

# A Platform for Growth

Mozambique has reached a stage in its economic development where demand for infrastructure services, combined with increased openness to international partnerships, is creating a whole range of new investment opportunities. Major projects under way range from water supply and transport infrastructure to tourism-related services, and many of them are now operated either directly by international players or in partnership with Mozambican agencies and companies.

Mozambique's fast-growing market for infrastructure services is increasingly open to foreign investment. The demand is there and, as Interior Minister José Pacheco points out: "Both physical infrastructure and service provision need to be improved in order to build on competitive advantages that, through a virtuous cycle, will then attract further investment.

"We need to improve our services," he says, "to expand and improve our road and water supply infrastructures, and to build further accommodation for tourists and business visitors coming to Mozambique." Yet, in contrast to many African countries, all the key infrastructure elements and support services are in place and are becoming steadily more sophisticated, especially in the cities and urban areas.

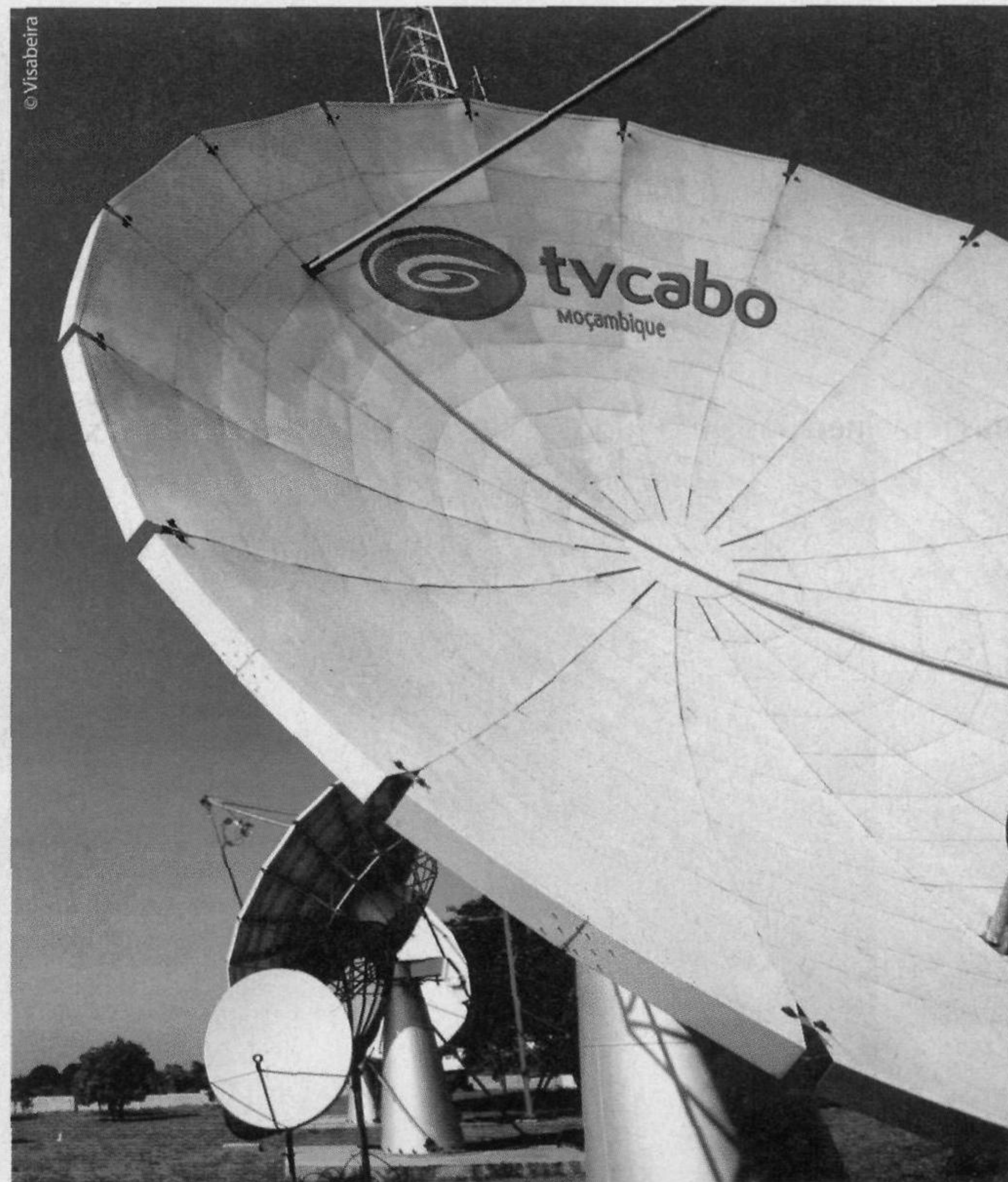
Telecommunications coverage is expanding fast with two mobile operators now competing in the country. The main priority, according to Transport and Communications Minister Antonio Munguambe, is to "reduce the digital divide" by extending fixed line and mobile coverage to rural areas. "Our target is to reach 85% of the population by 2009," he declares, "and these projects are under implementation."

An increasing number of services are now operated under concession by international companies, many of them Portuguese. A good example is Águas de Moçambique (AdM), part of Águas de Portugal, which won an international tender from the state water agency FIPAG to operate water supply in Maputo and Matola as well as fulfilling technical assistance contracts in four other cities.

"I think Águas de Portugal is committing a lot to this operation," says AdM's General Manager, Manuel Fernandes, "to develop our capacity to operate in Africa and make Mozambique a platform for expanding our business throughout the region."

Another major investor is Visabeira Moçambique, part of the broad-based Portuguese Visabeira Group of service companies, which has been active in Mozambique for nearly 15 years. During that time it has expanded its presence in Mozambique to cover a diversified range of activities ranging from TV and telecommunications (through local operators such as Tvcabo Moçambique, Televisa, and Sogitel) and rental and financing services, to industrial companies, real estate, hotels, and other tourism services, including restaurants and catering.

Much of this has been achieved by seeking local partnerships in strategic sectors, and adding value to local resources through technology transfer and by training up Mozambican personnel to internationally accepted standards.



**TV and telecommunications are expanding fast in Mozambique**

Finding qualified human resources is very much the focus of Select Vedior Mozambique, part of the leading international staffing services company Vedior NV which, like many other global companies, saw Mozambique's fast-developing economy as an opportunity to invest.

Mozambique's financial services have been opened up to international banks, to date mainly Portuguese or South African-based, and combined with an increasingly rigorous supervisory regime have contributed to a more robust financial system. Similarly, the adoption of International Financial Reporting Standards (IFRS) brings transparency and risk supervision fully in line with international standards.

A one-stop investment support service, the CPI (Investment Promotion Center), has been established to assist foreign companies with procedures and information concerning tax incentives and duty-free imports of capital goods. The CPI is likely to be in high demand in the coming months given the increasing international appetite for doing business in Mozambique. ■