

Essar Ports planning to invest in Beira's new coal terminal

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The ports arm of the Indian Essar group stated on 8 January that it will invest US\$500 million over the next 30 months to expand capacities at two existing Indian projects, at Hazzira and Salaya, and to build a new coal terminal in Beira.

Essar Ports in August 2017 signed a 30-year concession agreement with the Mozambican government to develop the Beira coal terminal as a Public Private Partnership (PPP) project.

According to the Indian company, the project will be executed on a Design, Build, Own, Operate and Transfer (DBOOT) basis through a subsidiary, New Coal Terminal Beira, SA (NCTB SA), which is a joint venture of Essar (which will own 70 per cent) and Mozambique's publicly owned port and rail company, CFM (which will own the remaining 30 per cent).

The Indian companies operating mines in Tete province (Jindal and ICVL) are still using Beira, but their operations are on a much smaller scale than those of Vale. Essar's investment will make sense only if Beira continues to handle all Jindal and ICVL exports, and any surplus that Vale cannot send to Nacala.

Competition is set to become tougher with plans for a new railway from Moatize to the coast of Zambezia province, where a new deep-water mineral port will be built at Macuse.

SOURCE: <http://www.poptel.org.uk/mozambique-news/newsletter/aim559.html> [2]
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