




MARKET BRIEF: MOZAMBIQUE



1.0 BASIC FACTS

<p>Location</p> <p>Mozambique is located east of Zambia and shares borders with Eastern and Lusaka Provinces of Zambia</p> 	<p>Size</p> <p>799 380 km² (308,642 sq mi), (About 1.09 times the size of Zambia)</p>
	<p>Population (World Bank, 2020)</p> <p>Total - 32.16 Million</p> <p>Major Towns</p> <ul style="list-style-type: none"> ○ Maputo - 1,191,613 ○ Matola - 675,422 ○ Beira - 530,604 ○ Nampula - 388,526
	<p>Provinces Bordering Zambia</p> <ul style="list-style-type: none"> ○ Tete - 307.33 thousand
	<p>Annual Population growth</p> <p>2.9% (World Bank, 2021)</p>
	<p>Official Language(s)</p> <p>Portuguese (Other Languages - English and several indigenous languages including Makhuwa)</p>

2.0 ECONOMY

GDP (current US\$)	16.1 billion (World Bank, 2021)
GDP Growth (annual)	2.2% (World Bank, 2021)
GDP per Capita (current US\$)	500.4 (World Bank, 2021)
GDP Composition by Sector (UN data, 2021)	Services and other activity - 44.9 %
	Agriculture - 29.3%

	Industry – 25.7%
Annual inflation rate (<i>National Bank of Mozambique, 2021</i>)	12.1%
Currency:	Mozambican Metical (MZN) (100 Centavos)
Exchange Rate	Average: 63.88 MZN/1USD

3.0 TRADE

3.1 Mozambique's Trade with the World

3.1.1 Main Export Markets and Source Markets

The table below highlights the main source markets supplying for products imported by Mozambique and the main export market for products exported by Mozambique in 2021. Zambia ranked 42nd and 17th as a source and export market, respectively.

Unit: US Dollar thousand

Source Markets				Export Markets			
No.	Exporters	Imported value in 2021	Trade Balance in 2021	No.	Partners	Exported value in 2021	Trade Balance in 2021
1	South Africa	2,252,486	-1,397,244	1	South Africa	855,242	-1,397,244
2	China	946,363	-456,936	2	India	803,155	63,404
3	India	739,751	63,404	3	Netherlands	561,582	506,878
4	United Arab Emirates	716,751	-643,571	4	China	489,427	-456,936
5	Singapore	532,433	-381,898	5	United Kingdom	372,258	224,959
6	Portugal	302,880	-275,876	6	Zimbabwe	211,106	184,736
7	Malaysia	250,248	-214,602	7	Korea, Republic of	193,303	147,944
8	United States of America	240,838	-138,500	8	Singapore	150,535	-381,898
9	Japan	230,299	-138,597	9	Italy	134,883	66,231
10	France	205,941	-192,095	10	Spain	105,625	69,463
11	United Kingdom	147,299	224,959	11	United States of America	102,338	-138,500
12	Pakistan	105,706	-62,243	12	Poland	100,215	67,655
13	Thailand	105,563	-64,704	13	Japan	91,702	-138,597
14	Saudi Arabia	99,078	-96,634	14	Belgium	80,061	29,572
15	Australia	94,505	-93,597	15	Hong Kong, China	74,852	-7,480
42	<i>Zambia</i>	<i>24,607</i>	<i>29,165</i>	17	<i>Zambia</i>	<i>53,772</i>	<i>29,165</i>

3.1.2 Main Export and Import Products

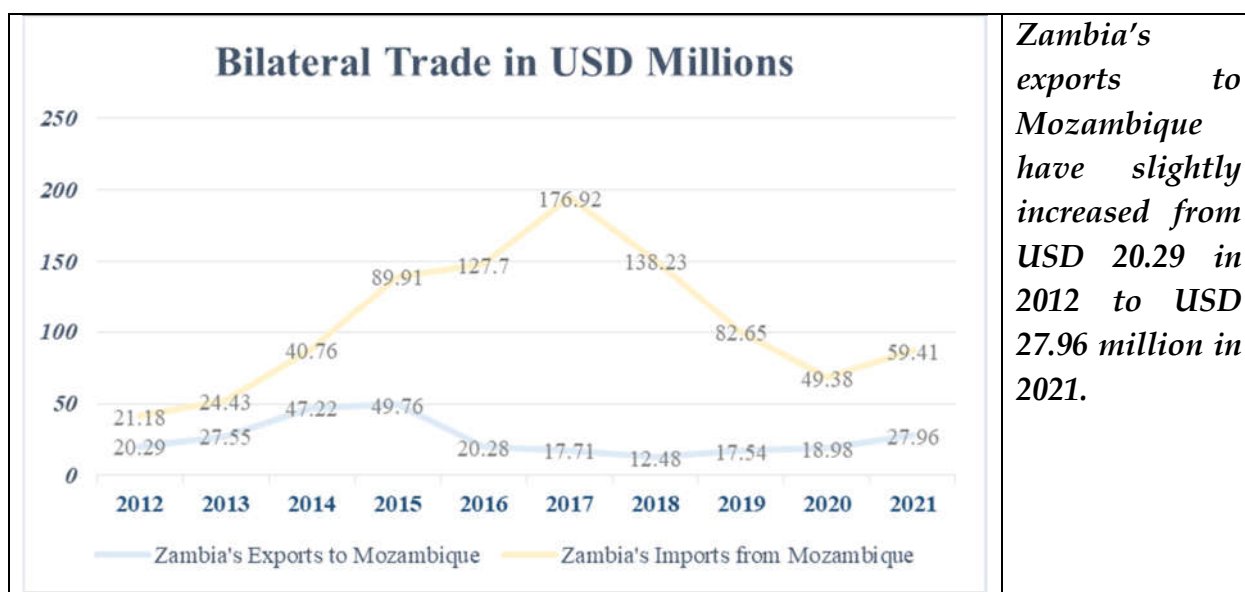
The table below highlights Mozambique's top fifteen (15) import products from the world and top fifteen (15) export products to the world based on 2021 trade statistics. The table also highlights the trade balances for each of the products listed.

Unit: US Dollar thousand

Main Imported Products from the World in 2021				Main Exported Products to the World in 2021			
No.	Product Label	Imported value	Trade Balance	No.	Product Label	Exported value	Trade Balance
1	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral . . .	1,458,491	742,496	1	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral . . .	2,200,987	742,496
2	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	818,372	-788,341	2	Aluminium and articles thereof	1,128,321	1,076,733
3	Cereals	676,219	-671,662	3	Ores, slag and ash	433,418	413,461
4	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	610,290	-598,445	4	Edible vegetables and certain roots and tubers	155,057	100,315
5	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television . . .	521,652	-518,959	5	Tobacco and manufactured tobacco substitutes	144,831	133,295
6	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal . . .	426,172	-387,615	6	Edible fruit and nuts; peel of citrus fruit or melons	118,625	109,818
7	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, . . .	376,612	-375,759	7	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal . . .	116,206	71,778
8	Pharmaceutical products	306,623	-306,529	8	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad . . .	108,253	108,095
9	Articles of iron or steel	293,072	-268,606	9	Sugars and sugar confectionery	90,868	78,266
10	Iron and steel	244,261	-214,099	10	Salt; sulphur; earths and stone; plastering materials, lime and cement	89,633	-10,775
11	Plastics and articles thereof	219,231	-216,044	11	Fertilisers	68,720	-54,805
12	Miscellaneous articles of base metal	159,120	-159,014	12	Fish and crustaceans, molluscs and other aquatic invertebrates	57,118	-39,794
13	Miscellaneous chemical products	150,066	-146,403	13	Wood and articles of wood; wood charcoal	53,489	-1,321
14	Fertilisers	123,525	-54,805	14	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles . . .	42,516	41,797
15	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical . . .	104,312	-101,312	15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal . . .	38,557	-387,615

3.2 Mozambique's Trade with Zambia

3.2.1 Bilateral Trade between Zambia and Mozambique



3.2.2 Top Export Products

The table below highlights Zambia's top ten export products to Mozambique in 2021.

No.	Product Label	Value in 2021, USD thousand	Annual growth in value between 2017-2021, %, p.a.	Share in Zambia's exports, %
1	Iron and steel	9,639	26	4
2	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere . . .	5,437	33	12
3	Sugars and sugar confectionery	1,645	-22	1
4	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, . . .	1,476	-	2
5	Cereals	1,378	99	3
6	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral . . .	1,194	11	1
7	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	1,063	1	1
8	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	872	20	3
9	Tobacco and manufactured tobacco substitutes	772	-	1
10	Articles of iron or steel	555	12	1

3.2.3 Top Import Products

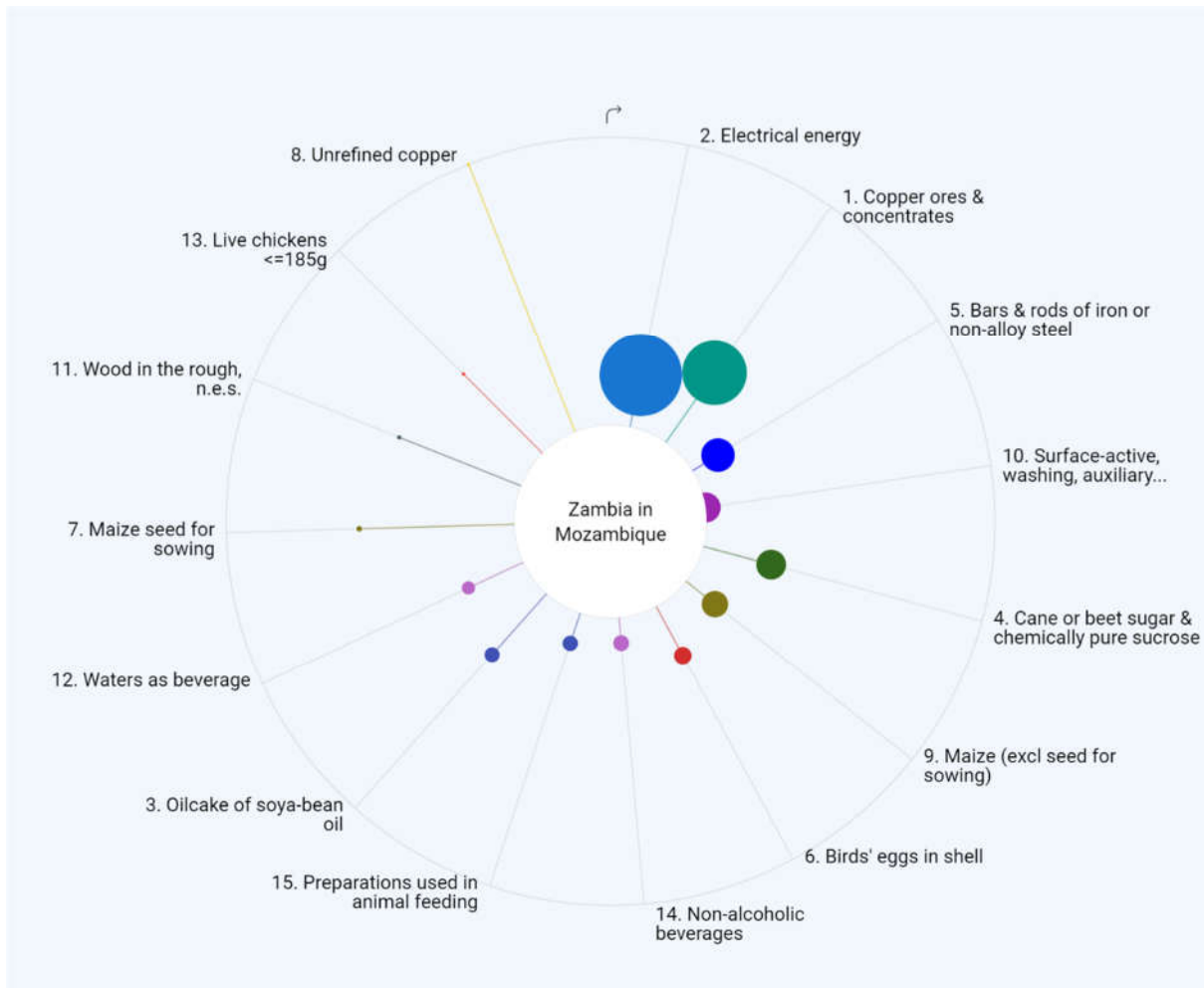
The table below highlights Zambia's top ten import products to Mozambique in 2021.

No.	Product Label	Value in 2021, USD thousand	Annual growth in value between 2017-2021, %, p.a.	Share in Zambia's imports, %
1	Fertilisers	39,918	-34	9
2	Cereals	9,726	52	22
3	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal . . .	2,747	129	2
4	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral . . .	1,887	-29	-
5	Preparations of cereals, flour, starch or milk; pastrycooks' products	1,422	18	4
6	Fish and crustaceans, molluscs and other aquatic invertebrates	811	26	1
7	Other made-up textile articles; sets; worn clothing and worn textile articles; rags	624	217	1
8	Aluminium and articles thereof	624	-42	1
9	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	500	13	-
10	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	397	-9	-

3.2.4 Trade Diversification Potential

The products with greatest export potential from Zambia to Mozambique are Copper Ores and Concentrates, Electrical Energy and Oil Cake of Soya Bean Oil. Electrical Energy is the product that faces the strongest demand potential in Mozambique.

The diagram below depicts the top 15 products with the greatest potential for export to Mozambique and have been ranked by order of demand potential in Mozambique.



3.3 Trade Regulations and Standards Institutions

INNOQ (National Institute for Normalization and Standards), in cooperation with the Ministry of Health and the Ministry of Industry and Commerce, is the entity responsible for overall standards issues in Mozambique. INNOQ is a member of the International Standards Organization (ISO) and can issue ISO 9001 certificates. They are the inspection body in charge of ensuring proper conduct by the private sector through the promotion of standardization and quality in the manufacturing of products and the performance of services; and cooperation with regional and international organizations working in the fields of standardization and quality. INNOQ will accept foreign laboratory tests as long as they comply with Mozambican standards.

4.0 COMMON TRADE AGREEMENTS/MEMBERSHIP TO REGIONAL AND MULTILATERAL TRADE ARRANGEMENTS

4.1 World Trade Organisation

Mozambique has been a member of World Trade Organisation (WTO) since 26th August 1995 and a member of GATT since 27th July 1992. As a member of the WTO, Mozambique is obliged to grant the same treatment to goods imported from other WTO member states, Zambia inclusive, under the Most-Favoured-Nation (MFN) principle of the WTO. Mozambique is also obliged to give the same treatment granted to its local products to goods imported from Zambia (and other WTO members) once the Zambian products have entered the Mozambican borders in line with the national treatment principle of the WTO.

Further, according to the World Trade Organization (WTO), while the Most Favoured Nation (MFN) bound tariffs simple average for all goods imported into Mozambique stood at 97.7%, the applied MFN tariffs for 2021 were at a simple average of 4.1%. This entails that imports from Zambia into Mozambique on average do not face very stringent tariffs on entry into that country.

4.2 Southern African Development Community

Mozambique and Zambia have both ratified the Southern African Development Community (SADC) Protocol, an agreement between SADC member states to reduce customs duties and other barriers to trade on imported products among SADC member states. This implies liberalised trade through mutually beneficial trade arrangements between the two countries such as duty-free access for local production.

5.0 USEFUL CONTACTS

<p>Embassy of the Republic of Zambia in Mozambique</p> <p>Ambassador Avenida Kenneth Kaunda 1286, RO. Box 4655, Maputo</p> <p>Tel: + 258-2-1-492452/493292 High Commissioner: +258-2-1-491332 Email: zhcmmap@zebra.uem.mz</p>	<p>Câmara de Comércio de Moçambique (Mozambique Chamber of Commerce)</p> <p>Website: https://ccmoz.org.mz/</p> <p>Address: Rua Mateus Sansão Muthemba, n° 452 - Maputo, Mozambique</p> <p>Tel.: +258 21 491 970 Email: info@ccmoz.org.mz</p>
<p>Import and Export Promotion Agency (APIEX Mozambique)</p> <p>No. 2539 Av. Ahmed Sekou Touré, Maputo</p> <p>Tel: +258 823 056 432 Email: info.apiex@apiex.gov.mz www.apiex.gov.mz</p>	<p>High Commission of the Republic of Mozambique to Zambia</p> <p>Address: Plot 9592 Kwacha Road Northmead, P.O. Box 34877, Lusaka.</p> <p>Tel.: +260 211 220339</p>