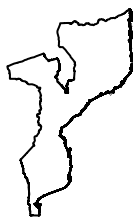


Characterization of foreign direct investment in Mozambique and implications for public health

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Introduction

Mozambique's recent economic growth has been facilitated by the government's open policy towards foreign investment, a plentiful supply of natural resources (particularly minerals and hydrocarbons) (Rogers, 2014) and relatively inexpensive labor. Improvements in health have accompanied economic expansion, but Mozambique still lags behind in basic health outcomes - particularly those related to malaria - even by regional standards (WHO, 2015). Though strong evidence shows that improved health yields substantial economic benefits (Brundtland, 1999, Bloom and Canning (2008)), private foreign investment has played only a secondary role in malaria prevention and control in recent years.

Most of the malaria-related private investment in recent years has come in large, "mega-projects" whose malaria abatement activities are well-publicized but difficult-to-reproduce (WHO, 2011) or whose primary aim is social impact (not profit) (Han, n.d.). However, the magnitude and kinds of recent foreign direct investment suggest the potential for a shift from a large-but-few to a small-but-numerous approach. This shift, if carried out effectively, could be a "win-win" for business and public health.

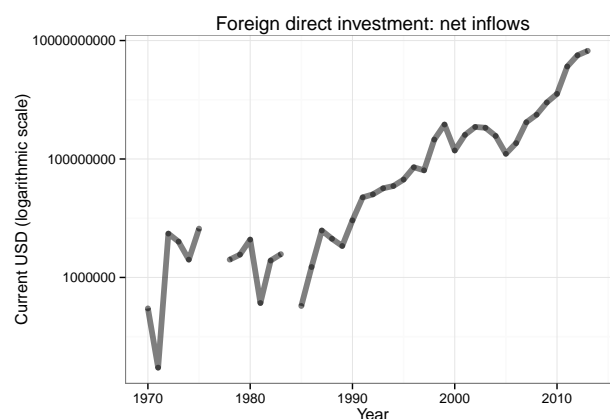
Given the rapidly changing economic and epidemiologic context in Mozambique, a comprehensive and current understanding of both (a) the landscape of foreign direct investment in Mozambique and (b) public health issues which directly affect those investments is sorely needed. Such an understanding may foster greater private interest in for-profit investment in public health measures. Likewise, it can facilitate better public sector understanding of potential industry partners and stakeholders, a prerequisite to

greater public-private collaborations.

This paper gives an overview of trends in foreign investment in Mozambique and their related public health issues. It is by no means comprehensive, but offers a consolidated starting point for understanding where the interests and incentives of the public and private sectors may converge.

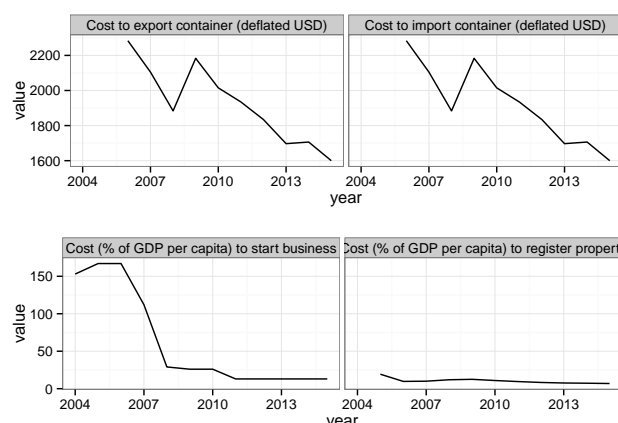
Macroeconomic overview

Following independence (1974), Mozambique saw two decades of low and unsteady foreign investment, largely due to the civil war (which did not end until 1992). Thereafter, foreign investment began a steady increase but leveled off by 2000. However, the discovery of new sources of oil and gas set off a new spur of investments beginning in 2007. From 2010 to 2013, foreign direct investment grew from 1.26 to 6.70 billion USD, a more than five-fold increase.

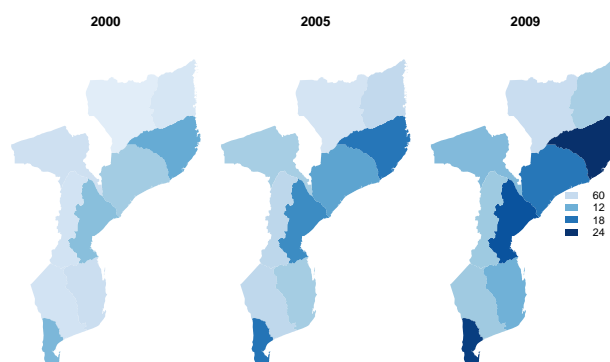


In addition to the discovery of new resources, re-

cent growth has also been fueled by political and economic reforms which have made it easier for foreigners to do business in Mozambique. Of particular note, inflation has remained relatively low, and the costs to import and export have decreased dramatically, as have the costs of starting a business and registering property.



Breakdown by region

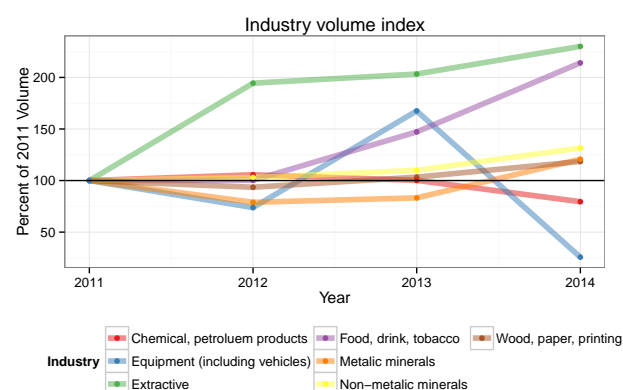


Current private investments in health

Potential for scaling-up collaboration

Bla bla bla(UNCTAD, 2012). Bla bla bla.

Breakdown by industry



References

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