

Interview with Belmiro José MALATE, Ambassador of Mozambique

Visions of Great Potential New Directions in Japan-Mozambique Relations



Interviewer: Helen FUJIMOTO

How do you assess the current relationship between Mozambique and Japan? In particular, how do you assess the progress of the energy project now being undertaken in partnership with Japan?

Malate: There are rapidly developing opportunities for Japanese companies to be involved in Mozambique in the exploration and development of gas projects, as well as exports of LNG. We see great opportunities for business interaction. The potential is enormous. Anadarko Petroleum Corporation, in which ENH (Mozambique's national hydro-carbon company) and Mitsui & Co. are share-holders, is engaged in the exploration of gas reserves in the Rovuma Basin. So far, some 17 trillion cubic feet of gas reserves have been confirmed and more is expected from the same area. Anadarko is now submitting documentation for permission to build an LNG plant. In the south of Mozambique, SASOL and ENH are exploring a gas field with four trillion cubic feet in Pande/Temane and LNG is now being pumped to South Africa and Maputo through the pipe-line.

Could the same sort of relationship be established between Japan and other African nations, especially in the area of natural resources?

Malate: I believe so. Since the introduction in the TICAD process of the economic pillar, designed to boost economic growth in Africa, we have seen major growth in the economic relations between our two countries, and we expect further investment and growth in the future. Public and private missions, organized by the Government of Japan, have visited many other African countries and, as a result, many companies understand more about what Africa has to offer.

Natural resources are important for Japan and most African countries have oil, gas, coal and other minerals. Up to 2008, the economies of the African countries had been growing at an average of 4% per year. That has recently been interrupted by the financial



Belmiro José Malate

Photo: JEF

crisis, but we expect it to pick up soon. There is a huge demand for equipment and technology to fuel this growth, which opens opportunities for Japanese companies to export technology and products. This interaction has the potential for a win-win situation.

This relationship could also be valid for other countries in Asia. Interdependency between Africa and Asia could power the economic growth of the world. Can you comment on this, and also give us your assessment of your relationship with China?

Malate: We say that the 21st century is the century of Africa. The 20th century was the century of Asia, and Asia is still

fueling world growth, especially China and India. But the relationship between Africa and Asia is gaining momentum. Today we have many Asian companies procuring natural resources in Africa, particularly in the energy sector. As a consequence, the investment from Asia has grown, as well as trade between Africa and Asia in the same sector. Our relations with China have been growing, but they are still not so significant in the area of natural resources.

We can no longer assume the safety of nuclear power. In these circumstances, will natural resources in Africa be even more important for Asian countries to achieve high economic growth?

Malate: Fukushima has certainly obliged all of us to rethink our use of nuclear energy. Mozambique can now take advantage of the decision by Japan to reduce dependence on nuclear power to export LNG and coal as a source of energy. The investments in that sector have grown dramatically in the last five years. Many African countries are also producers of oil and other alternative sources of energy – for instance, the production of diesel from coal and the use of such diesel to generate power. In terms of solar power, Africa has sunshine throughout the year, so I believe that, as the price of investing in

alternative energy comes down, the opportunities will expand. We need caution in regard to the issue of gas pollution and we need to be careful how we use such fossil energies. New technologies will allow us to use these resources without polluting the atmosphere.

Do you think Japanese authorities could also cooperate with Mozambique to produce new environmentally friendly technologies and manage the global use of carbon dioxide through trade in emissions?

Malate: There are some initiatives in that direction. We are currently in the process of implementing a project where a Japanese company will provide technology for small power stations of one to ten kilowatts, operated by wind and solar power, to be used to provide light in some remote rural schools and allow the necessary refrigeration of medicine in health centers. There is plenty of room for development – not just in providing the products but, more important, in assisting the people of Mozambique to develop the technologies to produce the products themselves. We have rare earth and rare metals, and projects to develop these can be an important basis for development and technology exchange. However, there is a great need for international instruments that enforce the reduction of carbon dioxide emissions in order to promote sustainable development. This is another area of cooperation with Japan.

Do you think Mozambique and other African countries could be a big future market for Japanese exports?

Malate: In Africa most of the cars you see in the streets are Japanese, and most home electronic appliances are also Japanese. Mozambique has a small population of only 20 million, but the country is a member of the regional free trade bloc of the Southern African Development Community (SADC). If Japanese companies establish businesses in this region they will have access to a market of more than 200 million people. The market is growing, there is an emerging middle class, and demand is growing. This is a sign of the great potential for trade.

However, Japanese need to know Africa better. We still find signs of Afro-pessimism. First, we need the Japanese business community to understand that the Africa of today is flourishing and investments have high rates of return, and second, we want to encourage more Japanese investment into Africa. There is a need to build productive capacity so that trade can flourish. At the same time we need to increase the level of demand in Africa, and that will increase with greater investment.

How do you, as the ambassador of Mozambique, help to create an environment conducive to understanding and good relations between your country and Japan? Can you also comment on the environment for conducting business, and on the situation concerning malaria?

Malate: In our day-to day work here, our priority is to inform the Japanese public about Mozambique. We make presentations at



business forums and at private companies, and we work with investors, giving lectures about the country. We also visit prefectures in various parts of Japan. Mozambique is still in a take-off phase and so I can't say the environment is perfect. However, many policies and legal reforms have been enacted to improve the situation. These have resulted in the increase of investors in Mozambique. For example, when we opened our embassy in 1993, all cooperation centered on ODA. Today the situation is totally different since the private sector is also working in cooperation with us. In fact there are five major Japanese corporations operating in the country: Mitsubishi and Mitsui in the gas fields, Nippon Steel in the area of coal, Sojitz in wood chips, and Hitachi and Mitsubishi in mining equipment. Lately there have been increasing numbers of enquiries for products from Mozambique.

On the health side, the issue is to take preventive measures. Malaria is a problem in the country, but the few deaths of foreigners we have learnt about concern people who got malaria and, when they returned to their respective countries, could not get access to proper treatment due to lack of knowledge of the symptoms and the appropriate medication. With adequate knowledge and preparation, malaria poses no danger to the health of investors and businesspeople visiting Mozambique.

It is very difficult to change people's views. Following recent events in the Middle East, some people here wonder about the risk of political revolution in Africa.

Malate: According to my perception, in the Middle East people are fighting for their fundamental human and democratic rights. In Africa we have already taken a journey to establish democracies in our countries. In most African countries, people have freedom of expression, and they can vote and elect their representatives. The process is still not 100% mature, but it is gaining strength. In Mozambique, from 1992, we established a multiparty democracy and since then we have held elections every five years. We choose our president, and presidents change their terms regularly. I don't believe that we will face the same type of situation as in the Middle East.

In Japan, and even more so in China, there is a growing gap between the rich and the poor. Could income difference be a force to fuel revolution?

Malate: I don't think it is a straightforward chain of events. Many developed countries have balanced societies - there are rich and poor but not very poor. The key is what you do to address the imbalances. We believe that stress should be put on domestic investment. The more you invest, the more jobs you create, and the more money people have to spend. You have to address the issue of generating income and the more effectively you address this issue, the more you minimize the risk of social conflict based on income difference. We should also remember that the market economy system actually creates this kind of income gap. There are people who are very rich and other people are not rich or indeed very poor - this happens at the domestic level and also at the global level. We need to reform the global economic environment and to try and strike a balance between the rich and the poor nations.

What do you think about Japanese people's reaction to Africa, and what else needs to be done to attract more Japanese companies to Mozambique?

Malate: I found that a lot of work has been done to interest Japanese in Africa so their reaction is positive. The Japanese are interested not only in the political situation of Africa but in peoples' lives - what they eat, what they wear, about their art, and what it would be like to visit Africa. Every year the Government of Japan organizes the African Festa in Yokohama. At the festival, we exhibit art, music, cuisine and tourist attractions. This has contributed to the greater knowledge and appreciation of Africa among the general public in Japan, and I believe this is the reason that the number of visitors to Africa is growing every year.

In terms of business relations, it is very important to develop a win-win situation. We need to consolidate our political dialogue. We need to keep talking, to get to know each other, to understand each other's needs, and that will make relations between our countries easier. I would also like to see more Japanese tourists visiting Mozambique. We have a lot to offer - sea and mountains and game reserves. I would like to see growth in cultural relations.

Young people are keen to build good relations between the peoples of the world. We would like to invite more African students to study here and also

to send Japanese young people to visit and study in different parts of Africa.

Malate: Yes, there is a lot of room for more cooperation in this area. One of the pillars of the TICAD program is to bring African students to Japan, for short-term as well as long-term study. In this context, we have 15 students doing post-graduate studies funded by the Japanese Government. We have a program with the University of Ehime in the form of a memorandum of understanding with the Lúrio University in Mozambique to exchange students and researchers. We also have an agreement between the Tokyo University of Foreign Studies and the University Eduardo Mondlane for the same purpose.

What kind of work is the majority of the population engaged in, and what is the level and nature of Japanese investment in agriculture?

Malate: About 70% of our population is working in agriculture. In the maize-growing season, most people work on farms, but in the agricultural off-season many people turn to the rivers to catch fish - an important supplement to their diet. Currently there are three programs with Japan. The first project aims to increase the production of rice in the Chokwe district. Apart from transferring technologies to improve productivity, Japan helped in the rehabilitation of the irrigation system, which was damaged during the floods in 2000. The second project is a triangular cooperation involving Mozambique, Japan and Vietnam designed to produce rice in the Nante area, Zambézia Province. The third is the Pro-Savana program to be developed in the Nacala Corridor in the northern part of the country. Japan, Brazil and Mozambique will cooperate in this project to develop agriculture in an area of six million hectares to produce not only for domestic consumption but also for export. This will open opportunities for private companies to invest in projects in these areas and it will also give opportunities for trade between Mozambique and Japan in such products as sesame and sorghum. This is one of the most important programs of cooperation we have with Japan.

Do you have a policy of husbanding natural resources, to use them sustainably for the future?

Malate: We are continuously updating policies as we learn. For instance, in agriculture, since Independence we decided that all land belongs to the state. When foreign companies want to establish a project, we are very positive in leasing the land. But if we find that this right is being abused, or the land is not being used productively, it will be repossessed and leased out to others.

The area of mineral resources is new for us, and only now are we beginning to get to a true assessment of what resources exist in the country. The initial law on mineral resources did not take that situation into account. So the government is currently revising it to ensure more benefits for Mozambique in the present and the future, and to also ensure that there is more added value in the minerals that are being explored. **JS**

Helen Fujimoto, Australian resident in Japan for 30 years, is now a Speaking Circles facilitator after retiring from Japan College of Social Work.