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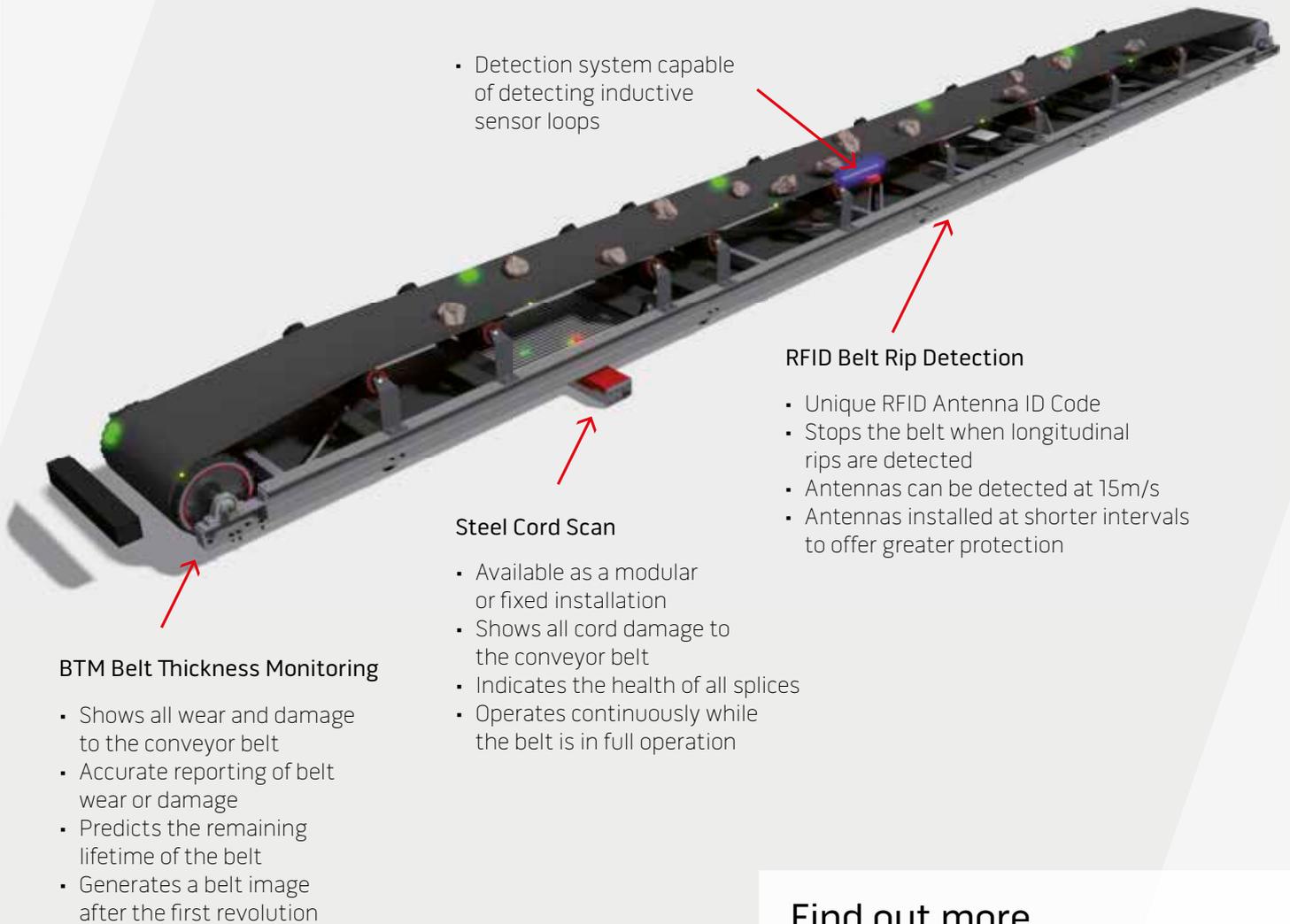
MARCH 2017 - VOLUME 26 NUMBER 2



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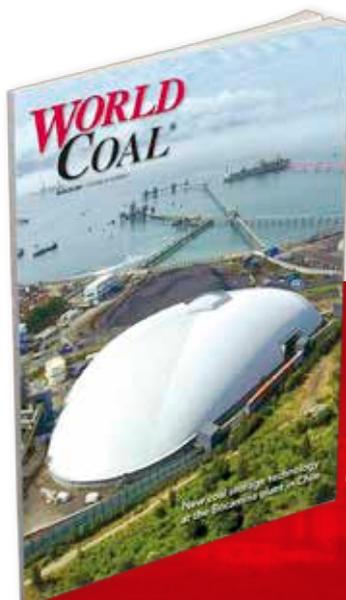
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What was once thought impossible, Endesa has a new 206 m span cover for its 150 000 t free-form coal stockyard at their Bocamina plant. Chile's largest electricity provider has set a new standard for excellence.

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Japan is one of the largest economies in the world and has long been a major consumer and importer of energy, as well as a leader in energy technology development. It is also the world's fifth largest electricity user: electricity accounts for more than 36% of its total energy consumption.

Since the 2011 earthquake and the subsequent Fukushima nuclear accident, Japan has had to contend with various challenges in its energy sector: a shutdown of all nuclear power plants has meant that the country has faced increased fuel imports, coupled with higher electricity prices.

Technology-driven urban lifestyles, growth of the middle class, rising incomes, and more electricity-enabled appliances and machines contribute to increased electricity demand. So it's no wonder Japan is set to build 45 new high-efficiency, modern coal plants.

It is often said that coal is a fuel for the developing world. Developing economies require access to stable and affordable energy to build industrial capacity. On the other hand, developed countries require affordable and reliable electricity to continue to maintain economic competitiveness. For example, even under the now suspended Clean Power Plan in the US, coal was forecast to provide 27% of US electricity in 2030. Australia's biggest states rely on coal for more than 90% of their electricity. In Germany, coal plays a critical role in balancing the intermittency of renewables, providing about 30% of the electricity mix.

Japan knows full well that building more ultra-modern, coal-fired power plants is the only way it can meet energy security demands and its environmental responsibility. Japan is signatory to the Paris Agreement and has pledged a 26% reduction in carbon dioxide emissions by 2030. But the country also wants to remain competitive economically, so it's diversifying its energy mix.

The additional 45 power plants will use state-of-the-art, high-efficiency, low-emissions (HELE) technologies. HELE technologies are a group of technologies developed to increase the amount of energy that can be generated from a coal plant, while decreasing emissions.

Japan is no stranger to HELE technologies. The Isogo thermal power plant, located just 6 km from central Yokohama, is a great example of how HELE can help provide the efficiencies needed, while providing the baseload energy that comes from coal. The Isogo plant uses ultra-supercritical (USC) technology to generate steam up to 620°C and achieves a 45% efficiency level.

The International Energy Agency has forecast an increase in new HELE coal plants in the next 25 years. According to the agency's latest forecast, 730 GW of these highly efficient plants will be built by 2040, and that more than half of the coal fleet in developing countries will increasingly consist of HELE plants by that same period.

Recognising this, the World Coal Association has set up the global Platform for Accelerating Coal Efficiency (PACE) to help raise the global average efficiency of coal-fuelled power plants and, in effect, to minimise CO₂ emissions, while maintaining legitimate economic development and poverty alleviation efforts.

Deploying HELE coal-fired power plants is also a key step along a pathway to near zero emissions from coal with carbon capture use and storage (CCUS).



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Coal News

AUSTRALIA new report backs CCS in Australia

An independent report commissioned by the Australian government, industry and research organisations has put forward a comprehensive plan for carbon capture and storage (CCS) deployment in the country.

The report 'A Roadmap for Carbon Capture and Storage' was led by Professor Chris Greig of the University of Queensland and involved a steering committee comprising the Commonwealth government, NSW government, CSIRO, CO2CRC Ltd, ACALET (COAL21 Fund) and ANLEC R&D.

"Australia's continued economic prosperity and competitiveness depends on access to all forms of energy and strong industries. We need to deal with the mitigation of

greenhouse emissions from these activities and prudent early planning relating to CCS deployment is a priority," said Professor Greig.

Key points from the report include:

CCS must be available on its merits in Australia's energy mix to assure energy system security and affordability so that future emissions reductions targets are delivered at the lowest economic cost.

CCS is required in the power sector (coal and gas generation) but will also play a vital role in decarbonising energy intensive industries, which unavoidably involve the continued use of fossil fuels.

Additionally, CCS is not an experimental technology. It is being deployed or available now at commercial scale to provide a

competitive, carbon reduction option for reliable 24/7 power from fossil fuels.

CCS development, integration and a focus on cost reduction is ongoing, including opportunities to decarbonise a number of existing and prospective emissions-intensive industries such as natural gas and LNG production, steelmaking, cement production, fertilizers, chemicals and textiles.

Greg Evans, CEO of ACALET (COAL21 Fund), said: "It's important we have reliable and low-cost energy provided by coal-fired generation and we maintain our competitive large-scale energy-intensive industries. That means HELE technology and CCS to provide emission reduction options; this Roadmap shows us the way to achieve that."

BOTSWANA adopts Canada's Towards Sustainable Mining initiative

The Botswana Chamber of Mines (BCM) intends to adopt the Towards Sustainable Mining® (TSM) initiative, a corporate social responsibility programme developed by the Mining Association of Canada (MAC) to improve environmental and social practices in the mining industry.

This is the first time that TSM has been adopted by a mining association in Africa, and the third to do so outside of Canada. FinnMin, the Finnish Mining Association, adopted TSM in November 2015 and the Cámara Argentina de Empresarios Mineros (CAEM), the Argentinean Chamber of Mining Entrepreneurs, adopted the initiative in October 2016.

TSM requires mining companies to

annually assess their facilities' performance across six important areas, including tailings management, community outreach, health and safety, biodiversity conservation, crisis management, and energy use and greenhouse gas emissions management.

"Botswana Chamber of Mines members subscribe to the principles of responsible mining and extraction of minerals from the earth. The adoption of TSM will enable the industry to demonstrate adherence to sound and sustainable minerals development practices, and strive towards continual improvement," said Charles Siwawa, CEO of BCM.

To ensure TSM reflects the expectations of civil society and

industry stakeholders, it was designed and continues to be shaped by an independent, multi-interest advisory panel. As part of its implementation, BCM will implement a similar advisory body to provide this valuable oversight function.

"With Botswana's adoption of Towards Sustainable Mining, the programme is now in four countries on four continents, clearly establishing TSM as an emerging global standard. It is our privilege to share our tools and expertise in sustainable and responsible mining practices with a country that is making important strides in sustainable mining development," added Pierre Gratton, President and CEO of MAC.



Coal News

DIARY DATES

IHS Annual Coal Conference of the Americas
22 – 23 March 2017
Cartagena, Colombia
www.ihs.com/events/index.html

International Clean Coal Summit
22 – 23 March 2017
Istanbul, Turkey
www.cleancoalsummit.org

ELECTRIC POWER Conference & Exhibition
10 – 13 April 2017
Chicago, USA
www.electricpowerexpo.com

IRPT Annual Conference 2017
25 – 27 April 2017
Kansas City, USA
www.irpt.net

CCT2017
9 – 12 May 2017
Cagliari, Italy
www.cct2017.org/eng/travel

23rd Coaltrans Asia
14 – 16 May 2017
Nusa Dua, Bali, Indonesia
www.coaltrans.com/asia

Dry Cargo Conference & Exhibition
1 – 2 June 2017
Amsterdam, the Netherlands
www.easyfairs.com/?id=99416

Longwall USA
13 – 15 June 2017
Pittsburgh, USA
www.longwallusa.com

Asia-Pacific's International Mining Exhibition
(AIMEX)
29 – 31 August 2017
Sydney, Australia
www.aimex.com.au

Katowice 2017
29 August – 1 September 2017
Katowice, Poland
www.ptg.info.pl/en/targi-katowice/informacje-o-targach

Bluefield Coal Show
13 – 15 September 2017
West Virginia, USA
www.bluefieldchamber.com/bluefield-coal-show

USA CCTI explores coal enhancement process implementation in Wyoming

Clean Coal Technologies Inc. (CCTI) recently held meetings with key state and coal mining and business leaders in and around the Powder River Basin region of Wyoming, which have led CCTI to begin the application process for obtaining permits necessary for a commercial-scale plant of its clean coal technology in Wyoming.

“Our visit to Cheyenne and Gillette, Wyoming last week highlighted the need for a collective administrative and technological effort to help revitalise the region’s coal mining and export businesses,” stated Robin Eves, CEO of CCTI. “We had very productive meetings with both state and local coal representatives

that were coordinated by the state business development office. These meetings, in conjunction with the ongoing support of the DOE and Capital Hill, have led us to commence the application process for obtaining permits necessary for a commercial plant in Wyoming.

While there, we also toured a very promising site with rail access where we may relocate and permanently move our test facility in order to commence testing our Pristine-M process on non-US coal.”

Discussions in Wyoming centred on economic modelling of the stabilised product and its competitive advantage on the global stage.

USA SO₂ emissions from power plants falls faster than coal generation

Sulfur dioxide (SO₂) emissions produced in the generation of electricity at US power plants has declined by 73% from 2006 to 2015, according to a recent report from the US Energy Information Administration (EIA).

This is a larger reduction than the 32% decrease in coal-fired electricity generation over that period. From 2014 to 2015, the most recent year with complete power plant emissions data, SO₂ emissions fell 26% – the largest annual drop in percentage terms in the previous decade. Nearly all electricity-related SO₂ emissions are associated with coal-fired generation.

The EIA report indicates several factors that have contributed to lower SO₂ emissions: changes in the electricity generation mix, installation of environmental equipment and lower utilisation of the most-polluting plants.

As noted in the report, electricity generation from coal fell 14% from 2014 to 2015. This drop was mostly offset by an increase in electricity generation from natural

gas, but because natural gas has only trace amounts of sulfur, the net effect resulted in fewer SO₂ emissions.

Additionally, to comply with the federal Mercury and Air Toxics (MATS) rule, several coal-fired and oil-fired plants installed pollution control equipment. Two types of pollution control technologies installed for MATS compliance and also reduced SO₂ emissions are dry sorbet injection systems (DSI) and fluegas desulfurisation (FGD) systems. According to the EIA, between December 2014 – April 2016, DSI systems were installed on 15 GW of coal capacity, and FGD scrubbers were installed on 12 GW of coal capacity. During 2015, these plants burned 18% less coal than in 2014 and reduced their SO₂ emissions by 49%.

Different coal-fired plants produce SO₂ at different rates. The report highlighted that plants that produce more than 2 t of SO₂ per million KWh of electricity generation were used less often in 2015 and therefore this helped in reducing SO₂ emissions.

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Coal News

INTERNATIONAL Coal exploration and mine development

Around-up of news from coal development projects around the world.

Mongolia

Aspire Mining

Aspire Mining Ltd has, through its rail subsidiary, Northern Railways LLC (NR), received the first stage feasibility study from China Railway First Survey and Design Institute Group Co. Ltd (FSDI), which confirms that the Erdenet to Ovoot railway is financially feasible and recommends construction to commence as soon as possible.

Additionally, NR has received confirmation from Mongolia's National Development Agency that it has approved an 18 month extension to the time required to complete the conditions precedent for the Erdenet to Ovoot Rail Concession Agreement.

These activities include completion of feasibility studies, environmental studies and permits, land use agreements, commercial agreements including the EPC contract and its funding. NR now has until August 2018 to complete all the conditions precedent for the Erdenet to Ovoot railway.

Poland

Prairie Mining

Prairie Mining has announced that it estimates there are around 301 million t of hard coking coal at Debiensko. This estimate is comprised of an indicated JORC resource of 93 million t of coal and 208 million t of JORC-compliant inferred resources. Prairie said in a media statement that all seams have the 'proven potential' to produce high-quality hard coking coal for the market.

The resources estimate will be used to support the Debiensko scoping study, which remains on target for completion during 1Q17.

South Africa

Acacia Coal

Acacia Coal Ltd has reported an initial resource statement in accordance with JORC 2012 Code for the Riversdale anthracite coal mine.

Riversdale's initial resource demonstrates 9 million t of high-quality, low-sulfur and low-phosphorous anthracite in indicated and inferred resource categories.

The Alfred seam previously excluded from the resource estimates is being drilled and expected to be reported upon 2Q17, according to the ASX-listed company.

A 10 hole drilling campaign and analysis is being finalised to raise the confidence levels of resource. It is intended to contribute to a reserve and resource update targeted for 2Q17 and as part of the pre-feasibility study.

Tanzania

Edenville Energy

Trial mining has commenced at Edenville Energy's Rukwa coal project near Sumbawanga in western Tanzania.

It is planned that initial mining will begin in 1Q17. This will focus on stripping the overburden and the production of a ROM coal stockpile. In parallel, a suitable coal wash plant is planned to be established on site.

Kibo Mining

All of the work for the Environmental and Social Impact Assessment (ESIA)

for Kibo Mining Plc's Mbeya coal to power project (MCP) has been completed and the company is now awaiting certification.

Louis Coetzee, CEO of Kibo Mining, commented: "Completion of all the ESIA work marks another major step forward in the development of the MCP, which has now reached a very advanced stage of development and is continuously gaining in momentum."

USA

Paringa Resources

Paringa Resources has announced an updated 328 million short t (~298 million t) coal resource estimate (CRE) for the Poplar Grove and Cypress mines, located in the Illinois coal basin in Kentucky, as a result of the inclusion of the WK No. 11 coal seam.

In an ASX announcement, the company indicated that the discovery of the WK No. 11 coal seam above the Western Kentucky No. 9 coal seam at Poplar Grove has the potential to significantly improve the project economics by increasing capacity with minimal capital cost.

Paringa has also announced that it is now fully permitted to begin construction of the Poplar Grove mine, following receipt of the final federal Surface Mining Control and Reclamation Act permit.

The company is in the final stages of completing an updated bankable feasibility study (BFS) to assess the potential for a two-coal seam operation at Poplar Grove and the optimal method to access the WK No. 11 seam from planned underground mine operations for the WK No. 9 seam.



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Industry View

WHAT PRESIDENT TRUMP CAN DO TO HELP THE US COAL INDUSTRY

Terry Headley, American Coal Council, USA

During the 50 years between 1958 and 2008, US coal production increased exponentially: from 400 million short tpy to approximately 1.2 billion short tpy.

Since the beginning of 2009, however, domestic production has fallen by one-third – to around 800 million short tpy. Tens of thousands of direct coal mining and support jobs have also been lost across the nation.

There are several factors that led to the recent decline, including reserves in some areas that are more challenging to mine, and the price and increasing availability of shale natural gas. However, a driving force has been the regulations and policies that have made it more difficult and costly to mine and use coal.

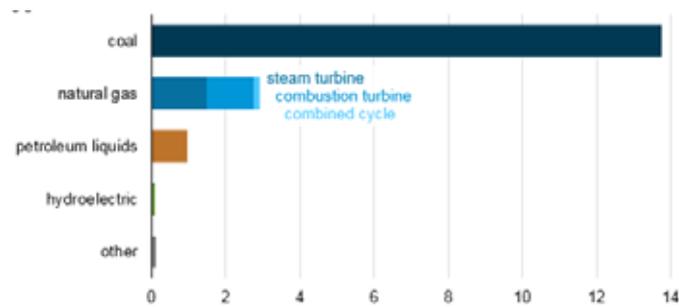
In the past eight years, these policies and regulations have closed hundreds of coal-fired units and prevented the construction of new ones, bottlenecked the flow of mining permits and, most recently, even imposed a moratorium on new federal coal mining leases. As can be seen in the accompanying graphic, almost 14 GW of coal-fired electricity generation capacity was retired in 2015 alone. Much of this was for compliance with another regulation: the Mercury and Air Toxics Standards.

President Donald Trump ran his campaign for the presidency based in large part on the promise of reversing many of these regulations. He promised to put America's coal miners back to work. But can he really do it? That is the question today.

President Trump's helping hand?

President Trump's stated plan for his first 100 days in office include several key objectives that can provide the basis to begin improving the ability of coal to compete in the marketplace.

These changes include rescinding many of the previous administration's actions, including lifting the current moratorium on federal land leases, rescinding the Waters of the United States Rule and the Clean Power Plan, and cancelling the COP21 Paris Climate Agreement. Some of the changes can be accomplished by the issuance of an executive order, others involve court decisions and others may need legislative action by Congress. Trump has the advantage of strong Republican majorities in both houses of Congress.



Electricity generating capacity retired in 2015 by fuel and technology gigawatts.

What are the industry's goals for the new administration?

The industry's top priority in the near term is action on regulatory relief for coal mining and for coal consumption. The EPA Clean Power Plan and the Interior Department's Stream Protection Rule and its federal coal leasing moratorium and programme review are priority regulations that need to be addressed as soon as possible to begin providing that relief. Addressing the Clean Power Plan will involve actions of both the courts and the Trump administration. The Stream Protection Rule can be stopped by use of the Congressional Review Act. The federal coal leasing moratorium can be stopped by a Secretarial Order from Donald Trump's new Interior Department Chief, just as it was begun by the Obama administration's Secretary Jewell in early 2016.

It is also important to recognise that these federal rules, which would be so costly and detrimental to coal, offer little or no environmental improvement. The EPA has admitted that the Clean Power Plan will have a 'negligible' impact on carbon dioxide emissions, and attempted to justify the regulation on the basis of co-benefits – reductions of other emissions such as particulate matter that are already regulated elsewhere. The Interior Department's Stream Protection Rule is unnecessary and would only add another layer of bureaucracy and complexity. The Interior Department's Office of Surface Mining, Reclamation and Enforcement already monitors state-based programmes, and they show effective environmental performance under existing regulations. The federal coal leasing moratorium and review are also unnecessary, as federal coal leases already undergo multi-layered environmental reviews.

Beyond these near-term measures, the administration and the new Congress should also move expediently on permanent legislative solutions for a better, more stable and more certain environment for coal mining and use. Barriers and planning uncertainty must be replaced by measures to enable development of mines, plants, terminals and ports. This is important to preserving fuel diversity and a competitive energy marketplace in the US. It will also facilitate growth in US coal exports, since global coal demand continues to increase. Coal use is projected to continue to grow globally, because it is abundant, economical and accessible. Coal is in the position to provide the dependable and affordable energy the world needs, particularly for developing economies which so critically need that low-cost path to electrification and betterment of the human condition.

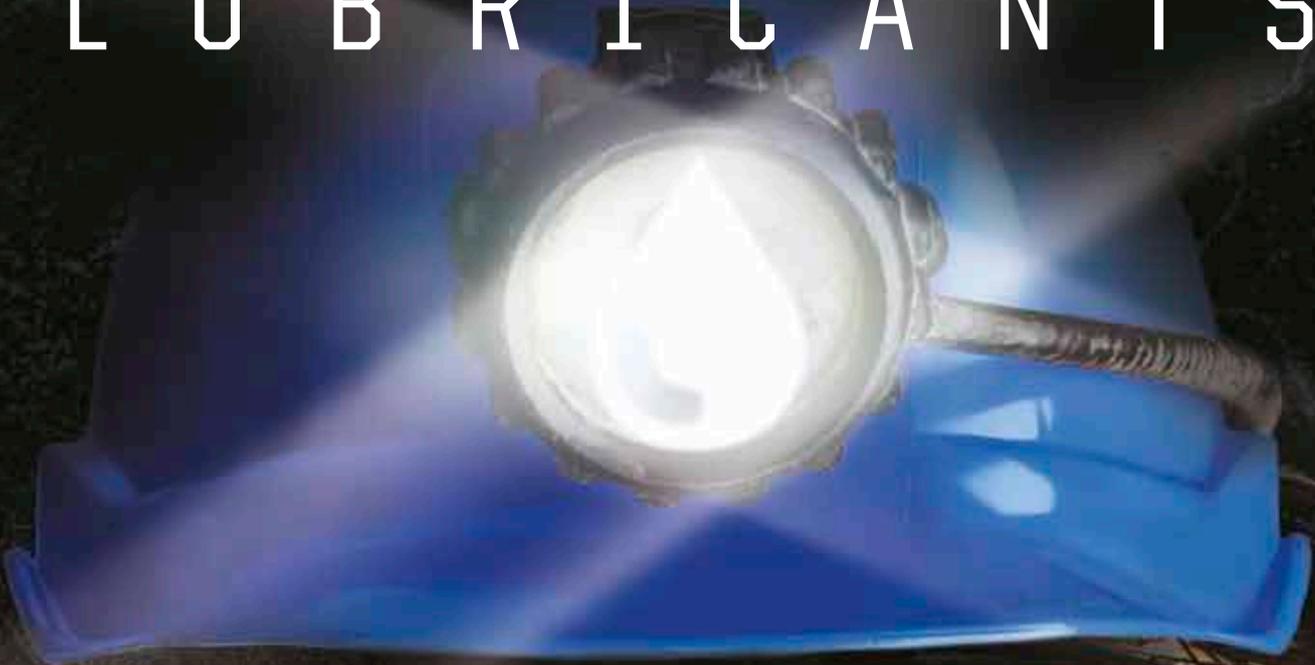
In the US, the level of coal production is unlikely to return to the billion tonne per year level, based on current forecasts. However, progress on righting the regulatory playing field for coal, together with the new administration's intentions for tax and economic policy changes, will provide a meaningful opportunity for the stabilisation and recovery of coal. And that is a good place to start.

Author

Terry L. Headley is the communications director of the American Coal Council.



UNDERGROUND MINING LUBRICANTS

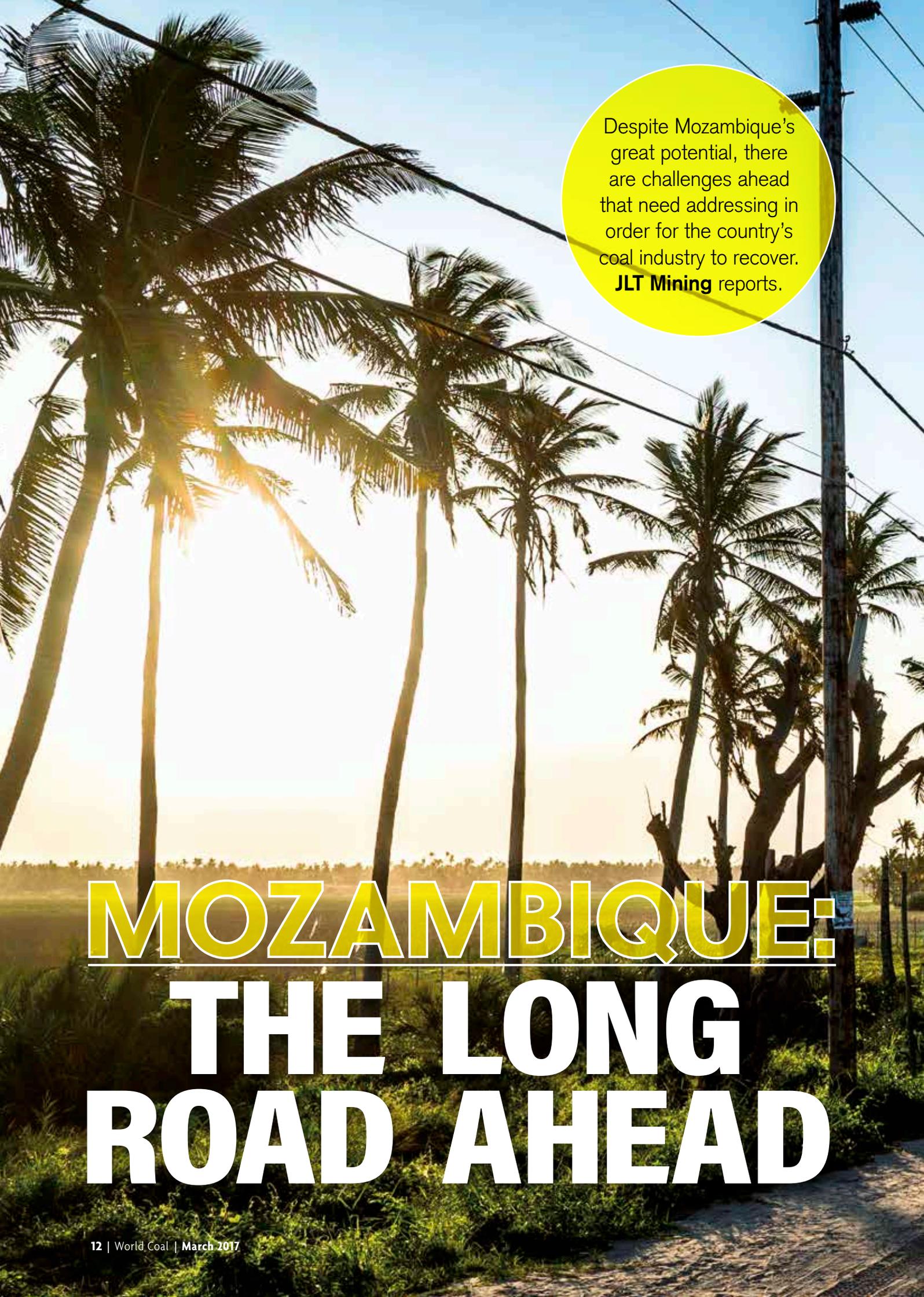


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Despite Mozambique's great potential, there are challenges ahead that need addressing in order for the country's coal industry to recover. **JLT Mining** reports.

MOZAMBIQUE: THE LONG ROAD AHEAD

Once seen as the basket case of Africa, Mozambique's future looked bright when commodity prices soared during the 2000s and the economy grew rapidly. Now, the country faces a debt scandal of such significance that growth projections have been slashed – despite the upsides to be gained by the recovery of metallurgical coal prices. The impact of the debt scandal has economic, political and security implications that will eventually impact the mining industry.

Only five years ago, Mozambique's economy was one of the fastest growing in Africa on the back of rapidly rising commodity prices. The province of Tete, in north-western Mozambique, holds some of the world's largest untapped thermal, coking and metallurgical coal reserves. Coal, alongside LNG reserves, was set to transform the country's economic future as foreign investors – including mining majors, such as Vale, Anglo American and Rio Tinto – acquired or expanded assets worth billions.

Fast forward just two years to 2014 and for Mozambique, like many sub-Saharan African states with an economic reliance on commodity exports, the outlook was quite different. The collapse of coal prices inevitably would hit the economy hard; in fact, any substantial price reduction was bound to have a disproportionate impact in Mozambique. Longstanding issues around inadequate infrastructure meant miners had to manage higher operating costs on account of unreliable power supplies, inefficient and ageing port infrastructure, and regular attacks on the railway lines that transported coal stocks from Tete to the port of Breira. Even at full capacity, Mozambique's railroads could only transport 6 million tpy of coal to port. In short, Mozambique's coal sector was uncompetitive, yet the scale of the opportunity presented by Tete still outweighed the downsides.

The collapse of coal prices shifted this balance. As miners re-examined their portfolios for cost cutting, the challenges of Mozambican operations became too significant to ignore. Anglo American cut its losses in the Revuboe project and exited

the country in 2013. Rio Tinto sold its coal assets, Rio Tinto Coal Mozambique, to India's International Coal Venture Private Ltd in mid-2014, writing off US\$3.5 billion in the process and citing permitting and infrastructure concerns. Vale remained in Mozambique, although its mega project plan to construct a second pit at Moatize and to build a rail corridor to the port of Nacala – with a price tag of around US\$4.4 billion – was put on hold.

Debt scandal

By the latter half of 2016, the lift in metallurgical coal prices should have encouraged the first green shoots of recovery for Mozambique's coal sector. Unfortunately, it will be several years before the country's mining sector begins to return to full strength. Like many emerging market governments, Mozambique sought to capitalise on commodities demand by issuing bonds that essentially were underpinned by commodities wealth. 2013 – 2014 saw sovereign bond issuance boom in sub-Saharan Africa; Cote d'Ivoire, Ethiopia, Gabon, Ghana, Kenya, Mozambique, Nigeria, Rwanda, Senegal, Tanzania and Zambia all issued bonds in this two-year period. All were banking on oil, gas, metals or minerals prices staying elevated and stable.

It transpires that Mozambique's government, led by Armando Guebuza, went one step further. In April 2016, a debt scandal was revealed by investigative journalists. The country's public debt levels increased dramatically as it emerged that back in 2014, Guebuza's government had signed secret deals for nearly US\$2 billion of loans. These loans increased debt levels to 90% of GDP and were not disclosed to the International Monetary Fund (IMF) or Mozambique's other long-term international donors. Aid was immediately suspended while the scandal was investigated and the public accounts audited.

The debt scandal is of such significance that it has changed the outlook for Mozambique over the next five years, at a time when

Toto, Mozambique.

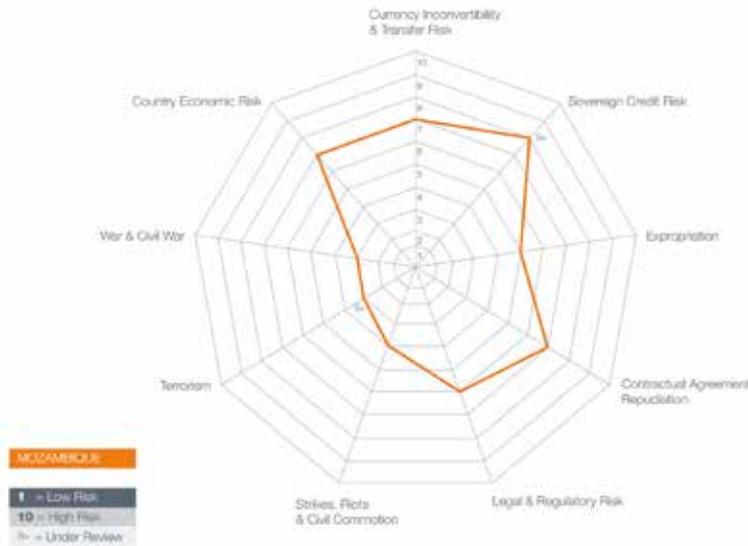


Figure 1. JLT's country risk ratings for mining in Mozambique.

the country should be capitalising on the recovery of metallurgical coal prices. The additional debt burden, combined with the lasting impact of the 2016 drought – which saw Mozambique's harvest fail and nearly 400 000 people run short of food supplies – means that there are changes ahead for the country's investment environment from an economic, political and security perspective – all of which have the potential to impact coal miners.

The economic impact of the debt scandal will certainly take a number of years to be corrected. Before April 2016, Mozambique's growth forecast was projected to be 6.6%, despite the fact that at this time metallurgical coal prices remained low. After the news broke, GDP growth figures were slashed to 3.4% by the IMF, and credit rating agencies S&P and Fitch downgraded their sovereign credit ratings from B- to CCC, and from CCC to CC respectively. In November, Fitch downgraded further to RD (Restricted Default).

The second half of 2016 saw President Filipe Nyusi and his government beginning to address the change in economic position. An IMF visit in December reported that progress was beginning to be made; a tightening of monetary policy had stemmed depreciation of the metical, after the currency's value had dropped by over 40% from January to September. Import levels had also dropped marginally, while coal exports were increasing in value on account of the lift in international prices, which had helped the current account deficit. The currency depreciation may

have helped foreign mining companies temporarily in making the most of the lift in coal prices.

Contentious policymaking

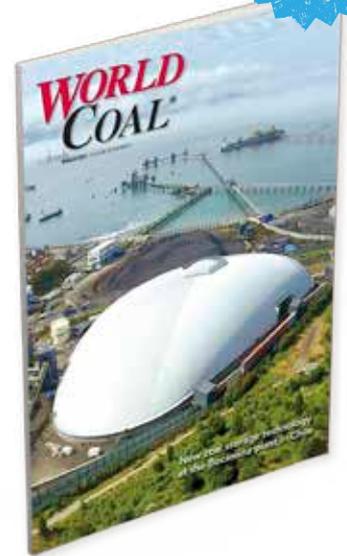
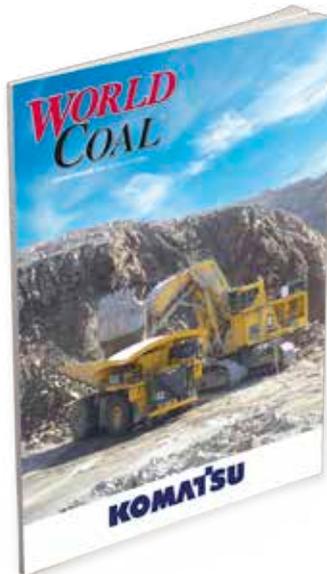
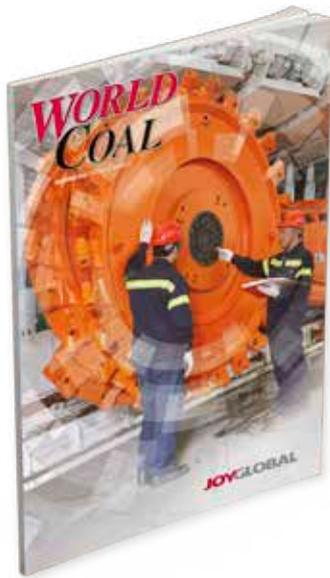
Yet Nyusi will need to address serious challenges, such as high levels of inflation and relatively high levels of public spending. However, these are the two economic factors that will arguably have the most impact on Mozambicans; despite the boom years, half of the population remain under the poverty line. Last year's drought has caused further tensions in certain regions and inequality levels have been rising for the last five years. It is this trend that is likely to be further accelerated by the steps that the government must now take to rectify the debt scandal, which has the potential to alter the country's political and security outlook.

Public debt in Mozambique – debt scandal aside – has been growing steadily on account of expansions in the public sector wage bill and in price subsidies for food and fuel. In anticipation of ongoing high prices for commodities, from 2008, public finances began to deteriorate as the government ran high budget deficits and committed to long-term infrastructure spending. The deficit widened significantly from 2.6% of GDP to 5.7% in 2014 on account of election spending, the costs associated with agreeing a peace deal with opposition and quasi guerrilla group, the Mozambican National Resistance Movement (Renamo), and a growing wage bill.

To counter this trend and to return the economy to growth, government cutbacks are not only inevitable but have also been advised by the IMF and other donors. Yet cutting back the wage bill will prove unpopular given this formed a core electoral promise for Nyusi back in 2014, while reducing subsidies will be extremely contentious. In some circumstances, civil unrest could result. After all, there is historical precedent; riots in Maputo in 2010 were triggered by increases in the cost of living as the government sought to dismantle populist policies implemented in the run up to the October 2009 elections, such as subsidising fuel and freezing tariffs for utilities. The government cutbacks coincided with the upward trend in commodities prices and a depreciation of the metical, causing import prices to sharply rise. A 20% rise in the price of bread in September 2010 was seen as a trigger for violent riots. The government response was to u-turn and reinstate the subsidies – even though evidence suggests that in reality most subsidy spending does little to benefit the poorest communities.

In Mozambique, the government currently spends over US\$146 million on subsidies every year, ranging from food to power, and transport to fuel. For many people, these subsidies are vital for survival – and even more so in those regions most heavily impacted by the 2016 drought. Government reductions in subsidies, particularly since the currency did depreciate considerably during the course of last year, could raise the risk of protests in urban centres, particularly the capital and in larger towns. Mining company operations could be affected by strikes in port towns that result in delays to loading and shipment, or personnel travelling through the capital could be at risk if riots occur. Localised strikes and riots may also occur in mining towns that have experienced large-scale redundancies; mining companies have already laid off around 4000 workers in Tete. The main impact, however, will be the response of international investors to signs of unrest and political instability; coupled with the debt crisis, violence now would indicate that Mozambique's economic challenges are unravelling further and could deter foreign investment or project finance backing.

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