



# MOTRACO PRESENTATION

[www.motraco.co.mz](http://www.motraco.co.mz), [fmasawi@motraco.co.mz](mailto:fmasawi@motraco.co.mz)

## EXECUTIVE PEER EXCHANGE WORKSHOP

26 – 30 June 2006, Johannesburg, South Africa

**MOTRACO: A Role Model for Regional Cooperation and Integration**

# Politics and Historical Perspectives

- **SADC treaty in August 1992**
- **Peace in Mozambique in October 1992 and elections same year.**
- **Members of SADC sign in August 1995 the IGMOU that led to the establishment of the SAPP.**
- **In January 1997 GRM e GRSA signed an IGMOU for the development of hidro-electric potential and associated high voltage transmission lines in Moçambique.**
- **In March 1997 the GRM and Alusaf signed a Heads of Agreement for the establishment of an aluminium smelter in Mozambique.**
- **In June 1997 an electricity tariff for Mozal was agreed.**

# Creation of Motraco

- **Problem:** Eskom does not have a licence to sell electricity in Mozambique and EDM does not have sufficient transmission capacity to supply the smelter.
- **Solution:** Special Purpose Vehicle: Companhia de Transmissão de Moçambique, popularly known as Moçambique Transmission Company (MOTRACO), was registered in Moçambique in 1998.

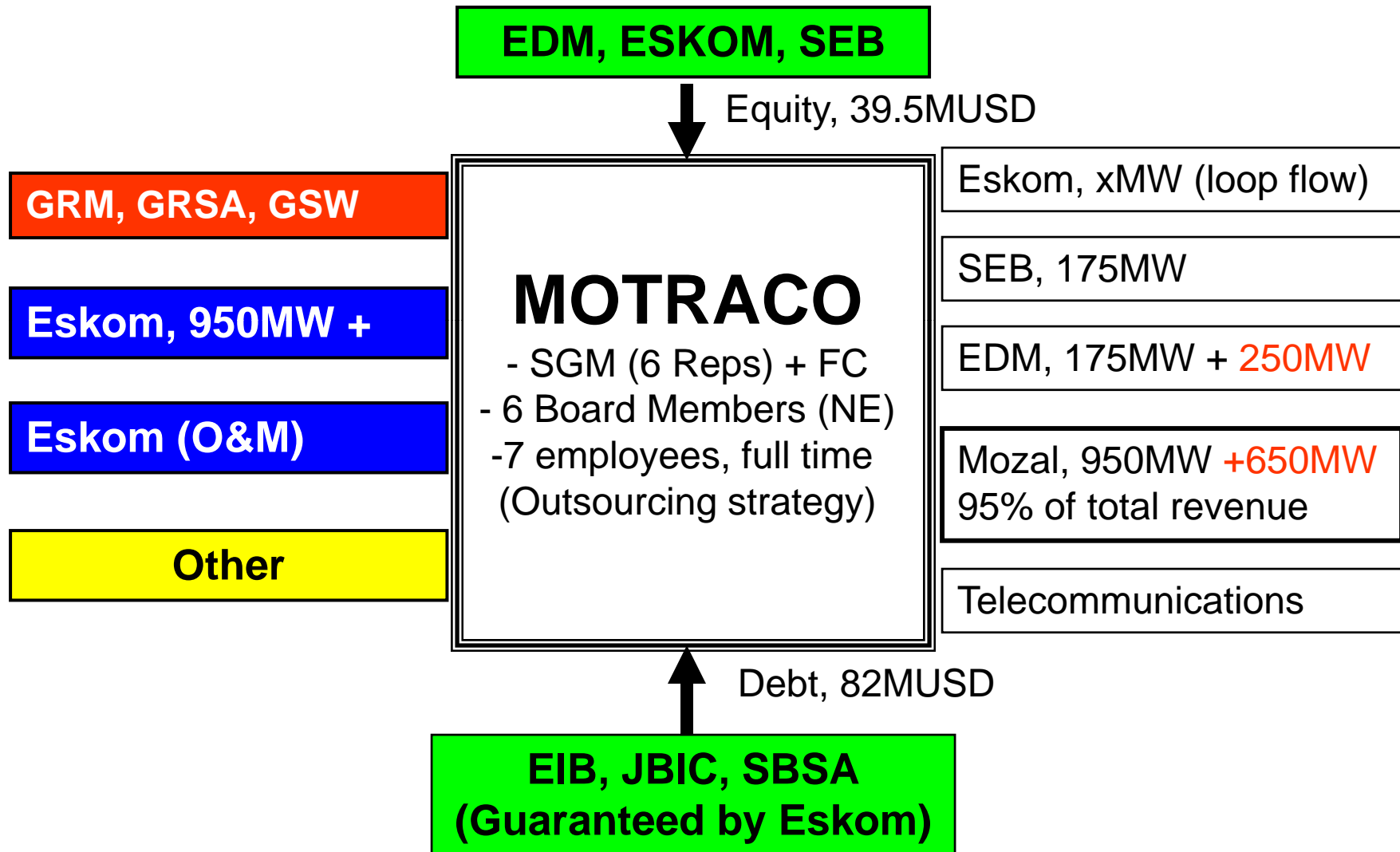
# Authorisations and Concessions

- In March 1998 GRM approved the Motraco project with certain fiscal benefits.
- Concession contracts were entered into between Motraco and each of GRM, GRSA and GSW for:
  - Construction and ownership of transmission lines,
  - Importation of energy for direct sales to Mozal
  - Transportation of energy on behalf of EDM, SEB and ESKOM,
  - Establishment of a fiber optic cable network on its transmission lines to ensure the reliability of electrical supplies to the aluminium smelter.

# Concessions and Licences

- In Moçambique the Concession Contract between Motraco and GRM includes a transmission licence
- A transmission licence was issued to Motraco by SEB in April 1999.
- In RSA a transmission licence was issued by the National Energy Regulator.
- Concession fees are payable to GRM and GSW.
- A Joint Commission for Motraco (JCM) comprised of Dept. of Energy officials of GRM, GRSA and GSW exists.

# ORGANISATION



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# Motraco Head Office

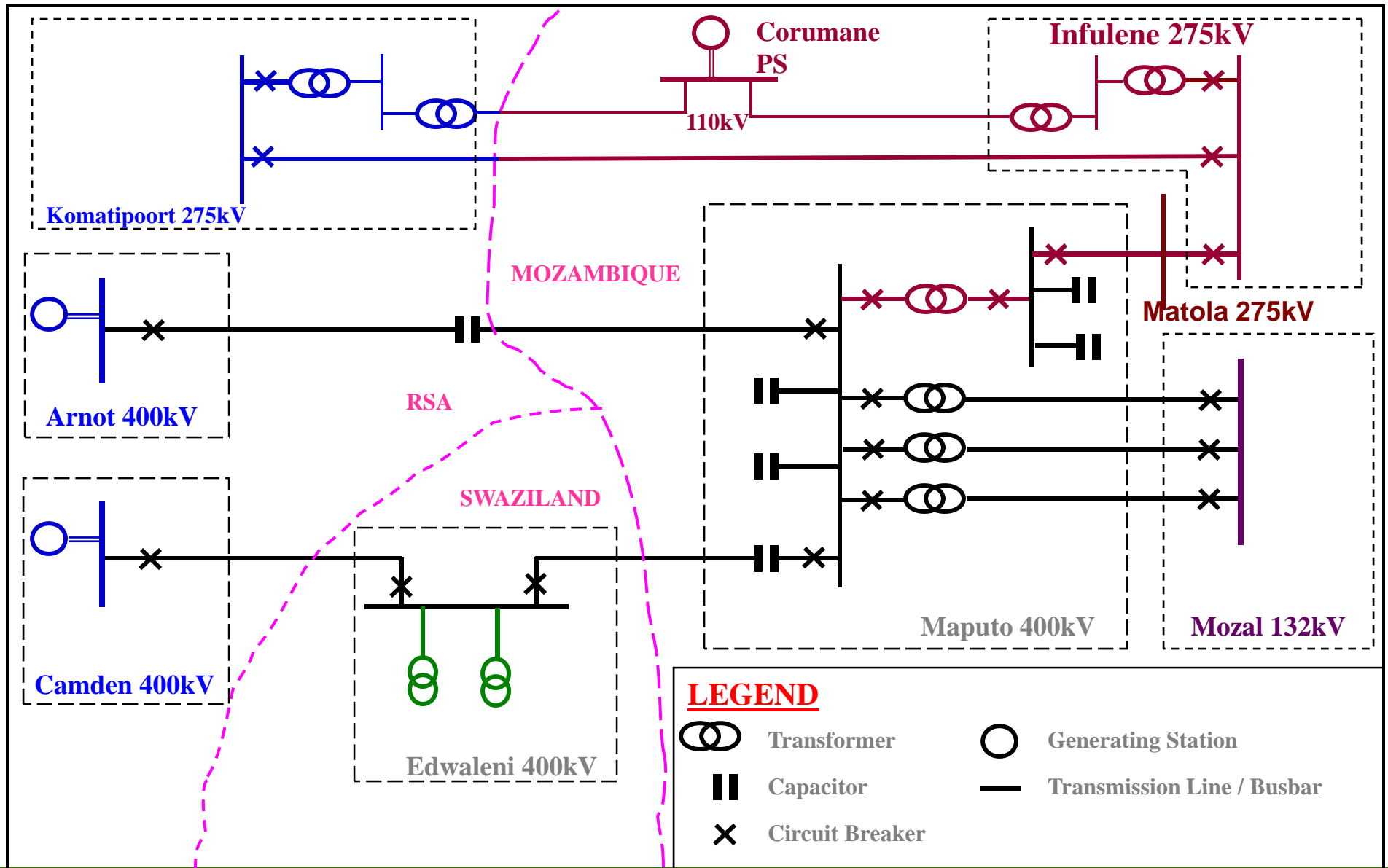


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# MOTRACO – Project Construction

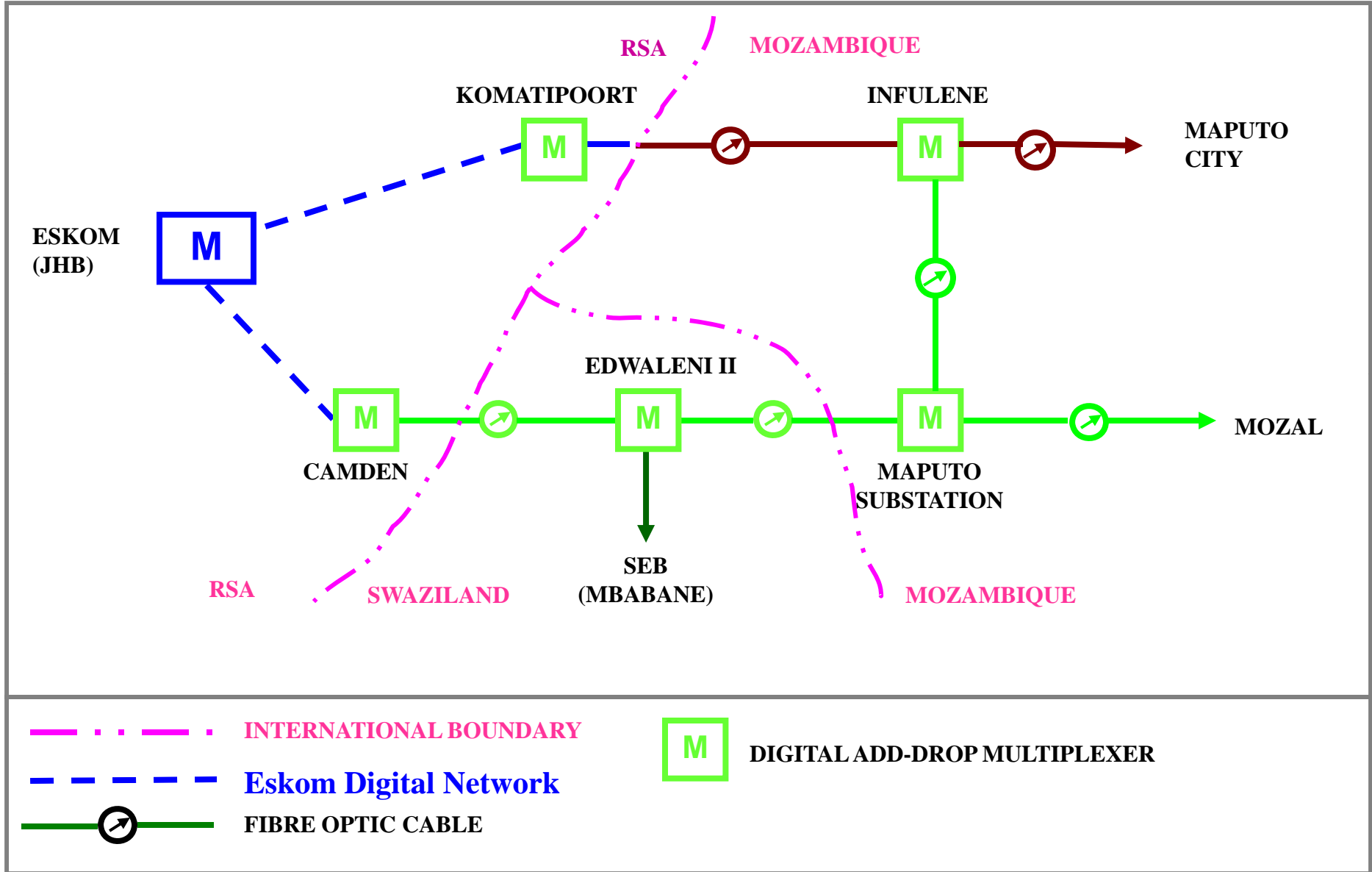
- Trans Africa Projects managed all the construction projects
- Principal contractors were ABB, Alstom, Siemens.
- The power transmission infrastructure comprises of:
  - 2 x 400kV and 3 x 132kV power lines
  - 2 x 100MVAr shunt reactors
  - 1x 535MVAr & 1 x 344MVAr 400kV fixed series caps
  - 2x 150MVAr, 400kV and 2 x 72MVAr, 275kV shunt caps
  - 3 x 500MVA, 400/132kV power transformers
  - 24 core OPGW fibre optic cables – Maputo to Camden.

# Cross-Border Transmission Network of Motraco



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# CROSS-BORDER TELECOMMUNICATIONS INFRASTRUCTURE



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# 400kV Transmission line Cross-Rope Tower



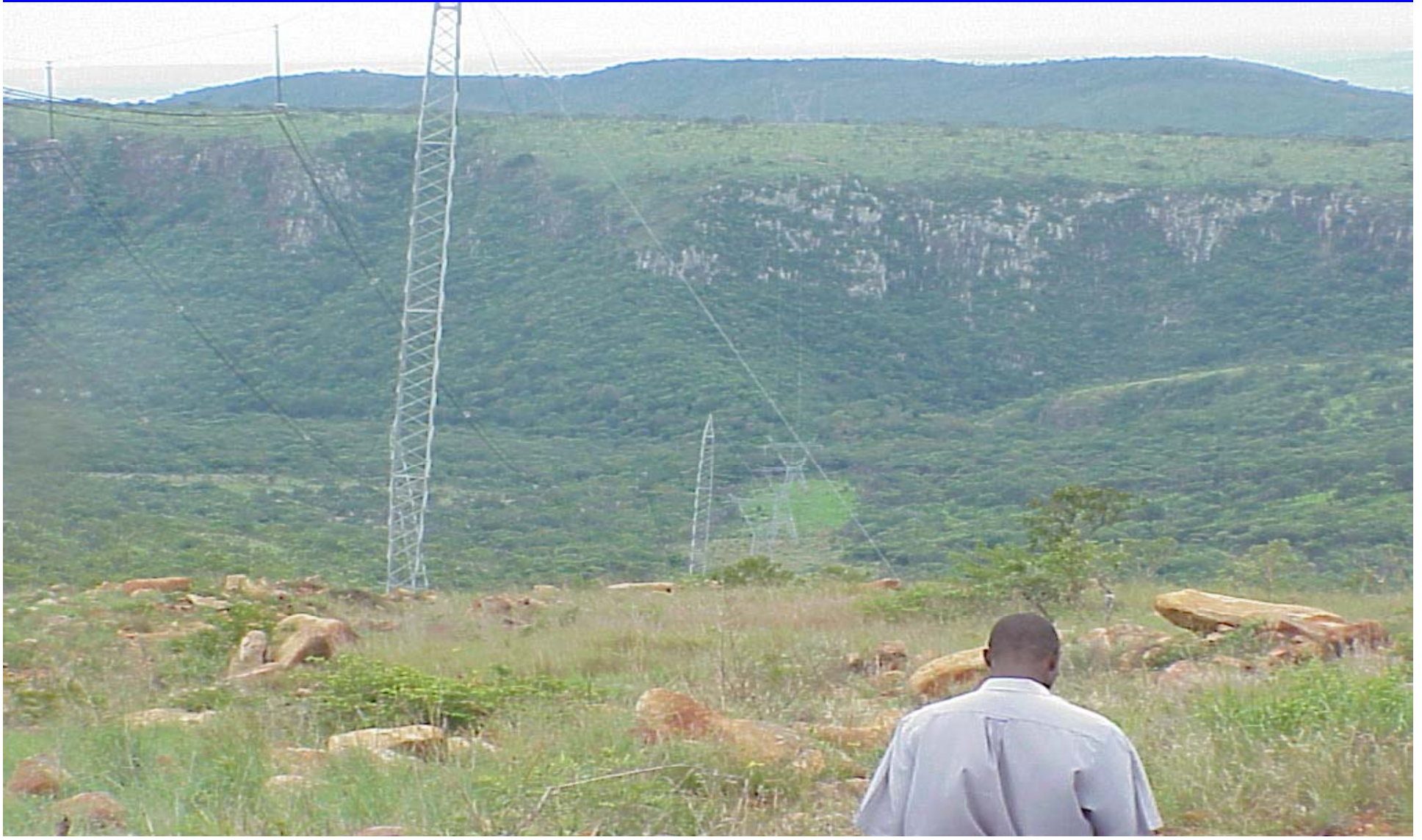
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# Transmission Line Access Road



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# 400kV Transmission Line Servitude



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# 400kV Line Tower Mast Down



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# 400kV Series Capacitor Bank



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# 400kV Tubular Busbars



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# 400kV Switchgear



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# 400kV Shunt Capacitor Bank



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# 500MVA, 400/132kV Transformer



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# 132kV Transmission lines (275kV Construction)



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# FINANCIAL PERFORMANCE: INCOME STATEMENT

## Income statement

for the year ended 31 December 2004

	Notes	2004 USD	2003 USD
Revenue	3	83 585 677	64 579 163
Operating expenditure		(74 463 717)	(57 044 765)
<b>Operating profit before financing costs</b>	4	<b>9 121 960</b>	<b>7 534 398</b>
Net financing costs	5	(3 702 598)	(4 495 630)
<b>Profit before tax</b>		<b>5 419 362</b>	<b>3 038 768</b>
Income tax expense	6	-	-
<b>Profit for the period</b>		<b>5 419 362</b>	<b>3 038 768</b>
Basic earnings per share	7	13.72	7.69

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# FINANCIAL PERFORMANCE: ASSETS

	<i>Notes</i>	2004 USD	2003 USD
<b>Assets</b>			
Property, plant and equipment	8	122 152 922	127 324 913
<b>Total non-current assets</b>		<u>122 152 922</u>	<u>127 324 913</u>
Trade and other receivables	9	9 108 764	9 221 197
Cash and cash equivalents	10	4 409 830	2 524 978
<b>Total current assets</b>		<u>13 518 594</u>	<u>11 746 175</u>
<b>Total assets</b>		<u>135 671 516</u>	<u>139 071 088</u>

# FINANCIAL PERFORMANCE: LIABILITIES

## Equity

### Capital and reserves

Issued capital	11	37 737 531	37 737 531
Reserves	12	6 785 846	4 598 653
Retained earnings		1 182 938	(1 992 032)

<b>Total equity</b>		<b>45 706 315</b>	<b>40 344 152</b>
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## Liabilities

Interest-bearing loans and borrowings	13	52 504 429	81 887 617
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<b>Total non current liabilities</b>		<b>52 504 429</b>	<b>81 887 617</b>
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Interest-bearing loans and borrowings	14	29 383 189	7 372 841
Trade and other payables	15	8 077 583	9 466 478

<b>Total current liabilities</b>		<b>37 460 772</b>	<b>16 839 319</b>
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<b>Total liabilities</b>		<b>89 965 201</b>	<b>98 726 936</b>
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<b>Total equity and liabilities</b>		<b>135 671 516</b>	<b>139 071 088</b>
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# CONCLUSION

- Motraco, as a creation resulting from workable partnerships between the public and private sectors is a unique, living and working role model for regional cooperation and integration.

**The End**