MOZAMBIQUE

INVESTMENT CLIMATE STATEMENT

2015

Table of Contents

Executive Summary

Mozambique's consistently high growth rates, vast natural resources, and large infrastructure and development needs offer great opportunities to the U.S. investor. Mozambique has averaged 7% GDP growth over the last decade and the IMF predicts that it will be the world's second fastest growing economy over the next decade.

However, Mozambique is a challenging place to do business. Despite high risks, the country also offers the potential for high returns for experienced investors. Investors must factor in widespread corruption, bureaucracy, an underdeveloped financial system, poor infrastructure, and high on-the-ground costs. Surface transportation inside the country is slow and expensive, while bureaucracy, port inefficiencies, and corruption complicate imports. Maritime transport linking the national ports is insignificant. Less than transparent government contracting in the last year suggests more rent-seeking and elite capture of increasing revenues from natural resources and other sources. Local labor law greatly limits hiring foreign workers, even when domestic labor lacks the required skills. These factors continue to hinder business registration, expansion and sustainability.

Despite these challenges, Mozambique gained fifteen places in the World Bank's most recent annual "Doing Business" report (www.doingbusiness.org), from 142 to 127 out of 189 countries. This resulted from legislative and administrative changes that made it easier for businesses to start up, improved protection for investors, and improved the process for insolvency and business recovery. However, all these reforms have been small-scale 'tweaks' rather than paradigm-shifting, structural changes. In addition, policy reform has not always been followed by implementation.

Traditionally, South Africa has been Mozambique's largest trading partner. Other significant trading partners include China, India, and Portugal. The United States is a relatively minor trading partner, but continues to be a substantial source of foreign direct investment especially in oil and gas exploration and agriculture.

The largest U.S. investor in Mozambique is Anadarko Petroleum. Anadarko has invested more than USD 3 billion in their oil and gas exploration project off the northern coast of Mozambique since beginning their operations in 2006. In December 2011, Anadarko along with its consortium partner and government parastatal company Empresa Nacional dos de Hidrocarbonetos secured a 7,000 hectare land-use right to construct a multi-billion dollar gas liquefaction facility in northern Mozambique. Anadarko plans to make a final investment decision on the construction of the facility in late 2015. The initial construction project is estimated to be USD 25-30 billion. Two U.S. companies, Fluor and CB&I, are competing for the contract.

The second largest U.S. investor is Mozambique Leaf Tobacco (MLT) Limitada, based in Tete Province, a subsidiary of Universal Corporation based in Virginia. MLT has invested more than USD 100 million in their loose-leaf tobacco processing business since opening in 1996. MLT also works with over 80,000 small tobacco farmers across four provinces and exports all of its tobacco to foreign markets like Europe and Asia.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Government of Mozambique is receptive to foreign investment, which it views as a means to drive economic growth and promote job creation. Virtually all business sectors are open to foreign investors. The government has processes in place to review and approve each foreign and domestic investment; however there are almost no restrictions on the form or extent of foreign investment. The government's Investment Promotion Center (CPI) seeks to bring investors to Mozambique and should be an investor's primary contact with the government during the initial investment stage. CPI is particularly interested in increasing investment in the central and northern regions of the country in order to address large regional development imbalances.

Contact information for CPI is as follows:

Investment Promotion Center (CPI)
Rua da Imprensa, 332 (ground Floor)
Caixa Postal 4635, Maputo
Tel: (258) (21) 313310/75 or (21) 313295/99
Fax: (258) (21) 313325
E-mail: cpi@cpi.co.mz
Internet: www.cpi.co.mz

Other Investment Policy Reviews

Mozambique has recently undergone investment policy reviews by both the United Nations Committee on Trade and Development (UNCTAD) and the Organization for Economic Cooperation and Development.

OECD Investment Policy Review (2013)
http://www.oecd.org/daf/inv/investment-policy/mozambique-investment-policy.htm

UNCTAD Investment Policy Review (2012)
http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=222

Laws/Regulations of Foreign Direct Investment

Mozambique's Law on Investment, No. 3/93, dated June 24, 1993, and its related regulations govern national and foreign investment. Earlier amendments, from 1993 and 1995, were replaced by Decree No. 43/2009 in August 2009, which provided new regulations to the Investment Law.

CPI assists both local and foreign investors in obtaining licenses and permits. However, in general, large investors receive much more support from the government in the business registration process than small and medium-sized investors. Government authorities must approve all foreign and domestic investment requiring guaranties and incentives provided by the Investment Law and its regulations. The new Code of Fiscal Benefits, Law No. 4/2009 passed in January 2009, can be found at http://www.speed-program.com/investment. The Regulations of the Code of Fiscal Benefits are set forth in Decree No. 56/2009 approved in October 2009.

In August 2009, Decree 43/2009 created GAZEDA, the Special Economic Zones Office. Both GAZEDA and CPI support and assist investors; however, GAZEDA focuses its activities on the Beluluane Industrial Free Zone in Maputo Province and, the Nacala Special Economic Zone in Nampula Province, Manga-Mungassa Special Economic Zone in Sofala Province, and Mocuba Special Economic Zone in Zambézia Province. More “free trade zones” are planned. The four existing zones allow exemptions from customs duties and value added tax on imports of equipment and raw materials for use within the zones. Other benefits such as a reduced corporate income tax rate are available, although for limited durations. A special labor and immigration tax scheme is available for industrial free zones.

Despite generally conducive laws, investors in Mozambique often find that public institutions have differing levels of knowledge, enforcement, and capacity to enact legislation. Courts and magistrates are overtasked and investors have complained of meddling from influential local interests.

Information on business registration and administrative practices for Mozambique can be found (in Portuguese) at:
http://www.portaldogoverno.gov.mz/Servicos/NegInvestiment/reg/sociedades/socied2

Industrial Promotion

Under Law 4/2009 the Code of Fiscal Benefits was approved in order to prioritize the fiscal benefits for investments. The Government of Mozambique created Science and Technology parks, Rapid Development Zones, Industrial Free Zones and Special Economic Zones in order for investors in the above mentioned areas to benefit from tax exemptions that vary according to the sectors that they invest in.

Agriculture, fisheries, and tourism are the sectors identified by the local government to benefit from the incentives. Oil and gas sector benefits can be found under Industrial/Special Economic Free Zones as well as under Law 20 and Law 21 approved in December, 2014.

Limits on Foreign Control

Mozambique’s law on investments and its regulations generally do not make distinctions based upon investor origin, nor do they limit foreign ownership or control of companies. With the exception of Security & Safety, Media & Entertainment and certain game hunting concessions, there was no legal requirement that Mozambican citizens own shares of foreign investments until 2011. A new law governing public-private partnerships, large-scale ventures and business concessions, Law No. 15/2011, often referred to as the “Mega-Projects Law”, passed in August 2011, states that Mozambican persons should participate in the share capital of all such undertakings in a percentage ranging from 5% to 20% of the equity capital of the project company. Regulations of this law (the “Mega-Projects Law”) were approved by the Council of Ministers in June 2012, bringing it into effect. Mozambique is also in the process of creating local content legislation that might eventually affect foreign ownership and control.
Lengthy registration procedures can be problematic for any investor -- national or foreign -- but

those unfamiliar with Mozambique and the Portuguese language face greater challenges. Some foreign investors find it beneficial to work with a local equity partner familiar with the bureaucracy at the national, provincial and district levels.

Privatization Program

Mozambique's privatization program has been relatively transparent, with generally open and competitive tendering procedures in which both foreign and domestic investors have participated. Most remaining parastatals operate as state-owned public utilities, with government oversight and control, making their privatization more politically sensitive. While the government has indicated an intention to include private partners in most of these utility industries, progress has been slow.

Screening of FDI

Currently, CPI and GAZEDA handle the approval process for both foreign and domestic investors. CPI operates throughout the country, while GAZEDA is responsible for the establishment, management and development of Industrial Free Zones (ZFI) and Special Economic Zones (ZEE). For investment projects submitted to CPI, final approval is granted by the following government entities:

1. The Provincial Governor for domestic investment projects with an investment value of less than MZN 1.5 billion (about USD 55 million);
2. The Director General of CPI for foreign and/or national investment projects with an investment value of less than MZN 2.5 billion (about USD 92 million);
3. The Minister of Economy and Finances for foreign and/or national investment projects with an investment value of less than MZN 13.5 billion (about USD 500 million);
4. The Council of Ministers for:
   a. investment projects with an investment value greater than MZN 13.5 billion (about USD 500 million);
   b. investment projects that require a land area greater than 10,000 hectares, to be used for any purpose, except if located on a forest area greater than 100,000 hectares;
   c. any other projects that have foreseeable political, social, economic, financial or environment impacts such that their nature should be reviewed and decided by the Council of Ministers, at the proposal of the Minister of Economy and Finances.

In turn, final approval of investment projects to be carried out under the ZFI or ZEE regime is granted by the Director General of GAZEDA.

Investors must submit a project application form including:

1. Copies of:
   a. ID document or passport of each individual investor in the project
   b. Proof of the legal existence of each investing company or institution
2. Bank references and evidence of the necessary financial capacity to undertake the project
3. Financial accounts and annual report from the most recent financial year for each investing company or institution or any other type of proof of availability of financial resources required for carrying out the project.

Concurrent to the project application, they must:

1. Make arrangements for land or installations, if necessary.
2. Create a project proposal and submit three (3) copies to CPI to get fiscal and customs incentives.
3. Incorporate the implementing company at the public notary and publish its statutes in the official gazette.
4. Register the company at the commercial registry and at the tax office.
5. If applicable, complete land concession title and submit technical designs and environmental impact study for approval by the relevant ministries.
6. Obtain the relevant business license (after technical inspection of the facilities) and start operations.

Competition Law

Law 10/2013 of 11 April 2013 (the Competition Law), established a modern legal framework for competition in Mozambique and created the Competition Regulatory Authority (the Authority) to enforce it. This took place in the context of a significant increase of foreign investment into Mozambique and the government's recent efforts to streamline economic initiatives and to liberalize some key sectors, such as communications, ports, railways and financial services. With the Competition Law still lacking provisions in several areas, a further step towards the implementation of competition law in Mozambique was taken with the publication of the Statute of the Competition Regulatory Authority on 1 August 2014 (the Statute). Once it becomes fully operational, the Authority will be responsible for the application of a competition enforcement system inspired by existing competition regimes in the European Union and in particular Portugal.

The Competition Regulatory Authority is an independent entity with administrative and financial autonomy and broad supervisory, regulatory, investigatory and sanctioning powers, pursuant to which it is able to interview relevant persons, request documents and conduct searches and seizures and the sealing of business premises. As set out in the Statute, the Authority is headed by a five-member board, appointed by the government to serve for a five-year term, which may be renewed once. The board is the decision-making body for decisions of substance. The board is assisted by the Directorate General, which is composed of the restrictive practices, merger control and economic studies departments (as well as other administrative bodies). The Directorate General is responsible, in particular, for investigating anti-competitive behavior and analyzing merger notifications. The Authority is directed to closely coordinate its activities with those of the other Mozambican sectorial regulatory authorities, such as the banking, insurance, communications, oil, water, land transport and civil aviation regulators. The Authority may assign different priorities to certain practices or sectors, and in the last quarter of each year should publish its enforcement priorities for the following year.

Violation of the substantive prohibitions contained in the Competition Law (either entering into an illegal agreement or practice or implementing a concentration subject to mandatory filing) makes infringing firms liable to heavy fines, which may amount up to 5 per cent of the turnover of each company in the previous year. In addition, a breach of the duty to notify concentrations within the statutory period and to cooperate with the Authority is punishable with fines of up to 1 per cent of annual turnover. Where the parties breach a prohibition decision, or in case of a failure to comply with an information request within a merger control procedure, the law also provides for penalty payments. Penalty payments may reach up to 5 per cent of the average daily turnover of the infringing companies in the previous year. Ancillary sanctions may also bring serious consequences to infringing companies, not only because the offender may find itself excluded from participating in public tenders for five years, but because it can even find itself confronted with the possible break-up of the offending undertaking or mandatory divestitures, if such measures are deemed necessary to eliminate the restrictive effects to competition. Finally, agreements concluded in breach of the Competition Law (including those related to a concentration that violate a prohibition decision or a clearance decision with commitments) are null and void, and may be so declared by a court of law at the request of any interested party.

The Statute determines that the Competition Regulatory Authority's decisions may be appealed in court, namely to the Judicial Court of the City of Maputo, in the case of procedures leading to the application of fines and other sanctions, and to the Administrative Court, with regard to merger control procedures and requests for exemptions relating to restrictive agreements. The Competition Law entered into effect in July 2013. Companies with a presence in Mozambique are therefore advised to carefully consider the impact of the law on their activities, in order to avoid the risk of their business conduct being found contrary to the Competition Law. The enforcement of competition law in Mozambique will depend largely on the organization and functioning of the Competition Regulatory Authority and the priorities it will set for the enforcement of competition law.

Investment Trends

Foreign investment levels continue to rise in Mozambique. According to the Financial Times FDI report, Mozambique overtook Nigeria as the largest recipient of foreign direct investment in Africa in 2014. The report focuses on the capital investments announced by foreign investors rather than the number of FDI projects and reported USD 6 billion of announced investments in Mozambique in 2014. The new administration inaugurated in January 2015 has yet to prove its commitment to fostering an investment-conducive policy environment, but its rhetoric so far indicates it recognizes the importance of FDI to Mozambique's economic and industrial development.

Table 1

Measure	**Year**	**Index or Rank**	**Website Address**
TI Corruption Perceptions index	2014	119 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	127 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	107 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 610	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Millennium Challenge Corporation Country Scorecard

The Millennium Challenge Corporation, a U.S. Government entity charged with delivering development grants to countries that have demonstrated a commitment to reform, produced scorecards for countries with a per capita gross national income (GNI) or USD 4,125 or less. A list of countries/economies with MCC scorecards and links to those scorecards is available here: http://www.mcc.gov/pages/selection/scorecards. Details on each of the MCC's indicators and a guide to reading the scorecards are available here: http://www.mcc.gov/pages/docs/doc/report-guide-to-the-indicators-and-the-selection-process-fy-2015.

2. Conversion and Transfer Policies

Foreign Exchange

Currency is freely convertible at banks and exchange houses for recurrent transactions while capital transactions have to be approved by the central bank. Guidelines for capital transactions with the Central Bank are normally outlined in the investment approval documents and can only be performed through a local bank. The Foreign Exchange Law (Law no. 11/2009 of 11 March and its subordinate regulation (Decree no. 83/2010 of 31 December) require companies to remit their export earnings to Mozambique and convert 50% thereof to local currency, commonly referred to as an "export surrender" requirement. Foreign Direct Investments (FDI) into Mozambique must be registered with the Central Bank within 90 days to allow for the monitoring of foreign exchange. Private individuals are limited to a maximum of USD 5,000 per foreign exchange transaction and larger transactions must receive the approval of the Central Bank. The administrative procedures required for the repatriation of capital, profits and dividends, all of which are necessarily foreign exchange transactions, can take a significant amount of time and require coordination with the Ministry of Economy and Finance to obtain tax clearance. Investors should raise any foreign exchange concerns early in the negotiation process with the Government of Mozambique and ensure that profit, dividends and other repatriation of foreign exchange is included in their investment approval documents to avoid any potential issues in the future.

Mozambique has had a free-floating exchange rate since 1992. Strong FDI inflows continued to support the local currency despite political uncertainty driven by the 2014 presidential elections. Volatility was reduced substantially, supported by high levels of FDI and the Central Bank's preference for a stable currency. The exchange rate has remained stable.

Transfers of currency are protected by Article VII of the International Monetary Fund (IMF) Articles of Agreement (http://www.imf.org/External/Pubs/FT/AA/index.htm#art7)

Remittance Policies

The Foreign Exchange Law (Law no. 11/2009 of 11 March and its subordinate regulation (Decree no. 83/2010 of 31 December) require companies to remit their export earnings to Mozambique and convert 50% thereof to local currency, commonly referred to as an "export surrender" requirement.

The country is not listed in Treasury's semi-annual report on currency manipulation.

Mozambique is not a Financial Action Task Force member although it has taken some substantial measures to address FATF requirements and recommendations. Mozambique is however, a member of a FATF-Style Regional Body (FSRB for short) in the East and South Africa Anti-Money Laundering Group (ESAAMLG). In September of 2013, the GRM concluded its year-long presidency of ESAAMLG. During its year chairing the group, Mozambique passed new anti-money laundering legislation and undertook an in-depth study on terrorism financing and money laundering.

Mozambique is working towards implementing the recommendations of the Financial Action Task Force recommendations. It is a member of the East and South Africa Anti-Money Laundering Group (ESAAMLG), a Financial Action Task Force-style regional body. Its most recent mutual evaluation can be found here:
http://www.esaamlg.org/userfiles/Mozambique_Mutual_Evaluation_Detail_Report(5).pdf

3. Expropriation and Compensation

Certain private property, such as land, rental housing and second homes were nationalized in Mozambique following independence from Portuguese colonial rule in 1975; certain other properties, including many businesses abandoned by their owners, were temporarily taken over by the State. After Mozambique's turn away from socialism in the late 1980s, citizens had a period of time to lodge claims to regain residential property. The Government retained some businesses, but sold off many as part of its privatization efforts. All but a handful of religious properties that were nationalized have been returned; negotiations are ongoing for the remaining few.

While there have been no significant cases of nationalization since the adoption of the 1990 Constitution, Mozambican law holds that "when deemed absolutely necessary for weighty reasons of national interest or public health and order, the nationalization or expropriation of goods and rights shall (result in the owner being) entitled to just and equitable compensation." The Government is currently embarking on a process to buy back land and property along the proposed circular road being built around the capital city of Maputo.
No American companies have been subject to expropriation issues in Mozambique since adoption of the 1990 Constitution.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Mozambique's legal system is based on Portuguese civil law and customary law. In December 2005 the Parliament approved major revisions to the Commercial Code – the result of a collaborative effort starting in 1998 between the Mozambican government, the private sector, and donors. The previous Commercial Code was from the colonial period, with clauses dating back to the 19th century, and did not provide an effective basis for modern commerce or resolution of commercial disputes. The revised code went into effect July 1, 2006, and is generally viewed as a very positive development.

In 1999, the Parliament passed Law no. 11/99 of 8 July (Law on Arbitration), which provides for foreign investors to have access to modern commercial arbitration. The Center for Commercial Arbitration, Conciliation and Mediation (CACM), which is supported by USAID, offers commercial arbitration. CACM has two locations – one in Maputo and a second in the central city of Beira.

Bankruptcy

Since the 1975, the bankruptcy process in Mozambique, based on the Code of Civil Procedure from 1967, has been slow, costly and complex. There has not been a unified bankruptcy law and bankruptcy filings were very rare. Portions of the bankruptcy regulation could be found throughout the civil procedure code. In order to improve the legal framework on bankruptcy, the Government approved on June 4, 2014 a new comprehensive legal regime for bankruptcy. It streamlines the whole process of bankruptcy and sets the rules for business recovery.

Investment Disputes

Mozambique acceded in mid-1998 to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. For disputes between American and Mozambican companies where a violation of the nations' Bilateral Investment Treaty (BIT) is alleged, recourse via the international Alternative Dispute Resolution under the BIT may also be available. No investment disputes in the past ten years have involved U.S. investors. Investors who feel they have a dispute covered under the BIT should contact the U.S. Embassy Economic Section.

International Arbitration

For disputes between international and domestic companies, the law closely follows the United Nations Commission of International Trade Law (UNCITRAL). Mozambique is a member of several key international arbitration conventions. For domestic arbitration, the law is formulated to cover a wide range of potential disputes, including non-commercial issues. Ongoing cases raise concerns about local courts upholding international arbitration decisions.

Since 2009, The Center for Commercial Arbitration, Conciliation, and Mediation (CACM) also offers labor mediation and arbitration. Although pro-worker regulations make hiring and firing of workers difficult, some improvements were made through Law No. 23/2009 of August 2009 (the Labor Law). In comparison with the legislation that preceded it, the Labor Law provides less generous compensation in cases of termination of employment contracts, encourages dispute settlement through arbitration, and allows broader use of fixed-term employment contracts that make it possible for employers to hire employees on seasonal or project-limited basis. However, the Constitutional Council ruled certain articles of the new Labor Law to be unconstitutional in October 2011. Mandatory mediation was determined to be illegal and cannot be imposed on either the employer or employee. The employee now has the right to go to court directly if desired and as permitted by the Constitution.

ICSID Convention and New York Convention

Mozambique has signed and ratified the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, but has not been involved in International Center for Settlement of Investment Dispute (ICSID) proceedings. Mozambique is also a member of the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

Duration of Dispute Resolution

Recourse to the judicial system in Mozambique can present many obstacles for potential investors. Generally, the Mozambican judicial system is largely ineffective in resolving commercial disputes and certain cases consume a large amount of time and resources. Instead, most disputes among Mozambican parties are either settled privately or not at all, and there are no discernable patterns to resolution of investment disputes.

A foreign court's ruling against a Mozambican party, in most cases, would generally be recognized and upheld by the Mozambican Supreme Court after it has been reviewed and confirmed.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Mozambique is generally in compliance with World Trade Organization's (WTO) Trade-Related Investment Measures (TRIMs) obligations. The Code of Fiscal Benefits is structured into two parts: general incentives and specific incentives. The latter are granted to investments in strategic sectors of activity, such as agriculture and fisheries, basic infrastructure, rural commerce and industry, manufacturing and assembly industries, hotels and tourism, science and technology parks and large scale projects. The former are granted to investments in other sectors to which specific incentives are not granted under the Code of Fiscal Benefits or other legislation.

In very limited cases such as agriculture and fishery and the creation of basic infrastructure, the specific incentives involve a reduction of the rate of corporate income tax. The general incentives include exemptions from customs duties and VAT on the importation of specially designated equipment located in the Customs Tariff Schedule, deductions in Corporate Income Tax depending on the geographical area of investment, as well as for expenses with public infrastructure, training of Mozambican employees and in the use of new technology which depreciate rapidly. Currently, investors in the agriculture and fishery sectors receive the most generous tax incentives. In late 2012, the government made a decision effective January 1, 2013 to raise the capital gains tax from 12.8 to 32 percent and to apply this tax rate on all transactions involving a Mozambican asset or entity between two parties, regardless of where either party is domiciled. This rate was not applied consistently throughout 2013, but applied to transactions completed from March 2014 forward.

Investment Incentives

The Code of Fiscal Benefits contains some specific incentives granted to entities that intend to invest in certain geographical areas within Mozambique that have great natural resource potential but which lack infrastructure and have low levels of economic activity. For this purpose the Rapid Development Zones (RDZ) regime was created, covering the Zambeze River Valley Zone, Niassa Province, Nacala District, Moçambique Island, Ibo Island and other areas approved by the Government. Investments in these zones are exempt from import duties on certain goods, and are granted an investment tax credit equal to 20% of the total investment (with a right to carry forward for five years). Additional modest incentives are available for professional training and in the construction and rehabilitation of public infrastructure, including but not limited to roads, railways, water supply, schools and hospitals.

Research and Development

U.S. and/or other foreign firms are able to participate in government financed and/or subsidized research and development programs.

Performance Requirements

Specific performance requirements are built into mining concessions and management contracts, and sometimes into the sale contracts of privatized entities. Investments involving partnerships with the government usually include milestones that must be met for the investor's project to continue. The government generally does not require investors to purchase from local sources nor does it require technology or proprietary business information be transferred to a local company. However, the draft regulations for new mining and petroleum laws might oblige investors to give preference in purchasing from local sources available in Mozambique which are of an internationally comparable quality and which are offered at competitive prices, in terms of delivery. The government of Mozambique intends to codify local content requirements that may affect performance local employment.

Data Storage

The host government does not follow "forced localization," the policy in which foreign investors must use domestic content in goods or technology. There are no requirements for foreign IT providers to turn over source code and/or provide access to surveillance (backdoors into hardware and software or turn over keys for encryption).

The government agency responsible for enforcing IT policy and rules is:

UTICT – Unidade Técnica de Implementação da Politica de Informática
Technical Implementation Unit for IT Policy
Tel: (258) 21 309 398; 21 302 241
Mobile (258) 305 3450
Email: cpinfo@infopol.gov.mz
URL: www.infopol.gov.mz

6. Right to Private Ownership and Establishment

The legal system recognizes and protects property rights to building and movable property. Private ownership of land, however, is not allowed in Mozambique. Land continues to be owned by the State. The government grants land-use concessions for periods of up to 50 years, with options to renew, called "DUATs" (Direitos de Uso e Aproveitamento de Terra, or a land-use title). Essentially, land-use concessions serve as proxies for land titles; however, they are not allowed to be used as collateral. Although the overall land-related policy and legal framework is sound, there are some gaps in implementation of relevant laws and regulations. Key gaps include lack of clarity, limited capacity and unclear institutional arrangements, and low land tax and associated distorted incentives for land access.

These implementation gaps resulted in unfavorable consequences. There is no robust market in land user rights and land user titles (DUATs) are not easily transferable. There is a lack of transparency in the awarding of concessions for land. The government at times has granted overlapping land concessions. Since the regulations of 1999 for the law of 1997, the land registration agency has accelerated the bureaucratic process of granting concessions and has reduced the period for issuance of land title to an average of 90 days, for most of the concessions (but a small percentage takes much longer, due to disputes and complexity of the procedures).

The government recently amended the regulation for community-land (Art.35) which previously allowed provincial governors to authorize the demarcation of an area of land for community management - without any maximum acreage. This has resulted in excessive requests of land allocation by communities, without any convincing justification of economic activities. Under the new regulation, governors are allowed to authorize land for demarcation for up to 1,000ha (Minister of Agriculture, up to 10,000ha, and Council of Ministers for any area above that threshold). The government is also drafting regulation on leasing land within the constitutional provisions which stipulate state ownership of all land.

Land surveys are being carried out throughout the country to enable individuals to register their land concessions. This process is moving slowly and will not provide any real legal protection to investors for some time to come. The Mozambican banking community uses property other than land, such as cars, private houses and infrastructure, as collateral. Investors should be aware of the requirement to obtain endorsement of their projects in terms of land use and allocation at a local level from the affected communities.

CPI as part of its goal of attracting foreign investment assists investors with finding suitable land for development and obtaining the appropriate documentation. This includes government assistance to find appropriate agricultural land. The government advises company on relocating individuals currently occupying land designated for development; however the companies are ultimately responsible for planning and executing resettlement programs.

7. Protection of Property Rights

Real Property

The government recognizes and enforces the protection of private property and provides a mechanism that protects and facilitates their acquisition and disposition. Secured interests in property, both movable and real, is recognized and enforced. Depending on the type of property, it can be registered at differing government agencies. Some investors have reported unscrupulous individuals trying to sell fraudulently notarized documents related to real properties and mortgages.

Intellectual Property Rights

The enforcement of intellectual property rights in Mozambique is sporadic and inconsistent, with raids and prosecutions extremely rare. Occasionally, media reports describe large-scale raids on pirated items, but threats of prosecution seem to have little effect. Pirated copies of audio, videotapes, DVDs and other goods are commonly sold in Mozambique.

The Parliament passed a copyright and related rights bill in 2000. This bill, combined with the 1999 Industrial Property Act, brought Mozambique into compliance with the WTO agreement on the Trade Related Aspects of Intellectual Property Rights (TRIPS). The law provides for the security and legal protection of industrial property rights, copyrights and other related rights. In addition, Mozambique is a signatory to the Bern Convention on International Property Rights, as well as the New York and Paris Conventions. Mozambique is not listed in the USTR's Special 301 report or the notorious market report.

Despite enforceable laws and regulations protecting intellectual property and providing recourse to criminal or administrative courts for international property rights violations, it remains difficult for investors to enforce their IP rights. The registration process is relatively simple. Private sector organizations have been working together with various government entities on an intellectual property rights task force team in an effort to combat intellectual property right infringement and related public safety issues. There has been limited success in achieving the desired results but Mozambique intends to update its IP legislation in 2015. For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Resources for Rights Holders

A list of attorneys can be found at: http://maputo.usembassy.gov/legal_information.html

Embassy point of contact:
Valerie Laboy
Economic Officer
+258 2149 2797
LaboyVA@state.gov

8. Transparency of the Regulatory System

Investors face a myriad of requirements for permits, approvals and clearances, all of which take a significant amount of time and effort to obtain. The difficulty of navigating the system enables corruption, and bribes are often requested to facilitate routine transactions.

Regulations in the areas of labor, health and safety and the environment are routinely not enforced, or are selectively enforced. In addition, civil servants have at times threatened to enforce antiquated regulations that remain on the books to obtain favors or bribes. The government is aware of the problems and in recent years has launched a donor-funded effort to streamline procedures. Changes to laws and regulations are published in the Official Gazette. Public comments to proposed new laws and regulations are usually limited and input may come from a few private sector associations, such as the Confederation of Business Associations (CTA). CTA, a private umbrella business organization of 64 associated members, is considered the most important business association in Mozambique, and is the organization that officially represents the interests of a wide number of private sector business associations. The Association of Commerce and Industry, or ACIS, based in Beira, Sofala Province, is a Mozambican non-profit business organization that represents the interests of over 300 companies, both national and international (including major U.S. companies). Mozambique is considering passage of a new law that would make public consultation on future legislation mandatory.

In 2010, Mozambique also enacted new International Financial Reporting Standards to bring its financial practices in line with international norms. Implementation of the new standards has been expensive and time-consuming for some investors.

9. Efficient Capital Markets and Portfolio Investment

Mozambique has a small capital market of approximately 18 commercial banks, of which three to four dominate the market. The banks compete for important clients and deposits. Access to credit for the private sector remains difficult and expensive. The Central Bank base interest rate (FPC) stands at 7.50% annually, however commercial banks often use their own base lending indexes referred to as Prime Rate which on average stand at 14.00% annually. Depending on which index is used interest rates for commercial local currency loans can be from 11% to 21% annually. Mozambican banks are allowed to disburse loans in the following foreign currencies – USD, EUR and ZAR, if beneficiaries meet foreign exchange law requirements. The government-owned Small Scale Investment Support Office (GAPI) and its partners are also working on rural finances and developing small agro-industries as a strategy for risk mitigation. In the beginning of 2014, GAPI, in partnership with a women's association, opened the first financial institution directed specifically to the savings and credit needs of women in the country – N'Tamu. N'Tamu offers several services for small and medium companies and entrepreneurs that otherwise have no access to banking services and products.

Mortgage loans are around 15 percent per year. Access to capital in the rural areas is constrained by the fact that land-use titles cannot serve as collateral. Various entities such as the Aga Khan Foundation, BancoProcredit, and BancoTerra offer micro-credit financing programs to partially fill this need.

The Mozambican Stock Exchange, founded in October 1999, was started with less than USD 5 million in capitalization. Companies seldom use the stock exchange as a source of financing, and to date the Exchange's principal listing is Cervejas de Mocambique. The capital base requirement for listing is USD 1.5 million.

Money and Banking System, Hostile Takeovers

Mozambican commercial banks must comply with the Basel II banking regulations. Banking has been growing robustly in Mozambique. The two leading banks, Millenium Bim and BCI have an aggressive expansion strategy into rural areas opening new branches and providing other banking services.

Total commercial banks loans grew 28.5% from USD 5.07 billion in January 2014 to USD 6.5 billion in January 2015. In 2015, USD 1.38 billion of that total was in foreign currency and in 2014, it was USD 1.17 billion.

Total deposits in commercial banks grew from USD 6.5 billion in January 2014 to USD 7.7 billion in January 2015, growth of 27.4%.

USD 1.99 billion of the 2015 total deposits were in foreign currency and in 2014, that total was USD 1.92 billion. Only 36% of deposits are fixed, most of these being from a few large corporate clients.

The total assets of the largest bank, Millennium BIM, reached USD 2.8 billion in 2013.

The role of Mozambique's central bank is to control inflation, regulate foreign exchange operations, and ensure banking compliance by commercial banks.

10. Competition from State-Owned Enterprises

There are a variety of state-owned enterprises that compete with the private sector. Current state-owned enterprises have their origin in the socialist period directly following Mozambique's independence in 1975. Government participation varies depending on the company and sector and is managed by the Institute for the Management of State Participation (IGEPE). IGEPE is mandated to manage the state's ownership in commercial enterprises in a number of key sectors of the economy and to participate in new investment opportunities, including public-private partnerships. IGEPE is also working to design and implement a new business plan and investment strategy. Following past privatization and restructuring programs, today IGEPE holds majority and minority interests in 117 firms, down from 156.

Some of the largest state-owned companies such as Telecomunicações de Moçambique (TDM), Aeroportos de Moçambique (ADM), Electricidade de Mocambique (EDM) and Linhas Aéreas de Moçambique (LAM) have monopolies in their respective industries (Information & Communication – landline telephones, Travel – airports and air transportation, Energy & Mining – electrical utility). In some cases state-owned companies enter into joint ventures with private firms to deliver certain services. For example, Portos e Caminhos de Ferro de Moçambique (CFM), which has a monopoly in ports and railways, is privately managed under a public-private partnership agreement. Some of these state-run enterprises benefit from state subsidies. In some instances, state-owned companies have benefited from non-competed contracts that by law should have been competitively tendered.

From 2009 to 2012, portfolio company dividends accounted for 80% (2009), 82% (2010), 86%

(2011) and 90% (2012) of total IGEPE revenue. IGEPE now earns 100% of dividend income from company shares held in its portfolio, 25% of dividend income from company shares held by Ministry of Economy and Finance (Treasury Department), but only 10% of share sales from liquidated portfolio companies.

OECD Guidelines on Corporate Governance of SOEs

Mozambique SOEs are not transparent and do not follow OECD guidelines on corporate governance. The value of SOE assets is unknown. According to the IMF, oversight is extremely limited and procedures need to be in place to ensure that the government's plans to sell public stakes in non-strategic enterprises move forward in a transparent and structured manner. Senior management reports to the Treasury, a part of the Ministry of Economy and Finance. Allocation of SOE management roles is subject to political influence.

Sovereign Wealth Funds

Mozambique has no sovereign wealth funds.

11. Corporate Social Responsibility

Larger companies and foreign investors are aware of corporate social responsibility (CSR) issues. Companies practicing CSR tend to set their own standards. As part of some large investment projects, CSR-related issues are negotiated directly with the government according to local needs. Large investors in Mozambique will have to work closely with government officials to resettle communities in areas affected by their business. CSR is an increasingly high profile issue in Mozambique, especially with the large mining companies who have had to relocate entire small communities in order to gain access to concession sites. Media reports have highlighted protests by relocated populations at mine sites principally in the coal-rich province of Tete.

The Mozambican CSR Network (www.pactum.co.mz) was created to promote sound initiatives and provide technical assistance to companies wishing to invest in the communities where they operate. Training and information on CSR is made available to members.

OECD Guidelines for Multinational Enterprises

Mozambique has taken initial steps to assess foreign and local enterprises' adherence to the United Nations Guiding Principles on Business and Human Rights. Mozambique adheres to an International Finance Corporation (IFC) Community Investment Guidebook published in 2012 and its related guidelines.

12. Political Violence

Municipal elections taking place in 53 districts in November 2013 saw police and government security forces use lethal force against opposition gatherings during the early November campaign period in Beira, on the night of the elections in Mocuba and Quelimane, and during celebrations after the elections in Quelimane, resulting in numerous injuries and two deaths.

Presidential elections held in October 2014 resulted in minor, targeted disruptions and violence.

Political tensions and deadly attacks on the EN-1 national highway and in the central provinces of the country occurred between armed elements of the main opposition party Renamo and government forces through much of 2014. Armed convoys in response to security concerns and rail attacks in Sofala province disrupted business operations for national and international companies throughout 2013 and 2014; however, a cessation of hostilities agreement signed between the government and Renamo, in August 2014 restored peace. Separately, large multinational operations in Tete province experienced targeted attacks and invasions from nearby communities that also impacted operations and injured employees.

In September 2010, violent street protests over rising consumer prices in Maputo and several provincial cities resulted in at least 13 deaths, most of which were attributed to the police. However, the largest protest against the government since Independence took place peacefully in late 2013.

13. Corruption

Mozambique ranked 119th out of 177 countries on Transparency International's 2014 Corruption Perceptions Index, retaining the same position as in 2013. Corruption, including bribery, raises the costs and risks of doing business, and has a corrosive effect on the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law. The police continued to be poorly paid and work under poor conditions. Corruption and extortion by police are widespread, and impunity remains a serious problem. Some police members are believed to have tipped off criminals to police operations. Corruption is a concern across the government, and senior officials often have conflicts of interest between their public roles and their private business interests.

The Mozambican government set up an Anti-Corruption Unit in the Office of the Attorney General (renamed Central Office for the Combat of Corruption in 2005) with the help of international donors. This body is charged with investigating corruption-related crimes, which it then refers to the Prosecutor General. In 2005, the government passed Decree 22/2005, which created provincial-level offices to combat corruption. Offices were opened in Beira and Nampula and are in operation.

Though Mozambique has made progress to develop the legal framework to combat corruption, the policies and leadership necessary to ensure effective implementation have been insufficient. The National Assembly passed an anti-corruption bill in 2004 that updated previous antiquated legislation. A few civic organizations and journalists remain vocal on corruption-related issues, with some support from the U.S. government. One NGO, the Center for Public Integrity, continues to be active in publicly pressuring the government to act against corrupt practices (www.cip.org.mz).

In 2012, the Parliament passed two of five elements of a package of further anti-corruption reforms. President Armando Guebuza signed the “Law on Public Integrity” and the “Witness and Victims Protection Act” on July 16, 2011. The passage of the Law on Public Integrity addresses conflict of interest issues involving public officials. The Law on Public Integrity bans government officials and parliamentarians from simultaneously holding positions in state-owned companies. Mozambique's First Constitutional Commission submitted a proposal to create within Parliament a new Commission for Parliamentary Ethics in January 2013, which will review conflict of interest cases involving its members. In spite of these legislative milestones, corruption remains a significant problem at all levels. While these legislative reforms provide a sound basis for combating corruption, implementation is the next crucial step. A Right to Information law was passed in 2014 but its implementation will also take extensive work that has not yet begun in earnest.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Mozambique signed the UN Convention against Corruption in 2004 and ratified it in 2008.

Resources to Report Corruption

Central Anti-Corruption Office (Gabinete Central de Combate à Corrupção)
Av. Ahmed SekouTouré, n.˚ 2318, 2nd floor, Maputo
Tel: +258 21 31 06 93 ; +258 82 965 7804
Fax: +258 21 31 03 96
gabinetecorrupção@yahoo.com.br

14. Bilateral Investment Agreements

Mozambique has signed bilateral investment agreements with the following nations: Algeria, Belgium, China, Cuba, Denmark, Egypt, Finland, France, Germany, Indonesia, Italy, Mauritius, The Netherlands, Portugal, South Africa, Sweden, Switzerland, The United Kingdom, the United States, and Zimbabwe.

In December 1998, Mozambique negotiated a Bilateral Trade Agreement (BIT) with the United States. The U.S. Senate ratified the treaty in November 2000, followed by the Mozambican Council of Ministers in December 2004. The United States-Mozambique BIT came into effect on March 3, 2005. In June 2005 the United States and Mozambique signed a Trade and Investment Framework Agreement (TIFA) that established a Trade and Investment Council to discuss bilateral and multilateral trade and investment issues. The Council held its first meeting in October of 2006. The latest TIFA Council meeting was held in January 2012 during the visit of Deputy United States Trade Representative Demetrios Marantis to Mozambique. During the visit, the U.S. and Mozambican governments identified key strategies to improve trade between the two nations: improving the investment climate, increasing Mozambique's use of the African Growth and Opportunity Act (AGOA), diversifying exports, and overcoming obstacles to trade. Discussions also highlighted other areas for attention, including tobacco exports, and trade missions to expose investors to new markets, pre-inspection regulations of export goods, infestations damaging agricultural crops, and the use of turtle excluder devices (TED) in shrimp fishing

Bilateral Taxation Treaties

Mozambique does not have a bilateral taxation treaty with the U.S. Double Taxation Treaties have been agreed with Portugal, Mauritius, Italy, South Africa, Botswana, India, Vietnam, Macau, the Sultanate of Oman and the United Arab Emirates. Further Double Taxation Treaties with Qatar and Uruguay are currently under negotiation.

15. OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC) is an independent U.S. government agency that can assist with project finance, through loans or loan guaranties, and political risk insurance in Mozambique, for projects with U.S. involvement ranging from USD 500,000 to USD 400 million.

OPIC signed an investment incentive agreement with Mozambique in 1999, later ratified in 2000. In 2011, at least one company, led by an American, sought an OPIC loan to set up business operations in Mozambique. Following a 2012 visit to Mozambique by OPIC President and CEO Elizabeth Littlefield, at least three more companies expressed interest in future OPIC loans. Potential for OPIC investment is likely to increase in line with Mozambique's own expected economic growth due to commercialization of Mozambique's natural resources.

Since the opening of the OPIC regional office in nearby Johannesburg OPIC has met with several new companies that are considering an investment in Mozambique. OPIC has been making its U.S. clients aware of the numerous opportunities in ancillary projects that will be developed as a result of investment in the natural resources sector. For more information on OPIC, please visit www.opic.gov
Mozambique is a member of the Multilateral Investment Guarantee Agency (MIGA), part of the World Bank Group.

16. Labor

The estimated workforce is approximately 10.29 million, out of a total population of nearly 24 million. The majority of Mozambique's workforce has not completed secondary school, which presents a significant skills deficit with serious consequences to productivity and employability of Mozambique's growing population. Current estimates place nationwide adult literacy levels at 32% among females and 62% among males. Approximately 80 percent of the labor force works in agriculture (usually subsistence agriculture), 6 percent in industry and 13 percent in services. Of those employed, approximately 16.4 percent of Mozambicans are in the formal sector while the remainder works in the lower income informal sector. Minimum wage rates apply only to the formal sector and are set at USD 74 per month for agricultural workers, where the majority of formal employment takes place, and USD 109 per month for industry and services. Many people work several jobs to earn a sufficient income for their basic needs and often grow agricultural products on small plots of land for personal consumption. Although the minimum age for employment is 15, the agricultural sector employs a significant number of children under the age of 15, namely in subsistence agriculture. Sometimes these children are victims of trafficking in persons or forced labor and work long hours for little to no pay. Mozambique remains vulnerable to the pressures of youth unemployment as an estimated 300,000 young people become eligible for employment each year yet do not have sufficient skills to be employable.

Although the contracting of Mozambican workers is unrestricted, contracting of foreign workers by national or foreign entities, including administrators and representatives of foreign companies, is subject to the authorization of the Ministry of Labor. Foreign workers must possess professional qualifications and may only be contracted where there are no Mozambicans with such qualifications or their number is insufficient. In 2009, the Ministry of Labor began enforcing quotas for foreign workers as a percentage of the workforce within individual private companies. Quota levels are dependent on the size of the company. All investments must specify in the investment project proposal the number and category of Mozambican and foreign workers to be employed.

The process of obtaining a visa and work permits for foreigners in Mozambique is lengthy and bureaucratically complex. The Ministry of Labor must approve the employment of foreigners. The Ministry of Interior's immigration department issues a DIRE (a work permit/identification card) once the Ministry approves the application. In 2009, the Ministry of Labor began enforcing a quota system which requires the number of foreign employees to be no larger than 10 percent of a company's workforce, depending on the overall size of the company. Distinct procedures, with potentially more generous quotas, exist for the petroleum and mining sectors and other large investors. Some investments, covered under specific agreements with the Government, enjoy distinct quotas; however, in some cases the Ministry of Labor has arbitrarily required the same companies to comply with generally applicable quota regulations.

The establishment of wages and other forms of compensation to be paid to the employee are not subject to control. However, the labor legislation provides for a minimum wage of USD 74 to USD 195 per month depending on the industry sector. Employers are obliged by law to pay social security tax assessed at 7% of the employees' wages. A maximum of 3% of this is deductible from the employee's salary, while the remaining 4% is met by the employer. Foreign resident workers may be exempt if they can demonstrate participation in an alternate social security scheme.
Labor unions created during the socialist years of the 1970s and 1980s remain weak and have difficulty disengaging themselves from the ruling party, Frelimo, which played a lead role in their establishment. Total membership among Mozambique's fourteen unions is close to 200,000 persons. The Mozambican National Trade Union Centre (OTMCS) and Confederacao Nacional dos Sindicatos Independentes e Livres de Mocambique (CONSILMO) are the two labor federations. Fourteen labor unions are affiliated to OTMCS and four are affiliated to CONSILMO. The teachers' and journalists' unions are unaffiliated to either federation. Labor unions do exert pressure on the government to maintain some pro-worker provisions in labor legislation, particularly regarding dismissal of local personnel and work force composition, although they show flexibility on other important issues. The law provides the majority of workers the right to bargain collectively. Although the right to strike is guaranteed by the Constitution, it is not extended to civil servants or workers in essential services. Legislation approved in 2014 regulates freedom of association for workers in the public sector. The question of the right to strike is still controversial and the new law's articles have not been formalized, The minimum wage, determined every year, remains a significant concern for the unions. Potential investors are advised to factor in costly severance payments and other benefits in their

decision making. The minimum age for employment is 15. Child labor is prevalent (23%) in unregulated activities, such as in agriculture where the worst forms of child labor, included forced and indentured child labor, commonly occur. Despite the introduction of a new labor law in 2007, the labor market remains rigid and an impediment to business.

Mozambique has adopted all of the International Core Labor Conventions.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

The government issued Decree No. 61/99 on September 21, 1999, establishing export processing zones, called Industrial Free Zones. The decree set up an Industrial Free Zone Council, which approves companies as industrial free zone enterprises, thereby providing them customs and tax exemptions and other benefits, including profit repatriation. There are three essential requirements for Industrial Free Zone status: job creation for Mozambican nationals, the exportation of at least 85% of annual production, and a minimum investment of USD 50,000. Almost all industries, with the exception of prospecting and exploration of natural resources, processing of raw cashew nuts and seafood (including prawns) can be authorized under an Industrial Free Zone status.

Industrial Free Zone developers enjoy an exemption from customs duties, VAT and tax on the importation of construction materials, machinery, equipment, accessories, accompanying spare parts and other goods destined for the establishment and operation of the Industrial Free Zone.

Free Zone concessions are granted for a renewable period of 50 years. Mozambique's large export-oriented investment projects of recent years operate as Industrial Free Zones. Mozal, a joint venture of several international companies, is the second largest aluminum producer in Africa and operates as a free-trade zone.

In addition, Special Economic Zones can be established on a case-by-case basis with the objective of developing specific geographical areas that benefit from exemption from custom duties and taxes, a free "off-shore" type foreign exchange regime, and special labor and immigration regimes. For example, a special tax and custom regime has been created for the Zambezi Valley until 2025.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($M USD)	2013	15,569	2013	15,630	www.worldbank.org/en/country

Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2014	2,480	2013	660	http://bea.gov/international/factsheet/factsheet.cfm?Area=427
Host country's FDI in the United States ($M USD, stock positions)			2013	-2	http://bea.gov/international/factsheet/factsheet.cfm?Area=427
Total inbound stock of FDI as % host GDP	2014	15.92%	2013	4.22%	

*National Statistics Institute (INE); Investment Promotion Center (CPI)

Table 3: Sources and Destination of FDI

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	2,480	100%	Total Outward	0	100%
United Arab Emirates	891	36%			
Mauritius	527	21%			
South Africa	380	15%			
Portugal	336	13%			
China	72	3%			
"0" reflects amounts rounded to +/- USD 500,000.					

Source: IMF Coordinated Direct Investment Survey

Table 4: Sources of Portfolio Investment

IMF Coordinated Portfolio Investment Survey data are not available for Mozambique.

19. Contact for More Information

-Valerie A. Laboy
-Economic Officer
-Avenida Kenneth Kaunda, 193
-Maputo, Mozambique
-+ 258 2149 2797