

Mozambique readying itself for growth in business and tourism

Mozambique is benefitting from the boost in tourism numbers to sub-Saharan African. According to the World Travel and Tourism Council's 2017 Economic Impact report on Mozambique, travel and tourism's total contribution to the GDP was MZN68.1bn (\$1.1bn), 9.3% of the GDP in 2016, and is forecast to rise by 4.7% in 2017 and 5.5% pa to MZN121.7bn (\$1.9bn), 7.7% of GDP, in 2027.



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Mozambique is waking up

Prompted by the strong potential Mozambique offers to both hotel investors and operators, HVS, the host of the upcoming THINC Africa conference, will include a specialist round table on Mozambique.

“Mozambique has had an incredibly tough time in recent years but is now waking up and readying itself for a big upturn in business over the next few years. It has some amazing beaches and a warm sea, which combined with growing commercial activities means it is becoming one of the most exciting African markets,” says Tim Smith, managing partner at HVS South Africa.

Accessibility is key

Accessibility is key to tourism development and air links to Mozambique from Africa include South African Airways at least three times daily from Johannesburg, Kenya Airways, Ethiopian Airlines and TAAG Angolan Airlines. Portuguese TAP and Turkish Airlines fly in from Europe and Qatar Airways flies in from the Middle East.

Mozambique instituted visas on arrival earlier this year and according to Abdulla Momade, head of investment at INATUR, the Mozambique Tourism Authority, this has increased the number of visa requests compared with previous years.

Improving the business environment

Momade, who is one of the specialist experts hosting the THINC Africa Mozambique Round Table, says that the Mozambique government has approved a regulation this year to facilitate the granting of entry visas to foreign nationals engaged in investment activities, thus contributing to improving the business climate. The approved document reduces the

minimum amount to grant the Investment Activity visa from \$50m to \$500,000.

The latest World Bank report ranks Mozambique at 136 out of 180 countries and Momade says the government is putting several initiatives in place to improve that. “In recent years the government approved two Strategies for the Improvement of Business Environment Mozambique. In the past few years, the country had improved on the Doing Business Index, but last year the country lost a few places because it did not introduce major changes in the easing of 'doing business measures',” he says.

Momade adds that the government, through a permanent dialogue with the private sector, has been introducing some reforms to ease doing business. These dialogues with private sectors are held twice a year with the prime minister and the president with a specific matrix of actions to be improved.

Excitement around oil and gas, improved roads and infrastructure

There is much excitement around the oil and gas industry that is expected to take off in 2019/20 and development is already underway in Rovuma basin. “Recently ENI and the Mozambique government signed all the drilling, construction and installation contracts for the production facilities, as well as agreements for the regulatory framework and financing of the Coral South project, Mozambique’s first offshore development. ” says Momade. “ENI and its Area 4 partners have signed an agreement with BP for the sale of the LNG produced for a period of more than 20 years.”

The Chinese and South Africans are improving roads and infrastructure in the country and further private/public infrastructure partnerships are underway with Brazil, South Korea, Japan, and Turkey.

Natural beauty

Mozambique’s natural beauty and landscape, including a 2,700km coastline of pristine tropical beaches with warm crystal blue sea, coral reefs and rich marine life make it an ideal destination for diving and snorkeling holidays.

Mozambique is home to two exotic tropical islands, Bazaruto and Quirimbas and is a culturally diverse mix of Arabic, Swahili, Portuguese and other African languages and cultures.

Mozambique is actively gearing up to increase tourism to the country and will host its own International Tourism Fair to be held 12-15 October.

Hotel investors, operators and owners looking to expand their business in Mozambique can join the Mozambique round table at the conference, and arrange to network with Abdulla Momade through the [THINC Africa Pitch and Match networking app](#).

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