

Assessment of The Evolution of the Business Environment in Mozambique 1996 – 2013

27 February 2014



Background to Study

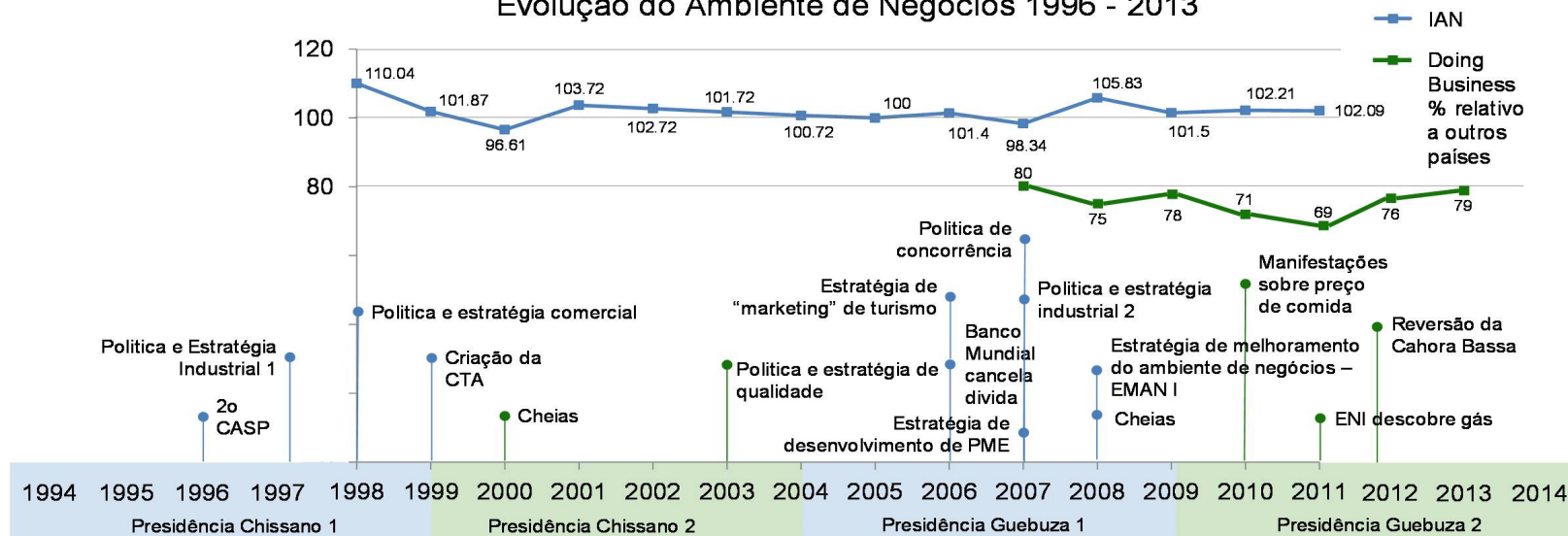
- Response to frustration of ACIS members:
 - Lack of progress in business environment reforms
 - Ineffective public-private dialogue mechanisms
 - Indications that government does not see a problem
- Study completed in October 2013
 - Extensive ground-work by ACIS, SPEED and CTA

*We would like to express our **indignation at the very slow pace of reforms** in the country. - Rogério Manuel, CTA President, 2013*



Evolutions of BCI and Doing Business

Evolução do Ambiente de Negócios 1996 - 2013

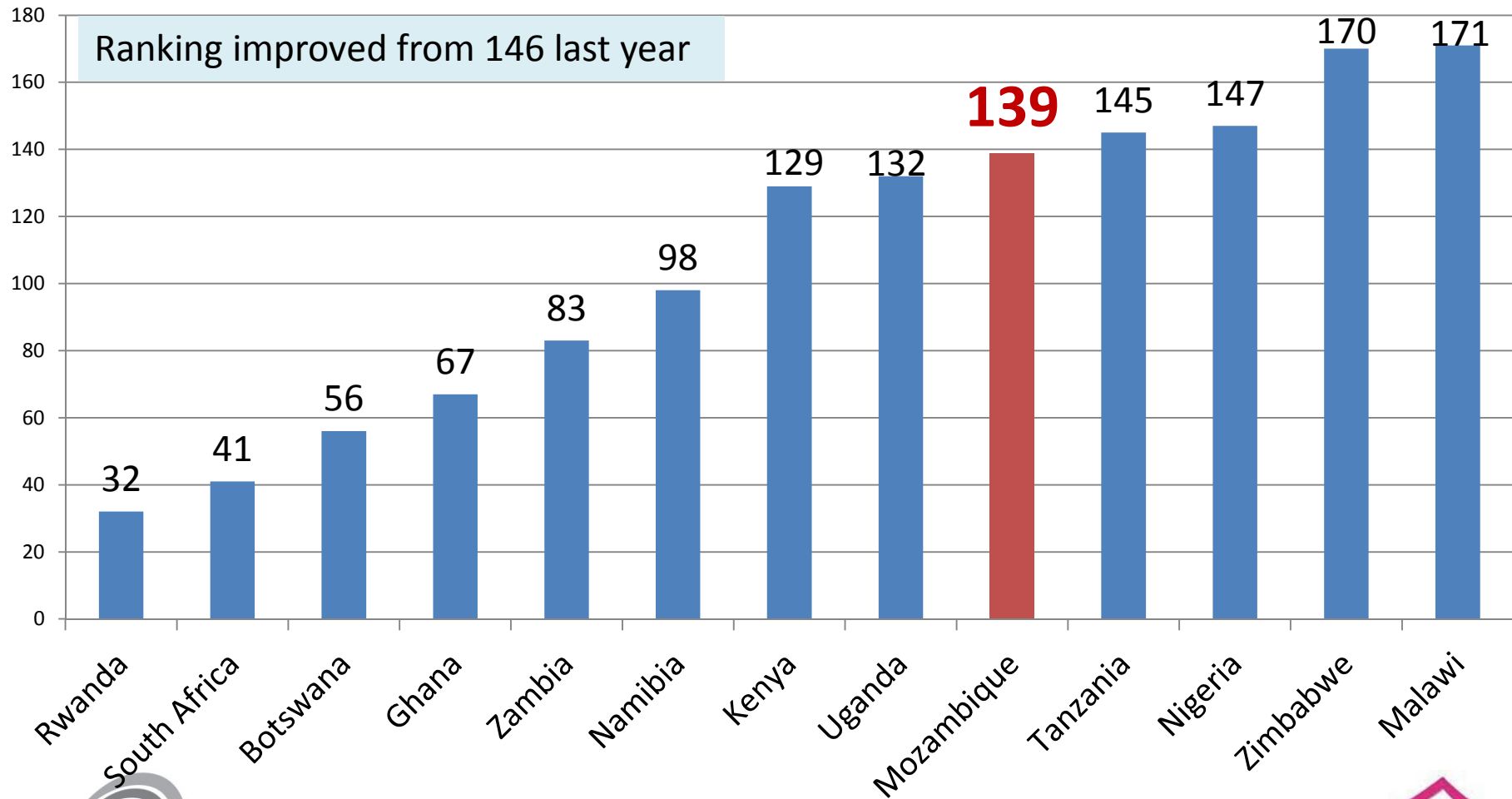


Doing Business em Cinco Categorias 2007-2013 % relativo a outros países



KEY FINDINGS

Mozambique still behind most comparative countries in Doing Business rankings 2014



KEY FINDINGS

Main issues of concern raised repeatedly in nearly *two decades* of dialogue

Thematic groups of issues raised through the CASP mechanism, 1996-2012

Sector-specific issues (# raised)

- Agriculture (18)
- Tourism (16)
- Industry (10)
- Fisheries (4)
- Judiciary (3)
- Mining (1)

Cross-cutting issues (# raised)

- Transport (39)
- Tax, customs and external trade (21)
- Public sector / State Administration (11)
- Public Works (10)
- IT and Telecoms (10)
- Finance (10)
- Labour (9)
- Commerce (6)
- Crosscutting (5)

Policy reforms expected to improve the environment have simply *not been implemented*

Shared vision and overarching policy for business environment lacking

- No broad Investment Climate Improvement or Business Competitiveness strategy
- Policy developed sectorally
- Often followed by fragmented, complex, overlapping/ contradictory regulations
- Difficult for private sector to understand and public sector to implement



Policy reform has not been followed by implementation

- Insufficient political power within public bodies responsible for reform
- Resistance among functionaries who benefit from the existing system
- Low public sector capacity (especially in provinces) to absorb regulatory changes