



MOZAMBIQUE:

A PREFERRED

INVESTMENT DESTINATION





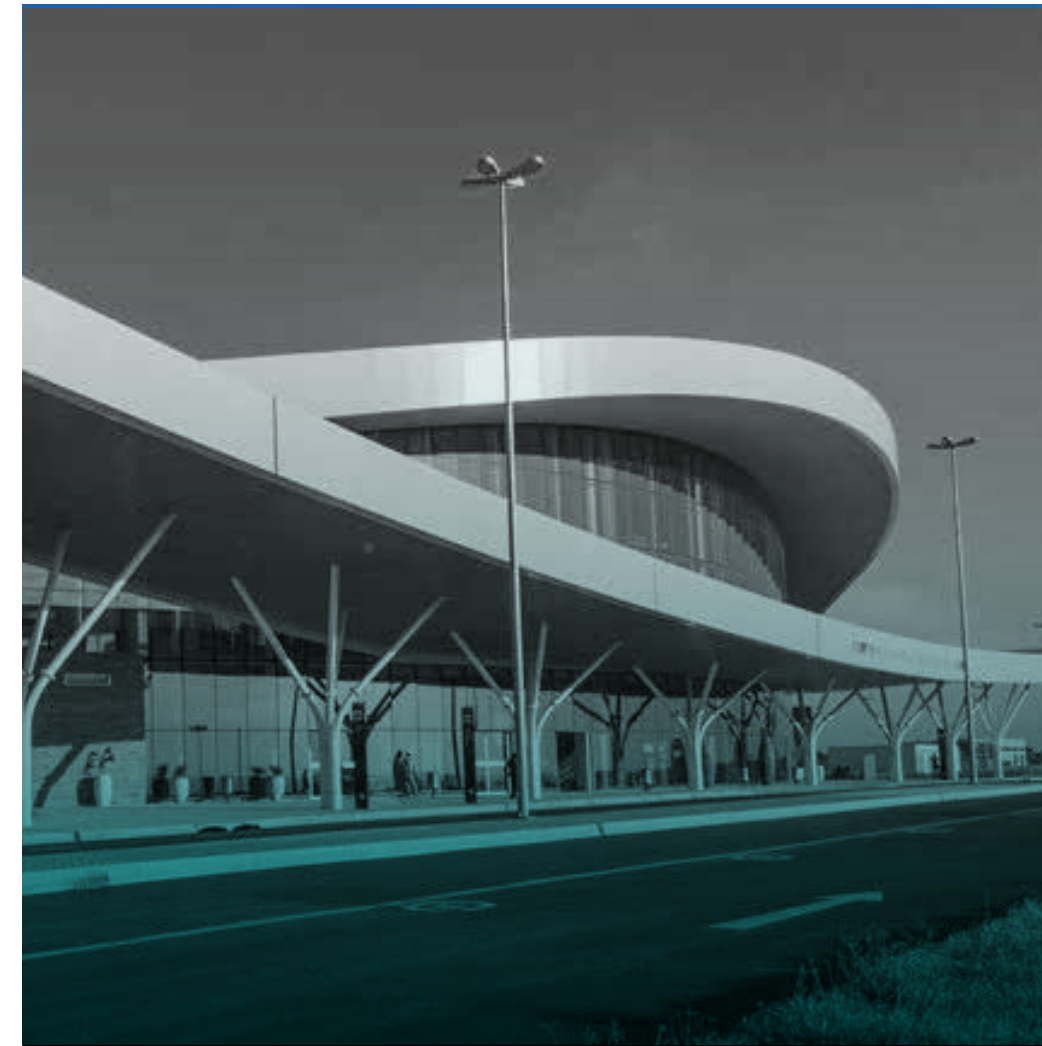
A GLIMPSE

INTO
MOZAMBIQUE



Mozambique's economy has been recovering and showing remarkable resilience in the face of COVID-19, natural disasters, and other adversities. This is evident in the continued **growth of GDP of 5% in 2023**, which is driven by the government's focused efforts on policy reforms and attracting investment.





GEOGRAPHIC AND DEMOGRAPHIC PROFILE

Location: Bordered by Tanzania to the north, Zambia, Malawi, and Zimbabwe to the west, and South Africa and Swaziland to the south, Mozambique occupies a strategic southeast African coastline.

Provinces: A vibrant nation with provinces, including Cabo Delgado, Niassa, Nampula, Tete, Zambezia, Manica, Sofala, Inhambane, Gaza, Maputo Province, and Maputo City.

Capital City: Maputo.

Area: A diverse landscape with a total area of 799,390 km² (786,390 km² land, 13,000 km² interior waters).

Population: 33,224,414.

Religion: Christianity, Islam, Hinduism and other.

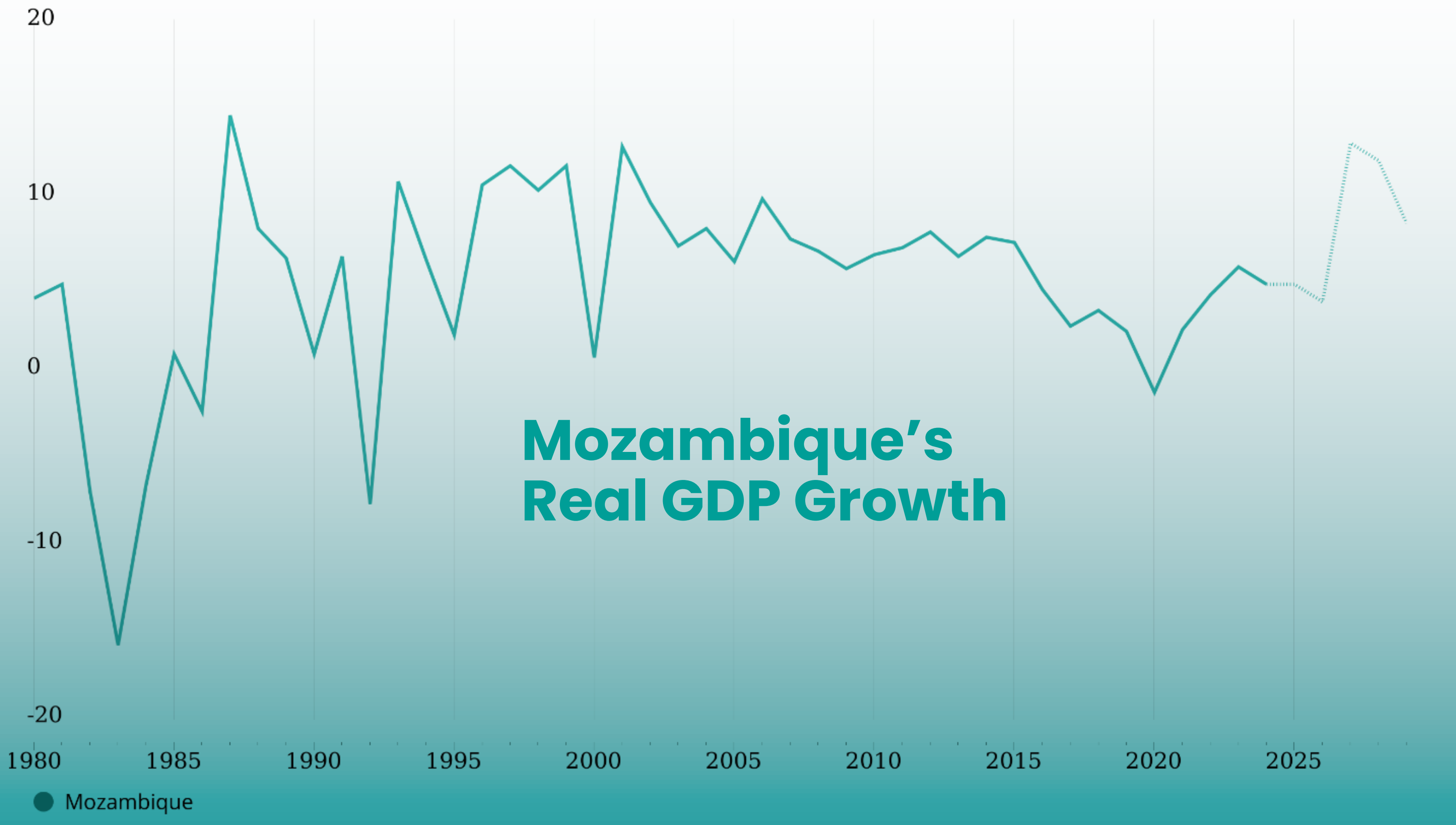
Languages

Official: Portuguese.

Widely spoken Business language in most cities:

English





ECONOMIC SNAPSHOT

Economic Rise:

Fueled by a robust 5.0% GDP growth in 2023, Mozambique's economy is on track for sustained progress. Real GDP is expected to grow by an average of 5.2% between 2024 and 2025.

The catalysts for Mozambique's economic growth are

- extractive industry
- agriculture
- manufacturing
- tourism and services
- infrastructures

with the Coral South Field's

- Liquefied Natural Gas (LNG)
- transport corridors
- green energy investments

are remarkable as well as shift in monetary policy.

©IMF, 2024, Source: World Economic Outlook (April 2024)

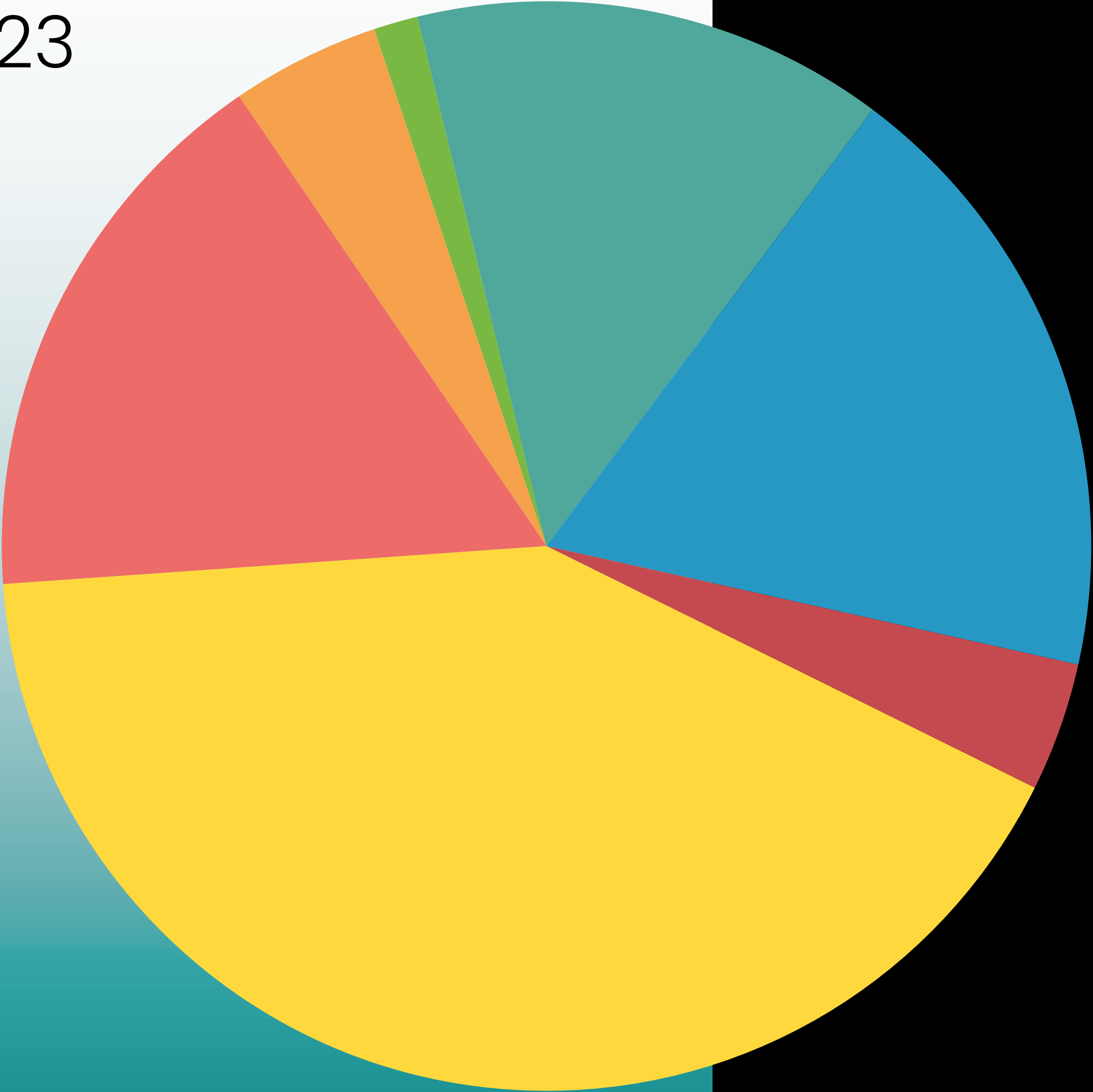
Average **annual inflation** in 2023 **decreased** to **7.13%**, a significant decrease of 3.17 percentage points compared to 2022. This achievement surpasses the initial forecast of 11.5% inflation for the year.



Investment Approved

by Sector 2019- 2023

- Tourism **18%**
- Services **14%**
- Agriculture **2%**
- Aquaculture **0%**
- Bank **0%**
- Construction **6%**
- Industry **17%**
- Energy **39%**
- Transport **4%**



Fueling Future:

The country has become a leading Foreign Direct Investment (FDI) recipient in Southern and Eastern Africa. According to the Bank of Mozambique (BoM), FDI in Mozambique reached \$2.5 billion in 2023, a 2% increase from \$2.4 billion in 2022.

The FDI has flowed into various sectors, notably agriculture and agro-industry, tourism, infrastructure development, energy, fisheries and aquaculture, industry, mineral resources (mainly coal and gas) and banking, among others.

In terms of sectoral distribution of FDI, the extractive industry is positioned as the largest recipient of investment flows, by the sector of agriculture and forestry, energy, manufacturing and tourism.

Source: APIEX



The total amount of investment
approved between **2019–2023** is
10,609,999,409 USD

INVEST SMART IN MOZAMBIQUE:

INCENTIVES AND OPPORTUNITIES AWAIT

With its stable political environment, ongoing efforts to simplify investment regulations, advantageous incentives as well as diverse potentials across various sectors, Mozambique is an attractive investment destination that offer a wealth of opportunities for investors seeking to expand in Africa.

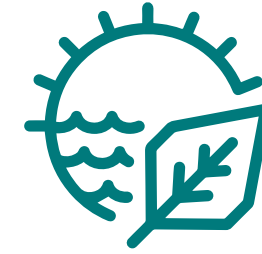


WHY INVEST IN MOZAMBIQUE?



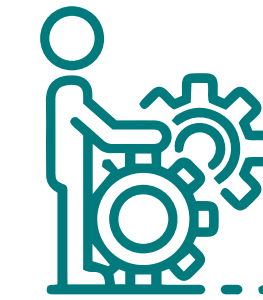
Strategic Location:

Gateway to the Southern African Development Community (SADC) with a strong infrastructure base, consisting of roads and rails corridors, electricity grid and oil & gas pipelines to neighbouring countries;



A Land of Plenty Natural Resources:

Rich in land reserves, mineral resources, water, and diverse cultural heritage;



Skilled Workforce Advantage:

A large pool of competitive, educated, and readily trainable workers;



Sustainable economic growth:

Mozambique's economy is forecast to achieve a remarkable average annual growth rate of around 7% from 2022 onward, supported by LNG projects, and will be one of the fastest-growing economies in Sub-Saharan Africa for years to come;



Prioritizing Infrastructure Development:

Increased investment and emphasis on Public-Private Partnerships;



Global Marketplace Strength:

Membership in SADC, AGOA, EBAS, EU and AfCFTA which provides duty-free/preferential access to the relevant markets;



Secure Investment Environment:

Transparent regulations and international investment promotion and protection agreements;



Attractive Incentives:

Fiscal and non-fiscal incentives, plus agreements to prevent double taxation and fiscal evasion with key partners;



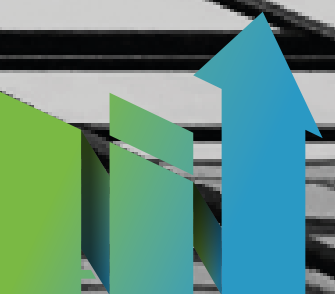
A Culture of Welcome:

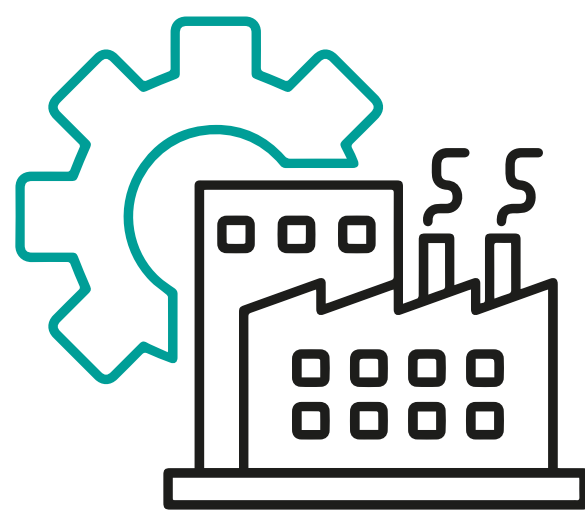
Sincerity, hospitality, friendliness, delicious food, beautiful beaches.



A LOOK AT **MOZAMBIQUE'S** INVESTMENT OPPORTUNITIES

Mozambique's government prioritizes agriculture, industry, infrastructure, energy, and tourism as strategic development sectors. The aim is to induce economic growth, diversify the production base, create jobs, and achieve a balanced trade balance.



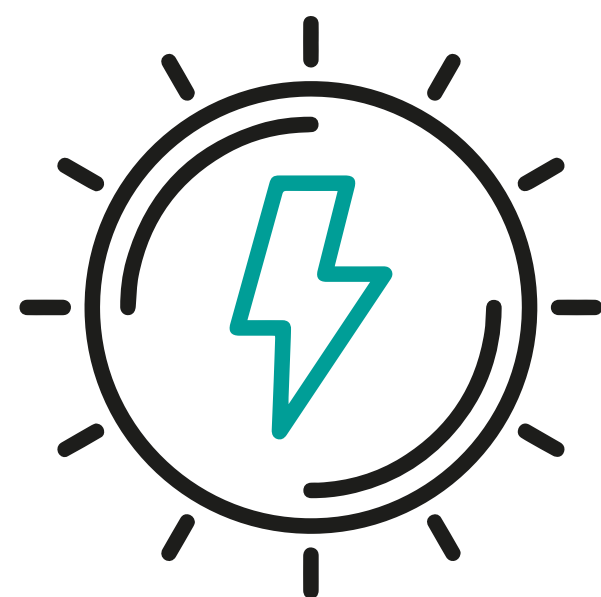


Industry

The Mozambique's government prioritizes transforming and adding value to the country's abundant natural resources, in order to diversify and expand the domestic supply chain, boosting exports and reducing reliance on imports as outlined on the country National Development Strategy 2025-2044.

It offers potential almost all over the country food and agro-processing; packaging and printing; wood processing and furniture; textile and apparel; building materials and sanitary ware; metals and metallurgical.

Mozambique's aluminium sector stands as the nation's leading industry with production that has steadily climbed over the past decade, reaching 564.8 thousand metric tons of ingots in 2021, solidifying its position as the second-largest aluminium producer in Africa. The sector also manufactures 50,000 MT/year of aluminium rod and 24,000 MT/year of cables.



Energy

Mozambique boasts the largest energy generation capacity in Southern Africa with a potential for 187 gigawatts of Energy from coal, hydro, gas, wind, and solar.

The Energy sector offers several investment opportunities, which can be exploited either by national or foreign investors either individually or in public-private partnerships.



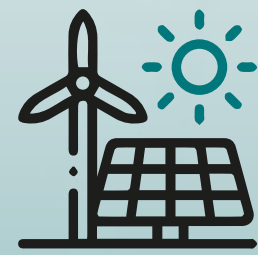
Mozambique's economy relies on extractives, positioning it as the world's 3rd largest LNG exporter upon full investment. It includes exploitation of:



23 billion tons
of coal reserve potential



Over **200 TCF**
of natural gas reserves



Over **23TW**
of renewable energy potential.

Mozambique is seeking to become one of Africa's biggest hydropower producers and launch a green hydrogen industry. It's \$80 billion energy transition strategy harnesses vast renewables to attract investment and empower its citizens, thus positioning the country as a sustainable investment destination.

Mozambique's energy strategy is based on four pillars:



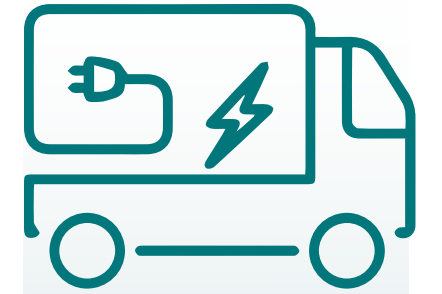
Clean
Energy
Capacity



Green
Industrialization



Universal
Energy
Access



Green
Transportation



Tourism

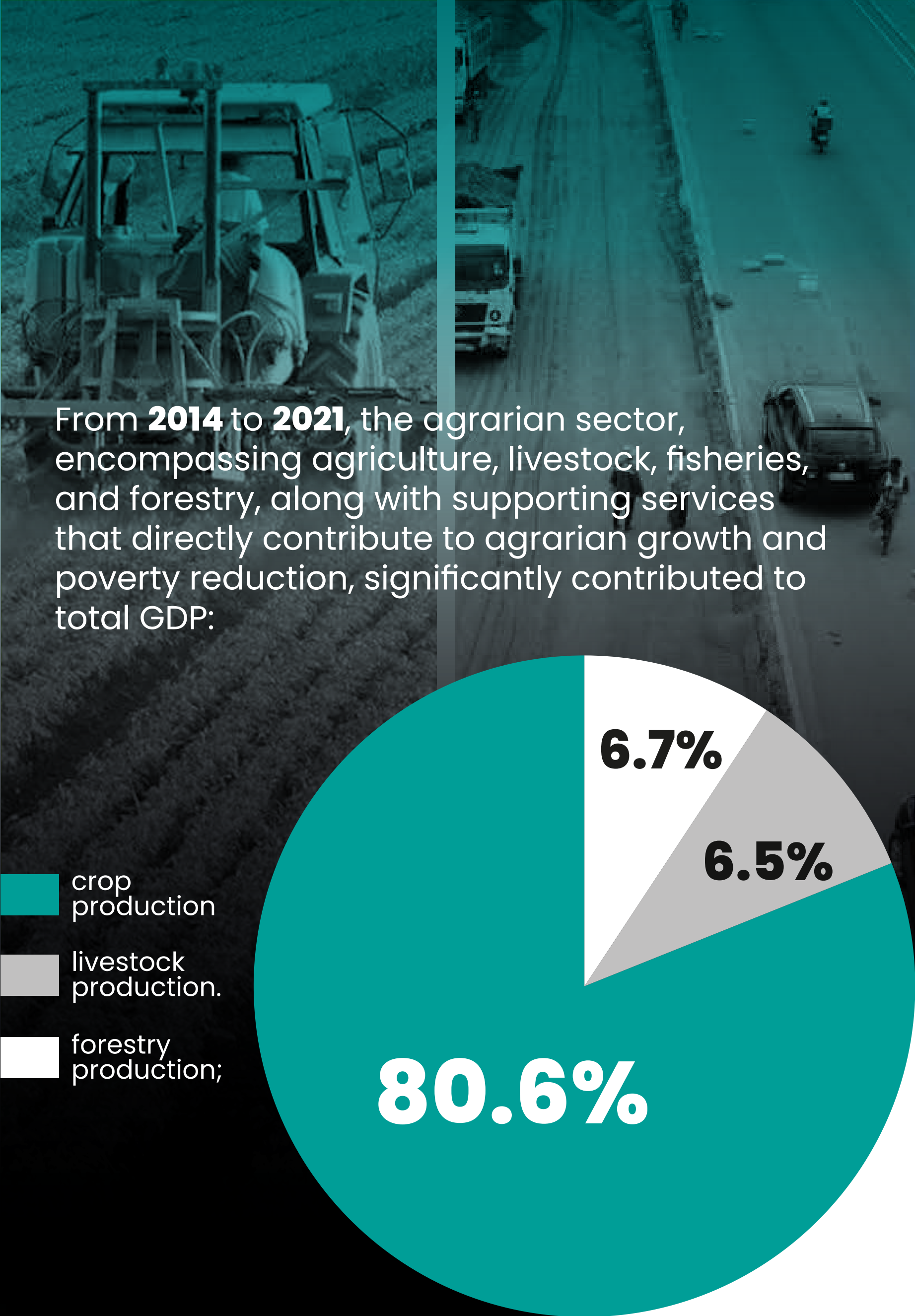
Mozambique offers unique investment opportunities to explore national parks and reserves, invest in private game farms in the interior of the country, and leverage the stunning coastline for beautiful beach tourism.

The Government identified specific areas and protect by law for integrated tourism development: Inhassoro Integrated Resort; Pemba Integrated Resort (east coast and Pemba); Pemba Marina; Business Hotel in Pemba, Inhassoro Hotel; Crusse Jamali Integrated Resort.

Mozambique's tourism industry thrived between 2016 and 2019, attracting an average of 2 million tourists annually. Tourism contributed significantly to the economy, accounting for 4.5% of GDP and a remarkable 32% of service exports. Moreover, the sector was a magnet for investment, ranking as the third-largest recipient with 11% of total investments from 2018 to 2022.

The accumulated number of approved investments in Mozambique's tourism sector reached USD 1.1 billion between 2018 and 2022 inclusive.





Infrastructure

The government emphasizes the importance of infrastructure development, including roads, rail and ports, bridges, and telecommunications, by fostering public-private partnerships and taking greater advantage of Mozambique's geostrategic location, which still provides enormous potential for the Corridors' infrastructure as transit routes for goods and for economic development zones.

Following the recent approval of the Industrial Strategy Policy, the government actively encourages the development of industrial parks throughout the country, alongside essential infrastructure networks like roads, to support the materialization of gas and oil projects



Agriculture

With over 36 million hectares of arable land and a young and easily trainable workforce, agriculture thrives as the cornerstone of the Mozambican economy, providing sustenance to approximately 80% of the country's labour force. The sector allows the production of various food and cash crops with a potential of feeding different value chains of the national and international markets.

Mozambique has identified 15 strategic value chains with high potential: **oilseeds** (sunflower, soy, sesame); **Beans**; **Cereals** (corn, sorghum, and rice); **Sugar**; **Almonds** (Cashew-nut and Macadamia); **Vegetables** (Tomato and Onion); **Tubers** (Cassava and Reno Potato), **poultry**, and **meat**.



INVESTMENT REGULATIONS

There is a minimum Foreign Direct Investment (FDI) threshold of MZM2.5 million for foreign investors who intend to transfer profits abroad and subsequently re-export their invested capital.

To qualify for registration and government guarantees or incentives, the true value of FDI will be calculated as the sum of the values of equity, shareholders' loans without interest and/or supplementary capital provided by investors themselves, as well as exportable profits that might have been re-invested in the country.



Private Investment Law
Mozambique passed a new Private Investment Law to attract more domestic and foreign investors. The law offers a simplified registration process and various incentives, including tax benefits, easier land access, and streamlined permits. It also protects investors from expropriation and encourages responsible business practices with a focus on sustainability and social responsibility.





TAXATION SYSTEM

Import Custom Duties:

- Equipment **5.0%**
- Raw Material **2.5%**
- Semi-finished products **7.5%**
- Finished products **20.0%**

VAT 16 %

Corporate Income Tax (IRPC)

- Residents and non-residents **32.0%**

Personal Income Tax (IRPS)

- Minimum **10.0%**
- Maximum **32.0%**

Withholding Tax

- Dividends **20.0%**

Social Security

- (**4%**) employer
- (**3%**) employee

Under the Economic Acceleration Measures Package Program (PAE), the IRPC rate for Agriculture, Aquaculture and Urban Transport is **10%**.





Mozambique encourages investment in all sectors through a legal framework that protects both foreign and national direct investment, and allows the export or repatriation of capital and dividends linked to the investment made.

The Mozambique's government has reformed its laws and regulations to attract more investment. This includes making it easier to start a business, lowering taxes, and following international best practices. It also guarantees investors the right to own property, use land, and repatriate their profits.

Investment Guarantees

- Legal Protection for all property rights, including intellectual and industrial property.
- Equitable compensation in case of expropriation
- Free remittance of funds abroad:
 1. Exportable profits;
 2. Royalties and other similar payments;
 3. Amortization of loans and payment of interest in loans;
 4. The proceeds of any compensation paid in conformity with the protection of property rights;
 5. Invested and re-exportable foreign capital.

General Tax Incentives

- In Respect of Import of Goods:

Exemption from payment of customs duties and VAT on the import of capital equipment, spare and accessory parts.

- In Respect of Income Tax:
 - Investment Tax Credit;
 - Accelerated Depreciation;
 - Tax Deductions (Professional Training: Use of new technology as well as other expenditures considered to be fiscal costs).

Tax Incentives: Specific Benefits

- Creation of basic infrastructure
- Agriculture and fisheries
- Large scale projects
- Rapid development zones
- Hotels and tourism
- Trade and industries in rural areas
- Mining activities
- Manufacturing and assembly industry
- Oil and gas operations
- Science and technology parks
- Industrial free zones
- Special Economic zones.





ARAB
Investment
F O R U M
Mozambique

YOUR GATEWAY TO
INVESTMENT

The Ministry of Industry and Commerce of the Republic of Mozambique, is pleased to announce the "Arab Investment Forum in Mozambique". This insightful event, themed "Mozambique, a preferred investment destination," will be held from the 24th to the 25th of July 2024 at the Radisson Blu Hotel in Maputo City, Mozambique.



Unveiling the Forum: A Sneak Peek Inside

Highlighting strategic sectors like infrastructure, energy, agriculture, tourism, and manufacturing, the forum will also highlight bankable projects emphasizing sustainability and industrialization.

High-level attendees are expected, including Mozambican government senior dignitaries and decision-makers, representatives from established domestic and international companies, potential investors from both Mozambique and abroad, and investment facilitators from national and foreign institutions.

Forum Panels and Key Investment Themes

Over two consecutive days, the forum will present a series of panels delving into key topics and investment opportunities.

Day one of the conference, July 24th, explores the underlying causes behind economic development in addition to expert panels in agri-business, industry, infrastructure, and tourism investment as follows:

Panel 1: Economic Development Perspectives

The Mozambique's economy had a positive recovery with GDP growth of around 4.1% in 2022 and is expected to reach 6% in 2023. The outlook is to continue growing in 2024, maintain positive acceleration in the medium term until 2025, despite global adversities. The Government has a national development plan in which it aims to promote the private sector as a driver of growth and is supported by sectoral strategies.

Key Topics:

- Explore factors behind Mozambique's positive GDP growth and projections for 2024-2025
- Highlight the National Development Strategies emphasis on the private sector for economic growth.
- Discuss how industry, agriculture, and energy sector strategies contribute to overall economic development.
- Outline Mozambique's investment policy and incentives for attracting investments.
- Examine the government's active role in fostering growth, addressing sustainability and challenges.

Panel 2: Investment Opportunities in the Agribusiness Sector

Agricultural development and food security remain a priority on the agenda of Mozambique's economic plans and remain a global opportunity. The sector in Mozambique is dominated by Micro, Small and Medium Enterprises (MSMEs).

Key Topics:

- Explore the significance of agriculture in Mozambique's economic plans
- Discuss the role of MSMEs in the agricultural sector and address challenges they face.
- Highlight key investment opportunities within the agricultural value chain.
- Examine challenges related to financing, knowledge, and market access in the sector

Panel 3: Investment Opportunities in the Industrial Sector

Mozambique defined industrialization as the epicentre of economic diversification, to boost agriculture and the processing of national raw materials with a view to sustainable economic development and job creation. The country's abundant energy offers a unique opportunity to attract investment for manufacturing.

Key Topics:

- Discuss the National Programme to Industrialize Mozambique (PRONAI) and its implications.
- Examine the strategic use of the abundant energy resources to attract manufacturing investments.
- Highlight profitable sectors within the country's industrial landscape taking advantages of the Government's IFZ status for export-oriented manufacturing.
- Explore how partnerships contribute to the sustainable growth of the industrial sector.



Panel 4: Investment Opportunities in the Infrastructure Sector

Mozambique is the key point of energy interconnection and logistical transshipment in Southern Africa, with its integrated road and rail infrastructure and energy network (Electricity and Petroleum products) that is connected to the neighbouring countries.

Key Topics:

- Offer insights into the current state of the infrastructure market in Mozambique, including regional trends, market dynamics, and potential challenges
- Discuss Mozambique's pivotal role as a hub for energy interconnection and logistical trans-shipment in Southern Africa highlighting the integrated road, rail, and energy infrastructure.
- Bring attention to unique investment opportunities in upcoming infrastructure ventures.

Panel 5: Investment Opportunities in the Tourism Sector

Tourism plays a crucial role in Mozambique's economic development by fostering local economies, creating jobs, and establishing intersectoral connections. The country's 2,800 Km of pristine coastline, rich underwater biodiversity, and tropical flora and fauna, coupled with the warm hospitality of Mozambicans, contribute to its tourism appeal.

Key Topics:

- Discuss tourism's role in economic development
- Explore opportunities for coastal and marine tourism experiences in Mozambique.
- Investigate synergies between Mozambique's biodiversity and cultural heritage, exploring sustainable ecotourism prospects.
- Highlight existing tourism investment incentives, government support, and strategies for ensuring sustainability.



Collaboration is the focus of the second day of the conference, July 25th, with investment opportunities in the energy sector will be the center of discussions, alongside two valuable panels to explore financing and partnerships between national and Arab businesses. The day continues with the emphasis on operational undertakings with spinoff opportunities in Mozambique, followed by bilateral meetings and networking, as shown below:

Panel 6: Investment Opportunities in the Energy Sector

Mozambique has an abundant potential for energy resources, including hydropower, natural gas, coal, biomass and renewable energy, which can place the country in a prominent position to respond not only to domestic demand, but also to regional and international demand.

Key Topics:

- Explore Mozambique's abundant potential for Energy Resources.
- Present investment prospects in energy generation, upstream activities (exploration and extraction), as well as downstream activities (refining and distribution).
- Discuss strategies for accessing energy markets at national, regional, and global levels.
- Highlight opportunities and advancements in renewable energy investments

Panel 7: Export Opportunities for the Arab Market

Over the past two decades, the Arab market has shown significant demand potential for various products. Regional countries are diversifying their economies away from oil and gas dependence, focusing on infrastructure, telecommunications, and food security. Investments extend to African countries, fostering increased transactions between African and Arab companies. Examples include the expanding presence of chambers like the Dubai Chamber of Commerce in Africa, facilitating business interactions.

Key Topics:

- Explore the transformation of the Arab market, focusing on economic diversification away from oil and gas dependence.
- Examine the investments made by Arab countries, particularly in African nations
- Delve into the expanding business relationships connecting African firms with the Arab world.
- Identify specific export opportunities for Mozambique in the Arab market and discuss effective market entry strategies for businesses.



Panel 8: Evolution and Trends in Mozambique's Financial Sector

The financial sector in Mozambique continues to develop and is dominated by a banking sector with an embryonic capital market of around 20 commercial banks, 10 microbanks, 21 insurance companies, exchange houses, mobile money services, pension funds, savings and credit cooperatives financial institutions. The sector is challenged to respond to the demand for services necessary to boost the business sector, with significant reforms being implemented to consolidate and stabilize the sector, including risk-based supervision by the Central Bank.

Key Topics:

- Examine Mozambique's evolving financial sector.
- Discuss the crucial role played by diverse financial institutions in meeting the demands of the business sector.
- Explore ongoing reforms, such as risk-based supervision by the Central Bank.
- Analyse emerging trends and opportunities for accessing financing, particularly for growing companies and private investments.
- Address strategies to meet the rising demand for financial services in the digital transformation era and foster a more inclusive financial system.

Operational undertakings with spinoffs opportunities in Mozambique

- Natural Gas
- Power Generation
- Aluminium Manufacturing

B2B and B2G Bilateral Meetings and Networking continue.

- Businesses facilitated meetings for partnerships
- Facilitated meetings with government decision-makers



Partners of Success in Mozambique

For those seeking investment opportunities in Africa, the Arab Investment Forum in Mozambique, presented by the Agency for the Promotion of Investment and Exports (**APIEX**), and hosted by the Arab Bank for Economic Development in Africa (**BADEA**), is a key event.



BADEA
Arab Bank
for Economic
Development
in Africa

The Arab Bank for Economic Development in Africa (BADEA) is an independent international financial institution founded in 1974 by 18 Arab League member states. was created for the purpose of strengthening economic, financial and technical cooperation between the Arab and African regions and for the embodiment of Arab-African solidarity on foundations of equality and friendship.

Contact information for BADEA is:

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**Agência para a Promoção
de Investimento e Exportações**

The Agency for Promotion of Investments and Exports (APIEX, Agencia para a Promocao de Investimentos e Exportacoes) is the primary point of contact within the GRM for investors. APIEX operates under the Ministry of Industry and Commerce (MIC), with the objective of facilitating private and public investment. It also oversees the promotion of national exports and assists investors with administrative, financial, and property issues. Through APIEX, investors can receive exemptions from some customs and value-added tax (VAT) duties when importing "Class K" equipment, which includes capital investments.

Contact information for APIEX is:

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