Mozambique is an emerging market with many business opportunities, averaging over 6% of growth per year over the last 10 years. One of those opportunities is cage farming of tilapia. Lake Cahora Bassa, located in the Tete province, offers excellent conditions for profitable tilapia cage farming.

Do you need more information? No problem. The extended business plan for tilapia cage farming and other business opportunities in aquaculture, potato, dairy, poultry, fish feed factory, tilapia cage farming and cold chains, can be requested from the Zambezi Valley Development Agency (ZVDA). These have been prepared with support from Wageningen University & Research/CDI, the Netherlands.

For more information do not hesitate to contact the Zambeze Valley Development Agency:

- Nelson Rodrigues António (Zambeze Valley Development Agency): nelorod2006@gmail.com
- Abel Adriano Joia (Zambeze Valley Development Agency): joabel@gmail.com
- Herman Brouwer (CDI): herman.brouwer@wur.nl
- Joep Vonk (CDI): joepvonk@gmail.com
- Zambeze Valley Development Agency, Tete - Mozambique: Av Eduardo Mondlane, 161. Tel +258 (0)25223328
- Zambeze Valley Development Agency, Maputo - Mozambique: Av Mao Tse Tung, 729. Tel +258 (0)21494888/21494794 agencia.maputo@agenciadozambeze.gov.mz
**OPPORTUNITIES**

- The tropical climate and high water quality are favorable for fish production. The volume of fish catch is expected to remain stable in the coming years.

- Currently there is no manufacturing of commercial tilapia feeds in Mozambique.

- Local markets will become increasingly attractive with a rising middle class in Tete and nearby provinces (Manica, Zambezia and Nampula), which highly values consumption of tilapia. In addition, the region has a lot of mining activity. Caterers of mining companies are interested in purchasing significant volumes of tilapia on a daily basis.

- Tete is strategically positioned with regard to the Beira corridor in the south and the Nacala corridor to the east. Hence export of tilapia to neighboring countries like Malawi, Zambia and Zimbabwe provides a great opportunity.

- Market analysis reveals that an annual off take of 3000 tons of tilapia is possible

**INVESTMENT COSTS**

- Construction of infrastructure in the lake (cages with mourning system) and on-shore will require considerable investment.

- Basic financial analysis calculates that a 3000 tons/year tilapia cage farm requires an investment of 9.5 million US$.

- Once fully operational the farm is expected to employ 211 people and make an annual profit of 3.4 million US$ (EBITDA) and a net profit of 2.2 million US$.

- Production of fish may start still in the first year, but first sales will only be possible in year 2. It is envisaged that it will take another two years before fish sales will surpass running costs. After 7 years (with grants) up to 9 years (full equity financing), all investments and operational costs will be recuperated.

**RISKS**

- Prices of fish feed ingredients such as soy and corn directly affect fish feed costs and as such profitability.

- The benefits of on-farm fish feed production may reduce if VAT taxation (17%) on fish feeds from abroad will be lifted.

- Before engaging in tilapia cage farming investors will have to secure a concession. Currently there are a few available for investors. For the procedure of granting (new) concessions the Zambeze Valley Development Agency should be contacted.