



# **Promoting development-oriented FDI: Training workshop for Mozambican investment and trade promotion officials**

**15-16 November 2010, Maputo, Mozambique**

## **Report**



**Workshop organized under the Mozambique One UN Programme by the United Nations Conference on Trade and Development (UNCTAD) in partnership with the Mozambique Investment Promotion Center (CPI).**

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## Overview

After years of war and distress, Mozambique has experienced significant economic growth during the last 15 years. Foreign direct investment (FDI) has played an important role in the recovery process, particularly in the development of new infrastructure and basic industries. The Government of Mozambique would like to keep the momentum and broaden the economic base by stimulating the development of small and medium-sized enterprises (SMEs) and promoting business linkages with transnational companies (TNCs).

In this context, UNCTAD organized, within the ONE UN programme, a training workshop for policy makers and investment and trade promotion officials to exchange best practices and discuss issues related to the promotion of development-oriented FDI. Topics covered in the workshop included: key investment policy issues, e.g. labor skills; public-private partnerships; new generations of investment promotion tools; core functions of investment promotion agencies, including investor targeting; creation of business linkages between TNCs and SMEs; and regional experiences in local supply management enhancement.

The training workshop also served as a launching pad for the Mozambique Investment Policy Review and an update of the Investment Guide for Mozambique, both carried out by UNCTAD.

At the end of the workshop the participants were asked to work in groups developing a SWOT analysis of the investment and business linkages programme in Mozambique. The results of the discussions were presented by each group and consolidated in the SWOT presented in Annex 1. Participants are expected to use the SWOT analysis for their day-to-day work related to investment and business linkages promotion.

The workshop attracted participants from several investment promotion stakeholders such as the Ministries of Agriculture, Tourism and Fishery, the Tax Department, SMEs and private sector organizations, special economic zones and the Centro de Promoção de Investimentos (CPI), the co-organizer and main beneficiary of the training activity.

# Programme

## Day One - 15/11/2010

**08:00 – 08:30**     **Registration**

**08:30 – 09:00**     **Opening Statements**

- Ms. Lola Castro, United Nations Resident Coordinator a.i.
- Ms. Nazha Benabbes Taarji, Officer in Charge, Investment Capacity-Building Branch, DIAE, UNCTAD
- Mr. Lourenço Sambo, Director of Mozambique Investment Promotion Center

### **Module 1: FDI trends and policy**

**09:00 – 10:15**     Global, regional and national FDI trends: Findings of the World Investment Report 2010

*Ms. Nazha Benabbes Taarji, UNCTAD*

Interactive discussion

**10:15 – 10:45**     **Coffee break**

**10:45 – 12:00**

Key issues in Investment Policy in Least Developed Countries

*Mr. Quentin Dupriez, Economic Affairs Officer, Investment Policy Review Section, UNCTAD*

Interactive discussion

**12:00 - 13:30**     **Lunch offered by UNCTAD**

### **Module 2: Investment Promotion and Facilitation**

**13:30 – 14:45**     Role and functions of investment promotion agencies

*Mr. Andrew Fraser, UNCTAD consultant*

Interactive discussion

**14:45 – 15:15**     **Coffee break**

**15:15 – 16:30**     New generation investment promotion tools

*Mr. Ian Richards, Associate Economic Affairs Officer, Business Facilitation Section, UNCTAD*

Interactive discussion and wrap up for the day.

## Day Two - 16/11/2010

### **Module 3: Investor targeting**

**09:00 – 10:15** Investor targeting in tourism and agribusiness  
*Ms. Natalia Guerra, Programme Officer and Training Coordinator, Investment Promotion Section, UNCTAD*  
Interactive discussion

**10:15 – 10:45** *Coffee break*

### **Module 4: Promoting FDI linkages and upgrading the local supply chain**

**10:45 – 12:00** Promoting linkages and upgrading value chain in the SADC region: the role of investment promotion agencies.  
*Mr. Glen Robbins, UNCTAD consultant*  
Interactive discussion

**12:00 - 13:30** *Lunch offered by UNCTAD*

**13.30- 14:45** Exercise SWOT analysis  
*Facilitated by Natalia Guerra and Glen Robbins*

**14:45– 15:15** *Coffee break*

**15:00 – 15:30** Continuation exercise

**15:30- 17:00** Wrap up, evaluation of the workshop, certificates for participants.

## List of participants

1. Mr. Egas Tembe – INATUR (National Institute of Tourism)
2. Mr. Marcos Miguel – Chefe da Divisão de Estudos no Gabinete de Planeamento, Estudos e Cooperação Internacional;
3. Mr. André Chimbutse – Técnico da Direção de Serviços de Política Tributária (DSPT);
4. Ms. Ema Litsuri – Técnica afecta na DSPT;
5. Ms. Amália Chichava – CPI (Projects Management);
6. Ms. Adelina Machuza- CPI (Human Resources and Administration);
7. Ms. Denise Panguene - CPI (Business Development 2nd session);
8. Ms. Nelza David- CPI (Business Linkages);
9. Mr. Emiliano Bento- CPI Sofala Delegation ;
10. Mr. Carlos Moisés - CPI Manica Delegation;
11. Ms. Mayra Trindade - CPI Zambézia Delegation;
12. Mr. António Dinheiro- CPI Tete Delegation;
13. Mr. Almerindo Matusse – CEPAGRI (Center for Promotion of Agriculture);
14. Mr. Lazaro Nhagombe – CEPAGRI (Center for Promotion of Agriculture);
15. Ms. Sheila Ibraimo Omargy-IPEME (Institute for Development of SMEs)
16. Ms. Ivenilde Sumbane Guilaze – IPEME(Institute for Development of SMEs);
17. Ms. Lucinda da Conceição – Min. Fisheries
18. Mr. Adelino Dabata – GAZEDA (Special Economic Zones Office);
19. Ms. Fátima Ananjy – GAZEDA(Special Economic Zones Office) ;
20. Mr. Teófilo Sérgio Chiche – IPEX (Institute for Exports Promotion);
21. Mr. Santos Chassafari – IPEX(Institute for Exports Promotion); and
22. Mr. Bendizário Manhique – AIMO (Association of Industries of Mozambique)
23. Mr. Lucílio Bule - AIMO (Association of Industries of Mozambique)
24. Ms. Sara Taíbo – CPI (Business Linkages)

### UNCTAD:

Ms. Nazha Benabbes Taarji-Aschenbrenner, Officer in Charge, Investment Policy and Capacity Building Branch

Mr. Andrew Fraser, International Consultant

Mr. Quenting Dupriez, Senior Economic Affairs Offices, Investment Policy Review Section

Ms. Natalia Guerra, Economic Affairs Officer, Investment Promotion Section

Mr. Ian Richards, Investment Expert, Business Facilitation Section

# Summary workshop evaluation

1. Different aspects related to the workshop:

5 = Excellent, 4 = Very good, 3 = Good, 2 = Poor, 1 = Very poor, NA = Not applicable

Organization:	4.3 (21 replies)
Facilities:	3.8 (23 replies)
Audio/video equipment:	3.0 (23 replies)
Quality of documentation:	4.2 (22 replies)
Quality of speakers:	4.1 (23 replies)

2. If you have given a rating of 2 or less, please give a brief comment or the reasons for the rating.

- "The microphones did not work optimally"

3. Length of the workshop (please circle the appropriate answer):

Too long (0 replies) / Long enough to cover all issues (22 replies) / Too short (0 replies)

4. Evaluation of documentation distributed following the scale in question 1:

Presentation:	4.5 (17 replies)
Clarity:	4.3 (19 replies)
Technical/analytical expertise:	4.2 (20 replies)
Usefulness:	4.3 (20 replies)

5. Interventions (please use the scale in question 1):

Quality of presentations:	4.5 (22 replies)
Experience of resource persons:	4.3 (23 replies)
Knowledge of subjects:	4.5 (22 replies)

6. Evaluation of subjects dealt with in the workshop (please use the scale in question 1):

Usefulness to your work:	4.2 (23 replies)
Time allocated:	3.5 (22 replies)

7. Other subjects that should have been included:

- "Think about inviting an English-Portuguese interpreter", "Techniques of joint ventures"
- "Impact of corruption and bureaucracy in the implementation of investment projects"
- "Use of taxation as an instrument to promote competition/competitiveness in the international market"
- "More practical cases/exercises, applicable to the Mozambican context", "More about SMEs & investment"
- "Strategies for promoting investment and business linkages with an impact on development"

8. The main objective of the workshop was to exchange best practices and discuss issues related to promoting development-oriented FDI. In your opinion, was this objective achieved (please circle the appropriate answer)?

Yes (22 replies) / No (1 reply)

9. How much did you benefit from the workshop (please circle the appropriate answer)?

Substantially (17 replies) / Sufficiently (6 replies) / Insufficiently (0 replies)

10. Other comments (please continue on the back side if needed):

- "I'd like to see this workshop to be directed to / include our ministers and provincial governors"
- "Only 2 days is not enough for this programme - I have learned a lot in a short time - please organize more workshops to improve our knowledge of investment promotion procedures"
- "This workshop will become a very useful day-to-day instrument in my job. Well done!"
- "It was my first time attending a workshop in English, why wasn't it held in Portuguese?"

# Picture gallery





## Annex I - SWOT ANALYSIS Mozambique Investment and Business Linkages Programme

	Internal factors	External factors
Positive effects	<p><b>Strengths: (improve these)</b></p> <ul style="list-style-type: none"> <li>e.g. abundant natural resources</li> <li>existing agencies for exports, agriculture, investment **</li> <li>legislation for the business environment and fiscal benefits **</li> <li>government support for investment (high level)</li> <li>political stability **</li> <li>land, minerals, gas, climate ***</li> <li>geostrategic position (relative to hinterland) – 2700km of coast ***</li> <li>stable economic growth</li> <li>friendly people</li> <li>corridors</li> <li>international airports (3 +1 new), ports, railways</li> <li>low cost labour/availability</li> <li>TNC presence such as Mozal, Vale (for linkages)</li> <li>willing SMEs looking to participate (linkages)</li> <li>information sharing on SMEs</li> </ul>	<p><b>Opportunities: (capitalize on these)</b></p> <ul style="list-style-type: none"> <li>e.g. growing world demand for mineral and agricultural commodities</li> <li>regional integration (SADC) – esp with natural resources and related infrastructure/size of market ***</li> <li>taxing banking – bank taxes can be explored</li> <li>natural resources – with agri-industry value chains</li> <li>electronic/modern systems of communication and transport</li> <li>globalisation**</li> <li>representation abroad (embassies)</li> <li>global demand for renewable resources – eg solar, hydro, jatropha</li> <li>infrastructure development – beyond existing</li> <li>reduce imports through linkages with local SMEs</li> <li>job creation</li> </ul>
	<p><b>Weaknesses: (eliminate these)</b></p> <ul style="list-style-type: none"> <li>e.g. poor transport infrastructure beyond Maputo Corridor</li> <li>infrastructure**</li> <li>lack of integrated plans/unified goal/vision for investment attraction shared by all **</li> <li>implementation of policy (policy is sound but implementation is weak)</li> <li>corruption**</li> <li>skills / qualifications/ experience***</li> <li>national data – quality and efficiency</li> <li>lack of strategic studies e.g. value chains in crops</li> <li>lack of proactive approach</li> <li>size of market (population size and income)</li> <li>access to credit</li> <li>no one stop shop for investors (one for business)</li> <li>low national budget/reliance on donors</li> <li>inflation</li> <li>health sector</li> <li>high costs</li> </ul>	<p><b>Threats: (monitor these)</b></p> <ul style="list-style-type: none"> <li>e.g. climate change</li> <li>lack of competitiveness in region (threat of SA companies displacing Mozambican companies and lack of effective regional partners to enter global markets)**</li> <li>natural disasters **</li> <li>international bad image</li> <li>pollution</li> <li>localization of TNCs limits to opportunity in Mozambique due to infrastructure etc</li> <li>economic instability and regional imbalances and uncertainties</li> </ul>
Negative effects		

\* number of times mentioned during the exercise.

