hotel/spa;
   iii) an **18-hole golf course**;
   iv) **commercial /leisure centre**;
   v) 250-400 waterfront villas;
   vi) 80-100 water bungalows;
   vii) 700-1000 townhouses/apartment;
   viii) nature trail, etc.

   A 5 Km stretch beach and which development exploits natural and cultural heritage (*home of Mozambique’s first airport, posts and telegraph*).
OVERVIEW OF OPPORTUNITIES – in the Anchor Investment sites

- Each site legally secured in the name of program implementing partner, INATUR.

- Carried out work in conducting a pre-feasibility studies, assessing site’s viability, registering the land, liaising with communities, cleaning of administrative and regulatory barriers.
  - A minimum of **5,263 Ha** in **4 sites**
  - 4 Islands (Crusse, Jamali, Epidendron & Casuarina) for 2 five star hotels (± 250 rooms) and boutique hotel & chalets with **200 rooms** and surrounded by coral reefs
  - 2 National Reserves (Gile & Maputo Elephant)

- 5.7 Km beach frontage (opposite Bazaruto Islands)

Partnership Mozambique Government and IFC
OVERVIEW OF OPPORTUNITIES – in the Anchor Investment sites (2)

- **JAMALI ISLAND**
  - ±30 Chalets and 20 Rooms “Boutique” Hotel
  - ±60 Rooms “Boutique” Hotel
  - ±150 Five Star Hotel Rooms
- **CRUSSE ISLAND**
  - ±30 Chalets
  - ±100 Five Star Hotel Rooms
  - 5 to 10 Exclusive Residential Unities
  - Residential zones
  - ±40 Rooms “Boutique” Hotel
- **NACALA**
  - Port and Community Fish Market
  - Restaurants and Visitors Beach
  - 5 to 10 Exclusive Residential Unities
  - ±150 Five Star Hotel Rooms
  - Residential zones
  - ±40 Rooms “Boutique” Hotel
OVERVIEW OF OPPORTUNITIES - at Gorongosa National Parks Sites

launched INTERNATIONAL PUBLIC TENDER TO CONTRACT TOURISM OPERATORS FOR PARQUE NACIONAL DA GORONGOSA, up to 7 international Tourism Operators will be establishing new Safari camps in and around the GNP (16 Bidders expressed interest and bought the bid documents; Bid winners will be announced in Feb 1, 2011; Construction begins in May 2011 and new camps ready for guests in Aug 2011).

• This growing ecotourism business will make more stronger and competitive the wildlife based and beach & bush combined product.

1. Tendered Carring Capacity
   • 2 x 100 bed lodge
   • 4 x 24 bed luxury tented camp
   • 7 x 8 bed flycamp
   • 1 x 8 bed canoeing flycamp
   • 2 x 20 bed tented camp

2. TDA Areas with Lodge Sites:
   • Bela Vista (41 700 Ha)
   • Bue Maria (5 700 Ha)

3. TDA Areas with Tented Camp Sites:
   • Msicadzi North (28 500 Ha)
   • Msicadzi South (24 600 Ha)
   • Mengere (45 000 ha)
   • Urema (13 600 ha)
   • Dingue-Dingue (47 600 ha)
There is Opportunities for Eco-Lodges in Limpopo National Park. Ministry of Tourism is in a process of re-identification of sites for new eco-tourism lodges within the GREAT LIMPOPO TFCA Framework (Limpopo NP / Kruger NP / Gonarezou NP).
OVERVIEW OF OPPORTUNITIES - at Maputo Elephant Reserve Sites

Opportunities for Eco-Lodges in Maputo Special Reserve

Within the LUBOMBO TFCA Framework (Mozambique / South Africa / Swaziland)
INCENTIVES FOR INVESTMENT ON TOURISM

• Exemption from custom duties and VAT on:

  ▪ construction material, except cement, blocks, bricks, paints and varnishes;
  ▪ carpets and rugs, sanitary equipment, miscellaneous furniture, textile, lifts, air conditioning;
  ▪ kitchen equipment, utensils and articles for restaurant and bar;
  ▪ refrigerating equipment, communications equipment, safes; hardware and sound, televisions;
  ▪ Recreational boats, yachts and complementary equipment and safety in water sports;
  ▪ aircraft, airplanes, helicopters, hang gliders, gliders, flight simulators, additional safety equipment for the tourist trade.
Mozambique IN THE UK TRAVEL INDUSTRY


2. Some Travel Agencies selling Mozambique in UK: CEEJAY TRAVEL LTD, PORTMAN TRAVEL LTD, THE TVL COMPANY, TRAVEL (EXPEDIA.COM), KEY TRAVEL, SOUTHALL TRAVEL LTD, WEXAS, AMERICAN EXPRESS CROYDON CTC, LOTUS TRAVEL, HRG, OPODO LTD, DIVERSITY TRAVEL, BENZ TRAVEL LTD, CRYSTAL TVL & LATIN CRYSTAL, T D TRAVEL LTD, FLIGHTBOOKERS LTD, ATP INTERNATIONAL, CARLSON WAGONLIT UK LTD, LATITUDE FORTY TRAVEL AGENTS, ALLISON BROTHERS LTD, PERFECT TRAVEL LTD, CARLTON LEISURE e TRAVELPACK

- Everyday flights departing from London airports, via Lisbon / via JHB / via Nairobi / Dar / Addis Ababa to Maputo, Nampula, Pemba and Vilankulo

- More than 30 UK Tour Operators, Travel Agencies and Airlines sell packages and tickets to Mozambique.

- Travellers can also buy their tickets for international and domestic flights via online
Mozambique is a Place to Consider

• Invest yes, because,

The British Travel Awards Consumer survey conducted in 2009 shows that 91% of 15,000 people interviewed consider holiday as good of primary needs and not a luxury. And 84% said that will continue to travel for holiday. 1 from 4 answered “it could be good to experience emerging destinations. So, market is willing to go to destinations like Mozambique.

ONS: UK continues to be very important outbound source market, in 2009 was responsible for 69,011,000 trips to abroad. And 428,000 UK Residents visited Mozambique neighbouring country, South Africa.

The UK travel business and media perception regarding Mozambique is getting better and better. As Mozambique attends from 1998 to date the World Travel Market, held in London.

Mozambique has got natural resources, institutional framework and incentives which guarantee the necessary security and return for foreign investment. Mozambicans are there willing to learn and work.

Reconstruction of infrastructures process like airports and roads is in place. Connectivity from European countries is getting better bringing with more competitive prices.

The implementation of new projects in several sectors, the continuous efforts on education contribute to build a middle class and brings expatriates who may constitute a very reliable domestic market for investments based in Mozambique.
Thank You

habacar@mozambiquehc.co.uk
+44 2073885699
21 Fitzroy Square
W1T 6EL, LONDON