

# Coal rich Mozambique plans USD12bn rail, ports upgrade

MAPUTO, MOZAMBIQUE: Mozambique plans US\$12bn schemes to overhaul its dilapidated railways and upgrade ports to boost exports from one of the world's largest untapped coal fields, an official said on Wednesday (21 November).

The Ports and Railways company of Mozambique (CFM) said it was targeting four new and refurbished lines to transport coal from its northwestern Tete province to the ports on the Indian Ocean coast.

The deal would also involve the upgrading of existing ports and building new ones to allow them to handle exports amid growing international demand for Mozambican coal.

"We estimate the cost will be around US\$12bn," said CFM's chief Rosario Mualeia said at Coaltrans, a coal industry conference in Maputo.

Before the end of the year a 500km track between the coal-rich Moatize basin and the coastal town of Macuse will go out to tender.

Another 700km link would be funded by a Chinese government loan, Mualeia said.

Meanwhile Brazil's mining giant Vale is pouring over US\$4bn into the construction of a 900km line to the deep-water port of Nacala.

London-listed ENRC, which has a dozen mining concessions in Mozambique, will bank roll an alternate 1,070km line.

Mozambique's existing 800km rail line linking Moatize and the port city of Beira can only handle less than three million tons of coal.

Former Renamo rebels blew up much of its rail network during a 16-year civil war that ended two decades ago.

The line is being refurbished so it can double that capacity by end of 2012 but with plans to expand that capacity to a possible 20m tons in the future.

Source: *AFP* via I-Net Bridge

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