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Mozambique 2022 Economic Report

0 Summary

Mozambique is still facing structural challenges characterised by high dependence in extractive industry with limited integration to the rest of economy, high level of internal and external debt, large trade and current deficit, heavy dependency on resources from foreign direct investment as well as recurrent exposure to climate change related events. In 2021, the country had shown signals of a gradual but still fragile economic recovery with real growth rate of 2.2% in 2021, half below the 5.1% initially forecasted, helped by the continued lifting of COVID-19 containment measures that contributed to enhance private consumption and improving the service sector's performance. The economy is expected to maintain the recovery trajectory in 2022 with annual growth at 3.8% withstanding tropical cyclones impact in the centre and north regions in a context of limited manoeuvre in both monetary and fiscal sides to accommodate increase of commodities global prices and domestic supply side upward pressures (tropical cyclones, fuel cost and food cost). The start of production of first LNG project (the offshore "Coral South FLNG") late this year and IMF support to the public budget will also contribute for the expected growth. The business environment is still hard despite the enacting of different regulatory instruments and the country offer business opportunities almost in all sectors.

Switzerland has long supported the Mozambican economy through its development co-operation, which focuses on promoting the private sector in agriculture, strengthening the capacities of local authorities and supporting the development of vocational training. Bilateral economic relations are based on good contractual foundations.

1 Economic issues and challenges

The country structural imbalance prevail. Mozambique is still facing structural challenges characterised by high dependence in extractive industry with limited integration to the rest of economy, high level of internal and external debt, large trade and current deficit, heavy dependency on resources from foreign direct investment as well as recurrent exposure to climate change related events.

The behaviour of the pandemic influenced the economic performance. In the last two years, the economic growth has been mediated by the trends of COVID-19 infections and consequent restrictive measures. After a sharp economic contraction in 2020, with -1.23% real GDP growth, the first decline in 28 years, associated with the COVID-19 negative impact (affecting hardly the services sector, mainly in tourism and restauration services). The economic activity was also affected by the conflict in the northern province of Cabo Delgado which resulted in delays in the liquefied natural gas (LNG) investments and forced displacement of approximately 800,000 people. In 2021, the country had shown signals of a gradual but still fragile economic recovery with real growth of 2.2% in 2021, half below the 5.1% initially forecasted, helped by the continued lifting of COVID-19 containment measures that contributed to enhance private consumption and improving the service sector's performance. This moderate recovery was also supported by improved performance in agriculture, under favourable climatic conditions and the impact of investments in improved seeds, machinery and irrigation.

The policy mix has been tight. In the fiscal side, despite increased fiscal spending needs to address the insecurity situation in Cabo Delgado and COVID-19 response, compared to 2020, in 2021 the public expenditures decreased slightly by -1.1% in a context of increased current expenditures (11.1%) and decreased investment expenditure (-3.7) vis-à-vis low external budget financing and low demand of treasury bills, increasing the government cost of domestic financing. The overall fiscal-balance-to-GDP (including grants) deteriorated to -5.4% (from -0.1% in 2019). The monetary policy was characterised by tight measures with Bank of Mozambique raising the policy rate from 10.25% to 13.25% in January 2021 to anticipate inflationary pressures from fuel and food prices increase.

The economic growth is resuming amid limited manoeuvre in both monetary and fiscal sides. The economy is expected to maintain the recovery trajectory in 2022 with annual growth at 3.8% withstanding tropical cyclones impact in the centre and north regions. The growth is based on envisaged good performance on agriculture, the extractive with the first LNG project (the offshore "Coral South FLNG") starting production late this year as well as IMF decision to support the country State Budget following the approval of a new Extended Credit Facility. Nevertheless, the monetary policy will continue tighten with the aim to curb inflation expectation amid increase of commodities global prices and domestic supply side upward pressures (tropical cyclones, fuel cost and food cost) constraining the role of private sector in the economic recovery. In the fiscal policy, public expenditures is expected to increase dominated by high current expenditure in order to accommodate a newly approved unified wage bill for public sector employees and repayment of implicit subsidies to cover increased fuel and food costs. In the short run, fiscal consolidation efforts will further delay, despite of envisaged increase of external support to budget in a context of public debt distress.

Extractive industry as the dominant of foreign direct investment. During the period under review, foreign investment continued to be the main source of foreign exchange for Mozambique, despite slight reduction reserve base to 3.3 months of imports, from 3.7 in 2019. The investment is mainly limited to the development of the natural gas extraction programme in the north of the country. The insecurity situation in the region raises the uncertainty on further exploration developments and prompt delays of onshore investments over the short-medium term, particularly for TotalEnergies (Area 1) and Exxon Mobil (Area 4). With respect to the Total's Area 1 LNG project (worth USD20bn) it had declared force majeure in April 2021 due to security reasons, after had made the final investment decision in June 2019). This implied a project development delay, with site development recommencing only in 2023 and production to after 2025, on best scenario case.

The establishment of a sovereign wealth fund is progressing. After pre resource course that incentivised high levels of debt including hidden debt, the Bank of Mozambique has been working for the creation of the country sovereign wealth fund to manage LNG wealth and serve as an instrument to promote country's development goals, particularly the diversification of economy and poverty and inequalities. The public consultation has finished and the Bank of Mozambique forwarded the draft law to the government. It is expected that the draft law is submitted to the parliament during 2022.

The business environment is still hard despite enacting of different regulatory instruments. Regarding the business climate, while companies seem to be coping with a difficult environment and bureaucracy, in the latest Mozambique Business Survey they cite corruption and access to finance as the two major obstacles to their activities. The country is known of enacting progressive legal instruments to improve the regulatory environment for doing business, despite low implementation traction.

During 2021, Mozambique approved several legal instruments with the aim to improve the country's business climate. Some of the regulation is highlighted below.

- **Electronic sealing of goods in transit.** In January 2021, it began the implementation of electronic sealing of goods in transit. This procedure was being piloted only at Beira port.
- **Launch of the moveable assets collateral registry.** The Ministry of Justice, Constitutional and Religious Affairs launched in June 2021 the moveable assets collateral registry, a step forward for the implementation for the collateralization of movable things to access to finance.
- **Waive of the provisional guarantee in public tenders.** The requirement of providing provisional guarantee for public works contracts and supply of goods and services to the State. This waive improve firms competitiveness by earning up to 5% of the contract value and offset the costs of setting up guarantees.

In 2022, it is expected that additional regulation will be enacted such as (i) revision of the labour law, (ii) introduction of electronic visa, (iii) legal charges applicable in the process of Incorporation of the sole proprietorship and of the business company, among others.

For more details on the structure of the Mozambican economy and the main economic data, please refer to Annexes 1 and 2 of this report.

2 International and regional economic agreements

2.1 Policy, country priorities

The implementation of SADC free trade area has been slow. As a member of the WTO and the SADC (South African Development Community), Mozambique is pursuing a policy of openness aimed at broadening and consolidating its bilateral trade links. At the regional level, the establishment of a free trade area in 2008 is still slow to materialise, but the development prospects that should result from a common transport corridor remain a subject of exchange and mutual interest between SADC and Mozambique, however, there hasn't been any progress in recent years.

The trade between SADC members is low. Despite substantial liberalization of intra-SADC trade since 2012, the level of trade remains relatively low, with intra-SADC FTA trade in 2019 representing 23% of its total world trade, and 81% of its Africa trade. However, for the intra SADC trade, this lower than expected growth can also be considered an achievement, if compared to the pre-FTA era high of around 16 %. The percentage of Mozambique exports to SADC decreased from 25.3% in 2012 to 23.8% in 2021, and the level of imports at 30.3% in 2012 was almost the same at 30% in 2021.

The SADC Protocol on Trade in Services (PTIS) entered into force in January 2022. After signing the PTIS in 2012, it entered into force in January 2022. It is expected to create a liberalised single services market by removing substantially all trade barriers, in all commercial or tradable services and any services sector, for equitable market access based on mutual benefits across the membership.

The EU's policy towards Mozambique is based on the Cotonou Agreement and its three pillars of development, economy and trade, and politics. In June 2017, the EU signed an Economic Partnership Agreement (EPA) with the SADC EPA group, which includes Botswana, Lesotho, Namibia, South Africa and Eswatini (Swaziland). Mozambique, which is also part of the EU EPA group and already enjoyed privileged access to the EU market under the 2001 "Everything but Arms" agreement, began implementing the EPA in February 2018. The agreement provides for asymmetric trade liberalisation and leaves the door open for future negotiations in the areas of services, investment, intellectual property rights, competition and government procurement.

In 2019, Mozambique also joined the SACU (Southern Africa Customs Union) group by signing a similar EPA with the UK to maintain the trading terms after Brexit. The agreement is based on the SADC-EU EPA and was ratified by Mozambique in December 2020.

Mozambique still need to ratify the AU African Continental Free Trade Area (AfCFTA). Mozambique signed the African Continental Free Trade Area (AfCFTA) agreement in March/2018, but has not ratified it yet. By 10/February/2022, 41 of the 54 signatories had deposited their instruments of ratification with the chair of the African Union Commission. Trading under the agreement started on January 2021, subject to negotiations on protocols and instruments of trade. Mozambique is working on details in the negotiation of various aspects of the tariff schedules, initially expecting that, within 2021, the country would be able to move forward with ratification. News reported that although still negotiating tariff issues and competitive advantages of national products, government had no doubt that adopting the protocols will be beneficial to the country, possibility representing an opportunity for growth, despite the weakened economic situation, with micro and small companies dealing with huge challenges in terms of competitiveness and business connections.

In November 2020, a Preferential Agreement between Indonesia and Mozambique was ratified with the intention to strengthen commercial trade, value addition and attract investment.

According to the African Growth and Opportunity Act (AGOA) and the Generalized System of Preferences (GSP), a wide variety of Mozambican products receive duty-free tariff treatment when imported to the USA and other countries.

In addition, Mozambique has bilateral trade agreements with Malawi and Zimbabwe. EFTA does not have a free trade agreement with Mozambique.

2.2 Prospects for Switzerland (including potential for discrimination)

Switzerland and Mozambique have good bilateral framework conditions, with:

- a 1979 trade and economic cooperation agreement;
- an investment promotion and protection agreement of 2002 for the economic field;
- a Memorandum of Understanding for political consultations signed in October 2017;
- an International Cooperation Agreement signed in February 2018 (yet to be ratified); and
- an Air Agreement initialled in December 2018 and approved by the Federal Council in September 2019 (yet to be signed).

A draft double taxation agreement was the subject of a first round of consultations in 2013-2015 and discussions resumed in 2018. However, the situation is on hold, due to the willingness of the Mozambican side to consider its double taxation policy in a broader perspective and applicable to all its trading partners.

With regard to agreements concluded by Mozambique with other countries, in view of the generally liberal practices governing access to the Mozambican market, the embassy is not aware of any negative consequences for Swiss economic actors.

3 External trade

3.1 General developments and prospects

Mozambique's statistics in 2021 reflect another large trade deficit of USD 2.26 bn (14.9% of the GDP), compared to USD 2.29 bn in 2020, which results in an improvement of the deficit by 1.6%. The general improvement of the global trade conditions, recovery of commodity prices and reduction of restrictions imposed by the Covid-19 pandemic contributed an exponential increase in exports and a more modest increase in imports.

3.1.1 *Trade in goods*

Lifting of COVID-19 restrictions increased trade. In 2021 exports increased by 55.5% to USD 5.58 bn (36.7% of GDP), compared to USD 3.59 bn in the previous year, as a result of easing COVID-19 restrictions, recovery of global trade and commodity prices that led to an increase of revenue from export of goods, from mega projects (61% increase, accounting for 72.3% of exports) and the traditional economy (42.7% increase).

The main goods exported are coal (26.3% of exports), aluminium bars (22.6%), power (10.2%), heavy sands (8.4%) and natural gas (4.9%). The export of rubies, sapphires and emeralds was over 10 times higher than in 2020, accounting for 2.8% of exports. The export of agricultural products also increased (by 17%), with horticulture accounting for the largest increase (by 162%). Cashews, peanuts and sugar exports saw a sharp decrease.

Imports of goods also increased, but in a smaller proportion (33.2%), reaching USD 7.83 bn (51.6% of GDP), compared to USD 5.89 bn in 2020, mainly influenced by increase in imports for the traditional economy (38%), against 2.6% by the megaprojects. Imports are mainly consumption goods with 26.2% of imports (cars, rice, medicine and edible oil), machinery (15.1%), fuel (11.7%) and construction materials excl. cement (10.8%).

In terms of trading partners, based on 2021 figures, the top trading partner is The Netherlands (25.4% exports), South Africa (16.9% exports and 26.5% imports), India (15.3% exports and 8.6% imports) and China (8.8% exports and 10.8% imports). Zimbabwe also appears as one of the main export partners (ranked 5th) due to exports of power and molasses.

For more details on Mozambique's trading partners, please refer to Annex 3 of this report.

3.1.2 *Trade in services*

In 2021, trade in services present a deficit of USD 1.7 bn (11.5% GDP), representing a reduction of the deficit by 11.3% compared to the previous year. Excluding megaprojects, the net costs of import of services reached USD 379.9 mio (3% of GDP).

The reduction in the service account deficit is explained by the decrease in the overall costs of imports by 6.6%, accompanied by an increase in revenues by 5.2%.

The fall in the service import bill was due to the decrease in demand for services by megaprojects, by 16.5%, to USD 1.3 bn, specifically the ones related to gas exploration projects in area 1 and 4 of the Rovuma Basin. The services that contracted the most were Technical Assistance, Construction, Research, Development and Professional Advisory.

The net costs of transport increased, given the global increase of transport and handling services (after contraction during 2020 due to covid-19). The other heading with high service costs was telecommunications, explained by the massive increase in use of internet services, even after the relaxation of restrictive measures imposed by COVID-19.

The increase in revenues was mainly due to the performance recorded in trips which resulted in revenues of USD 127 million (corresponding to 0.8% of GDP, a nominal growth above 100%), as a result of the relaxation of restrictive measures against COVID-19 in the world, and in Mozambique. In turn, travel expenses also increased at almost the same rate.

3.2 Bilateral trade

Switzerland is ranked 23rd and 37th in Mozambique’s exports and imports respectively. As with most sub-Saharan African countries, Switzerland has a trade deficit with Mozambique, in 2021 the deficit increased (CHF 23.3 mio in 2021, compared to 12.7 mio in 2020).

Swiss bilateral trade statistics for 2021 show a 67.3% reduction in Swiss exports to Mozambique (CHF 3.6 million in 2021 compared to CHF 10.9 million in 2020) and a 13.8%

increase in imports from Mozambique (CHF 26.9 million in 2021 compared to CHF 23.6 million in 2020).

Switzerland imports mainly sunflower-seed, safflower or cotton-seed oil (51.4% of imports), precious or semi-precious stones (39.2%), unmanufactured tobacco (6.4%). It exports machinery for preparation of food and drinks (16.8% of exports), medicine (10.4% of experts), instruments for physical and chemical analusis (8.3%) and electric motors and generators (8.1%).

More details on bilateral trade can be found in Annex 4 of this report.

4 Direct investment

4.1 General developments and prospects

According to the IMF's Coordinated Direct Investment Survey, the stock of foreign direct investment (FDI) in Mozambique stood at USD 50.6 billion at the end of 2020, up 8% from the previous year. The main investors are the South Africa (24%), Mauritius (15%), United Arab Emirates (11%), and Portugal (10%).

In 2021, FDI inflows amounted to USD 5.1 billion, a 68% increase from 2020, influenced mainly by the influx of capital of megaprojects associated to the extractive industry and recovery the global economic situation as a result of easing COVID-19 restrictions. UAE was the main investor (35%), followed by Mauritius (28%), South Africa (22%) and the Netherlands (9%).
In 2021, the extractive industry's share of FDI remains the largest in Mozambique (64.5%), followed by Storage, transport and communication (32.8%). The agricultural sector, which employs the majority of the population, attracted only 0.6% of FDI (almost 20% reduction in FDI compared to 2020). FDI in manufacturing (-143.9%), Construction (-90%), Financial activities (-66.8% and commerce (-61%) also had a sharp reduction.

For more details on direct investment in Mozambique, see Annex 5 of this report.

4.2 Bilateral investments

At the end of 2020, Switzerland ranked 24th in terms of FDI in Mozambique, with a stock of USD 105 million (0.2% of the total; 12% increase 2019). In 2021, Mozambique statistics indicated that Swiss FDI inflows to Mozambique were USD 2.8 million. However, the year-on-year variations and relatively small absolute amounts do not point to any trend.

The Embassy considers that there are about 20 companies in Mozambique that can be considered Swiss, either because of their headquarters, ownership or the origin of the goods distributed. In most cases, these are distributors of Swiss products or service providers.

5 Commercial, economic and tourism promotion

5.1 External economic promotion instruments

The state and parastatal players responsible for promoting Switzerland's trade, economy and tourism, or Switzerland's image in general, are not present in Mozambique because of the very limited potential it represents for them. No promotional events were organised by these entities (Switzerland Tourism, Presence Switzerland, Switzerland Global Enterprise) during the reporting period.

At the private sector level, the embassy has supported the establishment of the Swiss-Mozambique Chamber of Commerce, whose statutes were filed and registered at the end of 2017. The Chamber has around 30 members, with the majority of Swiss companies in Mozambique represented. The Chamber is organised as a platform for exchange and networking between companies and Swiss, European and Mozambican investors and economic actors, it regularly organises events, also in cooperation with the embassy.

Contact is also well established with the Swiss Business Hub in South Africa. As conditions permit a visit will take place to meet with the embassy team and the Chamber of Commerce to review investment opportunities in Mozambique, particularly in the commodities, energy, food processing, construction and industrial sectors, and also in view of the growing interest of Swiss companies for the natural gas extraction projects in the north of the country.

5.2 Interest of the country of residence for Switzerland

Switzerland has an excellent reputation in Mozambique, and the establishment of a Swiss Protestant Mission in the 19th century with its contribution to the training of an intellectual elite are still highly valued today. As a developing economy, however, Mozambique has very little presence as an investor abroad, with companies concentrating on domestic investment and trade with neighbouring countries and the Portuguese-speaking community.

The Swiss financial centre is not very attended by Mozambique. In the long term, the development of the capital market or the establishment of a possible sovereign wealth fund for revenues from the extractive industry could represent an opportunity for the Swiss financial centre.

Annexes

1. Table of economic structure
2. Table of key economic data
3. Table of trading partners including Switzerland
4. Trade table
5. Table of main investor countries including Switzerland

ANNEX 1 – Economic structure

Economic structure of the host country

	Year 2019	Year 2020	Year 2021
Distribution of GDP*			
Primary sector (Agriculture, fisheries and extractive industries)	**30.0%**	**30.0%**	**30.4%**
Manufacturing sector (Manufact, gas & electricity prod, construction)	**12.1%**	**13.2%**	**11.9%**
Services	**57.9%**	**56.8%**	**57.7%**

Distribution of employment** (including informal sector)	**Year 2015**		
Primary sector	**75.0%**	**..%**	**..%**
Manufacturing sector	**3.2%**	**..%**	**..%**
Services	**21.8%**	**..%**	**..%**
- of which public services	1.8%	**..%**	**..%**

Formal sector employment***	**Year 2015**		
Primary sector	**8.6%**	**..%**	**..%**
Manufacturing sector	**30.7%**	**..%**	**..%**
Services	**60.7%**	**..%**	**..%**
- of which public services	6.9%	**..%**	**..%**

Sources:

*National Statistics Institute of Mozambique, National Accounts, May 2022

**National Statistics Institute of Mozambique, Households Survey, 2015

***National Statistics Institute of Mozambique, Enterprise Survey 2015

ANNEX 2 – Main economic data

Host country's main economic data

	2019	2020	2021
GDP (USD bn)**	15.4	14.0	16.1
GDP per capita (USD, nominal)**	506.6	448.5	501
Growth rate (% of GDP)*	2.3	-1.2	2.2
Inflation rate (%)* (Annual percentage change)	2.8	3.1	5.7
Unemployment rate (%)*			
Fiscal balance (% of GDP)*	-0.1	-6.1	-3.6
Current account balance (% of GDP)*	-19.1	-27.6	-22.4
Total external debt (% of GDP)* (Public sector debt)	96.1	119.0	102.3
Debt-service ratio (% of exports)**	14.8	34.0	
Reserves (months of imports)*	5.3	4.6	2.5

Sources:

*IMF (2022). Regional Economic Outlook – Sub-Saharan Africa (April 2022) www.imf.org/external/pubs/ft/weo

**World Bank (2022). Macro Poverty Outlook for Mozambique: April 2022 - Datasheet (English). Macro Poverty Outlook (MPO) Washington, D.C.: World Bank Group. (April 2022) http://documents.worldbank.org/curated/en/099139404272234694/pdf/IDU0f48ffb4e0438e041350946006842d1402791.pdf

ANNEX 3 – Trade partners

Trade partners of the host country   Year: 2021

Rank	Country	Exports *from the host country* (USD million)	Share	Change[1]	Rank	Country	Imports *to the host country* (USD million)	Share	Change[10]
	EU	**1883.8**	**33.8%**	**54.2%**	**1**	South Africa	2080.5	26.5%	14.7%
1	Netherlands	1417.1	25.4%	587.8%		EU	942.4	12%	27.3%
2	South Africa	941.1	16.9%	13.6%	**2**	China	843.6	10.8%	33.6%
3	India	856.3	15.3%	101.6%	**3**	India	674.7	8.6%	27.5%
4	China	488.7	8.8%	87.1%	**4**	UAE	655.7	8.4%	69.3%
5	Zimbabwe	216.9	3.9%	88.7%	**5**	Singapore	541.0	6.9%	64.0%
6	Singapore	156.9	2.8%	43.2%	**6**	Portugal	265.9	3.4%	27.0%
7	USA	98.5	1.8%	35.3%	**7**	Malaysia	216.8	2.8%	74.5%
8	Poland	98.5	1.7%	19.7%	**8**	USA	209.7	2.7%	49.7%
9	Japan	91.9	1.6%	173%	**9**	Japan	196.8	2.5%	34.5%
10	Belgium	78.9	1.4%	-42.3%	**10**	France	184.5	2.4%	407.3%
(…)					**(…)**				
22	*Portugal*	27.0	*0.5%*	*21.3%*	**36**	Zambia	22.4	0.3%	40.5%
23	***Switzerland***	**26.2**	***0.5%***	***5.4%***	**37**	**Switzerland**	**19.6**	**0.2%**	**-0.1%**
	Total	**5579.0**	**100%**	**55%**		**Total**	**7837.3**	**100%**	**33%**

Source(s): Bank of Mozambique – Balance of Payments 2021

[1] Change from the previous year in %

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and the host country

	Export (CHF million)	*Change (%)*	**Import** (CHF million)	*Change (%)*	**Balance** (in million)	**Volume** (in million)
2016	5.9	-40.5%	24.2	-11.3%	-18.3	30.1
2017	3.8	-35.6%	24.9	2.8%	-21.1	28.7
2018	14.8	290.1%	19.1	-23.4%	-4.3	33.9
2019	8.7	-41.3%	26.1	36.7	-17.4	45.4
2020 *(Total 1)**	**10.9**	**26.2**	**23.6**	**-9.5%**	**-12.7**	**34.5**
2021 (I-VI)**	**3.6**	**-67.3%**	**26.9**	**13.8%**	**-23.3**	**30.5**

*) ‘Economic’ total (total 1): not including gold bars and other precious metals, currencies, previous stones and gems, works of art and antiques

**) Change (%) from the previous year

Exports	**2020** (% of total)	**2021** (% of total)
1. 8438 Machinery for the industrial preparation or manufacture of food or drink	0.2%	16.8%
2. 3004 Medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses	4.2%	10.4%
3. 9027 Instruments and apparatus for physical or chemical analysis	0%	8.3%
4. 8501 Electric motors and generators	0.6%	8.1%
5. 8474 Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores or other mineral substances	5%	6.4%

Imports	**2020** (% of total)	**2021** (% of total)
1. 1512 Sunflower-seed, safflower or cotton-seed oil	42%	51.4%
2. 7103 precious or semi-precious stones, precious metals	41.9%	39.2%
3. 2401 Unmanufactured Tobacco	9.5%	6.4%
4. 1513 Coconut Copra, palm kernel or babassu oil	1.6%	0.9%
5. 9018 Instruments and appliances used in medical, surgical, dental or vet sciences	0%	0.6%

Source: Swiss-Impex platform of the Federal Office for Customs and Border Security: https://www.gate.ezv.admin.ch/swissimpex/

ANNEX 5 – Main investing countries

Main investing countries in the host country **Year: 2020***

Rank	Country	**Direct investment** (USD, stock) 2020	Share	**Variation** (stock)
1	South Africa	12,004	23.7%	2%
2	Mauritius	7,830	15.5%	21%
3	UAE	5,561	11.0%	18%
4	Portugal	4,943	19.8%	0%
5	India	4,463	8.8%	2%
6	Netherlands	4,091	8.1%	-1%
7	UK	3,908	7.7%	6%
8	Brazil	1,310	2.6%	10%
9	Belgium	964	1.9%	44%
10	China	923	1.8%	35%
24	*Switzerland*	105	*0.2%*	12%
	Total	50,583	100%	8%

FDI inflows 2020-2021**

Rank	Country	**Inflows 2020 (USD mio)**	**Inflows 2021** (USD mio)	Share	Variation
1	UAE	146.1	1,781.7	34.9%	1120%
2	Mauritius	252.8	1,450.5	28.4%	474%
3	South Africa	1,211.8	1,104.7	21.7%	-9%
4	Netherlands	881.9	474.8	9.3%	-46%
5	Italy	315.2	200.7	3.9%	-36%
6	China	14.2	46.4	0.9%	227%
7	Marshall Islands	36.9	34.4	0.7%	-7%
8	France	1.2	28.3	0.6%	2214%

9	Kuwait	18.3	25.6	0.5%	40%
10	Portugal	64.1	18.1	0.4%	-72%
20	*Switzerland*	(8.1)	2.8	*0.1%*	-135%
	Total	3,034.6	5,101.7	100%	68%

Source(s):

*coordinated Direct Investment Survey (CDIS), IMF Data Warehouse, June 2022

**Bank of Mozambique, Balance of Payments Bulletin and data 2021, June 2022