

# MOZAMBIQUE FACT SHEET 2016



## ECONOMICS

### SECTOR CONTRIBUTIONS TO GDP



2014 2015<sup>(f)</sup> 2016<sup>(f)</sup> 2017<sup>(f)</sup> 2018<sup>(f)</sup>

<b>Inflation %</b>	2.6	2.8	3.2	3.6	4.6
<b>GDP %</b>	7.4	6.2	5.6	6.0	7.0

(f) FORECASTED  
Currency: Metical  
[MZN 3.06 = R1\* & MZN 47.47= \$1\* (18 February 2016)]

### Top import products

- Mineral fuels, oils, distillation products (19.50%)
- Machinery, nuclear reactors, boilers (12.98%)
- Vehicles other than railway (9.84%)

### Top import origins

- South Africa (33.10%)
- Bahrain (9.30%)
- China (8.00%)

### EXPORT

### Top export products

- Mineral fuels, oils, distillation products (30.04%)
- Aluminium and articles thereof (29.92%)
- Miscellaneous chemical products (9.38%)

### Top export locations

- Netherlands (23.50%)
- South Africa (20.10%)
- Singapore (10.00%)



## SOCIAL

- Population:
  - 25 303 113 people.
- Language:
  - Portuguese
- The country is plagued by extremely high poverty levels.
- Education in the country has not kept up with its population increases. Mozambique still lacks sufficient schools infrastructure and teachers to guarantee sufficient education for the country's youth.

## TECHNOLOGY

- The low penetration levels in the country's large mobile market leave room for significant growth.
- Mozambique has one of the smallest fixed-line markets in Southern Africa.
- The country's internet sector depends more on wireless access technologies. Mobile operators in the country are taking advantage of this and attracting data users to their mobile broadband networks.

## POLITICAL/LEGAL

- Mozambique's legal system represents a mixed system of Portuguese civil law and customary law. Islamic law may, however, be applied in rural, predominately Muslim villages with no formal legal systems.
- The ruling president, President Filipe Jacinto Nyussi, was elected on 15 January 2015.

## ENVIRONMENT

- A long civil war and recurrent droughts have resulted in more and more people migrating to urban and coastal areas, with adverse environmental consequences.
- Natural hazards: Severe droughts; devastating cyclones and floods in central and southern provinces.

## MAJOR CITIES

- **BEIRA**  
Population: 530 604
- Second largest port in Mozambique.
- A major trade point for exports from Zimbabwe, Zambia, Malawi and other southern Africa countries.

**MATOLA**  
Population: 675 422

- Industrial centre driven by cement, soap, agricultural material and car manufacturing.



**NAMPULA**  
Population: 388 526

- Major cotton producer
- Cashew nuts tobacco and gems are also produced.

**MAPUTO**  
Population: 1 191 613

- Capital city
- Economy is driven by the port
- Coal, cotton, sugar, chromite and hardwood are major exports.

## CHALLENGES TO DOING BUSINESS

- A rigid local labour market with a largely unskilled domestic population and strict restrictions on hiring migrant workers is a significant deterrent.
- Despite the provision of several incentives to foreign investors there are a number of high tax rates that make operating in the country less viable.
- Although the country's legal system recognises and protects property rights to buildings and movable property, private ownership of land is not allowed in the country, as land continues to be owned by the state.
- Prospective investors that are unfamiliar with the country and the Portuguese language face huge challenges. It could help foreign investors to work with a local equity partner who is familiar with the bureaucracy at the national, provincial, and district levels.

## OPPORTUNITIES FOR DOING BUSINESS

- Mozambique presents many investment opportunities, especially in terms of exploitation of the country's vast natural resources and infrastructure development.
- The Mozambican government generally welcomes foreign investors and encourages foreign direct investment in almost all sectors of the economy.
- Foreign ownership or control of companies is not restricted. Foreign businesses can mostly operate without too much intervention from authorities.
- The government has created a number of incentives for foreign investors, such as industrial free zones, tax breaks and a stable currency.
- The region's strong economic growth bodes well for telecommunications services. The economic development in Mozambique offers very good telecommunications development opportunities.