

BACKGROUND OF THE PROJECT

The Government of the Republic of Mozambique places great importance on promoting national and foreign direct investment. This is clearly indicated as one of the priority strategic objectives in the government's 5-year Development Plan (2015-2019).

The aggregate amount of general direct investment excluding SEZs/IFZs approved during a period of 2012 - 2016 reached USD 17.4 billion while that of SEZs and IFZs ran into USD 2.8 billion. In order to respond to the increasing investment, further improvement of APIEX's services was deemed necessary. To meet such needs, Mozambique and Japan agreed on the implementation of a technical assistance project by the latter.

In March, 2016, the Japan International Cooperation Agency (JICA), primary governmental agency responsible for technical cooperation of Japanese ODA, launched "Project for Enhancing Investment Promotion and Facilitation" by sending a team of experts to engage in the capacity development of APIEX.

INSTITUTIONS INVOLVED IN PEPPI

The implementation of PEPPI is ensured by a set of specialised institutions, as shown below:

- 1| Investment and Exports Promotion Agency (APIEX)
- 2| Zambeze Valley Development Agency (AdZ)
- 3| Agricultural Development Fund (FDA)
- 4| Mozambique Tourism Authority (INATUR)
- 5| Directorate for Support to Private Sector
- 6| Mozambique Revenue Authority (AT)
- 7| National Hydrocarbons Company (ENH)
- 8| National Petroleum Institute (INP)
- 9| Institute for Promotion of Small and Medium Enterprises (IPEME)
- 10| National Institute for Quality Standardisation (INNOQ)
- 11| National Institute of Employment & Professional Training & Labor Studies (IFPLAC)
- 12| Confederation of Economic Associations of Mozambique (CTA)



JICA Project for Enhancing Capacity of Investment Promotion and Facilitation

IN THE REPUBLIC OF MOZAMBIQUE



CONTACT INFORMATION OF JICA PROJECT TEAM

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ISSUES CONFRONTING MOZAMBIQUE

Investment Trends

Mozambique has seen an upward trend in the influx of largescale investment projects (mega projects) since the mid-1990s. Investment trends in recent years, however, suggest an increase in non-mega projects. This highlights the increasing importance of APIEX's performance, which is the main promoter of non-mega investment projects.

Business Environment

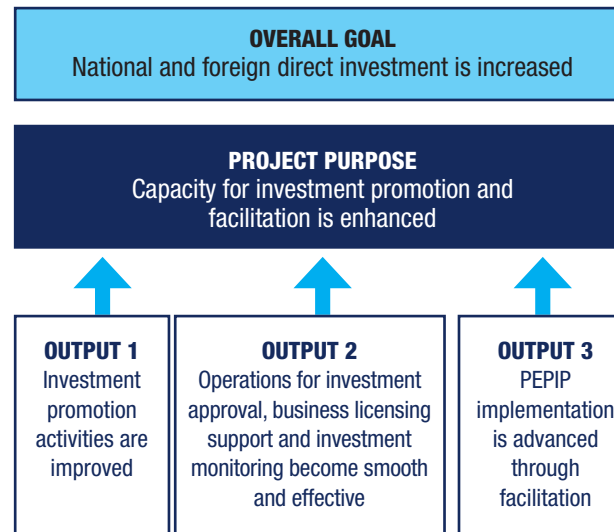
The World Bank's Doing Business Index 2017 ranked Mozambique at 137rd of 190 economies around the world and 12th among 47 sub-Saharan African countries included in the study. In order to improve the overall business environment of the country, investment facilitation in dealing with government authorities other than APIEX to ensure the smooth processing of issuing business licenses and permits also needs to be addressed as a high priority.

APIEX's Capacity Development

The increasing number of investment projects has put pressure on the Government of Mozambique to enhance the capacity of APIEX, a core government agency to lead investment and export promotion and facilitation. APIEX needs to be better resourced in terms of improved work processes, information management system and skilled human resources.

OBJECTIVE AND OUTPUTS OF THE PROJECT

The expected outputs of the Project are threefold as presented in the figure below.



SERVICES OFFERED BY APIEX

APIEX was created out of the merger of three institutions – Investment Promotion Centre (CPI), Office of Economic Zones for Accelerated Development (GAZEDA) and Institute for the Promotion of Exports (IPEX).

APIEX has the following mandates:

- To develop and implement actions aimed at promoting and managing processes for national and/or foreign private and public investments;
- To establish, develop and manage Special Economic Zones (SEZs) and Industrial Free Zones (IFZs);
- To promote the national export.

INVESTMENT PROMOTION STRATEGY (PEPIP)

PEPIP stands for National Strategy for Investment Promotion and aims to boost investment in Mozambique. PEPIP 2017-2019 is now under preparation. PEPIP prescribes a set of objectives and actions for the promotion and attraction of investment.

EXAMPLES OF INVESTMENTS

DESCRIPTION	YEAR	COUNTRY	SECTOR	VALUE
120 Megawatt Gas Power station	2016	South Africa/Mozambique	Energy	\$200Mil
290 Room Hotel	2016	China/Mozambique	Tourism	\$250Mil
Cement Factory Construction	2014	Brazil	Industry	\$120Mil
Farming algae, sorghum, various agriculture products	2014	South Africa	Agriculture	\$450Mil
Coal Terminal at Nacala Port	2012	Brazil	Infrastructure	\$773.9Mil
Coal Mine	2011	Brazil	Mining	\$170.6Mil
Aluminium Smelter	2001	Japan/Australia/South Africa	Manufacturing	\$900Mil

The 5 strategic pillars adopted in PEPIP:

- Improvement of the Business Environment
- Promotion of Capacity Building and Institutional Development
- Promotion and Development of National Entrepreneurship
- Identification of Target Markets for Investment Promotion
- Improvement and Diversification of Investment Opportunities

DATA OF INVESTMENT APPROVAL

