

Indian presence in Mozambique

Mozambique Holdings which was founded by Jose Parayanken in 1990 is today a \$80 m conglomerate with business interests spread across infrastructure and services sectors

Historically, India was one of first nations to recognize independent Mozambique in 1975 and create a diplomatic presence in Maputo. In fact, the country was the major beneficiary of Prime Minister Rajiv Gandhi's Africa Fund initiative in 1987. However, when we think big Indian entrepreneurs overseas, we don't usually think of Mozambique.

But Mozambique Holdings is a group — founded by Jose Parayanken, a St Stephens and XLRI alumnus during the beginning of a free market economy in Mozambique in 1990 — which has kept the global Indian flag flying in this unusual market as well. Mr Parayanken, who went to Mozambique first in 1986 as a representative of the Exim Bank of

India, started operations through active participation in the Mozambique government's business and industrial restructuring and privatization programme and acquired controlling interests in a number of public sector companies in the services and infrastructure sector with national presence such as Sovital E.E., which was the national servicing and distribution company for Russian made vehicles like Lada etc., Emocat E.E. which was national servicing and distribution company for East German made vehicles like IFA etc., Romoc E.E., which was the inter provincial passenger bus company and Anfrena E.E. which was the national freight forwarding and transit warehousing company.

Today the multifaceted and well diversified business and industrial group is in transport and automobile distribution, transit warehousing and distribution, production and distribution of military, and police uniforms,



The Minister of Overseas Indian Affairs H.E. Vayalar Ravi visiting the Military Uniform Factory of Mozambique Holdings Ltd during his official visit to Mozambique pictured along with H.E. General Tobias Dai, Minister of Defence of Mozambique, Mr. Jose Parayanken and H.E. Mr. Kanakasabesan, Indian High Commissioner to Mozambique.



H.E. Mr. Anand Sharma Minister of State for External Affairs visits Military Uniforms Factory of Mozambique Holdings Ltd during his official visit to Mozambique. With him are H.E. General Tobias Dai, Minister of Defence of Mozambique and Mr. Jose Parayanken.

ground water development and irrigation systems, toll road construction and maintenance, mining including prospecting and exploration of owned mining concessions in coal and phosphates. It is a \$100 million group with interests in construction, mining and manufacturing.

Like almost all state-owned companies in Mozambique at the time, many of the companies were paralyzed with huge labour force. The initial challenge was to re-educate and reactivate the workforce while the real business opportunities lay in upgrade and revalidation of infrastructural assets and national network in almost all provincial towns.

Among the companies

under Mozambique Holdings' umbrella is Anfrena EE which was a state owned monopoly shipping agency involved in freight forwarding, and transit warehousing with a presence at all ports and frontier posts. The group acquired controlling interest in Anfrena through a public tender. Today it has 100,000 square meters of upgraded transit warehousing facilities in major ports of Maputo, Beira, Nacala and Pemba. Another group company Afrodrill Limited is involved in creating and developing water sources in rural Mozambique.

Afrodrill is represented in all provinces of Mozambique with installations, equipment,

spares and technical assistance. It executes over 60% of the government's rural potable water resources de-development plan. Fabrica de Uniformes Militares, (Faumil) was created in 1997 as a joint venture with the ministry of defence to produce uniforms and logistics items domestically. The success of Faumil encouraged the ministry of interior to create a joint venture factory for the logistics requirements of the police force including customs and immigration.

In an Indian connection, the group also has a presence in automobile servicing and distribution and represents brands like Mahindra and Ashok Leyland. Mozambique Holdings was associated with Indian Oil Corporation to reconstruct and upgrade the petroleum terminal of Maputo Port to an annual capacity of 10 million tones. The group has a national cargo carrying fleet to support primarily its own logistics requirements all over the country. Mozambique Holdings has been granted toll concessions for the 320Km road linking Malawi and Zimbabwe through the Tete Province of Mozambique. Recently, the group has promoted a new company Companhia de Estradas do Norte S.A in partnership with the Road Authority of Mozambique and the Road Fund of Mozambique, which is responsible for constructing and maintaining a new bridge over the River Zambezi. The company also owns mining concessions for coal in Mutrara, Tete, for gold in Manica and Tete and phosphates in Monapo, Nampula. Mining activity is expected to substantially boost the group's net worth of \$50 million and annual turnover of \$80 million.