

the business | year

MOZAMBIQUE 2024



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Investment and Export
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Economy | Finance | ICT & Innovation | Energy & Mining | Industry
Transport | Agriculture | Health & Education | Tourism



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Mozambique 2024

As we step into the last quarter of 2024, Mozambique stands at an important moment, aiming to develop a more diversified and resilient economy. Strategically located along Africa's southeastern coast, Mozambique shares borders with several countries, including Tanzania, Malawi, Zambia, Zimbabwe, South Africa, and Eswatini. This unique location allows the country to leverage regional trade opportunities and potentially boost foreign investment substantially long term. And indeed, Mozambique's ambitions are mostly long term. The country is navigating global economic uncertainties and its own domestic challenges by pursuing a balanced approach to growth, making the most of its natural resources while focusing on expanding sectors like agriculture, tourism, energy, and infrastructure.

Mozambique is guided by its ambitious Economic and Social Plan 2024 (PESOE 2024), which highlights a clear commitment to sustainable growth and diversification. With a projected GDP growth rate of 5.2% for 2024, Mozambique is not only building on recent economic progress, but also addressing core challenges like poverty, job creation, and social inclusion. A major element of Mozambique's economic strategy is the enhancement of its infrastructure to support a broader range of economic activities. Significant investments are being channeled into improving road networks, expanding ports, and upgrading energy infrastructure, all aimed at boosting both local and international trade.

Historically, Mozambique's economy has relied heavily on its rich natural resources, including natural gas, coal, and minerals. However, there is now a deliberate shift toward diversifying the economic base to reduce vulnerability to fluctuations in commodity prices and to foster inclusive

growth.

Mozambique's journey toward economic growth is supported by partnerships with international organizations. The government has actively collaborated with institutions like the World Bank, the IMF, and the African Development Bank to secure funding for essential infrastructure projects and social initiatives. Moreover, Mozambique is focused on creating a more favorable business environment to attract FDI. Recent reforms have aimed at simplifying business registration processes and strengthening legal protections for investors, which are beginning to show positive results.

The outlook for Mozambique in 2024 is cautiously optimistic. With a clear focus on diversification, infrastructure development, and expanding the energy sector, the country is well positioned to attract international investment and sustain its growth trajectory. The government's steps to boost the business environment, along with strategic international partnerships, will be key in shaping Mozambique's economic future in the years to come.

The Business Year: Mozambique 2024 was produced with support from our long-term partner, APIEX, and the Ministry of Science, Technology and High Education and provides a detailed analysis of the country's investment landscape, featuring insights from top policymakers and industry leaders. It aims to offer a comprehensive overview of Mozambique's economic potential, outlining both the opportunities and challenges that lie ahead. As Mozambique continues to move toward economic diversification and sustainable development, it remains a compelling destination for investors looking to participate in the country's growth story. ✖

This publication has been produced by The Business Year International's expert cadre of journalists, writers, editors, and designers. The content contained within is original and was compiled by our team on the ground.

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thebusiness | year

MOZAMBIQUE 2024



12



52



60

- 1** From the editor's desk
- 5** Executive summary
- 7** Timeline
- 8** Filipe Nyusi, President of Mozambique • Inside perspective

10 ECONOMY

- 11** Rising potential • Chapter summary
- 12** Gil Bires, Director General, Investment and Export Promotion Agency (APIEX) • Interview
- 13** Crystelle Coury, Executive Director, Chamber of Commerce & Industry France-Mozambique (CCIFM) • Interview
- 14** Nuno Alvarez Piñera, Managing Director, Mozambique-Spain Chamber of Commerce • Interview
- 15** Land of opportunities • Focus: Investment environment
- 17** Faheema Sulemane, Executive Director, American Chamber of Commerce (AmCham) Mozambique • Interview
- 18** Miguel Rodrigues Murargy, CEO, Sintagma Holding • Interview
- 20** Paulo Reis, Office Managing Partner, EY • Interview
- 22** Navigating challenges & embracing opportunities in a dynamic economy • Communiqué: EY Mozambique
- 24** Eduardo Alberto Calú, Managing Partner, SAL & Caldeira Advogados • Interview
- 26** Onório Ernesto Manuel Boane, General Director, MozParks • Interview
- 27** Helder dos Santos, Managing Director, G4S Mozambique • Interview

- 28** Dipak Lalgi, Country Managing Partner Audit and Assurance, Mazars Mozambique • Interview
- 29** TBY Analytics: Mozambique 2024
- 30** Consultancy • Forum
- 31** Accountancy • B2B
- 32** Voices from the sector

34 FINANCE

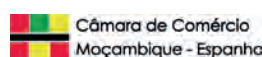
- 35** Get involved • Chapter summary
- 36** Marco Abalroado, Country Managing Director, Access Bank Mozambique • Interview
- 38** Manuel Soares, CEO, Moza Banco • Interview
- 40** Ridha Tekaia, CEO, Société Générale Moçambique • Interview
- 41** Carlos J. Nhamahango, CEO, Letshego Bank • Interview
- 42** Banking • Forum
- 43** Martin Mandivenga, CEO, Britam Mozambique • Interview
- 44** Mufaro Chauruka, Managing Director, Emeritus Resseguros • Interview
- 46** Financial ESG • Focus: Environmental, social, and governance
- 48** Miguel Navarro, CEO, Arko Companhia de Seguros • Interview
- 50** Insurance • Forum
- 52** Sérgio Gomes, Managing Director, Vodafone M-Pesa SA • Interview
- 53** Bene Machatine, CEO, Bayport Financial Services Moçambique • Interview
- 54** Salim Crompton Valá, Chairman, Mozambique Stock Exchange (BVM) • Interview

- 57** Pioneering economic and financial journalism in Mozambique • Communiqué: Media4Development (M4D)

58 ICT & INNOVATION

- 59** The long game • Chapter summary
- 60** Daniel Daniel Nivagara, Minister of Science, Technology, and Higher Education • Interview
- 61** Lourino Chemane, President, National Institute of Information and Communication Technologies (INTIC) • Interview
- 62** Eduardo Vicente, Country General Manager, Bravantic • Interview
- 64** Emidio Amadebai, General Manager, Raxio Mozambique • Interview
- 66** Artificial intelligence, authentic crime • Focus: Cybersecurity
- 68** Agnelo Laice, General Manager, MultiChoice • Interview
- 69** Mahomed Zameer Adam, CEO, Yango • Interview
- 70** Nuno Lima Carregal, Founder & Managing Director, Dalima • Interview
- 72** Lucas Chachine, Chairman, Vodacom Mozambique • Interview
- 73** Vitor Luís Timóteo, Chairman, Movitel • Interview
- 75** Technology • B2B
- 77** Voices from the sector

IN PARTNERSHIP WITH





78 ENERGY & MINING

79 A vital link • Chapter summary

80 Danilo Correia, General Manager, Puma Energy Mozambique • Interview

81 Moussa Konate, Managing Director, Vivo Energy Mozambique • Interview

82 Boris Atanassov, Director, GreenLight Africa • Interview

83 João Das Neves, CEO, AutoGás • Interview

84 Something old, something renewed • Focus: Renewable energy

85 Renewable energy • Infographic

86 Energy • Forum

87 Ovídio Rodolfo, Country Manager, Sasol • Interview

88 Voices from the sector

90 The land of possibilities • Focus: Mineral wealth

92 Geert Klok, President, Chamber of Mines of Mozambique • Interview

93 Mining • B2B

94 INDUSTRY

95 A plan for the future • Chapter summary

96 Silvino Moreno, Minister of Industry and Trade • Interview

97 Pedro Custodio, Executive Director, Association of Producers and Importers of Alcoholic Beverages of Mozambique (APIBA) • Interview

98 Hussein Chalha, CEO, VIPSPAR • Interview

100 Francisco Júnior, Country Manager, Pernod Ricard • Interview

102 Guilherme Soares, CEO, Oceana Distribution • Interview

104 Paulo Fernandes, Managing Director, Check-Out Lda • Interview

106 Zulfikar Patel, Director, Mopani Internacional, Lda • Interview

107 João Seara, CEO, Mega Distribuição de Mozambique • Interview

108 Industrial ambition • Focus: Industrialization

110 Marco Correia, Board Member, Duys Moçambique • Interview

111 Salvador Cuinica, Managing Director, MLS Scaffolding • Interview

113 Built to last • Focus: Infrastructure rehabilitation

114 Voices from the sector

119 Construction • B2B

120 TRANSPORT

121 To the hinterlands and beyond • Chapter summary

122 Remy Bayiha Kodock, Country Manager, Kerry Project Logistics • Interview

123 Corridor of potential • Focus: Beira Corridor

125 Tiago Martins, Group CEO, Transtrevo • Interview

126 Hanifo Ismail, Managing Director, DHL Express Mozambique • Interview

128 Bertrand Fleury, Country Manager, Africa Global Logistics • Interview

130 Transport & logistics • Forum

132 Antonio José Ferreira Simões, General Manager, Rangel • Interview

134 AGRICULTURE

135 Field of dreams • Chapter summary

136 Mwaura Githendu, General Manager, Olam Agri • Interview

138 Agricultural revolution 2.0 • Focus: Digitalization in agriculture

141 Agriculture • B2B

142 HEALTH & EDUCATION

143 Clean ambitions • Chapter summary

144 Healthcare • Forum

145 Innovative healthcare • Focus: Technology and innovation in medicine

146 In-house talent • Focus: Training

149 Carvalho Madivate, Dean, Instituto Superior de Ciências e Tecnologia de Moçambique (ISCTEM) • Interview

150 TOURISM

151 Trip of a lifetime • Chapter summary

152 Eldevina Materula, Minister of Culture and Tourism • Interview

154 Antonio Fonseca, General Manager, Meliá Maputo Sky, Mozambique • Interview

156 Fayaz Hamide, Founder, F&F Eventos • Interview

158 Travel agencies • B2B

161 Voices from the sector

162 Hot spot • Focus: Digitalizing tourism



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Image: Sopotnicki

EXECUTIVE SUMMARY

Mozambique is hoping to leverage its natural resources to boost growth across the board.

Mozambique's 2024 economic outlook is shaped by political and economic developments, including national elections and the Total Energies gas project. The Plano Acelerador Económico (PAE) aims to leverage Mozambique's resources and strategic location to foster investment and development. Key areas include industrialization to reduce import dependence, develop agro-industries, and enhance food security while creating jobs and stimulating rural economies. Infrastructure investments in roads, ports, and energy are important for supporting industrial activities and improving trade competitiveness. Youth entrepreneurship is a focus, with efforts to provide resources and skills for young innovators.

AGRICULTURE

Agriculture is vital to Mozambique's economy, providing livelihoods for 80% of the population. Initiatives like the Sustenta Program have been launched to enhance productivity, sustainability, and market access for smallholder farmers, integrating them into the value chain and providing essential resources. Mozambique is also adopting climate-smart agriculture practices to improve productivity and reduce environmental impact. Public-private partnerships are key to modernizing the sector, especially in irrigation. With only 10% of its arable land currently cultivated, Mozambique has significant potential for expansion and growth, supported by government initiatives and a private sector aimed at boosting its competitiveness in the global agricultural market.

ENERGY & MINING

Mozambique is emerging as a significant energy hub in Southern Africa, taking advantage of its rich natural resources and strategic location. Lately, the country has been focusing on renewable energy sources such as solar, wind, and hydropower, alongside growing interest in natural gas and LNG. These initiatives are designed to address domestic energy needs and support neighboring countries like South Africa, which faces energy shortages. The sector's efforts include expanding renewable energy capabilities and boosting natural gas exports. Concurrently, the mining sector is attracting significant international investment due to Mozambique's extensive mineral resources, including coal and graphite. The government is improving the business environment for mining through better transportation networks and policies that ensure local communities benefit from mining activities.

FINANCE

Digital banking is on top of the finance sectors' priorities, which is broadening access to financial services, particularly for women and rural populations. Mobile phones and digital channels are connecting more people to formal banking systems, promoting financial inclusion. Women, in particular, are benefiting from tailored financial solutions that support gender equality and economic participation. Despite these leaps forward, financial liter-



acy remains a key focus, with various initiatives aimed at educating individuals, especially in rural areas. This education is crucial for integrating these communities into the formal economy and supporting small business growth. Additionally, Mozambique’s insurance sector has considerable growth potential, particularly in microinsurance. With insurance penetration below 2%, microinsurance presents an opportunity to cover SMEs and individuals in the informal sector, promoting economic inclusion and long-term growth.

HEALTHCARE AND EDUCATION

Mozambique is focusing on improving healthcare and education under its Economic and Social Plan. In healthcare, the emphasis is on expanding access to remote areas and integrating modern technologies like telemedicine and artificial intelligence to enhance service delivery and patient outcomes. The Ministry of Health is also addressing climate resilience to mitigate the health impacts of climate change. In education, reforms aim to increase access and quality, mostly in rural areas, and promote distance and technical education. Efforts include addressing the shortage of educators and emphasizing vocational training to prepare students for the workforce. International organizations are supporting these initiatives to improve infrastructure, teacher training, and educational policies. Mozambique is committed to achieving universal access to quality education and is actively engaging in global education events and partnerships.

INDUSTRY

Efforts toward industrialization aim to boost economic growth, reduce poverty, and improve the country’s global economic standing. The country aims to diversify its economy from traditional sectors like agriculture and natural resources by expanding its industrial sector. Key to this effort are industrial parks and public-private partnerships such as Mozparks. Mozparks, a collaboration between the Mozambican Government Agency for Investment & Export Promotion and private-sector partners, has attracted over USD500 million in investment, created more than 10,000 jobs, and spurred growth in textiles, agro-processing, and light manufacturing. Since 2015, industrial production has grown at an average annual rate of 7%, supported by increased investment and reforms to improve the business environment and attract FDI. Future plans include integrating technology into industrial processes to enhance productivity and competitiveness, positioning Mozambique as a key player in Africa’s industrial sector.

ICT & INNOVATION

Mozambique is promoting innovation to drive economic growth and technological advancement, particularly within the ICT sector. The government is supporting local innovations through initiatives like the Innovation Catalogue, which encourages collaboration across the innovation ecosystem and showcases new ideas from individuals, institutions, and technology-based companies. A major development in Mozambique’s ICT sector is the construction of new data centers, crucial for strengthening digital infrastructure. These facilities improve operational efficiency for local businesses, attract foreign investment, and support the growth of tech start-ups and R&D.

TOURISM

Thanks to its 2,750km of Indian Ocean coastline, stunning beaches, vibrant culture, and rich biodiversity, Mozambique is emerging as a significant tourism destination. In 2023, FDI into the local tourism sector reached USD940 million, indicating growing confidence in Mozambique’s tourism potential. Different initiatives, including visa exemptions and improved air connectivity, have contributed to this trend, with airport passenger numbers increasing by 20% over the past year. Infrastructure issues, such as limited transportation networks, also restrict access to key tourist sites. The government is addressing these challenges by developing one-stop border posts with neighbor-

ing countries to improve cross-border travel and enhance the tourist experience. Tourism now contributes over 4% to Mozambique’s GDP and provides significant employment opportunities.

TRANSPORT

Mozambique is advancing its transport sector to capitalize on its strategic position in the Southern African Development Community, with the aim of becoming a regional logistics hub. Significant investments are being made in infrastructure, including roads, railways, ports, and airports. Key projects include the Maputo and Beira Corridors, which are essential for facilitating trade. The Transport Sector Master Plan outlines ambitious goals, such as the decarbonization of transport in Maputo by 2030, aligning with global environmental standards to reduce the urban transport carbon footprint. Recent efforts, such as the introduction of digital licensing, are designed to streamline processes and reduce bureaucratic delays, reflecting the country’s commitment to improving efficiency and capacity. ✖

GDP PER CAPITA (2022)

SOURCE: WORLD BANK

USD558.30

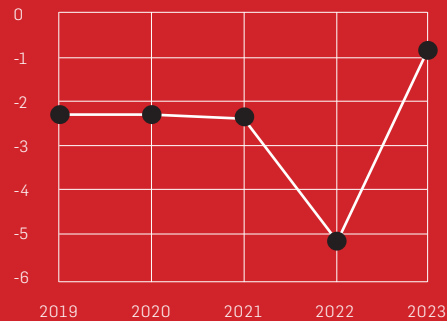
INFLATION (2022)

SOURCE: WORLDDATA

3.87%

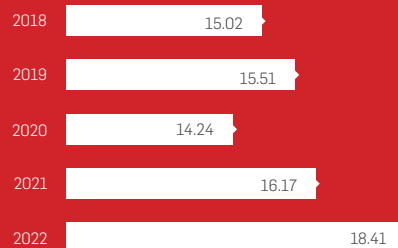
MERCHANDISE TRADE BALANCE (USD BN)

SOURCE: FOCUS ECONOMICS



GDP (USD BN)

SOURCE: THE WORLD BANK



**JANUARY
2024**

A memorandum of understanding is signed between USAID and SDC to enhance cooperation and accelerate development in northern Mozambique

**MARCH
2024**

The African Development Bank and Mozambique reinforce their partnership to promote regional infrastructure development and trade

**MAY
2024**

Mozambique and the Comoros sign a memorandum of understanding on political and diplomatic consultations

**JULY
2024**

President Nyusi speaks during a ceremony to mark CFM-Logistics' entry into maritime operations at the northern port of Nacala. The President hailed it as "proof that Mozambican companies can respond to the demands of petroleum operators"

**OCTOBER
2024**

Presidential and parliamentary elections set for October 9

**FEBRUARY
2024**

President Nyusi inaugurates a new geology laboratory in Maputo to support the regulation of mining activity and run geological, seismic, and magnetic analyses

**APRIL
2024**

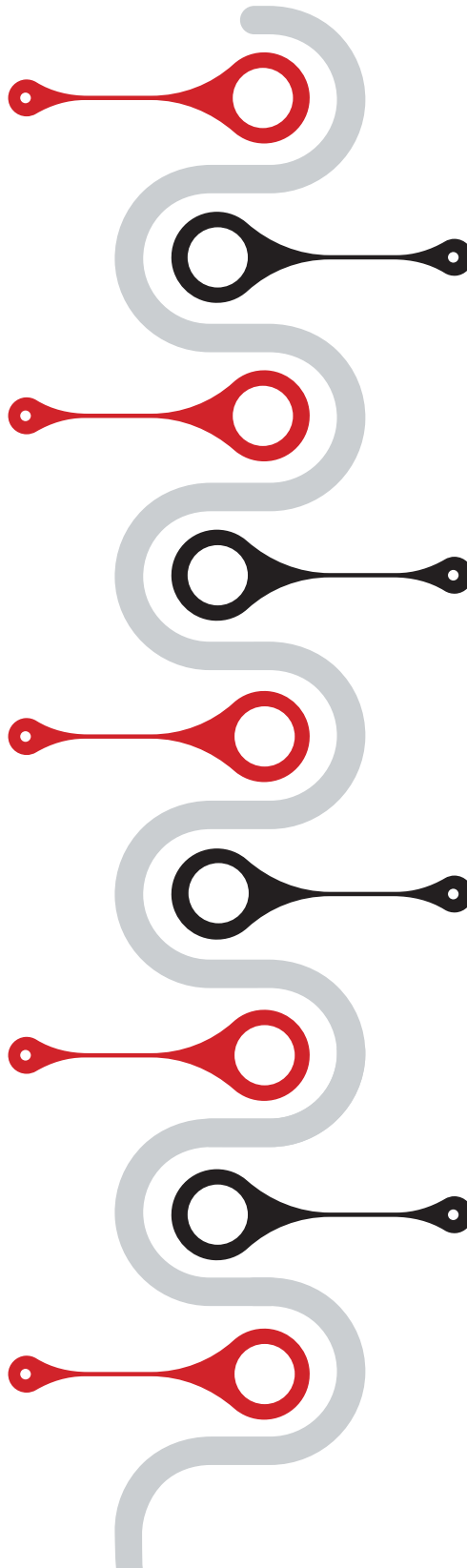
Angola's foreign minister visits Maputo for the 10th Session of the Angola/Mozambique Joint Commission of Cooperation

**JUNE
2024**

The Bank of Mozambique unveils a new series of metical banknotes and coins

**AUGUST
2024**

Mozambique and South Africa prepare to sign an energy agreement



STEADY *progress*



Mozambique's economy is diversifying through significant agricultural, industrial, tourism, and infrastructure advancements, major road and bridge projects, and expanded electrification.

Filipe Nyusi
PRESIDENT OF MOZAMBIQUE

BIO

Filipe Nyusi is the ruling president of Mozambique. He successfully completed his first term from 2015-2019 and was reconfirmed president for a second term for 2020-2024. A native of Cabo Delgado, he is the fourth president of Mozambique and the first from the north of the country. Prior to assuming office, Nyusi served as minister of defense from 2008 to 2014 in the cabinet of President Armando Guebuza. Previously, Nyusi worked for the state-owned Mozambique Ports and Railways authority (CFM). He became executive director of CFM-Norte, the northern division of the company in 1995 and joined the company's board of directors in 2007. He is also a lecturer at the Nampula campus of Universidade Pedagógica, a fellow of the Africa Leadership Initiative, and a member of the National Committee of Fighters of the National Liberation Struggle. Nyusi holds a mechanical engineering degree from Antonin Zapotocky Military Academy in Brno, former Czechoslovakia, and a master's degree from the Victoria University of Manchester in the UK.

ONE OF OUR KEY STRATEGIES for diversifying the economy is focusing on agriculture, which supports a large portion of Mozambican families. In the 2022/2023 Agricultural Campaign, we saw several positive developments: the coverage area of extension services increased from 23.2% to 30%, the area planted grew by 2.1%, reaching 5.9 million hectares, and the integration of families into value chains rose by approximately 38.5%.

In the livestock sector, there was a 3.7% increase in meat production, with pork production seeing a significant growth of 15.3%. Egg and chicken production also grew by 4% and 3.6%, respectively. Industrial production reached MZM109.336 billion, reflecting a 4% decrease. The main contributors to this output were the basic metallurgy division (34.3%), food processing (24.6%), beverages (14.4%), and non-metallic minerals (10.1%). Moreover, the industrial transformation sector experienced significant dynamism due to new investments. These included two cement factories, one in Nacala and another in Changara; an iron and steel processing unit in Moatize and another for titanium, iron, and zircon in Chibuto; a tile factory in Moamba; a pharmaceutical production unit in Matola; and two poultry feed production units in Chimbunila and Gurué, among other ongoing developments.

In terms of investment by sector, manufacturing ranked second, accounting for approximately 28.9% of total investment from January to November 2023. The Revolving Fund for Agricultural Marketing and the Special Credit Line for Agricultural Marketing, with a total funding of MZN23.7 million, facilitated the marketing of more than 15 million tons of various agricultural products, boosting trade and generating income for producers.

Another notable sector is tourism, which saw a 78.2% increase in tourist arrivals, resulting in an increase in the total number of guests and overnight stays, with a corresponding 9.4% annual increase in accommoda-

tion and restaurant revenues. These results are due to several factors, namely economic acceleration reforms; new investments, as evidenced by the opening of 78 new tourist establishments; marketing activities, including participation in five international fairs, as well as domestic events like FACIM and FIKANI.

The progress in the sectors we have just discussed is closely linked to the availability of economic infrastructure. Therefore, we have been paying special attention to roads and bridges; energy; water and sanitation; transportation and communications; and airport, port, and maritime infrastructure. In the area of roads and bridges, there has been a significant improvement in road accessibility, thanks to various road rehabilitation and maintenance interventions, including bridge construction.

Notable achievements include: emergency repairs on several critical sections of the National Highway 1, such as Chissibuca-Lindela, with 60km completed; Inchope-Caia, with 320km under construction, reducing travel time from 12 hours to 7; Chimuara-Nicoadala, with 176km completed; and Rio Lúrio-Metoro, with 74km under construction. In Cabo Delgado province, we have paved the Roma-Negomano road, part of the Northern Corridor, and commenced works on the Roma-Nambungale and Nambungale-Mueda sections. In Niassa and Nampula, we have completed the Malema-Cuamba Road and started construction of the Angoche-Nametil road and a bridge over the Lúrio River, linking the districts of Nipepe and Lalaua. In Nampula and Zambezia provinces, we have rehabilitated 1,135km of rural roads, and the Quelimane-Nicoadala and Nicoadala-Namacurra sections of the N1 are currently under rehabilitation. In Tete Province, the periodic maintenance of the Matema-Cassacatiza road, linking Mozambique to Zambia, was completed. We are also in the advanced stages of resource mobilization to rehabilitate the Changara-Cuchamano road, including the bridge over the Revúbuè River, con-

necting us to Zimbabwe. In Manica Province, we are constructing a bridge over the Metuchira River on the Beira-Inchope-Machipanda road. Meanwhile, in Sofala Province, we are constructing four bridges over the Metuchira, Nhanduè, Nhancule, Dzimbue, and Musangadji rivers, located in the districts of Nhamatanda, Gorongosa, Machanga, Marínguè, and Chibabava, respectively. In Inhambane Province, we have completed the construction of a new bridge over the Save River, spanning 1km and named the 6th of August Bridge in honor of the Maputo Peace Agreement. We have also rehabilitated the old Save Bridge. In Gaza Province, we have completed the rehabilitation and periodic maintenance of the Praia do Bilene-Macia-Chokwé-Macarretane road.

In the energy sector, we highlight two key initiatives:

the Energy for All Program, which aims for universal access by 2030; and efforts to increase generation capacity and transmission lines, with the goal of positioning the country as an energy hub in the region.

To date, we have electrified 62 administrative posts, ensuring that over 1.2 million families now have access to electricity. Additionally, this year alone, we have electrified seven more administrative posts and have formed over 343,000 household connections. As a result, 53% of Mozambicans now have access to electricity, meaning that more than half of the population has access to energy. ✖

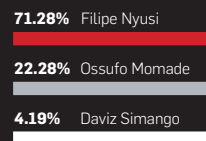
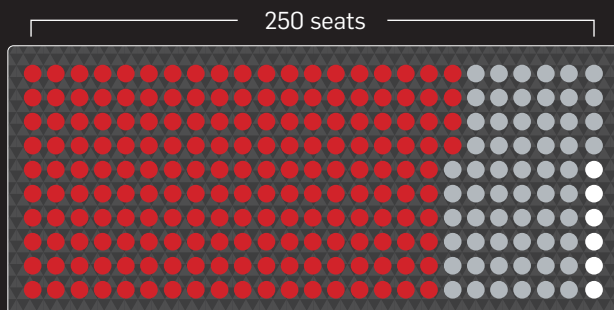
** Excerpt adapted from annual report given by President Filipe Nyusi to the Assembly of the Republic on the general situation of the nation on December 20, 2023.*

2019 PRESIDENTIAL & PARLIAMENTARY ELECTIONS RESULTS

Candidate:	FILIFE NYUSI
Party:	FRELIMO
Seats	184

Candidate:	OSSUFO MOMADE
Party:	RENAMO
Seats	60

Candidate:	DAVIZ SIMANGO
Party:	MDM
Seats	6

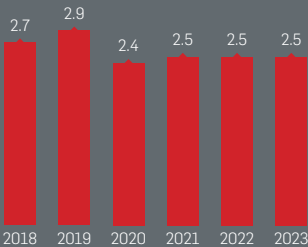


? NEXT ELECTIONS: **OCTOBER 2024**

Maputo, the capital of Mozambique, has a population of just over 1 million

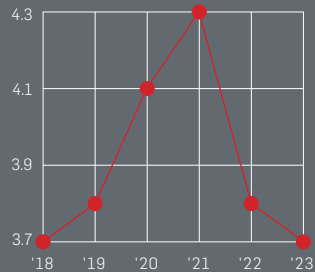
INCOMING FDI (USD BN)

SOURCE: CEIC DATA, 360 MOZAMBIQUE, WORLD BANK



UNEMPLOYMENT RATE

SOURCE: WORLD BANK, CEIC DATA, KNOEMA



GDP BREAKDOWN (%)

SOURCE: WORLD BANK, KNOEMA



- 26.73 Agriculture
- 22.79 Industry
- 40.56 Services



Image: hbpro

Economy

RISING POTENTIAL

This year is decisive for Mozambique's economy, as observers are expecting significant political and economic developments. With national elections in October, the political landscape is uncertain, yet cautiously optimistic. At the same time, the country is anticipating the advancement of the Total Energies gas project, an initiative expected to bring substantial economic benefits and growth.

Mozambique's economic outlook is positive, supported by efforts in various sectors to foster growth and development. According to the African Development Bank, the country's fiscal deficit is projected to narrow, thanks to cautious monetary policies and ongoing fiscal reforms. These efforts aim to stabilize the macroeconomic environment, which is essential for attracting investment and ensuring sustainable growth.

Furthermore, the government's Plano Acelerador Económico (PAE) aims to accelerate economic growth by focusing on key sectors such as agriculture, energy, and infrastructure. PAE is designed to harness Mozambique's abundant natural resources and strategic geographic location to drive sustainable development. This comprehensive plan underscores the government's proactive approach to economic management and its commitment to creating an enabling environment for investment and growth.

One of the main areas of focus is industrialization, with the country striving to reduce its reliance on imports through local production. The government's strategy involves enhancing agricultural productivity and supporting the development of agro-industries. This approach not only aims to boost food security, but also create jobs and stimulate economic activity in rural areas. As Onório Manuel, CEO of MozParks, articulates, "As developers and operators of Mozambique's industrialization drive, we will create jobs and foster economic growth. Our strategic location enables us to base industries here and

export products using our logistics to neighboring countries, positioning Mozambique as a hub for regional trade."

The World Bank has also mentioned the importance of infrastructure development in enhancing Mozambique's competitiveness. Investments in roads, ports, and energy are crucial for supporting industrial activities and facilitating trade. Improved infrastructure will also facilitate better access to markets for local producers, thereby enhancing their ability to compete regionally and globally.

Another important aspect of Mozambique's economic strategy is the focus on youth entrepreneurship. With a large, young, and growing population, the country has a significant opportunity to support these entrepreneurs in driving innovation and economic diversification. The World Bank's support for youth entrepreneurship initiatives aims to equip young people with the skills and resources needed to start and grow businesses, which will create new opportunities for employment and contribute to the overall dynamism of the economy. Mozambique's economic prospects for 2024 are made by a combination of political, economic, and social factors. The upcoming elections, the development of new projects, and the efforts to industrialize the economy and promote sustainability all contribute to a dynamic and evolving economic landscape.

While challenges remain, there is a strong sense of optimism and confidence in the country's ability to achieve sustained growth and development. The strategic focus on infrastructure, industrialization, youth entrepreneurship, and sustainable practices is positioning Mozambique for a prosperous future. As the country continues to navigate these developments, it stands poised to harness its potential and drive meaningful progress for its people and the broader region. ✖

INTERVIEW

DRIVING *further growth*



APIEX has consolidated its position as a leading agency in investment promotion and facilitation, contributing to projecting the country's image as a preferred investment destination.

Gil Bires
DIRECTOR GENERAL,
INVESTMENT AND EXPORT PROMOTION
AGENCY (APIEX)

Enhancing
operational
strategy to
attract more
investments to
Mozambique

FACIM's latest
edition attracted
1,530
exhibitors from
22
countries

BIO
Gil Bires has a degree in law and a postgraduate degree in international trade law. He has considerable experience in the area of investment/export promotion and facilitation acquired over several years of activities at the then Investment Promotion Center (CPI), where he began his career in 1999 as legal adviser and, later, director of project management services, having also served as a deputy director general of the Office of Accelerated Development Economic Zones (GAZEDA) from 2013 to 2017. He was appointed Director General of APIEX in 2021.

Can you provide an update on the progress made since you took office in 2021 and the strategies implemented since then?

I prioritized consolidating the organizational structure and operational strategy of the institution to fully pursue its statutory responsibilities, particularly the promotion and facilitation of investments and exports, with a focus on providing assistance services to investors and foreign trade operators. Among the activities carried out, notable ones include organizing business forums and roundtable discussions, participating in international fairs, and hosting workshops to promote awareness of the legal framework and business environment in Mozambique, among other initiatives. It is noteworthy that the reforms approved by the government to improve the business environment have significantly contributed to achieving the objective of attracting new strategic investments, particularly notable is the Accelerated Economic Measures Package (PAE), whose impact has been reflected in the increasing trend of potential investors' interest in exploring investment opportunities. Also notable are the actions taken to reform investment legislation, which culminated in the approval of the new Law No. 8/2023, of June 9 - Private Investment Law and its regulation. This allowed the country to adjust its existing legal framework by adopting best international practices to facilitate investments after about 30 years of the previous law. This was indeed a significant milestone, and our attention is currently focused on the Export Promotion Strategy, another instrument that we consider of great importance for promoting national exports, as well as the Investment Promotion Strategy.

Who are APIEX's current partners, both in the national and international context?

At a national level, APIEX collaborates with various business associations, chambers of commerce, and public and private institutions, among other entities, which are our partners in various promotional initiatives we have been developing, both inside and outside the country, with the aim of projecting the country's image as well as its economic potential, with the aim of attracting new investments and promoting national exports. Internationally, APIEX collaborates with various entities in the promotion of investments and exports. For example, in the past three years, APIEX has strengthened mechanisms

of institutional cooperation with sister agencies from Malawi, Zimbabwe, Zambia, Kenya, Rwanda, Botswana, South Africa, and Russia, among others. Currently, discussions are underway on new cooperation instruments aimed at facilitating the exchange of information and strategic partnership in various areas of investment promotion and exports. We have also been focusing on partnerships with various international cooperation organizations, which have supported us in various initiatives within the scope of APIEX's mandates in perfect harmony with our institutional mandate.

How can the country's strategic location advantage drive the diversification and structural transformation of Mozambique and neighboring African economies?

National ports stand out as strategic infrastructures through which the landlocked neighboring countries and beyond depend on for foreign trade operations. These infrastructures play an important role in the transport and logistics sector. The country needs to continue investing in improving its rail-port infrastructures, roads, and energy transportation network. These conditions will drive the development of various sectors, with a focus on agriculture, agribusiness, industry, tourism, services, among others. In fact, investments in the modernization of the ports of Beira, Maputo, and Nacala, aimed at increasing cargo handling capacity, attest to the priority that the infrastructure network holds in the government's strategy to facilitate investments and businesses in the country, especially in the current context of implementing the African Continental Free Trade Area Agreement.

What are APIEX's main objectives for 2024?

APIEX's vision is to continue promoting actions aimed at projecting the country's image as a preferred destination for investments and attracting new investments in sectors considered priorities by the government, namely agriculture, industry, energy, infrastructure, and tourism. Our strategic objectives for 2024 are to conclude the process of reforming investment legislation, particularly complementary instruments of regulation of Law No. 8/2023, of June 9 - Private Investment Law, with a greater focus on new tools in the digitization of investment approval processes as well as monitoring of already approved projects, in order to ensure greater retention and expansion of investments. ✖

STRONG *network*

Crystelle Coury
EXECUTIVE DIRECTOR,
CHAMBER OF COMMERCE & INDUSTRY
FRANCE-MOZAMBIQUE (CCIFM)



Established in Maputo in 2015, CCIFM aims to promote bilateral trade and strengthen business ties between France and Mozambique by building a strong network of partners.

Can you provide an overview of CCIFM and its primary mission in promoting bilateral trade between France and Mozambique?

CCIFM was created in Maputo in 2015 at the initiative of French companies established in Mozambique. Our vision is to promote bilateral trade and strengthen business, commercial, and industrial exchanges between France and Mozambique. CCIFM facilitates access of French companies to the Mozambican market from export to office set-up and search of local partners. Over the years, we have developed a powerful network of institutional and corporate partners in both Mozambique as well as France, to best defend the interests of our current 140 member companies. Our member base encompasses blue chip companies, mid-caps, SMEs, and entrepreneurs from a wide variety of economic sectors: energy, transport and logistics, professional services, healthcare, automotive, agribusiness, IT, and more. We welcome predominantly French and Mozambican companies, today at respectively 39% and 36% of our membership base, and have quite a significant number of companies from other nationalities, too. There are currently around 70 subsidiaries of French companies or companies set up by French entrepreneurs in Mozambique, employing around 5,000 people. We are part of the CCI France-International network, made up of not less than 118 French chambers of commerce and industry in 93 countries. We naturally work in close collaboration with the French Embassy in Mozambique to best support French companies wishing to establish themselves or do business in Mozambique. Our mission is to build a network of connected businesses to generate opportunities, and we organize a multitude of events each year.

Which sectors in Mozambique hold the most potential for French investment and partnership?

The Mozambican economy presents a wide array of business opportunities for French companies. The first sector that comes to mind is the energy field at large: from E&P in gas, to renewable energies and all topics related to the energy transition. Technologies and specific services related to the energy

sector are sought after locally, and the French expertise in those fields can be put into the spotlight and generate business leads. The success of the recent trade mission of EVOLEN, the French Association of Energy, is a good testimony of the high level of interest of French companies in the energy sector. Transport and logistics is another sector filled with business opportunities in Mozambique for French companies, whether maritime, road, air, or railway. Significant investments are being made and will continue to be made in all infrastructures of the country. One of the key projects that was led between 2020 and 2023 was a local content training cooperation program between Mozambique and La Réunion island. In a nutshell, a partnership agreement with the aim of developing regional cooperation was put in place between CFM, the state-owned company managing the rail system and its connected ports, and Grand Port Maritime De La Réunion (Port Réunion). CCIFM was commissioned to implement and deliver the cooperation program. In addition, CCIFM organizes a series of business and networking events for our business community year-round. One of the key events we organized in April 2023 with the French Embassy in Mozambique and with the support of the French Ministry of Foreign Affairs, was the multi-sectoral Business Forum Mozambique-France, which welcomed close to 40 French companies in Maputo for two days of B2B and B2G meetings.

What are the main challenges and opportunities for French companies operating in Mozambique?

There are numerous business opportunities as well as challenges. I have seen businesses flourish in Mozambique, though they need resilience and patience. One must work with a local partner and collaborate with well-established international or local advisory firms for the legal, fiscal, and taxation aspects. They must also collaborate with the organizations part of the local ecosystems, especially the French Embassy and Economic Service, the French Foreign Trade Advisors local group, and of course, CCIFM. Our French community locally is small, but we are united as one. ✖

—
**Founded in
Maputo in
2015**

—
**Part of the
118
member
CCI France-
International
network,
headquartered in
Paris, France**

BIO

Crystelle Coury has been living in Mozambique for four years and was appointed Director General of CCIFM in 2022. She graduated from Toulouse Business School in France & Strathclyde University in the UK and has 20 years of professional experience in business development, communications, and public relations in over 20 countries. She has spent the majority of her career in the media and publishing fields.

INTERVIEW

EXPLORING *opportunities*

Providing market information, support, and guidance to Spanish companies interested in the Mozambican market, the Mozambique-Spain Chamber of Commerce also promotes bilateral trade and business relationships between the two countries.

Nuno Alvarez Piñera
MANAGING DIRECTOR,
MOZAMBIQUE-SPAIN CHAMBER OF COMMERCE



Can you provide an overview of the Mozambique-Spain Chamber of Commerce and its mission?

The chamber's mission is to serve its members by providing market information. It was established by Spanish businesspeople and companies already based in Mozambique to answer the lack in Spain of official information about the country. One of our primary goals is to gather and disseminate this information to our members and any Spanish company looking to do business in Mozambique. Additionally, we aim to offer onsite support and guidance to companies, sharing insights into the country's strengths and weaknesses. Our practical approach, based on experience, benefits newcomers to Mozambique.

What initiatives has the chamber taken to promote bilateral trade between Mozambique and Spain?

Networking events are a cornerstone of our efforts. These events facilitate connections between our business community, the Mozambican community, and businesses from other countries. We collaborate with other chambers of commerce to promote and foster business relationships. Previously, there was no forum for Spanish businesspeople to connect with others in Mozambique. The main advantage is that these events allow people to meet and explore potential business opportunities. We also offer support to Mozambican companies looking to do business in Spain, although the balance in numbers is currently skewed.

What have been some of the chamber's achievements?

We have supported several Spanish companies on their approach to the Mozambican market, whether looking for a com-

mercial partner or on the establishment of their branch in the country. Potential investors value the perspective of Spanish businesspeople already established in Mozambique. The growth of our business community is the best evidence of the success of our work.

How do you see the future of Spanish investment in Mozambique?

The trade balance between the two countries has traditionally been favorable to Mozambique. To put it in perspective, in 2023 Mozambique exported to Spain five times more than it imported from this country. The main reason for this situation is the fact that Spanish businesses are primarily focused on their traditional markets. It is essential to showcase Mozambique's potential beyond oil and gas, namely in tourism and agricultural sectors where Spain holds extensive expertise. Additionally, the EU and Mozambique signed an economic agreement in 2018, reducing tariffs on their trade. This presents opportunities for both regions; however, meeting European technical requirements poses a challenge for many Mozambican companies, and we support them in navigating these hurdles. In sum, the trade/investment between both countries will increase significantly in the coming years, and the Spanish Chamber of Commerce will certainly assist companies of both countries in this journey.

What are your strategies for 2024-2025?

We aim to enhance our commercial initiatives for more effective outcomes. Thinking creatively, we plan to organize a trade fair for Spain. Such an event could attract various commercial missions, allowing for direct business-to-business interactions. Such initiatives are crucial for discovering new companies, particularly smaller ones

not listed elsewhere. We want to engage more with Mozambican businesspeople, who are increasingly seeking business opportunities.

What message would you give to Spanish investors interested in Mozambique and vice versa?

Having initially planned a two-year stay, I have now been here for 12 years. Mozambique has a way of captivating and transforming visitors. Unlike other countries in the region, in Mozambique one will find an economic, tax and legal system similar to the Spanish one. Language is not an obstacle to communication. Spaniards are well received in Mozambique, mainly due to the extensive collaboration between the two countries in terms of Development Cooperation. Mozambique is on the brink of significant growth, with promising projects in the oil and gas. Beyond natural resources, Mozambique boasts potential in agriculture, tourism, and renewable energy. Spanish expertise in agriculture, for instance, could be invaluable. With the right knowledge and management skills, there is vast potential for success here. ✘

BIO

Nuno Alvarez Piñera is a senior executive with extensive experience in general management, administration, human resources, and commercial and financial areas, developed over 29 years mainly in the banking industry in Europe and Africa. He was general manager of IMOBICI from 2014-2016 and CEO of International Commercial Bank Mozambique from 2012-2014. Piñera graduated in business administration and holds a post-graduate degree in banking.

LAND of opportunities

Mozambique is already known for its vast gas reserves, second only to Qatar. However, it is brimming with investment opportunities in other sectors as well. Its nearly 3,000km coastline offers opportunities for investors in virtually every part of the economy.

Mozambique is quickly positioning itself as one of the region's strongest contenders for FDI. Thanks to its plentiful natural resources and ideal location, the country has already enjoyed substantial interest from investors around the world, and now the government is proactively encouraging more.

Energy is the dominating force of Mozambique's economy, with 23 billion tons of coal reserve potential—Mozambique's biggest export commodity—and LNG reserves estimated at approximately 180 trillion cubic feet, second only to Qatar. Mozambique's 3,000km coastline also provides ample opportunity for solar and wind power, in addition to the country's hydroelectric potential. Already the Cahora Bassa Hydroelectric Dam provides a capacity of 2,075MW, and there are plans in place to develop a second dam, Mphanda Nkuwa, on the Zambezi River, which is expected to add another 1,500MW. The Energy Transition Strategy of Mozambique, valued at USD80 billion, includes the AMEA Power solar project, involving about 125MW of solar power plants that will provide electricity to over 150,000 homes in Mozambique.

But while Mozambique is already a well-established contender in the energy field, the country offers potential in numerous other sectors as well, including agriculture. Despite having 360,000sqkm of farmable land, currently only about 10% is being used for formal agricultural activities, and agriculture only constitutes about 25% of the nation's GDP, as most of the activity in this sector is informal subsistence farming. Mozambique's diverse climate ranges offer a wide range of agricultural production opportunities, and its position on the coast would allow for easy exportation, yet the country still imports more than it exports.

Tourism is another sector with largely untapped potential awaiting investors. With its long beaches, numerous national parks and reserves, rich biodiversity, and unique culture, the country is prime for touristic development. Sustainability is key, however, with ecotourism being of particular interest for the government in order to protect the country's wildlife while also creating jobs and attracting investment.

With all of this development, the need for other basic services stands set to grow in tangent. If the country grows as projected, additional developments in healthcare, education, transportation, and housing will be required as well. Driven by the social distancing measures of the COVID-19 Pandemic, internet penetration has been increasing in Mozambique, and the ICT sec-

tor at large has become yet another area seeking further investment as the country rapidly digitalizes. Of course, if Mozambique truly intends to capitalize on any of this interest and excitement, it will need to improve its infrastructure—something the government has already begun investing in heavily. Beluluane Industrial Park was the country's first industrial park and, thanks to its success, the government asked public-private partnership MozParks to replicate this model in other spots around the nation, with the Topuito Industrial Park opening in Nampula in 2022. As Managing Director Onório Manuel told TBY, "Our focus with the Topuito Industrial Park is to establish a value chain for the Kenmare project. The primary aim was to stimulate community development, generate jobs in Topuito area and Nampula, and provide income to the government by relocating suppliers closer to the project and reducing imported goods. To achieve this, we are encouraging investors to establish their operations in Topuito."

The local business climate is favorable to investors with seven free trade zones, legislation in place to avoid double taxation of income, as well as a recently enacted visa waiver for travelers from nearly 30 countries designed to bolster the tourism industry. In 2017, the minimum amount required to obtain an investment visa in Mozambique was reduced from USD50 million to USD500,000—all positive signs that the government is encouraging and supporting additional investors to achieve their ambitious goals.

Mozambique itself is an outstanding destination for business, and its geographic location, railways, sea and airports provide ample opportunities for additional expansion within the region. The country's extractive industries, including natural gas, coal, and precious stones, are already well-known for their potential, but Mozambique has all the right ingredients to become a major player in industries such as agriculture, tourism, and infrastructure as well, along with the numerous other sectors that come with such development, including healthcare and IT.

Those seeking to invest in Mozambique should do so with a long-term strategy and a commitment to sustainability and best business practices. Luckily, numerous entities stand ready to provide support for the right investors, including the Africa Business Community, Investment and Export Promotion Agency (APIEX), MozParks, Dubai Chambers, and various international embassies. ✖

The Port of Maputo is one of Mozambique's main logistics hubs and the largest port in the country



PRIME *investment destination*

Faheema Sulemane
EXECUTIVE DIRECTOR,
AMERICAN CHAMBER OF COMMERCE
(AMCHAM) MOZAMBIQUE



AmCham has emerged as a pivotal entity in the country, fostering an inclusive and dynamic business ecosystem for both American and Mozambican enterprises.

Can you provide an overview of AmCham Mozambique?

We were formed in 2019 during the US-Africa Business Summit in Maputo. Our chamber of commerce is dedicated to fostering dynamic business connections, driving economic growth, and enhancing bilateral trade relations between Mozambique and the US. Although we were affected by the COVID-19 pandemic, resulting in a two-year dormancy period, we restarted our activities in October 2022. Since then, in just 18 months, we have more than doubled our membership to currently include 45 companies, with 25 American-based companies. AmCham Mozambique is the only chamber in the country accredited by the US Chamber of Commerce in Washington, DC. We collaborate closely with the US Embassy in Mozambique and with some USAID agencies in Maputo in various projects. Our mission is to create an inclusive and dynamic business ecosystem, enabling both American and Mozambican enterprises to thrive. We have been fairly busy, in addition to networking events, we also hold content and educational events, fostering partnerships with associations to connect American companies with local and international businesses, and actively supporting projects that promote trade and investment between Mozambique and the US. We aim to be the primary destination for American businesses seeking opportunities in Mozambique and for Mozambican enterprises looking to enter the US market. Additionally, we nurture relationships with US government entities in Mozambique to advocate for favorable business policies. As we continue to grow, our goal is to become a more influential association, offering our members the resources and opportunities they need to succeed both locally and internationally. We are proud of our progress and are always available to support the business needs and objectives of our members.

How do you foresee bilateral relations between the US, Mozambique, and Africa evolving as a whole?

Bilateral relations between the US, Mozambique, and Africa are poised for significant growth, driven by increased US interest and investment across the continent. Numerous American companies

are already investing in African countries, and Mozambique is attracting more attention, evident from the rising engagement at conferences and meetings with US government representatives. Our relationship with the US has always been excellent and is growing consistently, with expectations of more American companies showing interest in Mozambique. One of our main goals is to promote Mozambique as a prime investment destination, working with various partners, including the Mozambique government, to attract more investors. We are exploring the idea of creating a dedicated investment forum for Mozambique, which would host annual events and implement follow-up programs to ensure sustained engagement and support for investors. Feedback indicates that while initial events are valuable, the lack of follow-ups often hinders long-term investment plans. By addressing this, we aim to provide continuous support for investors, enhancing their confidence and commitment to Mozambique. As the US continues to invest heavily in Africa and focuses more on Mozambique, we foresee robust bilateral relations that will foster economic growth and stronger business ties between the US, Mozambique, and the broader African continent.

What are AmCham's priorities in 2024?

In 2024, AmCham Mozambique has several key priorities as we continue to grow and expand our influence. With 45 members and a rapidly increasing membership, one of our primary goals is to diversify our membership base. Having been with AmCham since its inception, I have been leading the project, and we are now focused on establishing a more permanent structure and expanding our team to enhance our visibility and support our growth. We plan to organize our first AmCham golf event in August and have plans to organize our first Thanksgiving gala dinner this year to increase our footprint and attract more partners to support our initiatives. Our ultimate goal is to be a prominent business association that promotes Mozambique in the US and abroad, while also bringing American investments to Mozambique. Bringing more people to Mozambique is a critical first step in our strategy for this year. ✖

Organizing
1st
AmCham golf
event and
Thanksgiving
dinner

Created in
2019
during US-Africa
Business Summit

BIO

Faheema Sulemane is a distinguished leader and visionary, serving as the Executive Director and one of the founders of AmCham Mozambique. With a long background in the travel and aviation industry, she represented Delta Airlines for six years in Mozambique, opening its first ticketing office in 2018. Sulemane is currently Managing Director at Afamba Group. Her academic credentials include a post-graduation in business administration from Instituto Superior de Ciências e Tecnologia de Moçambique (ISCTEM) and a degree in international relations and diplomacy from University Joaquim Chissano. Her leadership at AmCham Mozambique highlights her accomplishments in fostering economic growth and international cooperation.

INTERVIEW



Miguel Rodrigues Murargy
CEO,
SINTAGMA HOLDING

OPENING *doors*

In the last decade, Sintagma Holding has worked hard to invest in capital-intensive industrial projects in Mozambique and play a key role in its industrialization and economic development.

BIO

Miguel Rodrigues Murargy holds a BA (Hons) in economics at University of London (UCL) UK, and an MBA at the Institute of Finance and Management in Geneva, Switzerland. He has over 15 years of experience as an executive and entrepreneur in the logistics, infrastructure and renewable energy sectors in sub-Saharan Africa with Mozambique as a focus market. Murargy has been actively involved in the development of Mozambique's young entrepreneurial ecosystem. He is also a board member of CCIFM.

What are Sintagma Holding's main activities in the country?

Sintagma Holding was founded in 2014, and we refer to ourselves as an industrial investment holding company. Our vision was to promote and invest in niche capital-intensive industrial projects in Mozambique and play a key part in its industrialization and economic development. Ten years down the line, we have diversified our portfolio and the sectors we are now actively involved include: logistics, renewable energies, construction, and, as of recently, oil and gas services.

As the chairperson of Afrigotel, can you tell us more about it?

Afrigotel, a subsidiary of Sintagma Holding, is a cold chain third-party logistics provider (3PL) that opened in Maputo in late 2016 with a state-of-the-art facility comprising over 8,000cbm of cold storage. Our first business venture, the facility features 13 chambers catering for both frozen and refrigerated products as per our clients' needs, with added value services such as inventory management and stock controls, all the while adhering to best practices of hygiene and food safety. The initial years of operations were extremely challenging, as 3PL in cold chain was a fairly new concept in Mozambique, and clients were skeptical of entrusting us fully with their products. Our commitment to good service and quality, as evidenced by our ISO:9001 certificate in quality management, paid dividends as business started to pick up and nowadays, we work with many multinationals and some of the biggest food retailers and distributors in Mozambique. During COVID-19, we worked closely with UNICEF and the Ministry of Health as a key partner in the storage of vaccines. We opened our second facility in November, next the Port of Maputo with a storage capacity of 6,700cbm. Today, with these two facilities, we can handle over 7,000 tons of products. Furthermore, the Maputo corridor is an important corridor for the fruits and citrus sector from South Africa, and we are positioning ourselves to ensure we are also involved in that booming opportunity. We are now engaged in an

“For Sintagma as a whole, 2024 will be the year when we consolidate our accounts.”

aggressive expansion strategy with facilities due to open in Pemba, Nampula, and Beira within the next 18 months, with our long-term goal of having a facility in every province in Mozambique.

Who are Sintagma Holding's local and international partners?

Our local and international partners are selected on a project-by-project case. In the case of Afrigotel, the project was developed in-house from conception, design, financing, construction and operations. We are a co-founding partner of WHN Solar, a Mozambican renewable energy project developer, which is currently developing a 30-MW solar PV power project in Nacala, northern Mozambique. The company was awarded a grant from the US Trade and Development Agency (USTDA) in 2018 to carry out the full feasibility studies, involving several international consultants, and we are now entering into the power purchase agreement (PPA) negotiations with the local power utility, EDM. This will be our biggest project to date as we are talking about a USD50-million solar PV power plant. Meanwhile we are also developing two new solar PV power projects, though still at preliminary feasibility study phase.

What are your thoughts on the pace of industrialization in Mozambique?

When we started Sintagma Holding, we had major plans and ideas for Mozambique's industrialization, as we all recognized that it does not make sense to import everything we consume when the country has vast natural resources and raw materials. Recently, we became an active member of Mozambique Industrial Association (AIMO), and its re-

juvenated policies will be a catalyst and an incentive to produce and transform locally. If Mozambique wants to compete with world markets, it needs to keep up with innovative technologies. The pace is slow, though Mozambique is moving in the right direction and has enormous potential for growth.

What was the objective behind establishing SISM?

Sintagma joined forces with another reputable Mozambican company to create Soluções Integradas e Serviços Moçambique (SISM). In anticipation of a potential oil and gas boom in Mozambique with the vast reserves discovered in the Rovuma Basin, we placed significant focus on SISM in 2018, investing heavily

in the company's structure and certifications. The purpose of the company was designing and implementing client driven solutions and services to the extractive industries, in order to assist and partner up with international companies wanting to establish in Mozambique. Our range of support varies from market research, legal assistance, company registration, permits and licensing, institutional relationships, networking support, senior local staff allocation, to accounting and admin support services, as well as procurement and logistics.

What do you want to achieve in 2024?

Our current priority is the expansion of Afrigotel and the opening of our Pemba facility this year, the first step toward

completing a nationwide cold storage network. Regarding renewables, our objective for 2024 is to sign the PPA and reach financial closure in our Nacala Solar PV Power Project. Our goal is to have an energy portfolio of over 200MW within the next five years. On the construction side, we want to consolidate our operations and make sure the company has a strong foundation in order to take the next big step, which is securing larger contracts within the oil and gas and industrial sectors. For Sintagma as a whole, 2024 will be the year when we consolidate our accounts. This is a milestone for us in affirming the integrity of our holding company. We intend to be a key player in the industries that we are involved in today. ✖

SINTAGMA
HOLDING

YOUR STRATEGIC INDUSTRIAL PARTNER

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ACTIVE IN: LOGISTICS / RENEWABLE ENERGIES / CONSTRUCTION / O&G SERVICES / MINING

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ORGANIC *growth*



EY Mozambique has evolved from a small expat-driven structure since its establishment in 1991 to a robust team of around 180 professionals, most of them locals.

Paulo Reis
OFFICE MANAGING PARTNER,
EY

180
employees at EY
Mozambique,
where

93%
are nationals

**Investing
in digital
developing tools
for internal use**

Can you elaborate on EY's journey since it was established in Mozambique?

EY has been permanently in Mozambique since 1991. We started with a small local structure where most of the technical staff were expats, mainly from member firms in Portugal and South Africa. Now, we have around 180 people in the office, of which only 12 are expats. EY provides all the typical service lines, including: audit, which is assurance, where we have a team of 80 people; business consulting and technology consulting, where there are around 30 people; a team of three people in strategy and transactions; and tax, which has a team of around 25 people. The remainder are administrative and support. We work in an integrated manner, and when needed we have access to more people from the PAM Cluster (Portugal-Angola-Mozambique), comprising around 2,000 professionals. For large international projects and when required, we can rely on EY's global network of more than 400,000 people. Our strategy is to grow the practice organically, develop our people, and recruit locally.

How is EY adapting its services to meet the evolving needs of clients in Mozambique?

Digitalization has to be examined internally and externally. For example, EY has developed tools where, for example, we cannot document our audit on paper. We have software that works through the cloud where anyone on the team can review our work from anywhere. Externally, clients are digitalizing as well, and we have been acquiring internal capability to serve our clients in the areas of technology consulting, cybersecurity, investigation of security breaches, and more. We have a team that has been serving clients not only in Mozambique, but also in other countries in terms of IT consulting. We created the Technology Cluster recruiting a dozen talented young professionals from university and trained them, and they now serve clients around the world. We must be prudent about the process and are constantly upgrading even our internal systems that are not linked

directly to client work. We are constantly upgrading our internal management systems to manage the business in a more digital manner.

EY has been recognized for its commitment to diversity and inclusiveness with its initiatives. Can you tell us more about that?

The Be Like the Woman initiative rings all the bells at EY. Our values include a strong sense of diversity and inclusiveness. We support women in the business space who are entrepreneurs or have corporate careers to move to the next step and have tools that enable them to reach the higher ground of their environments in business or a corporation or entity where they work, so they can reach the top. Our program has reached the end of the first cycle and its success has been recognized by leaders at EY who plan to launch similar initiatives, for instance in Angola. At EY, the breakdown of our senior staff is 50:50 men vs. women, while at the executive level the figure drops to 35%, which is not bad in our local environment. We have women in leading positions including finance, branding, marketing, communications, and human resources. EY was one of the first audit and consulting firms in the country to internally appoint a female partner.

What specific programs or partnerships does EY engage in to foster career development for young professionals?

Our main fields of recruitment are universities, and being close to them allows us to identify the best talent. Around 80% of our team today joined EY when they left university. We have other initiatives in partnership with AIESEC, an international economics management student association, to support youth with employability skills training as well as career guidance. We also recently launched the Green Skills Passport, an EY and Microsoft free and online learning program in sustainability and entrepreneurship for young students and professionals to develop green skills. We bring people to the organization who have the talent and help them grow their careers and capabilities. ✖

BIO

Paulo Reis has been Office Managing Partner of EY Mozambique since 2018, having joined the firm in 2009 and being promoted to Partner in 2011. Since 2020, he has also been the Assurance Leader. He began his career in auditing in 1992, after completing a degree in Economics at ISEG, Technical University of Lisbon. He is a Certified Auditor by OCAM and a Chartered Accountant by OROC, in Portugal.



Image: Shutterstock

NAVIGATING CHALLENGES & *embracing opportunities* *in a dynamic economy*

Mozambique, a country with a complex history and abundant natural resources, is on the road to economic transformation. And at the heart of this transformation is EY Mozambique, a member firm of EY's global network, which plays a key role in shaping the country's economic landscape.

Present in Mozambique for more than 30 years, we remain committed to building a better working world, as well as a better world for our community.

EY Mozambique was founded in 1991 under the auspices of EY Global and started our operations in a small office with a small team, where we relied mostly on the support of consultants from EY Portugal and EY South Africa to deliver our professional services.

The team and the office grew as Mozambique and its economy recovered from the Civil War and took its first steps towards economic and social growth and development.

In 2003, to accommodate market demand and the growth of the EY team, we moved to our current offices on Rua Belmiro Obadias Muianga, where by 2004 we had grown to over 100 employees!

Throughout the years EY played a key role in assisting the Government with implementation of relevant Tax Reforms (1995-1996 and 2001-2002), creating a more efficient and fair tax system to support the country's economic development and fiscal sustainability.

We've also assisted the Government with the implementation of International Accounting practices with global standards, which helped attract foreign investment, improve financial transparency, and enhance the comparability of financial statements across borders.

In 2004-2005 with the introduction of IFRS in the banking sector, in 2008-2012 the introduction of IFRS

in the Mozambican business sector which resulted in the creation of the current accounting standard in force (PGC-NIRF), and in 2013-2014 with analysis and construction of the future implementation model of the IPSAS - International Public Sector Accounting Standards.

Always committed to fostering local talent, we have been building our team with local resources, recognizing that a qualified workforce is essential for the country's progress. We invest in training and development programs for our employees, providing recent graduates and Mozambican professionals with opportunities to excel in their careers and contributing to the creation of a robust professional community in Mozambique.

We currently have a team of 180 professionals, 97% of whom are local professionals familiar with the unique challenges and opportunities that Mozambique presents, from navigating the regulatory complexities to capitalizing on the potential of the emerging market.

And this is our greatest attribute and what has distinguished us in the market: **Our People.**

Around 1,000 employees have worked at EY, and we have been able to identify these talents, develop them and prepare them to meet the expectations and demands of the market.

Over these more than 30 years, EY has established a strong presence and partnership link in Mozambique, leveraging its global experience to provide local expertise and customized solutions tailored to local needs, helping the nation progress. We provide strategic guidance to both the public and private sectors and with experience in sectors such as energy, mining and agriculture we help our clients optimize operations,

'91

Founding and opening of office on Avenida Patrice Lumumba

'94

Move to offices in 33 Andares Building

TAX REFORM

'95/6

Support the Government in the implementation of VAT, including training actions throughout the country

TAX REFORM

'01/2

Support the Government in the implementation of the IRPS/IRPC by participating in training sessions throughout the country

33 YEARS CREATING VALUE

manage risk and drive innovation.

Despite all its potential, Mozambique faces challenges such as political instability, infrastructure deficits and the threat of climate change, which is where EY Mozambique's consulting services are crucial in helping companies and government entities address these issues effectively. Risk management, cybersecurity and financial services are particularly valuable in creating resilient strategies for sustainable growth.

In addition, EY Mozambique has the enormous responsibility of meeting the expectations inherent in its status as market leader and the reputation it has achieved since it was founded.

This is clearly the hallmark of this firm's DNA: the will to keep winning and growing! That's why the market has distinguished us year after year as the best auditing and consulting firm for over 10 years.

EY Mozambique recognizes the importance of sustainable development and is actively involved in initiatives that promote social and environmental responsibility. The company's sustainability services are designed to help clients achieve their long-term goals while making a positive impact on the community and the environment. EY's approach aligns with Mozambique's national development goals, supporting efforts to improve education, healthcare and economic inclusion.

EY is committed to contributing to the development of Mozambique's economy. The company supports the development of local talent through training and mentoring programs and engages in corporate social responsibility initiatives that benefit the wider community. ✖

'03

Inauguration of the current offices in Rua Belmiro Obadias Muianga

'04/5

Support the Government of Mozambique in the introduction of IFRS in the banking sector

'05/6

Support the Government of Mozambique in the process of reversion of the Cahora-Bassa Hydroelectric Power Plant to the Mozambican State

'04

100 employees

'08/12

Supporting the government in the introduction of IFRS in the Mozambican business sector, which resulted in the creation of the current accounting standard in force (PGC-NIRF), including an extensive training and dissemination plan. In the adoption process, EY also supported around 60 entities, including some of the country's largest companies.

'13/4 '19

Support the government of Mozambique in the analysis and construction of future implementation model of International Public Sector Accounting Standards

Integration into the EY cluster in Portuguese-speaking countries (Portugal and Angola)

'24

33 years of continuous activity in Mozambique, attracting & developing over 1,000 professionals, with numerous contributions to valorization of talent & creation of sustained growth

INTERVIEW

GUIDING *hand*



SAL & Caldeira Advogados has established itself as a leading law firm in Mozambique by leveraging deep local knowledge and international best practices to provide a comprehensive range of legal services in the country.

Eduardo Alberto Calú
MANAGING PARTNER,
SAL & CALDEIRA ADVOGADOS

Navigated Mozambique's evolving legal and economic landscape with resilience and agility

Integrated advanced digital platforms and innovative tools into its operations

BIO

Eduardo Alberto Calú is the managing partner of SAL & Caldeira and the partner responsible for the Tax Practice Group. He has been deeply involved in the reform of the tax framework for the oil and gas and mining sectors in Mozambique, representing industry interests. He has acted as a tax expert in Mozambique tax matters in international arbitrations and is registered with the International Chamber of Commerce. He has more than 16 years' experience as a lawyer. He holds post graduate degrees in transfer pricing and in international trade law at the Faculty of Law at Eduardo Mondlane University, and a law degree from the Faculty of Law at Eduardo Mondlane University.

Can you provide a brief history of SAL & Caldeira Advogados in Mozambique and its journey to becoming a prominent player in the legal sector?

SAL & Caldeira Advogados established itself as a leading law firm in Mozambique through professional rigour, strategic focus, and commitment to excellent client service. Founded with a vision to provide zealous and dependable legal representation, our firm has navigated Mozambique's evolving legal and economic landscape with resilience and agility. Over the years, we have leveraged our deep-rooted local knowledge and international best practices to emerge as a trusted advisor for a diverse clientele. Our path to prominence depended and depends on being trusted business advisors to our clients. Obviously, none of this would have been possible without the support of our loyal clients and of our team of committed lawyers and support staff.

The firm offers a wide range of legal services. Could you highlight some of the key areas of specialization and how they cater to the diverse needs of your clients?

SAL & Caldeira Advogados specializes in the full range of legal disciplines our clients need to do business in Mozambique. We excel in corporate and commercial law, guiding clients through complex transactions and strategic business initiatives. We provide strategic and legal counsel on banking and foreign exchange regulations, ensuring compliance and facilitating seamless financial operations. In tax law, we offer sophisticated advice on tax structuring and efficient planning, tax compliance, including sector-specific tax advice for clients in mining, oil and gas, agriculture, industry and other sectors. Our litigation and arbitration expertise supplies robust representation, zealously safeguarding our clients' interests. Additionally, our proficiency in labor and immigration law supports clients in navigating related issues and regulatory compliance, including labor audits and strategic workforce management.

Navigating regulatory compliance is crucial for businesses operating in Mozambique. How does SAL & Caldeira assist its clients in staying compliant with local laws and regulations?

At SAL & Caldeira Advogados, we are committed to assisting clients proactively to navigate Mozam-

bique's regulatory landscape. We provide strategic guidance on regulatory compliance across various domains, including taxation, labor, and corporate governance. We ensure that clients remain abreast of regulatory developments, mitigate compliance risks, and optimize operational efficiency. We carry out pre-emptive, comprehensive and custom-made legal audits and provide tailored solutions to address regulatory challenges. We contribute to legal reform—often participating in drafting proposed legislation—track legislation, and produce both "flashes" and more analytical content to keep our lawyers and clients abreast of legal developments.

The legal industry is being transformed by technology. How is SAL & Caldeira leveraging technological advancements to enhance its services and improve client experience?

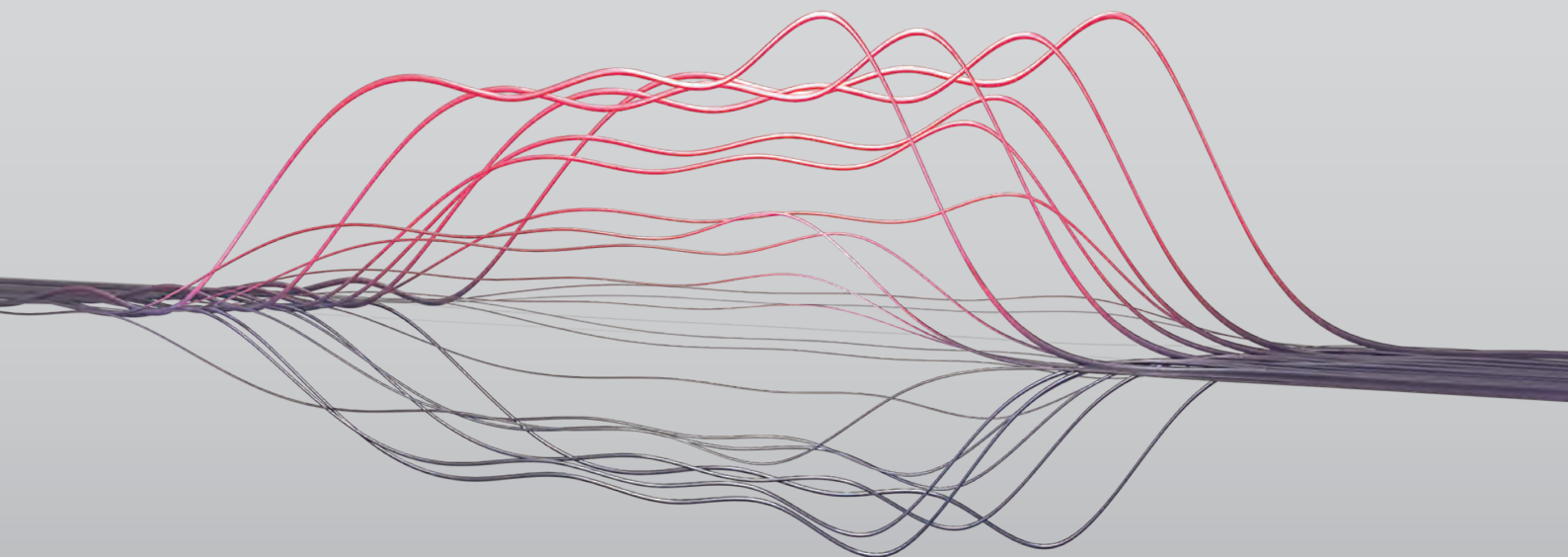
At SAL & Caldeira Advogados, we recognize that the legal industry is undergoing a transformative shift propelled by technological advances. Embracing these innovations, we have strategically integrated technology into our operations to enhance service delivery and improve clients' experience. We have implemented advanced digital platforms and innovative tools that streamline legal processes from case management to document automation. This digital transformation enables us to optimize workflow efficiency, reduce turnaround times, enhance accuracy in legal documentation and reduce costs. Technology plays a pivotal role in facilitating safe and efficient communication with our clients. Through secure digital channels and virtual meeting platforms, we ensure seamless collaboration and real-time updates on case progress. We prioritize data security and confidentiality in all client interactions. Robust cybersecurity measures safeguard sensitive information, ensuring compliance with regulatory standards and maintaining client trust. Our commitment to protecting client data underscores our dedication to integrity and professionalism. Looking ahead, we are committed to leveraging technology as a catalyst for future growth and innovation. Our strategic focus includes further enhancing digital capabilities and integrating emerging technologies for enhanced legal insights and efficiency. ✖

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INTERVIEW



Onório Ernesto Manuel Boane
GENERAL DIRECTOR,
MOZPARKS

BIO
Onório Ernesto Manuel Boane is the general director of MozParks Holding. Previously, he held the role of deputy general director and infrastructure development director. Before joining MozParks, he was with the Club of Mozambique Lda as manager of the real estate portfolio of the group companies, a property consultant at PAM Golding Properties, and EOD instructor for Mozambican police officers in the National Mine Action Authority (IND). Boane holds a master's degree in project management, an MBA from ISG and a degree in business management from Eduardo Mondlane University.

What have been the main developments at MozParks in the last few years?

We have undergone significant changes in that time, particularly in terms of our organizational strategy. We transitioned from Beluluane Industrial Park to MozParks to align with our company's expansion strategy, inspired by the success of our project in Maputo. This project, Beluluane Industrial Park, is Mozambique's first and largest industrial park to date. Building on this success, the Mozambican government tasked MozParks with replicating this model nationwide. In 2021, we initiated an expansion plan, starting with the development of a similar park in Nampula alongside the Kenmare Heavy Sand Project. Construction began in 2022, and the park opened in September that same year. Our focus with the Topuito Industrial Park is to establish a value

chain for the Kenmare project, which has been operating since 2007. The primary aim was to stimulate community development, generate jobs in Topuito area and Nampula, and provide income to the government by relocating suppliers closer to the project and reducing imported goods. To achieve this, we are encouraging investors to establish their operations in Topuito. The park, approved as an industrial-free zone by the government of Mozambique, offers tax exemptions to enhance competitiveness for investors. We continued our dream of industrializing Mozambique with a demand-driven strategy. Among other projects, we constructed the Beluluane Industrial Park in Maputo and Topuito Industrial Park in Nampula. We launched the first Cabo Delgado Parks project, Afungi Industrial Park, in May 2023, which is linked to the LNG project. This is part of a broader initiative, Cabo Delgado Parks (CD Parks), encompassing five projects across the province. Cabo Delgado is rich with diverse major projects. Within the Cabo Delgado Parks initiative, our top priority is the Afungi project, where construction began in May. We are currently focusing on basic infrastructure while awaiting TotalEnergies' first merger to accelerate construction. ✘



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African Union Organization Avenue (OUA), No. 121 Maputo, Mozambique

+258 84 3233 534 info@mz.g4s.com

KEEPING *a close watch*

Helder dos Santos
MANAGING DIRECTOR,
G4S MOZAMBIQUE



G4S has been recognized for its success in Mozambique for the last 30 years by taking an approach that integrates technology with traditional security methods.

G4S is recognized globally as a leading security company. Can you elaborate on the significance of the Mozambican market within the broader context of G4S' international operations?

G4S Mozambique is part of the Allied Universal Group, with representation worldwide, particularly after the G4S International takeover. We have been in Mozambique for over 30 years, forming part of a southern African cluster. Besides South Africa, Mozambique is one of the largest markets for G4S in Africa, alongside the DRC and Kenya. We employ nearly 9,000 people, impacting around 45,000 lives when considering the multiplier effect on families. Our presence spans the entire country, operating in every province and most districts.

Given Mozambique's unique security landscape, can you provide an analysis of the primary security challenges and how G4S is addressing them?

Security in Mozambique can be analyzed on two levels. The first is the insurgency in the north, which is a specific and ongoing issue requiring unique solutions involving the armed forces. The second level concerns overall security across the country, which is challenged by high unemployment and a young population. With around 50% of the population below 16 years old and unemployment likely above 30%, social stability is hard to achieve. The insurgency impacts the economy by deterring foreign investment, which in turn exacerbates crime due to a lack of employment opportunities. Non-compliance with labor law, health and safety principles and the voluntary principles on safety and human rights (VPSHR) across the industry is a major concern. Despite there being over 600 security companies in Mozambique, less than a handful comply with legislation, such as minimum wage and fair labor practices. The vast majority of security companies overwork and underpay their security officers, leading to issues like forced overtime and lack of social security, amounting to what is essentially slave labor. This is not only stated by ourselves but other bodies including labor unions. This unethical behavior makes it challenging for compliant companies like G4S to compete and it is, therefore, vital for companies, particularly multinationals, with whom we partner to conduct a thorough due diligence to ensure fair labor practices

and compliance with the law.

Balancing security challenges with the economic opportunities in Mozambique is crucial. How does G4S navigate this dynamic to create value for its clients?

Mozambique is rich in resources, and many sectors are growing rapidly. This in turn entices companies to be present in Mozambique while at the same time new projects and prospects for growth attract many other companies. In this sense, partnering with the right security company is crucial. We provide value through innovative and integrated security solutions.

G4S is known for its innovative approach to security. What cutting-edge solutions are you introducing to the Mozambican market, and how do they improve security and cost-efficiency?

Our approach to innovation includes integrating technology with traditional security methods. We are investing in AI-driven cameras that monitor driver behavior and remote monitoring systems like drones, which are used in sectors like mining, agriculture, and energy. Drones not only enhance security but also provide opportunities for staff development, such as training drone pilots, thereby uplifting their earning potential. Additionally, we have intelligent safes that streamline cash management, providing liquidity benefits to retail chains by making cash available in their bank accounts immediately.

How does G4S educate and support companies looking to invest in Mozambique to ensure their operations remain secure?

Multinationals often recognize the G4S brand, making it easier for us to connect with them. For local companies, we focus on building relationships at the C-suite level, demonstrating how our services can enhance their core business operations. We highlight the benefits of security solutions, such as reducing operational losses through technologies like remote camera monitoring, K9 operations, and drone surveillance amongst many other solutions. Educating companies involves showing them how integrated security solutions can cut costs and improve productivity, thereby allowing them to focus on their core business, which security underpins. ✘

30

years in
Mozambique

9,000

local hires

Solutions such as AI, drone, K9, technology, and risk consulting

BIO

Helder dos Santos, a Chartered Accountant (CA(SA)) since 2000, is a seasoned financial and executive leader with extensive experience across Mozambique and beyond. Fluent in English, Portuguese, and Afrikaans, he holds multiple qualifications, including a commerce master's and executive training from Duke University. He currently serves as Managing Director at G4S in Mozambique, driving transformative growth, digitalization, and performance culture. With a career spanning key roles at Barclays, BANCABC, and PwC, his expertise includes leadership in finance, strategic management, business turnarounds, and regulatory negotiations. He is also a non-executive director at Indico Seguros.

INTERVIEW

COMMITMENT *to excellence*

Mazars continues to steadily expand its client portfolio in Mozambique while maintaining a strong market position and focusing on employee development and training.

Dipak Lalgi
COUNTRY MANAGING PARTNER AUDIT AND ASSURANCE,
MAZARS MOZAMBIQUE



How has Mazars evolved in Mozambique since its establishment in 2015?

Since its inception, Mazars' client portfolio has been steadily growing. Currently, Mazars holds a strong market position, closely following the Big Four and Big Five firms. Mazars ranks among the top 10 globally and sixth within the country. Recently, Mazars expanded its focus to include the banking and insurance sectors. Winning auditing contracts with major banks like Moza Bank and other financial institutions has been a significant achievement. Moza Bank, now in its second year with Mazars, has expressed satisfaction with the quality of services, compared to larger firms in the market. This client feedback is highly valuable to Mazars and underscores its commitment to excellence. Expanding into the banking sector in Africa not only benefits Mazars revenue growth at the country level, but also enhances Mazars' global presence.

What other industries is Mazars focused on in Mozambique?

We began by serving small entities, gradually gaining experience and expanding our knowledge of various markets. Over time, we diversified our services to include audit, accounting and consultancy in construction consumer, energy, infrastructure and environment, financial services, healthcare and life sciences, industrials, public and social sector, real estate, technology, media and telecommunications, transport and logistics, and so on. Today, we can confidently say that we have expertise across all sectors.

How does Mazars' presence in Mozambique align with its extensive global network?

Mazars in Mozambique began nine years ago, so although it is not a large company locally, we are part of a global network present in over 100 countries, with a significant footprint in Africa, spanning more than 25 countries. Globally, Mazars

employs more than 50,000 professionals—33,000-plus in Mazars' integrated partnership and 17,000-plus via the Mazars North America Alliance—to assist clients of all sizes at every stage in their development.

What challenges has Mazars faced since its establishment in Mozambique?

Mazars' challenge in Mozambique includes developing the personnel, with a focus on enhancing their technical skills, capacity and retaining top talent. The majority of our employees receive mandatory training from the Mazars Group, supplemented by internal training programs aimed at continually improving their skills and capabilities.

How is Mazars employing technology to improve workplace efficiency and sustainability practices?

We strive to embrace the potential brought by the latest technological breakthroughs to always better serve our clients and enhance our teams' productivity. Our league of 10+ tech hubs around the world comprises teams that have the skills to apprehend new technology and explore the opportunities they bring for our clients and teams. Across our offerings, we develop tools that offer greater data analytics capabilities, provide deeper insights and assist decision-making, while allowing our teams to work collaboratively and concentrate on higher added-value tasks. Our focus on sustainability extends to offering consulting services to clients, capitalizing on emerging opportunities in this field. Already, some companies in South Africa have benefited from these services and there's growing demand within Mozambique to integrate sustainability reporting, particularly for European companies.

How do you envision the future of foreign investment in the country?

2024 presents challenges due to upcoming elections and disruptions in projects, particularly in the north; however, Mozambique holds immense potential to become a leading African nation. Despite current hurdles, the country's resilience and potential for growth remain promising. Mozambique is on a positive trajectory toward becoming a top destination for investors and realizing its full potential.

What are Mazars Mozambique's objectives and priorities for 2024?

We aim to strengthen our presence in Mozambique steadily, without overextending ourselves. Our approach is appreciated by the market, as we prioritize integrity, independence, and respect for clients. At Mazars, independence is a core value, allowing us to offer objective perspectives and maintain our integrity. We uphold diversity, responsibility, and technical excellence, always conducting our work with respect. ✖

BIO

Dipak Lalgi has 39 years of professional experience, including over 25 years in external audit (17 years at Ernst & Young and seven years at Mazars) and two years of experience in internal audit. He was appointed to his current role in 2017, before which he was director and a member of the board of financial and logistics of Ribemoz SA and Grupo NEF. His earlier roles include founding the corporate internal audit department of the INSITEC Group, financial and executive director at CETA - Engenharia e Construção, SA in 2011-2012, and coordinating administrator for the restructuring of the accounting and financial area and other professional areas at CETA, among positions. Lalgi is a certified auditor, a member of the Association of Licensed Certified Charter Accountants, and a member of the Mozambican Association of Internal Auditors Certified Accountants.

TBY ANALYTICS *Mozambique 2024*

127 interviews were conducted for *The Business Year: Mozambique 2024 Analytics*.

BUSINESS CONFIDENCE INDEX

How confident are you about the outlook for business in Mozambique this year (1-5)?

3.6

AVERAGE
RATING

SECTORS TO WATCH



ADVANTAGES & CHALLENGES

What are the most commonly mentioned advantages and challenges of doing business in Mozambique?

ADVANTAGES

- Abundant natural resources
- Strategic location
- Growing consumer market
- Government incentives
- Economic reforms
- Infrastructure development
- Favorable trade agreements
- Agricultural potential
- Tourism opportunities
- Young workforce

CHALLENGES

- Some infrastructure deficiencies
- Regulatory red tape
- Corruption
- Political instability
- Access to finance
- Skilled labor shortage
- High costs of doing business
- Logistics and supply chain issues
- Legal and contract enforcement issues
- Weaknesses in health and education systems

FORUM

Consultancy

Consultancy firms in Mozambique have grown over the years to feature more local teams offering a wide range of expertise to better support clients and benefit local communities.



Vicente Siteo
EXECUTIVE DIRECTOR,
SDO MOZAMBIQUE



Santiago Herranz
CEO & SENIOR PARTNER,
TEMPUS GLOBAL GROUP



Inês Trindade
COO,
ALDELIA GROUP



João Machado
CEO & MANAGING
PARTNER,
DELOITTE

SDO MOZAMBIQUE has grown by more than 40% in the last few years, most notably in terms of its staff. From about seven consultants a few years ago, we now have 16 consultants plus one external consultant. Businesswise, we have also consolidated further by entering into areas that we did not operate in before, such as outsourcing services and general human resources consultancy. We are currently one of the major players in Mozambique, with a solid portfolio of clients. We have earned the trust and confidence of clients, with many coming back to renew their contracts. In 2023, we had 24% success rate on all proposals we delivered to clients, which is a solid figure for our sector. In 2024, we hope to continue growing further. One of our motivations for expansion was pandemic given that during that period, few companies were requesting HR services or recruitment. We are extremely strong in those areas, including training and development, and position ourselves as strategic human resources service providers.

TEMPUS GLOBAL GROUP is a one-stop shop for human resources managers of local, national, and international companies. We make sure human resources departments receive sufficient information to make good decisions and provide extensive information related to the current situation of the employment market and major trends. We currently organize the country's first Employee Benefits and Human Capital Survey. Tempus Global Group has been running this initiative for three years with a higher participation of 30 new companies annually. When we started in 2021, we were at 140 companies, but now we have over 210 companies participating in this survey. We gather the feedback and benchmark each of the companies against the market and their own sector based on five pillars: compensation and benefits, career, work environment, culture, and work-life balance. That gives them a clear picture of their position against the market, which enables them to formulate a strategy to change their behavior and strategies to attract and retain talent.

ALDELIA is a Franco-British company that offers recruitment services. It started particularly for the IT sector, though due to our success, we also diversified into other sectors. We became support for European companies wanting to settle and expand into African markets, Latin America, and the Middle East. Aldelia is a global company with local teams and an understanding of the local frameworks, both in terms of taxation and legislation. Africa remains our strategic market, with approximately 30 offices serving our partners in sectors such as oil and gas, energy sector, mining, telecommunications, banking, FMCG, and agribusiness. Within the HR scope, Aldelia focuses on recruitments across all levels, from executive search all the way to mid-level positions and unskilled as well, when the projects so require. In addition, our solutions include outsourcing of manpower, payroll solutions, recruitment process outsourcing, immigration services, as well as digital solutions that we have designed to address specific areas in specific sectors within specific regions.

DELOITTE IN MOZAMBIQUE has been investing in digital capabilities, helping our clients to address challenges and make the most of opportunities raised by disruptive technologies, exponentially enhancing productivity and accelerating the pace of business innovation. We have also been supporting our clients in terms of not only making sure their investments in the country are happening where they need to, but also that they benefit local communities, though our unique skills that help our clients to create shared values and social impact, while having a strong business outcome. We have been investing in the country for more than 28 years, building local skills, not only technically, but also in management and leadership. We have heavily invested in upskilling our 140 people—of which only three are foreigners—which ultimately gives back to society. Our strategy is to take advantage of our deep knowledge, our thought leadership and relevant experience in the main projects in Mozambique to support our clients to achieve their goals.



Quintino Cotão
COUNTRY MANAGING PARTNER,
KPMG



Patricia Quirino
PARTNER,
PWC

ACCOUNTANCY

KPMG and PwC provide a wide range of advisory services to support foreign investment and local businesses in Mozambique, leveraging their international expertise in sectors like banking, oil and gas, and agriculture.

What services do you offer to clients in Mozambique?

QUINTINO COTÃO: KPMG was the first of the Big Four to establish a presence in Mozambique 34 years ago. We provide auditing, accounting, tax consultancy, and general management consultancy services. Although information in the market is at times hard to come by, we believe KPMG is the largest of the Big Four companies in terms of revenue, sales volume, and number of employees. We have a well-established presence in the market, serving both the public sector, with many government projects, as well as institutions, public companies, and the private sector, where we are strongest. We mainly support foreign investment because Mozambique's economy is primarily composed of micro, small, and medium-sized enterprises, with few large companies. We primarily work with companies of a certain size, especially those with significant foreign investment. We leverage our worldwide network of clients and other international companies that, while not our clients globally, want to work with a reputable firm like KPMG in Mozambique. From the beginning, we assist in the establishment of these companies, managing their records, tax accounting, and later, auditing or consultancy. We support them at every stage with a comprehensive range

of services, acting as a one-stop shop and growing alongside our clients.

PATRICIA QUIRINO: PwC started operating in Mozambique more than 30 years ago and has established itself as the market leader both in audit and tax services. In the last few years, we have grown tremendously in advisory, technology, mergers and acquisitions, cybersecurity, sustainability services, tax advisory and compliance, and legal services, with a strong presence in the banking and oil and gas sectors. We anchor our business on an international network of expertise and are simultaneously fully committed to support the growth of local talent. In order to remain well integrated within our international network, we adopted rigorous systems and processes to ensure prompt insights sharing (e.g., real-time information sharing across jurisdictions) and that we met all quality standards to which the firm is worldwide committed to, with relevance to our audit services. We have also been establishing new and reinforced alliances at international level with players such as SAP, Microsoft and Salesforce, allowing to combine their IT capabilities/infrastructures with our knowledge about business needs and the market itself. Simultaneously, we are also strongly committed in continuing to grow our own specialized technological teams. PwC intends to be

the biggest demonstrator of how technology can support clients' businesses and be a catalyzer of progress.

What opportunities do you see for future investors?

QC: Looking at the GDP figures for the last few years, the sector growing the most is the extractive industries, including gas and heavy sands exploitation. Traditional sectors, which generate more jobs and income for the population, follow. The basis of the economy is still agriculture, with most of the population engaged in farming. This sector has significant potential but requires substantial investment. Investing and doing business in agriculture is challenging due to the need for efficient infrastructure, such as access roads and energy. Transporting products from the countryside to markets or ports for export is not easy. The government needs to address these infrastructure issues, as investors alone cannot handle this work. Nonetheless, there is considerable potential in agribusiness. Additionally, training and development of human resources are crucial. Today, more young Mozambicans have higher education. Students who train at KPMG enhance their university education, acquiring new knowledge before entering the job market. Our company acts like a second university.

What are some of the unique challenges facing businesses in Mozambique?

PQ: One of the key challenges is climate change, as Mozambique has been hit with cyclones with growing frequency. This ultimately affects supply chains in the country and directly impacts the population. Another major issue is public security that led to the suspension of two major LNG projects in the north of the country due to force majeure. Mozambique possesses natural gas reserves to be a major market player as Qatar is, but needs stability and security to have a jumpstart growth. On the positive side, Mozambique has a modern legal framework across tax, exchange control, labor, commercial, mining, and oil and gas. These areas are specifically regulated, with extensive support of the IMF and the World Bank. This gives investors a great deal of confidence. PwC is strongly committed to be a reliable and knowledgeable advisor, not only to all Mozambican public and private entities, but also to external stakeholders (investors and financiers), supporting the achievement of common goals, including the deployment of structural projects. ✖



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the end of the free
preview.**

Do you want to keep reading? Get the full
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Or contact us at:
info@thebusinessyear.com

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