



**COUNTRY PROFILE FOR
MOZAMBIQUE
2015**

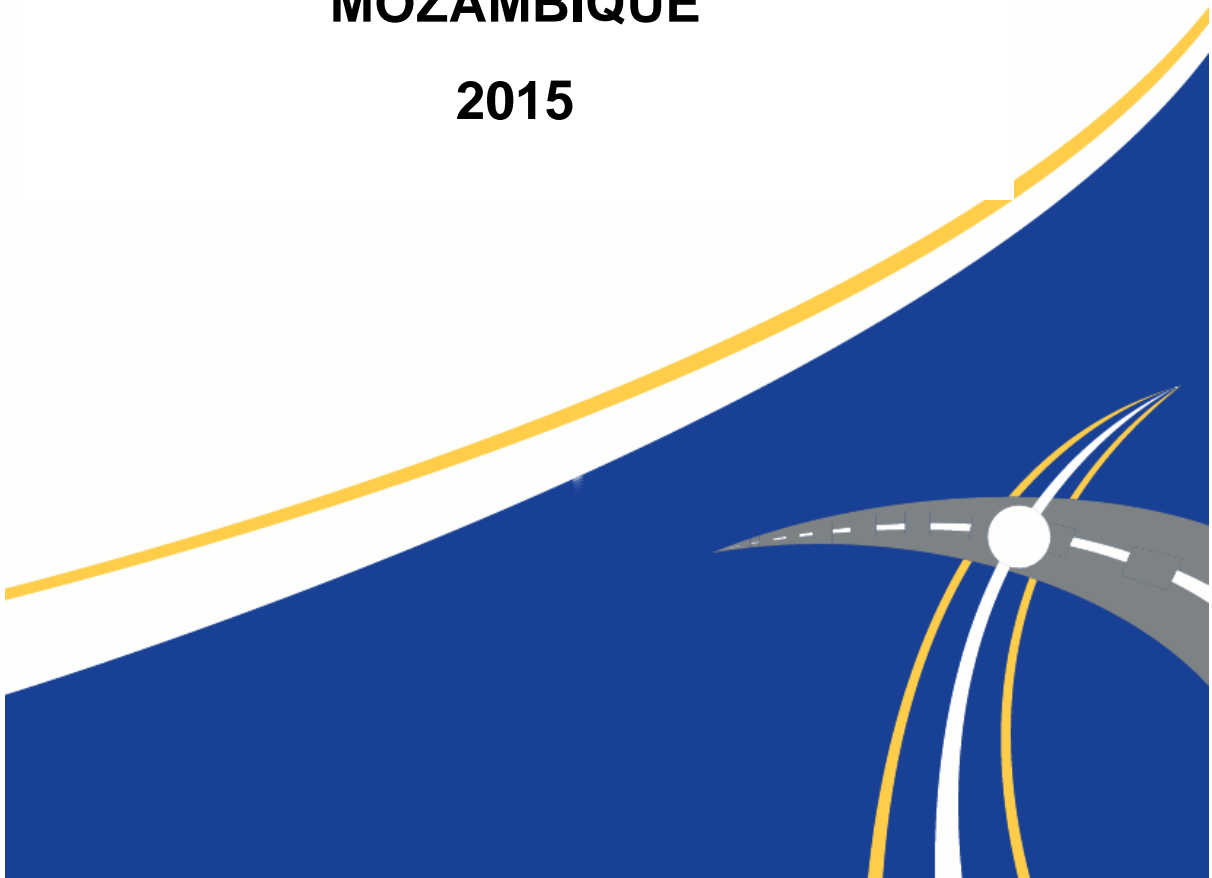


Table of Contents

MOZAMBIQUE COUNTRY FACT SHEET	5
LIST OF ACRONYMS.....	6
EXECUTIVE SUMMARY.....	7
1. INTRODUCTION AND BACKGROUND.....	8
1.1 Introduction.....	8
1.2 Background	8
1.3 Purpose of the report.....	10
1.4 Objective.....	10
1.5 Structure of the report.....	11
2. OVERVIEW OF MOZAMBIQUE	12
2.1 Demographics	13
2.2 Language and religion	14
2.3 Major Economic Nodes in Mozambique	14
3. ECONOMIC OUTLOOK	15
3.1 Recent Economic Performance	15
3.2 Economic activities.....	17
3.3 Fiscal policy.....	18
3.4 Monetary policy.....	18
3.5 Emerging markets and developments in the corridor	19
3.5.1 Nacala Road Corridor Development	21
3.5.2 Beira Corridor Development	21
3.5.3 The Maputo Development Corridor	22
3.6 Border Posts Linking Mozambique to other SADC Counties	22
4. TRADE INDUSTRY	24
4.1 International Trade	24
4.2 Trade Policy	28
4.3 Nature and Volume of Trade with South Africa	28
4.3.1 Exports to Mozambique.....	29
4.3.2 Imports from Mozambique	30
4.4 Restrictions and associated Legislation.....	31
4.5 Customs transit regulations	32

4.6	Document requirements for importation	33
4.6.1	Route Certification Process	34
4.7	Cost and Estimate Import Duration	35
5.	PASSENGER TRANSPORT	36
5.1	Passenger volumes and trends.....	36
5.2	Operator profile.....	38
6.	ROAD TRANSPORT ENVIRONMENT	39
6.1	Road Transport Legislation.....	39
6.1.1	General rules.....	39
6.1.2	Speed Limits	40
6.1.3	Vehicle Dimensions and Weights	41
6.2	Road Transport Agreements	42
6.2.1	SADC Protocol.....	42
6.2.2	Bilateral Cross-Border Road Transport agreements	43
6.3	Regulatory Framework	44
6.4	Requirements for Cross-border transportation	45
6.5	Transport Policy and Strategies.....	47
7.	THE BUSINESS ENVIRONMENT	48
7.1	Road User Charges	48
7.2	Ease of Doing Business	50
8.	CONCLUSION AND RECOMMENDATIONS	58
9.	CONTACT DETAILS OF RELEVANT AUTHORITIES	60
9.1	Contact Details of Major Stakeholders.....	60
	REFERENCES	61

List of Figures

Figure 1: Map of Mozambique	12
Figure 2: Population pyramid	13
Figure 3: GDP annual growth rate.....	16
Figure 4: Major transport corridors	20
Figure 5: Imports and Export.....	24
Figure 6: Top 10 export partners	25
Figure 7: Mozambique exports.....	26
Figure 8: Import partners.....	26
Figure 9: Mozambique imports.....	27
Figure 10: Imports and Exports between South Africa and Mozambique	29
Figure 11: Passenger arrivals into South Africa from Mozambique	37
Figure 12: Passenger departures from South Africa into Mozambique.....	37
Figure 13: N4 / EN4 Toll route	48
Figure 14: Mozambique and comparator economies on the ease of doing business	51
Figure 15: Ranking on topics.....	52
Figure 16: Ranking on ease of trading across borders	54
Figure 17: LPI country comparison.....	56
Figure 18: Trade facilitation indicators	57

List of Tables

Table 1: Regional population summary	13
Table 2: Types of commodities exported to Mozambique	29
Table 3: Types of commodities imported from Mozambique.....	30
Table 4: Positive list	31
Table 5: Import process.....	35
Table 6: Passenger movement between South Africa and Mozambique	36
Table 7: Passenger operator permits.....	38
Table 8: Speed limits	40
Table 9: Fines issued for exceeding speed limits	40
Table 10: Maximum weights.....	41
Table 11: Permissible dimensions.....	42
Table 12: 2014/2015 Toll tariffs	49
Table 13: Indicators of trading across borders	53
Table 14: Stages and documents for trading across borders	53
Table 15: Comparative performance between Mozambique and South Africa.....	55
Table 16: Contact Details.....	60

MOZAMBIQUE COUNTRY FACT SHEET

Country	Mozambique
President	Filipe Nyusi
Location	East coast of southern Africa
Area (sq km)	total: 799,380 km ² land: 786,380 km ² water: 13,000 km ²
Land Boundaries (km)	border countries: Malawi 1 569 km, South Africa 491 km, Swaziland 105 km, Tanzania 756 km, Zambia 419 km, Zimbabwe 1 231 km
Capital City	Maputo
Terrain	mostly coastal lowlands, uplands in centre, high plateaus in northwest, mountains in west
Natural Resources	coal, titanium, natural gas, hydropower, tantalum, graphite
Population	25,2 million
Population Growth(2012 – 2020 aver p.a)	2.5%
Currency	metical (MZM)
Cities	Matola, Nampula, Beira, Chimoio, Nacala Quelimane, Tete, Lichinga, Pemba (Porto Amelia)
Main source of revenue	Taxes which contributed 93.6% of total revenue in Q1 2014
Main Exports	Aluminium unwrought, not alloyed (48.0%); Electrical energy (7.5%); Natural gas, liquefied (5.0%)
GDP (US\$ billion,)	14.2
GDP growth forecast 2012-2017 (avg, y/y rate)	8%
GDP per capita (US\$, 2012)	634
Logistics Performance Index 2010 (global rank/155 (score 1-5))	136 (2.29)
Global Competitiveness Index 2012 – Infrastructure (global rank/144 (score 1-7))	129 (2.36)
Global competitiveness index 2012 (global rank/144 (score 1-7))	138 (3.17)

LIST OF ACRONYMNS

C –BRTA	Cross-border Road Transport Agency
DUA	Unique Abridged Documents
DU	Single Documents
EPA	Economic Partnership Agreement
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GP	Growth Poles
IMF	International Monetary Fund
LPI	Logistics Performance Index
MCMS	Customs Management Systems
OECD	Organisation for Economic Co-operation and Development
OSBP	One Stop Border Post
PAF	Pre-Advice Form
PFI	Pre-Forma Invoice
PSI	Policy Support Instrument
RSDIP	Regional Spatial Development Initiatives Programmes
SADC	Southern African Development Community
SEW	Single Electronic Window
SMEs	Small and Medium Enterprises
SLF	Standing Lending Facility

EXECUTIVE SUMMARY

The Country Profile report provides an overview of the different countries where cross-border road transport operators do business. The aim of the Cross-Border Road Transport Agency(C-BRTA) is to profile all the Southern African Development Community (SADC) Member States that South Africa has bilateral road transport agreements with. The long-term objective is to broaden the scope and profile all the SADC Member States. This Profile provides an update of recent developments in Mozambique with regards to the performance of the economy, road transport related issues including relevant legislation and policies. It also covers passenger transport statistics and freight volumes between South Africa and Mozambique.

Mozambique has a unique opportunity to build on the discovery of natural resources which will allow it to achieve its social development goals and overcome its reliance on foreign aid. Since the end of the civil war the economy has experienced some structural change, including in the agricultural sector. The sector is the dominant source of employment, and its growth is based on the expansion of the cultivated area and agribusinesses.

The efforts of Mozambique are on developing its transport corridors which will stimulate nationwide economic growth led by regionally focused infrastructure investment. The three major growth corridors in Mozambique are the Maputo Corridor to the South African border; the Nacala Corridor linking the central and northern provinces of Mozambique and Tanzania, Zambia, and Malawi to the Nacala deep water port; and the Beira Corridor linking Mozambique's central provinces and neighbouring Zimbabwe with the Beira port.

Mozambique has come a long way from the ravages of civil war and has achieved high and sustained growth over the past two decades. The country's priorities are to ensure that the benefits of this growth are distributed to the population, and to diversify the economy from its traditional agricultural base to mining, agro-business and processing, and services. To achieve this, continued institutional and capacity building in public administration is required. It will also require the private sector's involvement, which is envisaged to be the primary source of future employment to make Mozambique more business-friendly and competitive.

1. INTRODUCTION AND BACKGROUND

1.1 Introduction

This report articulates information on the Mozambique transport and trade sectors relevant to cross-border road transport operators and other key stakeholders in the cross-border industry. Its main aim is to provide a consolidated platform for the dissemination of information that is useful to key stakeholders in the cross-border environment, particularly cross-border road transport operators, regulatory authorities and trading parties. It is anticipated that information captured in this country profile will be used to support informed decision making in respect to the Mozambican segment of the cross-border industry.

The basis for this report is mainly informed by the legislated mandate of the C-BRTA wherein in respect to this country profile, the Agency is mandated to: provide advice to key public and private industry stakeholders on various matters including challenges facing the industry and possible solutions, disseminate relevant information to stakeholders, improve the unimpeded flow by road of freight and passengers in the region, reduce operational constraints for the cross-border road transport industry and commitment to empower the cross-border road transport industry to maximise business opportunities. It is therefore envisaged that, by providing the information herein to the stakeholders, the Agency will be advancing its mandate on one hand but also advancing the interests of the industry stakeholders as well.

At a strategic level, this country profile report seeks to enhance the unimpeded flow of cross-border transport, reduce the cost of doing business, enhance trade and business opportunities for transport operators and enhance corridor efficiency which are all key objectives of the National Development Plan, the White Paper on Transport Policy of 1996, the SADC Protocol on Transport, Communications and Meteorology of 1996 (SADC Protocol) and bilateral agreements ratified by South Africa and Mozambique.

1.2 Background

The C-BRTA is a regulatory authority founded in terms of the Cross-Border Road Transport Act No 4 of 1998, as amended, for the purpose of facilitating unhindered movement of persons, services and goods between South Africa and the six countries (Mozambique, Zimbabwe, Botswana, Namibia, Lesotho and Swaziland) with which we share common borders.

The core mandate of the Agency is to:

- improve the unimpeded flow of freight and passengers in the region;
- introduce regulated competition in respect of cross-border passenger road transport;
- reduce operational constraints for the cross-border road transport industry as a whole;
- liberalise market access progressively in respect of cross-border freight road transport;
- collect, process and disseminate relevant information;
- enhance and strengthen the capacity of the public sector in support of its strategic planning, enabling and monitoring functions; and
- empower the cross-border road transport industry to maximise business opportunities and to incrementally regulate themselves to improve safety, security, reliability, quality and efficiency of services.

The C-BRT Act also defines the four core functions which support delivery of the mandate of the Agency. The Act indicates that the functions of the C-BRTA are to regulate, facilitate, provide advice and conduct law enforcement in a cooperative and coordinated manner with regard to cross-border road transport. With regard to its advisory function, the Agency is required to provide advice to the transport industry stakeholders pertaining to cross-border transport matters. Such advice serves as input to strategic planning, and assists in decision making and planning processes of cross-border road transport operators.

The SADC Protocol on Transport, Communications and Meteorology (PTCM) also makes provision for the Agency's broader strategic mandate of improving and regulating unimpeded flow of road traffic within SADC for improved efficiency, market access and economic development.

The C-BRTA's mission is to facilitate and regulate cross-border flows of traffic in a manner that optimises mobility and accessibility, thus contributing to the seamless integration of the SADC with a view to improving trade, raising production and increasing relative competitiveness of the region and thus bolster job opportunities and ultimately contribute towards regional prosperity and poverty reduction. In its function to facilitate cross-border road transportation, the C-BRTA has entered into bilateral agreements with other SADC member states.

South Africa and Mozambique are both signatories to the SADC PTCM and have bilateral agreements on the cross-border movement of passengers and freight. The bilateral agreements allow for control and regulation of cross-border road transport between South Africa and Mozambique, based on reciprocity, similar treatment and non-discrimination.

1.3 Purpose of the report

The purpose of this report is to provide up to date information about Mozambique, focusing on the cross-border road transport and trade environments. The main focus of the report is on:

- Mozambique cross-border transport requirements;
- The cross-border trade and transport industry;
- The cross-border regulatory environment;
- Economic developments and opportunities;
- Developments that may affect cross-border road transport; and
- Establishes the ease of doing business in Mozambique.

By providing information on these parameters to public and private stakeholders in South Africa and Mozambique, it is anticipated that the stakeholders will have the right information for purposes of future planning, overcoming challenges that may be experienced on key corridors in South Africa and Mozambique, and even for daily operational work, like fleet scheduling in the case of transport operators. The direct impact of this will be improvement in business operations, savings on time and costs and therefore improving productivity in their respective areas of business. For instance, if transport operators are adequately provided with all relevant information prior to a journey, they will definitely plan better for every trip undertaken, optimizing travel times and even return loads. Such information will also be useful for where and when they are transporting perishable and urgent consignments, particularly towards enhancing faster and efficient transportation of the goods.

1.4 Objective

The objectives of this country profile are to:

- Provide relevant information that can be used by cross-border road transport operators in conducting their business;

- Help transport operators to understand better the countries that they do business in, in order to position themselves for the evolving realities of competing in a global context/ SADC;
- Assist relevant stakeholders know and understand the requirements of doing business in Mozambique; and
- Provide information with respect to possible opportunities for South African cross-border road transport operators.

It is envisaged that through the information contained in this report, operators will be able to benefit from the knowledge of the operating environment in Mozambique. By doing so, the C-BRTA will also be making progress in regard to providing advice to industry stakeholders to make informed decision making.

1.5 Structure of the report

The report is divided into nine chapters for ease of articulation of most areas of interest to cross-border road transport industry stakeholders. The sections have been sequenced to enhance flow as follows:

- Chapter 1: The introductory chapters encapsulate the background, and the overall objectives of the report;
- Chapter 2: Overview of Mozambique
- Chapter 3: Economic Developments: provides an overview of the economy
- Chapter 4: Trade Industry: explores the imports and exports between South Africa and Mozambique, legislation guiding operators and documents required for importation;
- Chapter 5: Passenger Transport: looks at the volumes and trends of passengers travelling between Mozambique and South Africa;
- Chapter 6: Road Transport Environment: gives information on the different aspects of road transport in Mozambique, including relevant legislation, regulatory framework, transport agreements as well as requirements for cross-border transportation; and
- Chapter 7: Business Environment: assesses the ease and cost of doing business in Mozambique also looking at Road User charges.
- Chapter 8: Conclusion and Recommendations
- Chapter 9: Contact Details

2. OVERVIEW OF MOZAMBIQUE

The Republic of Mozambique is a country in Southeast Africa bordered by the Indian Ocean to the East, Tanzania to the North, Malawi and Zambia to the Northwest, Zimbabwe to the West, and Swaziland and South Africa to the Southwest. The capital and largest city is Maputo.

Figure 1: Map of Mozambique



Source: <http://www.portaldogoverno.gov.mz/sitemap>

Mozambique gained independence from Portuguese rule in 1975, becoming the People's Republic of Mozambique. After two years of independence, the country descended into an intense and prolonged civil war lasting from 1977 to 1992. In 1994, Mozambique held its first multiparty elections and has remained relatively stable since.

2.1 Demographics

Mozambique has a total population of 24.69 million and table 1 shows the regional population summary with figure 2 showing the population pyramid of the age and gender structure of a country's population

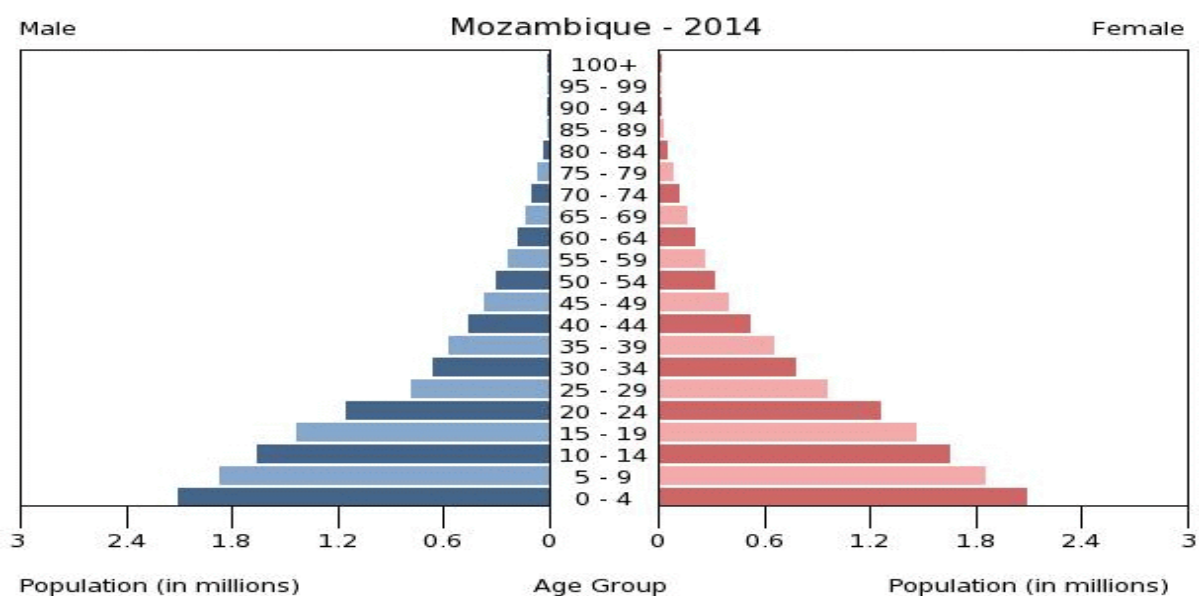
Table 1: Regional population summary

PROVINCES	POPULATION, THOUSAND	POPULATION DENSITY, PERSONS PER SQ.KM	AREA IN KM ²
Nampula	3 986	51	78 132
Zambezia	3 849	37	103 133
Tete	1 784	18	101 783
Sofala	1 643	24	68 049
Cabo Delgado	1 607	21	77 844
Manica	1 438	325	4 425
Inhambane	1 272	18	69 096
Gaza	1 229	16	76 086
Maputo	1 206	51	23 507
Niassa	1 171	9	129 588

Source: U.S. Census Bureau, International Data

As seen from table 1 above, Mozambique has ten provinces. The table also shows the area size and the population size (in thousands) of each province.

Figure 2: Population pyramid



Source: <http://populationpyramid.net/mozambique/>

A population pyramid illustrates the age and gender structure of a country. The Mozambique population pyramid shows that the country has a young population, with most of its people under the age of 45.

2.2 Language and religion

The official language of Mozambique is Portuguese and is spoken by 50.3% of the population. Other, common native languages include Swahili, Makhuwa, Kimwani, Makonde and Sena. The largest religion in Mozambique is Christianity, with significant Muslim and African traditional minorities. Mozambique is a member of the African Union, Commonwealth of Nations, the Community of Portuguese Language Countries, the Latin Union, the Organisation of Islamic Cooperation and the Southern African Development Community (SADC).

2.3 Major Economic Nodes in Mozambique

The Capital and largest city of Mozambique is Maputo, and it is situated in the Maputo City Province in Southern Mozambique. Beira is the second largest city, located in Central Mozambique of the Sofala Province and the third largest city being Nampula in Nampula Province, followed by Quelimane in Zambezia Province and Chimoio in Manica Province.

Mining in Mozambique plays a significant role in the world's production of coal, gold, graphite and limonite, with massive coal reserves in Tete Province. Large reserves of natural gas were discovered in the Rovuma Basin in 2012. Currently, most of Mozambique's mining and mineral processing operations are privately owned, including cement plants, aluminium smelters and gas processing plants.

Mozambique has seven main seaports, of which Maputo, Beira and Nacala are the most important. These three ports have functioning rail and road links, linking them to the hinterland and neighbouring countries. Maputo is the busiest port, and primary hub for different kinds of cargo and Nacala is most suited for the handling of coal and heavy-bulk goods. Beira, however, has limitations that make it inefficient to export coal. (PwC, 2013)

3. ECONOMIC OUTLOOK

3.1 Recent Economic Performance

Mozambique's economy remained one of the most dynamic on the continent in 2013, with a 7% rate of real Gross Domestic Product (GDP) growth, in spite of the major flooding which occurred during the first quarter of 2013 and the political-military confrontations between government and the opposition movement. Sound macroeconomic management, large-scale foreign-investment projects, political stability, and significant donor support have contributed significantly to such performance. However, the rapid growth of the past decades has not always translated into significant poverty reduction.

Strong economic growth was accompanied by large decreases in poverty until the early 2000s. The national poverty headcount fell by 14 percentage points between 1997 and 2003 to 56%, while income per capita grew by 36% during the same period. In contrast, poverty fell by only 4% between 2003 and 2009, a much slower rate of decline. The weakened relationship between growth and poverty reduction is due to the changing pattern of growth, which in the past decade was driven by capital-intensive, import-dependent sectors. This pattern of growth is also reflected in labour markets, which continue to be dominated by low skilled labour in the agricultural sector; meanwhile, the rest of the economy is unable to offer better-remunerated jobs for new workers.

Mozambique is endowed with rich and extensive natural resources. The country's economy is based largely on agriculture, but industry, mainly food and beverages, chemical manufacturing, aluminium and petroleum production, is growing. South Africa is Mozambique's main trading partner and source of foreign direct investment. Portugal, Brazil, Spain and Belgium are also among the country's most important economic partners. Since 2001, Mozambique's annual average GDP growth has been among the world's highest. However, the country ranks among the lowest in GDP per capita, human development, measures of inequality, and average life expectancy.

In 2014, Mozambique's economy performed strongly with real GDP growth of 7.6% and the outlook remains positive. Sustained growth is expected at 7.5% in 2015 and 8.1% in 2016. The main drivers of growth are public expenditure and Foreign Direct Investment (FDI). The main sectors benefiting are construction, services to enterprises, transport and communications, the financial sector and extractive industries. In the short term, the main challenge is to remain attractive in terms of FDI, while ensuring fiscal and debt sustainability. Consecutive high fiscal deficits, reaching 10.0% of GDP in 2014, have pushed public debt to 56.8% of GDP.

Figure 3: GDP annual growth rate



The GDP expanded by 5.90 per cent in the first quarter of 2015. The GDP Annual Growth Rate averaged 6.38 per cent from 2000 until 2015, reaching an all-time high of 15.30 per cent in the first quarter of 2004 and a record low of -2.50 per cent in the fourth quarter of 2002. Above is figure 3, showing the annual growth rate, from second half of 2012.

The resilient economy remains driven by major projects, predominantly funded by foreign capital, focused on aluminium, extractive industries, and the energy sector. The extractive sector was the fastest growing in 2013 at 22% followed by the financial sector which expanded by 17.7% in 2013, supported by increased household income and credit expansion. Another continued growth driver has been increased public expenditure which reached 36.8% of GDP in 2014 – primarily benefiting the construction, services, and transport and communications sectors. The agriculture sector, which employs 70% of the population, remains relatively sluggish presenting 4.6% growth in 2013.

The robust economic growth failed to translate into structural transformation, especially in rural areas. Mozambique's productive base remains largely dependent on natural resources, mainly coal, ores and other minerals, that have little impact on government revenues and employment.

3.2 Economic activities

Economic activity in Mozambique in 2013 was robust, despite the uncertain security situation and unfavourable weather conditions. Major flooding in the first quarter of 2013 curtailed real GDP growth to 7%, which was 0.2% below that of 2012. The government's macroeconomic management has been sensible, and the country agreed a new three-year Policy Support Instrument (PSI) programme with the International Monetary Fund (IMF).

Mozambique has structured its development strategy along Regional Spatial Development Initiatives Programmes (RSDIP) and Growth Poles (GP). The strategy seeks to optimise infrastructure investments in key areas or along geographic corridors. It is anchored on large public projects, the RSDIP and GP approaches aim to foster spill over growth by attracting small and medium-sized enterprises up and downstream of large scale investment projects.

Mozambique has two well established Spatial Development Initiatives (SDIs): the Maputo Development Corridor (MDC) and the Beira Corridor; which are among the top most successful corridors in Africa. The Nacala Corridor (the Northern Development Corridor), is also developing fast, with three other SDIs being developed – the Libombo Corridor (links the MDC to coastal areas of South Africa); the Limpopo Corridor (connects Maputo to Zimbabwe by rail); and the Muenda-Lichinga Corridor (links Lake Niassa to the coastal port of Pemba and Tanzania). The Maputo, Beira and Limpopo SDIs are supported as RSDIPs within SADC's Framework, making Mozambique the country with the most RSDIPs in Sub-Saharan Africa. Since its development, the MDC has attracted more than US\$ 2.8 billion in investment and is currently responsible for 42% of Mozambique's total export revenues.

The Mozambican government is expanding its spatial development planning capacity and tools, and as such, has created a specific unit - the Coordination Commission for Studies and Projects (COCEP) – within the Ministry of Transport and Telecommunications, for development planning. COCEP is developing a Growth Poles Development Strategy with the support of the World Bank and other donors. The key potential GPs are Tete, Nampula, Nacala and Chimio, which are fast developing due to existing corridors and increased investment and activity in the mining, energy, manufacturing and agri-business sectors.

In order to promote and ensure a more balanced spatial development, the Mozambican government has made a move towards ensuring that local authorities share in the economic development and resources/revenues generated by major projects. It has done this by introducing direct transfers of the small share of revenues from the extractive industries to

resource-rich provinces. Mozambique's increased activity in the extractive, manufacturing and agri-business industries, translates into increased exports to its trade partners and possible new markets, and therefore increased cross-border road transport business.

3.3 Fiscal policy

Fiscal reforms, including the introduction of a value-added tax and reform of the customs service, have improved the government's revenue collection abilities. The expansionary fiscal policy stance assumed since 2013 has resulted in the country's fiscal position deteriorating, with the fiscal deficit after grants reaching 10.0% of GDP in 2014. A progressive fiscal consolidation for 2015 and 2016 is expected to ensure medium-term debt sustainability, and accommodate future decreases in donor funding. The roll out of enhanced project appraisal and evaluation frameworks is also expected, allowing for project prioritisation and the achievement of higher development outcomes from public expenditure.

3.4 Monetary policy

Mozambique is continuing with its prudent but active monetary policy, benefiting from both internal and external favourable conditions keeping inflation at low levels. The appreciation of Metical versus the Rand (South Africa is the main source for consumer goods and food) contributes to a decrease in prices, assisted also by the low price momentum of international commodities, particularly fuel. The National Consumer Price Index decreased throughout 2014 to reach 1.93% in December, averaging 2.56% over the year. The central bank continued its active policy targeting credit expansion to Small and Medium Enterprises (SMEs), cutting by 75 basis points its Standing Lending Facility (SLF) to 7.5%. The spread to the Standing Deposit Facility is now 6%.

The monetary base and credit to the private sector have progressively expanded over the last couple of years. Private sector credit as share of GDP is now one of the highest in sub-Saharan Africa at 33%. However, credit is mostly concentrated on households and large corporations. Access to finance by SMEs is still perceived as the largest constraint to business development. The resilience of high lending rates signals considerable credit market distortions, necessitating reforms to promote competition and transparency in the financial sector. Going forward the steady increase of the monetary base could result in a pick-up in inflation. The Bank of Mozambique is committed to promoting SME finance, keeping inflation within the designated target of 5-6%.

3.5 Emerging markets and developments in the corridor

Mozambique is one of Africa's three most rapidly emerging markets, along with Ethiopia and Uganda, with immense potential in natural resources, agriculture, and infrastructure development. Mozambique has only recently become a contender on the list of future emerging economies having just topped Business Review Weekly's ranking scale. This is due to the display of economic robustness after the 2008 global recession and in the wake of the devastating floods of 2013. There is an on-going effort to elevate the standard of living, to function within a fair and just society, and to raise health and education levels, which in turn will lead to a vote of confidence and continued foreign investment across all economic sectors.

The exploration of natural resources, mainly coal and gas, provides an opportunity for rapid development of the country's logistics services. The main challenge lies on the ability to efficiently link natural resource production areas and agricultural belts to large population centres in order to develop new markets that will enhance private sector growth and SMEs competitiveness.

The transport sector also has a regional potential, and is undergoing a major restructuring. The government has put into place, an ambitious program aimed at rebuilding and expanding the transport system which includes strengthening capacity to undertake maintenance activities with the support of development partners. Transport projects, worth US\$17 billion, are in the pipeline, and include increased rail links to ports and expanding port capacities to allow for greater exports. The infrastructure is being developed transversally, west to east, connecting mining and agricultural clusters in Mozambique and neighbouring countries, to exit ports. The central infrastructure extends from the Port of Beira to Zimbabwe, and to some extent, to Malawi and Zambia. There is a new US\$7-billion project planned to construct a new deep water port at Techobanine, close to the South African border. Mozambique is further planning the following developments:

- a 525km rail line and port development at Macuse, to improve coal exports by linking the coal rich Moatize basin with the new port;
- a 912km Nacala railway corridor between Tete province and Beira, the current narrow highway between the two points is congested with trucks;
- Upgrade of the Great East Road, which is part of the Nacala Development Corridor linking Mozambique's northern provinces to central and eastern Zambia; and

- Construction of a second bridge across the Zambezi River in Tete, which alleviates long queues, as trucks have had to cross the existing Samora Machel Bridge one at a time.

Mozambique is set to make greater contribution to regional integration as the three regional transport corridors - Beira, Nacala and Maputo - will play a strategic role in freight handling to and from the land-locked neighbouring countries of Zimbabwe, Zambia and Malawi, Botswana, as well as South Africa, and will therefore facilitate the movement and connection of cross-border transport to the rest of SADC freight market. Truck processing times at Maputo, Beira and Nacala compare favourably with other Southern African ports.

Figure 4: Major transport corridors



Source: *Implementing Development Corridors*

The major transport corridors in Southern Africa are shown below in figure 4, which also illustrates Mozambique’s three most important transport corridors, Nacala, Beira and Maputo corridors.

3.5.1 Nacala Road Corridor Development

The Nacala Road Corridor stretches from Lusaka in Zambia, through Malawi, to the port of Nacala in Mozambique. This development will serve on both the national and regional level in the following ways:

- at national level – the rehabilitation of a 75 km road between the towns of Liwonde and Mangochi in Malawi is expected to support stimulation of local economic activities in agriculture, agro-forestry, fisheries and tourism; and
- at regional level - the establishment of One-Stop-Boarder-Posts (OSBPs) between Malawi and Mozambique and between Malawi and Zambia is expected to contribute to improving road transportation and trade facilitation along the Nacala Road Corridor.

It is envisaged that the Nacala corridor will be one of the most cost-effective routes to the sea for import and exports from Malawi, Zambia and western Mozambique. Thus, this corridor will create a big alternative for transport operators, with a view to reducing transit time and costs. Such savings can then be optimised towards greater productivity by individual transport operators through more trips and reduced operating costs per trip.

3.5.2 Beira Corridor Development

The Beira corridor is a vital access link between the port of Beira and Mozambique's interior, as well as to its neighbouring, landlocked countries of DR Congo, Zimbabwe, Zambia and Malawi. It involves the rehabilitation of the transport infrastructure of the Beira corridor in Mozambique, including the rehabilitation of the Sena railway line and the restoration of the Beira port access channel to its original specification.

The following are also considered to make the corridor more efficient:

- Modernising road and rail transport infrastructure linking the DR Congo, Zambia, Zimbabwe and Malawi to the port of Beira;
- Constructing new railway lines to link Kafue to Lion's Den in Zimbabwe; and
- The construction of an OSBP at Forbes / Machipanda border post (with Zimbabwe).

The rehabilitation of the corridor will result in an improved transport network and general freight security, shorter journey times, increased fleet availability rate, increased trips per any given period, thus leading to higher revenues for transport operators.

3.5.3 The Maputo Development Corridor

The MDC was created in 1996 with the aim of upgrading the Port of Maputo and improving the rail and road links between Maputo and South Africa, in order to attract more South African traffic to the port. The corridor includes the Ressano Garcia and Goba Railway Lines, the road between Maputo and Pretoria and Maputo and Johannesburg, and also the Namaacha road between Maputo and Swaziland. The corridor provides the gas pipeline from Pande, crossing Gaza and Maputo into South Africa, the aluminium foundry industry (MOZAL) and the power transmission line represented by the partner MOTRACO. This is the most important of Mozambique's three corridors, given the close economic ties between Mozambique and South Africa. It is the largest and most successful development corridor initiative thus far in SADC.

The development of these corridors has strengthened partnerships and increased the attractiveness of the region to the business sector, resulting in a growth in international competitiveness. By linking landlocked countries to their neighbours, and therefore to the ocean, the corridors:

- improve the operational and economic efficiency of these states in question;
- create a myriad of new economic opportunities which will result in increased business for cross-border traders and transport operators;
- create an integrated regional system of trade, with improved infrastructure; more efficient cross-border flow of goods; expanded business involvement; and more vibrant tourism within the region.

Improved infrastructure in turn allows for increased cargo volumes and improved transportation efficiency, safety and higher potential for better productivity.

3.6 Border Posts Linking Mozambique to other SADC Counties

Mozambique shares its border with South Africa, Swaziland, Malawi, Zimbabwe, Zambia and Tanzania. The border posts linking Mozambique to these countries also provide necessary links to the rest of SADC.

Mozambique – South Africa border posts

- Kosi Bay Border (Border to Ponta do Ouro): opens 08H00 - 17H00, 7 days a week;
- Komatipoort (Lebombo Border Post): opens 06H00 - 24H00, 7 days a week;
- Pafuri Border Post: opens 08H00 - 16H00 7 days a week; and
- Giryondo Border (Kruger national park): opens 08H00 - 15H00, 7 days a week.

Mozambique – Swaziland border posts

- Goba Border: opens 08H00 - 18H00, 7 days a week; and
- Namaacha Border: opens 08H00 - 17H00, 7 days a week.

Mozambique – Zimbabwe border posts

- Nyampanda Border Post: opens 06:00 – 18:00;
- Machipanda Border Post: opens 06H00 - 18H00;
- Espangabera Border Post: unknown operating times; and
- Sango Border Post (Chicualacuala Border Post): unknown operating times.

Mozambique – Zambia border posts

- Chimefusa Border Post: unknown operating times.

Mozambique – Malawi border posts

- Zobue Border Post: opens 06H00 - 18H00;
- Milange Border Post: opens 06H00 - 18H00; and
- Mandimba Border Post: opens 06H00 - 18H00.

Mozambique – Tanzania border posts

- Negomane Border Post: unknown operating times; and
- Namoto Border Post: unknown operating times.

4. TRADE INDUSTRY

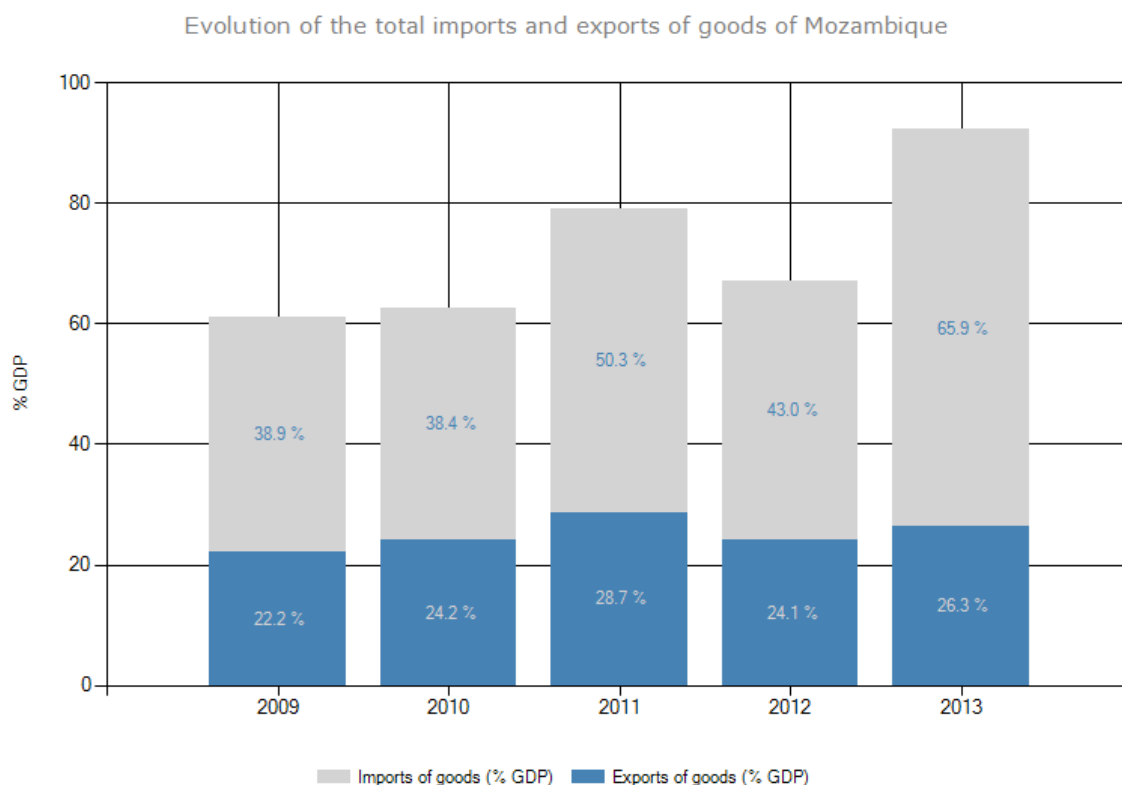
4.1 International Trade

Mozambique has a very favourable geographical positioning in the Southern African region but its contribution to regional trade is still reduced. The country is responsible for 70% of SADC's transit traffic, with logistics corridors linking the deep water coastal ports with neighbouring countries. It therefore plays a major role in regional trade as it provides important transportation corridors for cross-border businesses as well as exporters and importers of goods.

Mozambique has liberalised 85% of its import tariffs under the regional Free Trade Agreement (FTA) and enjoys preferential access to European markets under the European Union (EU)/SADC Economic Partnership Agreement (EPA) signed in 2009. Mozambique's share of world trade has been expanding, mostly due to natural resource exports.

Figure 5 below shows Mozambican exports and imports as a percentage of GDP. The general trend is that trade has been increasing over the years, making up a significant portion of GDP.

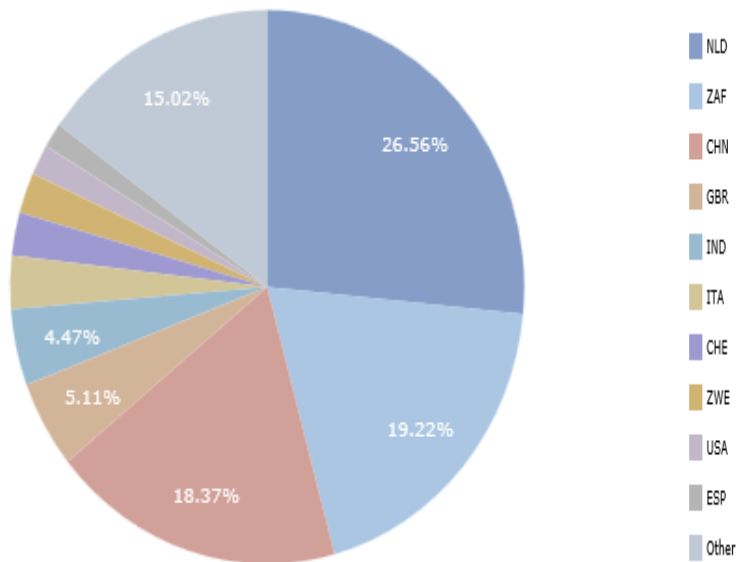
Figure 5: Imports and Exports



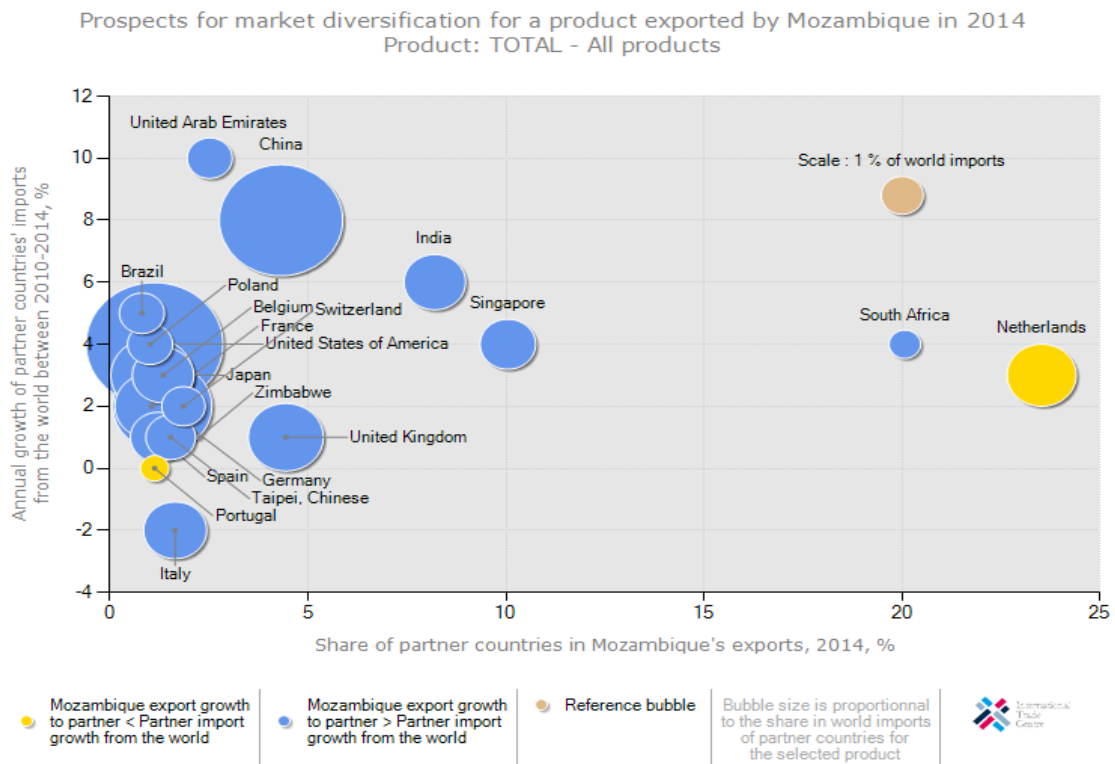
Source: ITC Trade Map (Trade), World Bank (GDP).

The country's main exports are aluminium, electric energy, tobacco, natural gas, sugar and prawns. Main export partners are the Netherlands, South Africa, Portugal, Spain and China, as shown in figure 6 below.

Figure 6: Top 10 export partners



Source: UN Comtrade and UN ServiceTrade



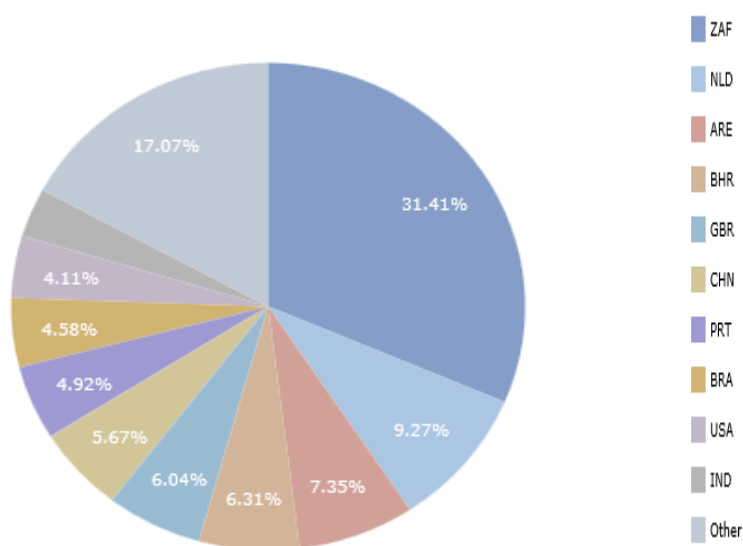
Exports in Mozambique decreased to US\$1034.90 in the fourth quarter of 2014 from \$1040.60 in the third quarter, shown below in figure 7. Exports in Mozambique averaged \$406.75 from 1980 until 2014, reaching an all-time high of \$1115.59 million in the second quarter of 2013 and a record low of \$41.40 million in the first quarter of 1997.

Figure 7: Mozambique exports



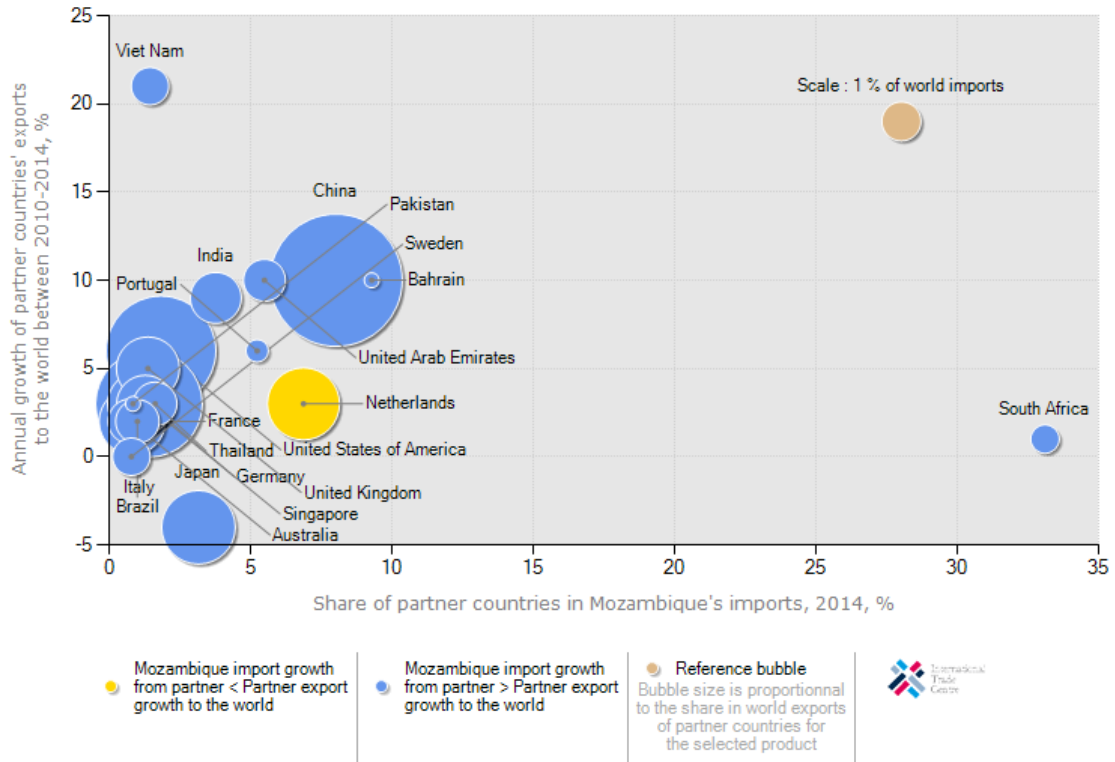
Mozambique imports considerable volumes of machinery, chemicals, transport equipment, vehicles, fuels and consumer durables, mainly from South Africa, Europe and Asia. Figure 8 below is a graph showing its imports partners.

Figure 8: Import partners



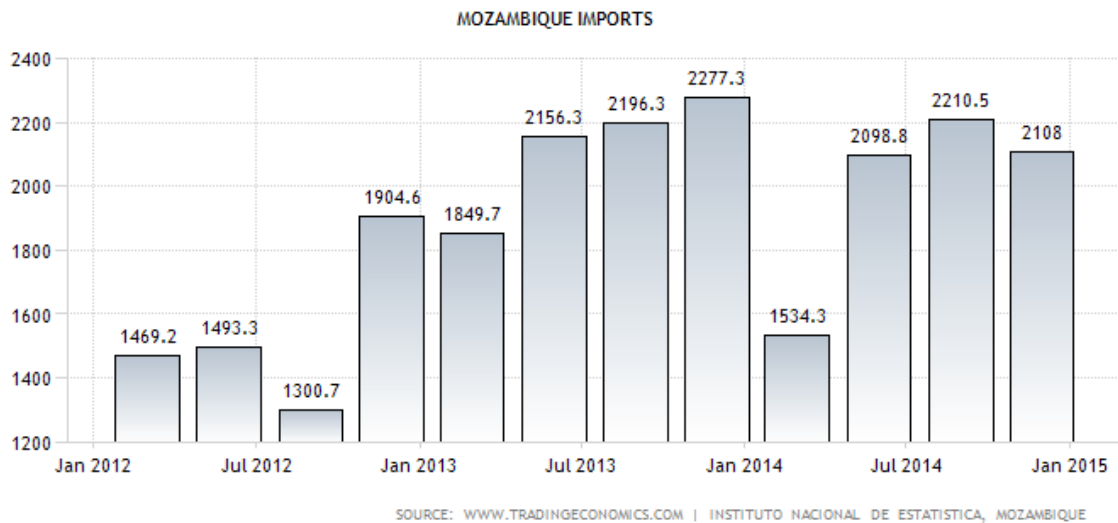
Source: UN Comtrade and UN ServiceTrade

Prospects for market diversification for a product imported by Mozambique in 2014
Product: TOTAL - All products



Imports in Mozambique decreased to \$2108 million in the fourth quarter of 2014 from \$2210.50 million in the third quarter, as shown below in figure 9. Imports averaged \$782.million from 1980 until 2014, reaching an all- time high of \$2277.30 million in the fourth quarter of 2013 and a record low of \$119.97 million in the first quarter of 1997.

Figure 9: Mozambique imports



The fact that there is a general increase in both imports and exports indicates that business potential for cross-border road transport operators is also increasing, as they move traded goods between Mozambique, Mozambican ports and origin or destination countries.

4.2 Trade Policy

Mozambique has recently simplified the structure of its customs duties; the tariff rates currently range from 0 to 30%. Trade policy of Mozambique is related to the poverty reduction goal. The trade policy can be summarised as follows:

- Public and private sector must address the barriers to trade and investment in comprehensive and collaborative manner, to enable domestic entrepreneur and foreign investor to take full advantage of opportunities to increase jobs on broad base;
- Improve the doing business environment;
- Improve efficiency and compete more effectively against imports;
- Stimulate domestic and foreign investment in labour-intensive sector of economy;
- Develop transportation infrastructure and reduce the high transaction cost that currently render Mozambican products uncompetitive in the global markets.

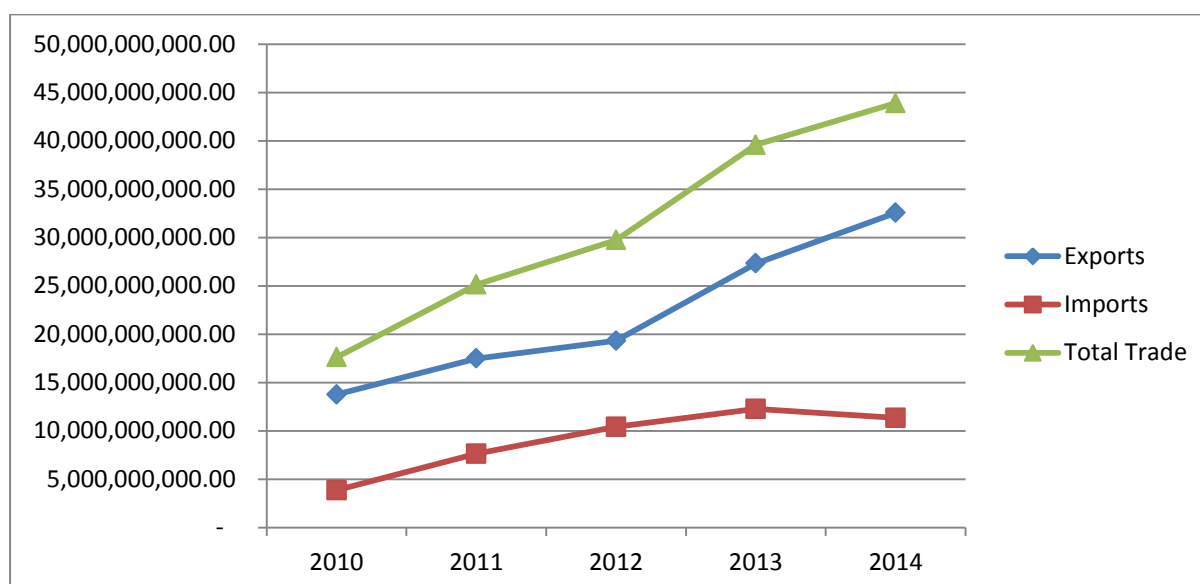
The trade policy is intended to increase Mozambican trade with its trade partners and ultimately boost the economy, therefore leading to poverty reduction. An increase in international trade will lead to increased cross-border freight movement; the impact also felt in cross-border road transport and benefit cross-border transport operators.

4.3 Nature and Volume of Trade with South Africa

South Africa is Mozambique's major trading partner both in terms of exports and imports; and Mozambique is one of South Africa's top five trade partners in SADC. Total trade between South Africa and Mozambique increased from R39.5 billion in 2013 to R43.9 billion in 2014.

Figure 10 below shows how trade between South Africa and Mozambique has steadily increased since 2010, it shows the total value, in Rand value, of South African exports to Mozambique (Mozambique imports), and imports from Mozambique (Mozambique exports).

Figure 10: Imports and Exports between South Africa and Mozambique



Tables 2 and 3 below illustrate the nature of cargo traded between South Africa and Mozambique. The tables also show the annual share of the different commodities as a percentage of the total traded.

4.3.1 Exports to Mozambique

As evidenced in table 2 below, the bulk of Mozambique's consumer and capital goods, like mineral products (gas and petrol products), base metals, machinery and mechanical appliances, is imported from South Africa. These goods, with the addition of vehicles and prepared foodstuffs, make up the top five most exported commodities comprising 72.6% of total exports to Mozambique in 2014.

Table 2: Types of commodities exported to Mozambique

Commodity	SHARE OF TOTAL EXPORTS FROM SOUTH AFRICA TO MOZAMBIQUE				
	2010	2011	2012	2013	2014
Live animals, animal products	3.10%	2.86%	3.13%	3.60%	4.33%
Vegetable products	3.75%	3.72%	4.17%	3.60%	3.16%
Animal or vegetable fats & oils	0.42%	0.38%	0.40%	0.36%	0.43%
Prepared foodstuffs; beverages & tobacco	10.10%	7.33%	7.37%	8.88%	9.80%
Mineral products	19.58%	28.74%	23.56%	27.76%	19.11%
Products of the chemical or allied industries	6.08%	7.47%	7.93%	7.44%	6.66%
Plastics & articles thereof; rubber & articles thereof	3.80%	3.69%	4.01%	3.31%	3.48%
Raw hides & skins, leather, fur skins & articles thereof	0.07%	0.07%	0.08%	0.06%	0.08%
Wood & articles of wood	0.96%	0.79%	0.89%	0.88%	0.96%
Paper products	2.45%	2.42%	2.22%	2.07%	2.44%
Textiles & textile articles	1.06%	1.00%	1.28%	1.22%	1.30%
Footwear, headgear, umbrellas	0.22%	0.20%	0.28%	0.25%	0.30%
Stone, cement and glass products	1.44%	1.36%	1.24%	1.13%	1.16%
Pearls and precious stones	0.01%	0.02%	0.01%	0.01%	0.01%
Base metals & articles of base metal	14.82%	10.61%	11.72%	9.35%	14.93%

Machinery & mechanical appliances	21.54%	19.06%	19.64%	17.22%	18.79%
Vehicles, aircraft, vessels	7.70%	7.15%	8.98%	10.28%	9.96%
Photographic, medical & musical instruments, clocks	1.12%	1.27%	1.27%	1.04%	1.23%
Miscellaneous manufactured articles	1.75%	1.77%	1.75%	1.49%	1.75%
Works of art, collectors' pieces & antiques	0.005%	0.002%	0.002%	0.003%	0.002%
Other unclassified goods	0.013%	0.081%	0.060%	0.056%	0.111%
Special classification of original equipment components/parts for motor vehicles	0.021%	0.000%	0.000%	0.005%	0.001%

4.3.2 Imports from Mozambique

Table 3 below shows South Africa's total imports from Mozambique, from 2010 to 2014. The top five commodities imported from Mozambique in 2014 accounted for 97.8% of total imports. These include mineral products at 87.36%, vegetable products at 3.24%, prepared foodstuffs at 2.65%, base metals at 2.53%, and footwear etc. at 2.01%. These products have been the most imported goods from Mozambique since 2010, accounting for more than 95% of imported goods each year.

Table 3: Types of commodities imported from Mozambique

Product	SHARE OF TOTAL IMPORTS FROM MOZAMBIQUE TO SOUTH AFRICA				
	2010	2011	2012	2013	2014
Live animals, animal products	0.69%	0.50%	0.53%	0.67%	0.53%
Vegetable products	2.51%	2.07%	2.58%	3.45%	3.24%
Animal or vegetable fats & oils	0.00%	0.05%	0.08%	0.05%	0.06%
Prepared foodstuffs; beverages & tobacco	3.16%	2.44%	2.41%	2.10%	2.65%
Mineral products	88.05%	86.68%	87.82%	87.87%	87.36%
Products of the chemical or allied industries	0.05%	0.09%	0.05%	0.18%	0.11%
Plastics & articles thereof; rubber & articles thereof	0.03%	0.01%	0.03%	0.01%	0.04%
Raw hides & skins, leather, fur skins & articles thereof	0.00%	0.00%	0.06%	0.04%	0.06%
Wood & articles of wood	0.23%	0.15%	0.10%	0.09%	0.11%
Paper products	0.02%	0.01%	0.02%	0.00%	0.01%
Textiles & textile articles	0.26%	0.15%	0.09%	0.51%	0.31%
Footwear, headgear, umbrellas	1.48%	0.83%	1.52%	1.25%	2.01%
Stone, cement and glass products	0.19%	0.05%	0.03%	0.03%	0.02%
Pearls and precious stones	0.00%	0.00%	0.00%	0.00%	0.02%
Base metals & articles of base metal	2.78%	2.90%	3.50%	2.46%	2.53%
Machinery & mechanical appliances	0.36%	3.59%	0.92%	0.96%	0.76%
Vehicles, aircraft, vessels	0.05%	0.39%	0.20%	0.06%	0.06%
Photographic, medical & musical instruments, clocks	0.10%	0.07%	0.05%	0.23%	0.11%
Miscellaneous manufactured articles	0.01%	0.01%	0.01%	0.01%	0.00%
Works of art, collectors' pieces & antiques	0.01%	0.00%	0.00%	0.00%	0.00%
Other unclassified goods	0.00%	0.00%	0.01%	0.02%	0.03%

Special classification of original equipment components/parts for motor vehicles	0.00%	0.00%	0.00%	0.00%	0.00%
--	-------	-------	-------	-------	-------

4.4 Restrictions and associated Legislation

Mozambique has set regulations for the importation of goods into the country. These regulations include pre-shipment inspection (PSI), prohibited imports, as well as special conditions on the importation of certain goods. The government of Mozambique has appointed Intertek Government and Trade Services as the sole entity to carry out PSI on all imports that require inspection. The scope of Intertek’s mandate includes physical inspection in the country of the exporter to confirm compliance with the order specification and assessment of price, customs classification and import duties payable. (Intertek, 2014)

Goods that are listed on the Positive List, which is determined by government, are subject to PSI. The table below is a Positive list (compulsory PSI):

Table 4: Positive list

ITEM	EXEMPTION FROM PSI
Meat, derivatives, frozen poultry products	No exemption
Wheat, flour	Up to 20 kgs
Cooking oil (in bulk)	Up to 20 litres
Cement	Up to 100 kgs
Chemical products	No exemption
Medicines (pharmaceutical products)	Quantities for personal use
Safety matches	No exemption
New tyres and used tyres	Up to 5 tyres
Vehicles	New vehicles which have never been registered in the country of origin

Source: Intertek

The following is a list of prohibited imports into Mozambique:

- a) Merchandise with fabrication labels of false commerce or origin, books and works of art when they are counterfeit editions;
- b) Objects, photographs, albums, recordings of sound or images and film of a pornographic nature or other materials judged as offensive to public morals and dignity;
- c) Imitations of formulas of postal franchise used in the country;
- d) Medication and food products harmful to public health;

- e) Food products that are harmful to public health that cannot be used for other purposes;
- f) Distilled alcoholic drinks that contain essences or chemical products recognised as harmful such as: Aldeido Benzoico, Badia, Eteres silicitos, Hissopo e Tulinana;
- g) Hallucinatory and psychiatric substances except when imported for hospital use;
- h) Certain gases as specified below:
 - Chlorofluorocarbons (CFCs);
 - Halogens (Halon 1211, Halon 1301 and Halon 2402); and
 - Carbon Tetrachloride of Carbon (CCL4).
- i) Left-hand drive vehicles used for commercial purposes. (Intertek International Ltd: 2014).

4.5 Customs transit regulations

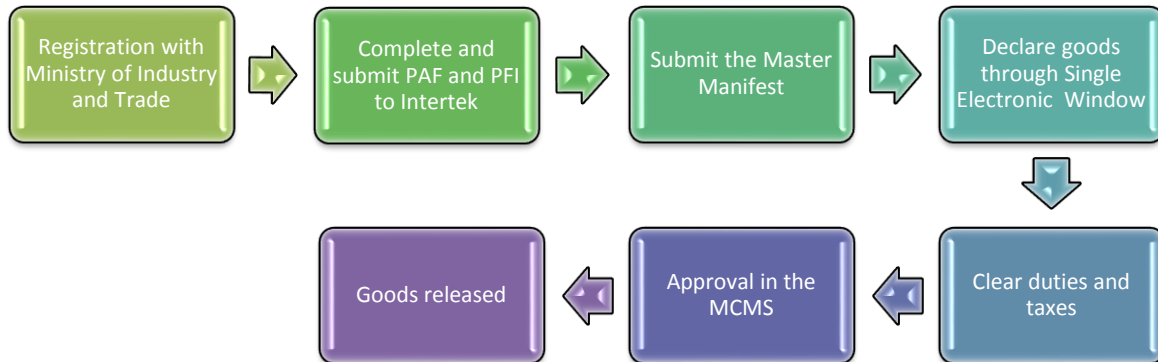
The Minister of Finance of Mozambique approved new customs regulations for goods traffic on 8th August 2013 (Ministerial Diploma No. 116/2013 – Approval of Customs Transit Regulation). The new regulations are aimed at modernising procedures and standards to make them more flexible and complementary to international trade. These regulations are for goods in transit in Mozambique, originating from outside the country and destined for another country.

According to the terms of the new regulations, goods in transit in Mozambique's custom territory are subject to customs control from their point of origin to their point of destination. The entry and exit of these goods must be declared to the Mozambican customs authorities. Goods in transit are not permitted to be loaded, unloaded or transferred outside of authorised areas, unless there is legitimate concern of loss or damage of goods, or concerns regarding the vehicle transporting these goods.

Goods in transit are subject to payment of a fixed amount of 500 Meticals for each Single Transit Document and 10 cents for each ton of general bulk cargo. (Macauhub, 2012)

4.6 Document requirements for importation

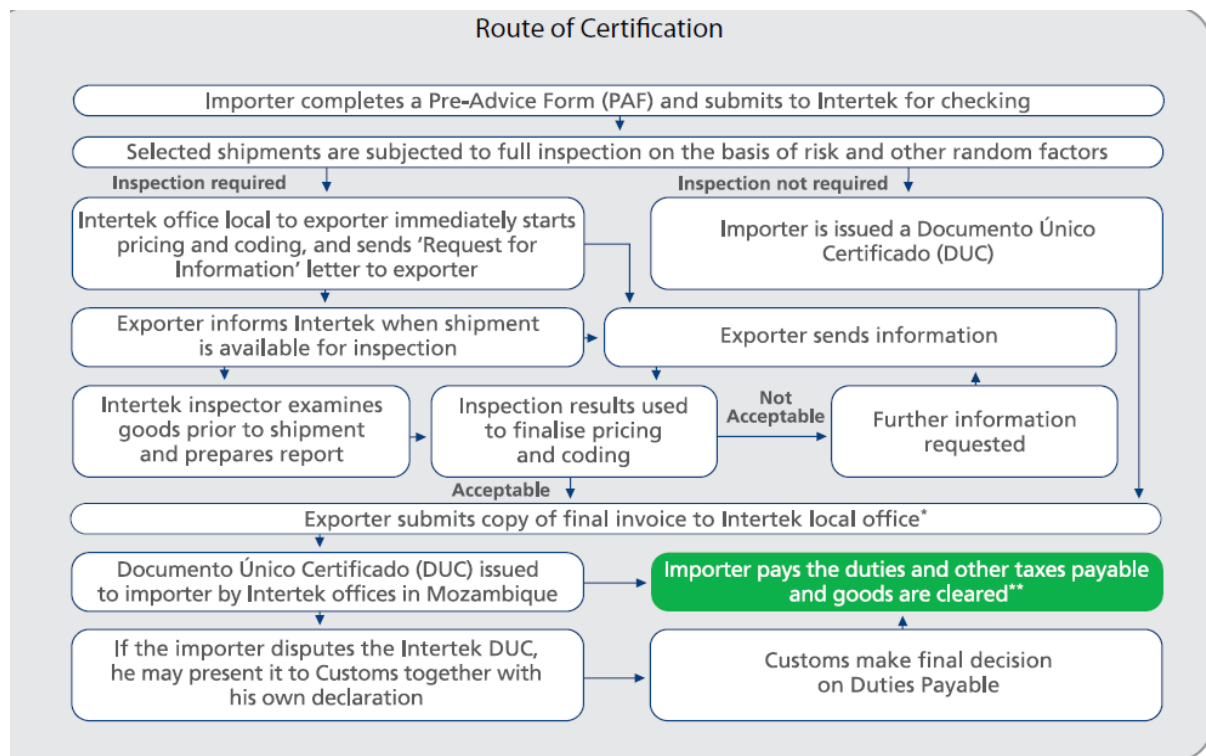
Importers in Mozambique follow the following procedure:



The following are the documents that are required for importation:

- Import license/ permit (DA341);
- Commercial invoice;
- Customs import declaration;
- Third party insurance (Serguro);
- Packing list;
- Bill of Entry;
- Certificate of Origin;
- Transport document (road manifest, AWB or Bill of Lading);
- Cargo release order;
- Equipment registration certificate;
- Delivery order;
- Inspection report; and
- Payment receipts.

4.6.1 Route Certification Process



Importers (including seasonal importers) in Mozambique are required to register with the Ministry of Industry and Trade and submit the application for registration as an importer accompanied with identification documents, business registration certificate and trading licenses. If documents are approved, the Ministry will issue an identification card authorising permission to carry out foreign trading activities, known as the import license. If the goods to be imported require pre-shipping inspection, the importer must complete a Pre-Advice Form (PAF) and submit it with a PFI (Pro-Forma Invoice) to the Intertek office in Mozambique.

At the port of entry, the transporter electronically submits the Master Manifest to custom. This is followed by completion and submission of a declaration form (DU – Single Document, DUA – Unique Abridged Document or DS – Simplified Document) to customs authority through the Single Electronic Window (SEW). The declaration will be validated using the Tradenet system. After verification of the declaration, a declaration number is generated and assigned to the declared imports. Thereafter, duties and taxes associated with the imports must be cleared and an approval is made on the Customs Management System (MCMS). Finally, the goods are released.

4.7 Cost and Estimate Import Duration

The total fee incurred and the number of days it takes to import is shown below in table 5.

Table 5: Import process

IMPORT PROCESS	FEE IN US DOLLARS	NUMBER OF DAYS
Preparation of documents	490	16
Pre-shipment Inspection	-	15
Customs clearance	340	2
Handling goods at the ports	400	5
Transportation	370	2
Total	1 600	40

5. PASSENGER TRANSPORT

Commercial passenger travel is carried out by taxis, buses and tour operators. All commercial passenger operators, both in South Africa and Mozambique, have to have valid cross-border road transport permits in order to transport passengers across the South African and Mozambican borders.

The statistics used to analyse passenger volumes and trends was obtained from data collected by the South African Department of Home Affairs (DHA) immigration officers on both South African and foreign travellers that passed through South African land ports of entry/exit, to and from Mozambique, in 2014. The data used for analysis is comprised of passengers in transit, and passengers arriving in and those departing from South Africa.

5.1 Passenger volumes and trends

Traveller data recorded by DHA is from travel documents scanned at the land ports of entry/exit. The data collected does not reflect country of final destination, duration of stay and the purpose of the visit. Unfortunately the data does not distinguish between travellers using privately owned vehicles and those using taxis and buses.

The table below shows monthly data of arrivals into and departures from South Africa, of both South African residents and foreign nationals by road for 2013 and 2014.

Table 6: Passenger movement between South Africa and Mozambique

	2013		2014	
	Arrivals	Departures	Arrivals	Departures
South African	619 755	630 264	710 700	725 802
Foreign nationals	1 797 005	1 567 328	2 056 122	1 861 050
Total	2 416 760	2 197 592	2 766 822	2 586 852

Source: StatsSA Tourism

From the table above, it is evident that there was an increase in the number of passengers, both South African and foreign nationals, from 2013 to 2014. The number of passengers arriving into South Africa from Mozambique increased by 12.65% from 2013 to 2014; and of those travelling to Mozambique from South Africa increased by 15.05% in the same period.

The monthly passenger movement between South Africa and Mozambique is illustrated in the graphs below (figures 11 and 12), to show periods of most travel.

Figure 11: Passenger arrivals into South Africa from Mozambique

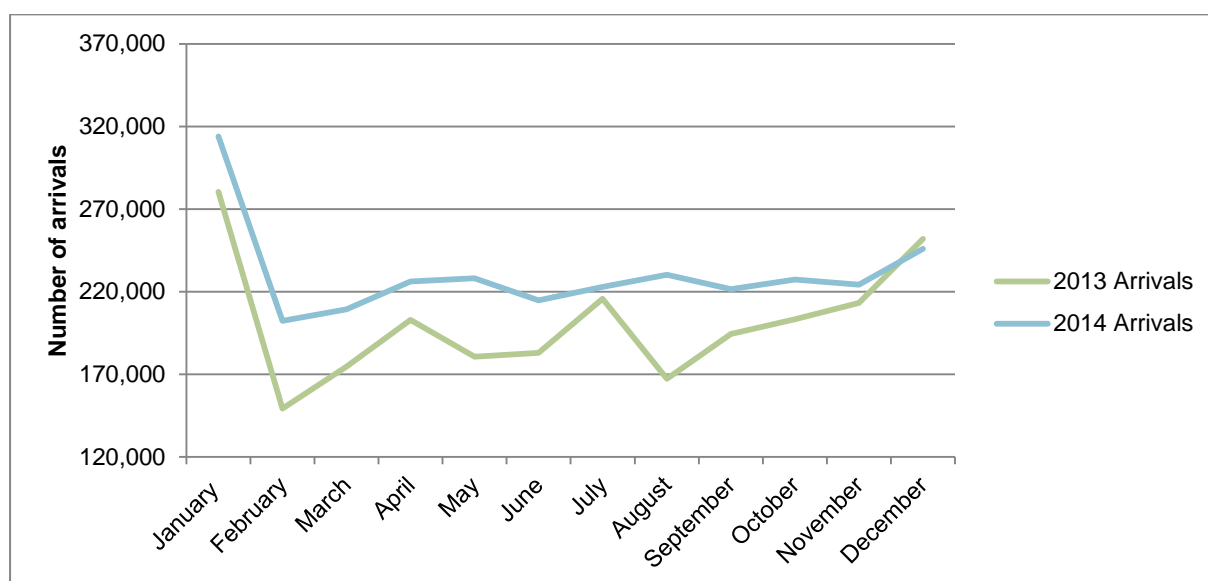
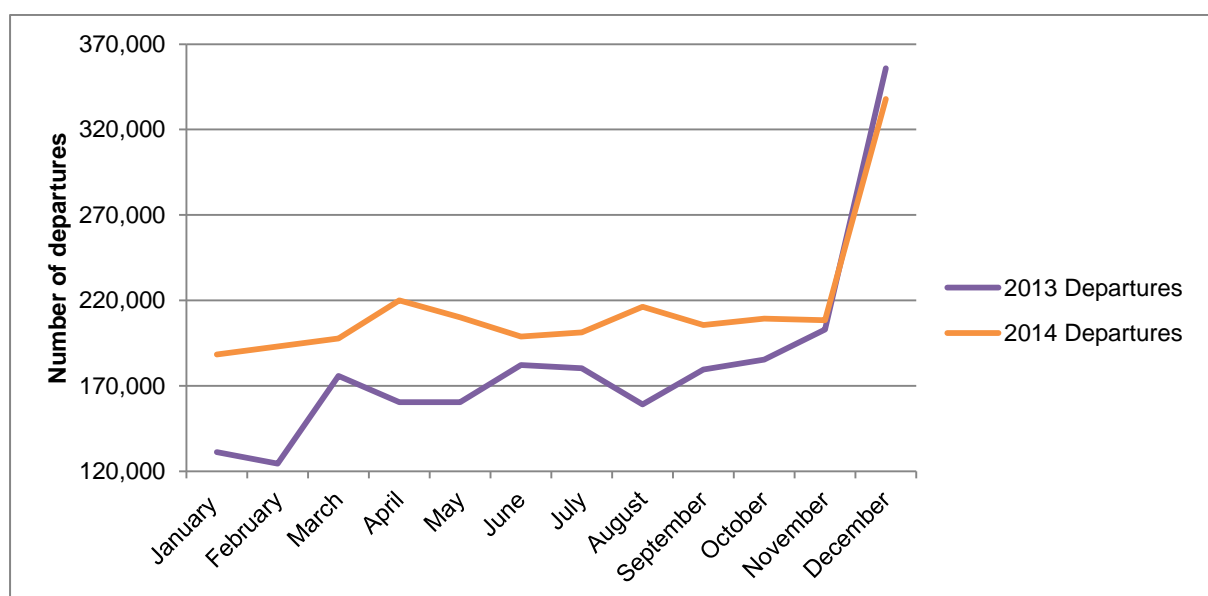


Figure 12: Passenger departures from South Africa into Mozambique



From the above figures, the highest number of passenger movement is in January and December. The high number of passengers departing South Africa for Mozambique in December is mainly due to migrant workers - Mozambican nationals - going home, and marginally due to holiday makers visiting Mozambique, for the festive season. The number of passengers entering South Africa from Mozambique in January can be attributed to holiday makers returning home and Mozambican migrant workers returning to South Africa for work.

5.2 Operator profile

The number of taxi operators doing business between South Africa and Mozambique is significantly higher than that of bus operators. Over the past few years there has been a significant reduction in the amount of bus transportation across the border. The taxi industry is growing and is relatively easy to enter. The taxi recapitalisation programme gave operators the opportunity to replace their vehicles with ones that were in better condition and also gave those who could not enter the long-distance/cross-border market the opportunity to do so.

The increase in the number of taxi operators also indicates the increase in demand in the cross-border market as the number of travellers between South Africa and Mozambique increased, and their preference for taxis over buses is evident.

The table below shows the number of permits issued to South African taxi and bus operators to operate between South Africa and Mozambique over the financial years indicated.

Table 7: Passenger operator permits

	2007/2008	2011/2012	2012/2013	2013/2014	2014/2015
Taxi permits	2 526	5 177	4 332	4 390	4 907
Bus permits	1 347	339	631	542	319

Source: the CBRTA

South Africa currently has twenty-seven taxi and eleven bus operators; and Mozambique has eleven taxi and six bus operators conducting business between South Africa and Mozambique. New entrants into the cross-border road passenger transport market are regulated by the CBRTA Regulatory Committee which assesses whether the demand for such a service exists.

6. ROAD TRANSPORT ENVIRONMENT

Transport infrastructure in Mozambique has improved significantly in recent years as a result of growing economic opportunities in the region. The transportation system is being revitalised through private and public investment.

The investment in the road transport network has led to improved connectivity and road quality between human concentration settlements and will lead to further improve transportation links between trading centres, such as Maputo, and more isolated regions of the north and east of the country.

6.1 Road Transport Legislation

Road transport in Mozambique is regulated by the Road Decree (Law 1/2011). The provisions of this decree are applicable to transport on roads that are owned by the State and on roads that are privately owned, when these are opened for public transport which is where cross-border road transport moves.

6.1.1 General rules

Below are the general rules and regulations for road transport in Mozambique:

- Drivers are not allowed to drive with part of their body outside of the vehicle;
- Vehicles are to be driven on the left side of the road;
- Drivers are to always carry their identity and car documents;
- Drivers should not use any headphones or television devices while the vehicle is in motion;
- Drivers and passengers are to use seatbelts;
- Children under the age of 12 have to be secured with a retention system designed for and adapted to their measurements and weight;
- Sound signals have to be brief, and used moderately
- In the case of an accident, the driver involved has to provide:
 - His identification
 - Identification of the vehicle owner (if not owned by the driver)
 - Vehicle insurer, including insurance policy number. The driver might be requested to documentation in proof)

6.1.2 Speed Limits

The maximum speed in Mozambique is 120km/h. The permissible speed changes when entering towns and villages. It is advised to keep to speeds of 60km/h until the driver has cleared the inhabited area. The table below shows acceptable speed limits specifically for passenger and goods vehicles.

Table 8: Speed limits

TYPE OF VEHICLE	SPEED IN KM/H	
	Inside of towns	Outside of towns
Passenger	60	100
Goods and mixed use	60	100

Any person exceeding the maximum speed limits will be punished by way of a fine, in terms of the following table:

Table 9: Fines issued for exceeding speed limits

	SPEED	FINE (IN METICALS, MT)	CONTRAVENTION
Within towns	Exceeded by up to 10km/h	1,000 Mt	Minor
	From 10 to 20 km/h	2,000 Mt	Medium
	From 20 to 40km/h	4,000 Mt	Serious
	More than 40km/h	8,000 Mt	Serious
Outside of towns	Exceeded by up to 20km/h	1,000 Mt	Minor
	From 20 to 40 km/h	2,000 Mt	Medium
	From 40 to 60 km/h	4,000 Mt	Serious
	More than 60km/h	8,000 Mt	Serious

(Rand/Metical exchange rate is US\$ 1 = Mt 40.1 = R 13.01)

Drivers may not drive at a speed of less than 40km/h on freeways. Drivers, who have been qualified to drive vehicles of a determined class for less than one year, may not exceed a speed of 90km/h when driving those vehicles.

6.1.3 Vehicle Dimensions and Weights

There is an axle limit established by law, and when the weight and dimension of a vehicle exceeds this limit, for any combination of vehicles, the load is considered abnormal.

6.1.3.1 Weight

The maximum weight of vehicles is set out in the table 10 below where the gross weight of a trailer should not be more than the gross vehicle weight load or the tare weight of a passenger car that is coupled and the gross weight of the front axle of the motor vehicle must not exceed 7.7 tons.

Table 10: Maximum weights

	NUMBER OF AXLES	MAXIMUM WEIGHT (IN TONS)
Vehicle	Two	16
	Three or more	26
Articulated vehicle (tractor semi-trailer)	three	25
	four	34
	five	42
	six	48
	Seven or more	56
Vehicle combination	Four	34
	Five	42
	Six	48
	Seven or more	56
Trailer	One	8
	Two	16
	Three or more	24
Tow tractors	One	8
	Two or more	16

6.1.3.2 Dimensions

The dimension of a vehicle refers to the contour surrounding the vehicle, including cargo and all accessories, except mirrors and indicators of direction change. Permissible dimensions of a vehicle are shown in the table 11 below:

Table 11: Permissible dimensions

	DIMENSION	METRES
Length	Vehicles with two or more axles	13
	Articulated vehicles (three or more axles)	18
	Vehicle sets - trailers	22
	Trailers with one or more axles	13
Width		2.6
Height (measured from the ground)		4.3

Articulated vehicles, specially adapted and approved by the National Road Traffic Institute (INAV) for transporting containers, are allowed a maximum length of 16.5m. INAV may authorise the transit of vehicles for the transportation of indivisible objects which exceed the set limits and also authorise the registration of transiting vehicles with special dimensions greater than those set.

6.2 Road Transport Agreements

Mozambique is a signatory of the SADC Protocol on Transport, Communications and Meteorology (PTCM). The SADC PTCM provides the context for which Mozambique signed road transport bilateral agreements with some countries in the region, namely: South Africa, Malawi, Swaziland, Zimbabwe and Zambia.

6.2.1 SADC Protocol

The SADC PTCM makes provisions for all SADC Member States with regard to integrated transport, road infrastructure, road transport, and road traffic, amongst others. The objectives of the transport-related provisions, taken, as they are, from the SADC PTCM, are given below:

6.2.1.1 Integrated Transport

Member States shall promote economically-viable integrated transport service provision in the region:

- a) characterized by high performance standards and consistent levels of efficiency and reliability of all individual component parts of the transport chain;
- b) on the basis of complementarity and co-operation between modes, modal choice optimization, seaport hinterland optimization and with due regard to modal advantages;

- c) bearing in mind the need to preserve the region's transportation infrastructure;
- d) by encouraging the development of multimodal service provision; and
- e) compatible with responsible environmental management;

to support the development of major regional development corridors and facilitate travel between their territories.

6.2.1.2 Road Infrastructure

Member States agree to ensure and sustain the development of an adequate roads network in support of regional socio-economic growth by providing, maintaining and improving all roads including primary, secondary, tertiary and urban roads, including those segments which collectively constitute the RTRN in order to -

- a) ensure access to major centres of population and economic activity;
- b) ensure access between ports of entry between Member States and harbours of importance to the region;
- c) minimize total road transport costs;
- d) preserve assets vested in road infrastructure; and
- e) minimize detrimental impacts to the environment.

6.2.1.3 Road Transport

Member States shall facilitate the unimpeded flow of goods and passengers between and across their respective territories by promoting the development of a strong and competitive commercial road transport industry which provides effective transport services to consumers.

6.2.1.4 Road Traffic

Member States shall enhance the overall quality of road traffic in the region with the emphasis on promoting acceptable levels of safety, security, order, discipline and mobility on the roads and protecting the environment and road infrastructure.

The objective of the protocol, in terms of these transport provisions, is to encourage Member States to pursue a process of a common market for transport services in order to achieve the most cost effective movement of goods and passengers.

6.2.2 Bilateral Cross-Border Road Transport agreements

The regulation of cross-border road transport between South Africa and Mozambique is guided by bilateral road transport agreements which define the conditions under which

cross-border road transportation between two countries may be carried out, among other instruments. The road transport bilateral agreements are aimed at:

- Creating a regulatory system that will lead to a road transport that will be of full use to the citizens;
- Ensuring the development of a strong and competitive transport industry;
- Ensuring the maintenance of adequate levels of safety in public transport;
- Promoting the correct use of transport infrastructure and collecting revenue in a non-discriminatory basis; and
- Promoting the acceptance of harmonised standards.

Mozambique and South Africa have bilateral agreements regarding the carriage of goods by road and on the conveyance of passengers by road. In accordance with the bilateral agreement on the conveyance of passengers by road, one of the preconditions for issuing a cross-border permit to taxi operators is that there has to be a joint venture agreement between a South African and a Mozambican taxi association. This precondition is meant to ensure equivalence in market share.

6.3 Regulatory Framework

The compliance to the road transport legislation and to the traffic code in Mozambique is the responsibility of the following entities:

- The Traffic Police (PT);
- The National Road Traffic Institute (INAV), on all roads;
- The National Roads Administration (ANE), in case of national roads;

The ANE is a public institution managed by the country's Ministry of Public Works and Housing, responsible for the development and maintenance of all roads throughout Mozambique. It consists of five member organisations dedicated to the planning, development, construction, management and maintenance of the road infrastructure; and

- Municipalities, in the cases of municipal roads, streets and rural roadways.

The National Vehicle Council (CNV) is responsible for harmonising and coordinating the functions of the above entities.

There are various officials on the road performing specific functions, and controlling different elements with regard to road transportation.

- Traffic Police:
 - Officers in white shirts and blue trousers;
 - Carry identification and have their name and number visible on their uniform; and
 - Permitted to issue fines (written) for any traffic violation.
- Protection Police:
 - Officers in light grey shirts and dark grey trousers;
 - Normally work together with the traffic police;
 - Are not allowed to issue fines for any violation; and
 - Allowed to arrest for carrying stolen goods or illegal substances or contraband, or for theft or assault.
- Rapid Intervention Police:
 - Officers in dark green; and
 - Have similar duties to the Protection Police.
- Taxi Police:
 - Officers in light green shirts and green trousers, with red arm bands; and
 - Only permitted to check taxis.
- Algangdega/Customs:
 - Officers in light blue shirts and blue trousers; and
 - Allowed to search vehicles for undeclared items.
- Military:
 - Allowed to search vehicles at road blocks or border posts.

6.4 Requirements for Cross-border transportation

There are certain requirements that passenger and freight operators need to comply with when travelling to Mozambique. These include:

- A valid passport of the driver, no visa is required for South African residents;
- A valid driver's license – international and South African driver licenses are recognised;
- A certified copy of vehicle registration papers in the name of the driver; and if the vehicle is not owned by the driver, a letter of authorisation from the registered owner;
- A letter of authority from the bank, if the vehicle is still being financed (must include dates of travel), together with the vehicle license papers;
- A compulsory temporary import permit for the vehicle (DA341), available at the border post (approximately R15 payable in Meticals);

- A compulsory Third-Party Insurance and road tax for foreign registered vehicles;
- Comprehensive vehicle insurance that is valid in Mozambique and that covers cross-border travel;
- Two Red Warning Triangles (they do not need to be displayed on car):
 - An Emergency Triangle must be carried in all vehicles. Each side of the triangle must be 500mm long and 50mm wide, with a thickness of about 5mm. It must be uniformly covered in red reflective material, with the back of the triangle being either white or have a 5mm wide white border. The edge of the triangle must be yellow. The reflective surface must be well-maintained and looked after; it must be visible from 100m away in the presence of light;
- A reflective jacket - two jackets are required if more than two people are travelling in the vehicle (to be used when changing a tyre, at car accident scene, or if reloading cargo that has fallen from the vehicle onto the road); and
 - the vest must be made from polyester and must be equipped with polyvinyl reflective strips in yellow or green in the front to the sides, as well as on the back of the vest. These strips must not be less than 40mm wide.
- Reflective markings must be used on all vehicles and trailers over 10,000kg in weight or more than 6m long:
 - Reflective markings should be placed of on the sides and the back or back edges of your vehicle as well as trailers in continuous or contiguous (in close proximity) lines. Markings must be between 0.25m and 1.5m from the ground, and may be extended up to 2.1m. Reflective markings must be made of yellow reflective material, and be at least 50mm wide. If a marking is not continuous, than the distance separating markings must be no more than 80% of the length of each marking.
- Immigration Fees: R17.50 per person;
- Declaration Form for Vehicle: cost is approximately R50;
- If towing a trailer, two towing stickers - yellow warning triangle on a blue background - one in the front of the vehicle (on the bumper) and one on the rear of the trailer; and
- A 'ZA' Sticker.

6.5 Transport Policy and Strategies

All development policies in Mozambique are focused on two major issues: poverty reduction and social and economic infrastructure development. Infrastructure development, including schools, hospitals, roads and railways, has been prioritised. Efforts are also being made to improve physical links with neighbouring countries and strengthen north-south communications within the country. These include the construction of a number of bridges.

In 2009 the Government of Mozambique, approved the strategy for the development of integrated transport systems. Between 2010 and 2011 the strategy was refined to accommodate investments in mining, especially coal. In 2012 the strategy was reviewed in the light of the discoveries of gas in the Rovuma Basin.

The Road Transport Policy is regulated under Resolution No. 5/96 as enunciated in the Gazette No. 13, I of 2nd April 1996 and comprises: Urban Passenger Transport, Semi Public Passenger Transport in urban centres, Inter- urban Passenger Transport, Cargo Transport and Technical Assistance for Road Equipment, Non-Motorised Transport. Public transport for passengers only exists in Maputo and Beira where there are public transport companies managing the bus fleet. Policy for freight transport provides incentives for development of cargo terminals in the periphery of urban centres in order to avoid circulation of truck traffic from ports in the major cities.

The private sector currently controls over 90% of passenger and freight transport market. Fixing of passenger services fares and route allocation in passenger transport falls under Government responsibility, while pricing for freight transport is determined by market forces.

7. THE BUSINESS ENVIRONMENT

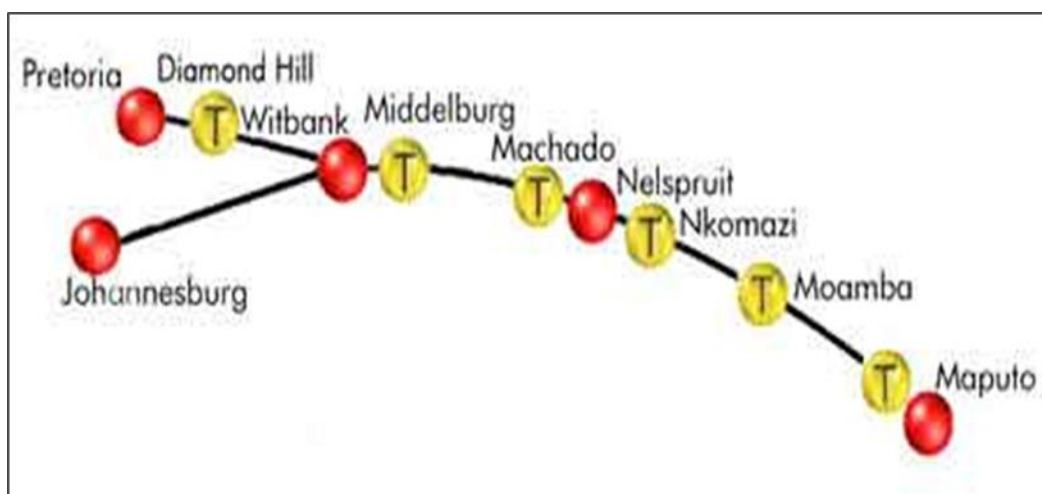
7.1 Road User Charges

The Maputo corridor stretches over a distance of 600 kilometres from Johannesburg/Pretoria to Maputo. The main crossing is at the Ressano Garcia/Lebombo border post, where the Maputo Corridor highway and railway cross the border. The main road on the South African side is the N4, a two- to four-lane national toll road. In Mozambique the N4 becomes the EN4 and leads to Maputo. The EN4 is connected to the Port of Maputo by a special access road. The entire network is built to carry the 56-ton trucks that are used for heavy international freight and is a fast, safe and efficient road to the international ports of Maputo and Matola for commercial operators.



Source: www.gorongosa.org

Figure 13: N4 / EN4 Toll route



Source: <http://www.mcli.co.za/mcli-web/mdc/road.htm>

There are six Trans Africa Concessions (TRAC) N4 toll road plazas between Pretoria and Maputo, shown in figure 16 above, that ensure a modern and well-maintained trunk route to the Ports of Maputo and Matola in Mozambique. Four are on the South African side, with two on the Mozambican side. The tariffs for the tolls are shown in table 12, where the tolls in South Africa are in Rands and the two in Mozambique are in Meticals.

Table 12: 2014/2015 Toll tariffs

Class	SOUTH AFRICAN TOLLS IN RANDS				MOZAMBICAN TOLLS IN METICALS	
	Diamond Hill	Middleburg	Machadodorp	Nkomazi	Moamba	Maputo
1: light vehicles	30	50	75	57	135	25
2: medium heavy vehicles	42	108	208	115	330	85
3: large heavy vehicles	79	165	303	167	850	220
4: extra-large heavy vehicles	131	216	432	240	1100	370

Source: <http://www.tracn4.co.za/toll-fees.html>

7.2 Ease of Doing Business

A SWOT Analysis of the business environment in Mozambique is articulated hereunder:

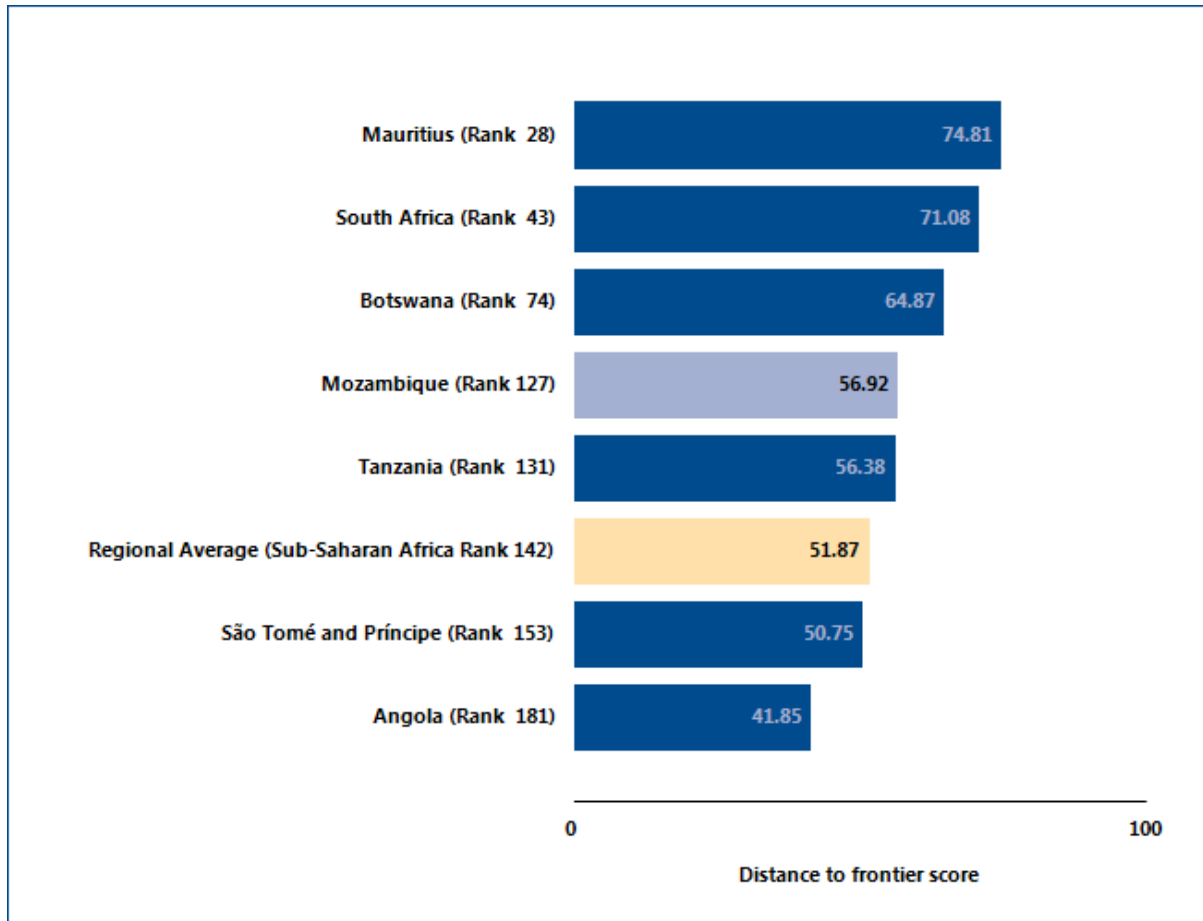
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Macroeconomic stability • Strong FDI- a boost to national growth and confidence among investors • Government's commitment to improve infrastructure • Natural and mineral resources • Preferential access to imports markets • Low wages • Proximity to large South African market 	<ul style="list-style-type: none"> • Poor and small market • Complicated and cumbersome regulatory environment • Corruption, red tape and bureaucracy • Underdeveloped financial sector • High cost and limited access to financing
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Aid flow and quantity of development projects • Growing market due to regional co-operation and preferential access to international markets: SADC FTA, EU(EPA) • Trade hub for Southern Africa • Natural resources to be further developed • Become a global agricultural producer/exporter • Increase competition in transportation services 	<ul style="list-style-type: none"> • High level of corruption, low governance • Foreign competition threatens local firms • Inadequacy of infrastructure • Vulnerability to natural hazards • Dependency on foreign aid • Too fast and unbalanced economic growth

According to the World Bank, Mozambique ranked at 127th in 2014 for ease of doing business, as shown in figure 17 below. The ease of doing business index ranks economies from 1 to 181, with first place being the best. Annual rankings provide an indication of changes in an economy's regulatory environment. Mozambique's ranking showed an improvement from the 2012 ranking of 142nd to the 2014 ranking of 127th.

The distance to frontier score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each indicator. The distance to

frontier score is indicated on a scale of 0 to 100, where 0 represents the worst performance and 100 the frontier. The index ranks the countries on 10 topics as illustrated in figure 14.

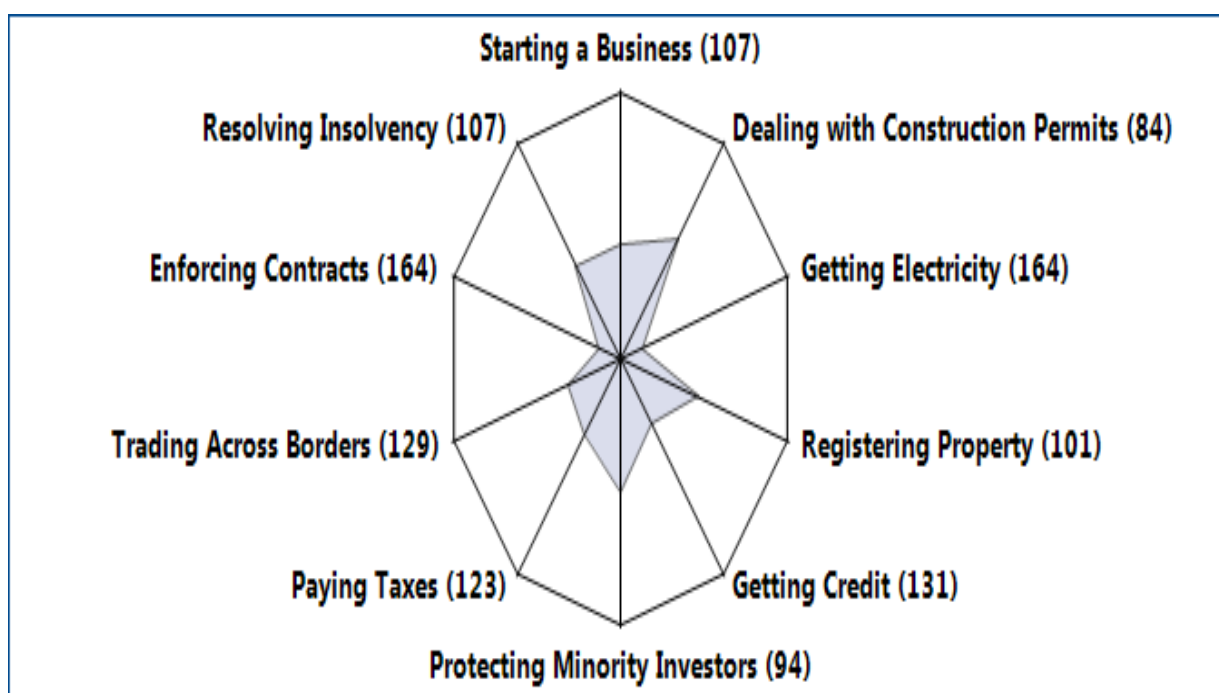
Figure 14: Mozambique and comparator economies on the ease of doing business



Source: World Bank, Doing Business 2015

Figure 15, shows the ranking of Mozambique based on various business environment perspective.

Figure 15: Ranking on topics



Source: World Bank, Doing Business 2015

The ease of doing business covers 10 themes, but this report only focuses on the following:

- **Starting Business**

This looks at the ease of starting a business taking into considerations procedures officially required by an entrepreneur, and the time and cost required to complete these procedures. This indicator assumes that all information is readily available to the entrepreneur, that there has been no prior contact with officials and that the entrepreneur will pay no bribes. Starting a business requires 9.0 procedures, takes 13.0 days, costs 17.1% of income per capita and requires paid-in minimum capital of 0.0% of income per capita. Mozambique is at 107th in the ranking of 189 economies on the ease of starting a business.

- **Trading across borders**

This rating measures the time, the cost associated with exporting and importing, and the number of documents necessary to complete the transaction. The indicators below, in table 13, include the documentation requirements, procedures at customs, and trade logistics.

Table 13: Indicators of trading across borders

DOCUMENTS REQUIRED TO EXPORT AND IMPORT (NUMBER)	TIME REQUIRED TO EXPORT AND IMPORT (DAYS)	COST REQUIRED TO EXPORT AND IMPORT (US\$ PER CONTAINER)
Bank documents	Obtaining, filling out and submitting all the documents	All documentation Inland transport and handling
Customs clearance documents	Inland transport and handling	Customs clearance and inspections
Port and terminal handling documents	Customs clearance and inspections	Port and terminal handling
Transport documents	Port and terminal handling	Official costs only, no bribes

According to the Doing Business Report, exporting a standard container of goods requires 7 documents (Bill of lading, cargo release order, commercial invoice, customs export declaration, inspection report from scanner, packing list and terminal handling receipts); it takes 21.0 days and costs US\$1100, broken down as per table 14 below.

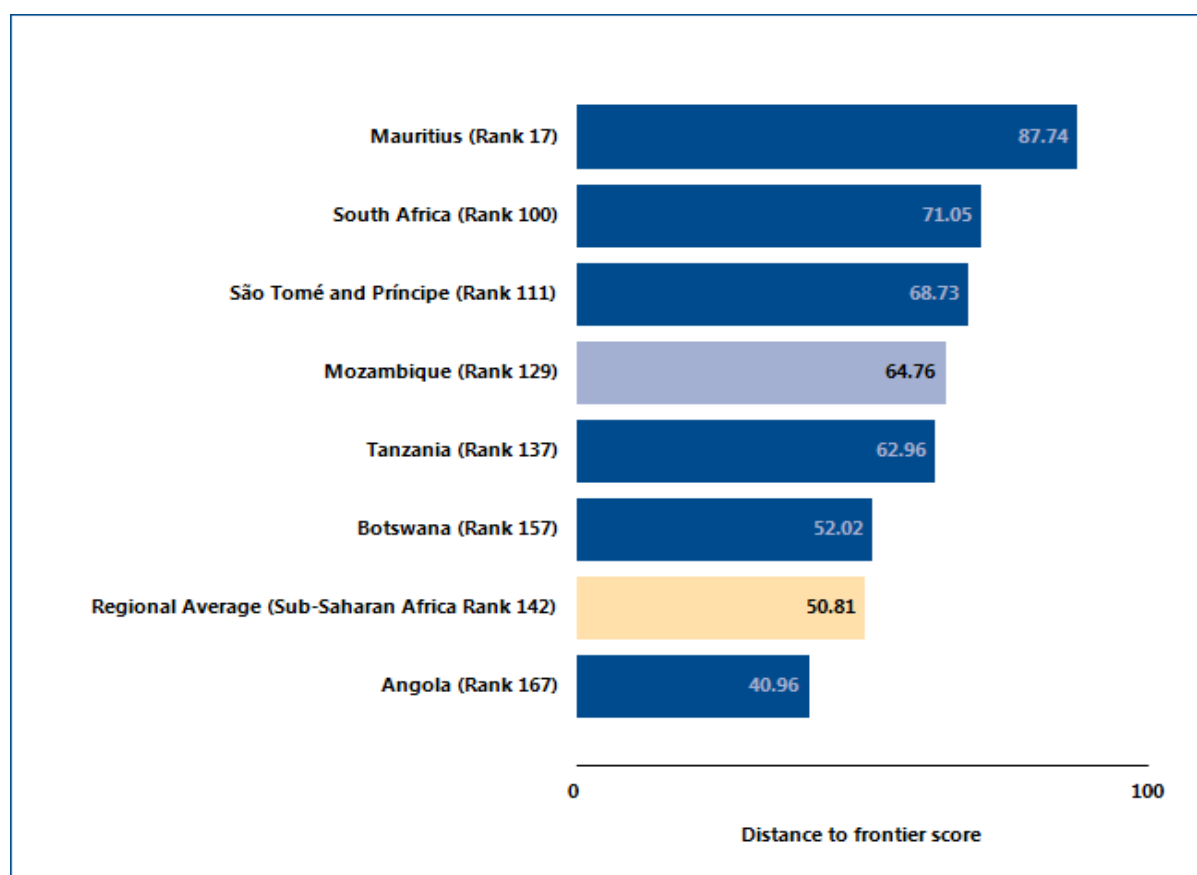
Table 14: Stages and documents for trading across borders

STAGES TO EXPORT	COST (US\$)	TIME IN DAYS
Customs Clearance and inspection	250	2
Documents preparations	230	12
Inland transportation and handling	300	3
Ports and terminal handling	320	4
Total	1100	21

Importing the same container of goods requires 9 documents, takes 25.0 days and costs US\$1600.

Globally, Mozambique ranks 129th out of 189 economies on the ease of trading across borders (figure 16). The rankings for comparator economies and the regional average ranking, provide other useful information for assessing how easy it is for a business in Mozambique to export and import goods.

Figure 16: Ranking on ease of trading across borders



Source: *Doing Business 2015*

Trade facilitation logistics and customs procedures are a serious obstacle to the efficiency of logistics in Mozambique. Mozambique ranked 147th out of 160 countries in the World Bank's 2014 Logistics Performance Index (LPI), an improvement of 5 points from a ranking of 152nd in 2010.

The improvement was largely due to the sound reforms in trade, transport and customs policies to meet the demand in coal exportation and the demand in logistics operations in different areas such as railway, ports, road and shipment. Since the launch of the single window in September 2011, aimed at improving efficiency and transparency of international trade, customs clearance is no longer a great concern.

The country is also planning to introduce an electronic customs and trade facilitation system and an electronic taxing system. There is an improvement in the customs clearance process, from an average of between 2 and 3 days to just few minutes, because of the pre-shipment clearance of goods.

The LPI is the weighted average of the country's scores on six key dimensions:

- Efficiency of the clearance process (i.e. speed, simplicity and predictability of procedures) by border control agencies, including customs;
- Quality of trade and transport related infrastructure (e.g. ports, railways, roads, information technology);
- Ease of arranging competitively priced shipments;
- Competence and quality of logistics services (e.g. transport operators, customs brokers);
- Ability to track and trace consignments; and
- Timeliness of shipments in reaching destination within the scheduled or expected delivery time.

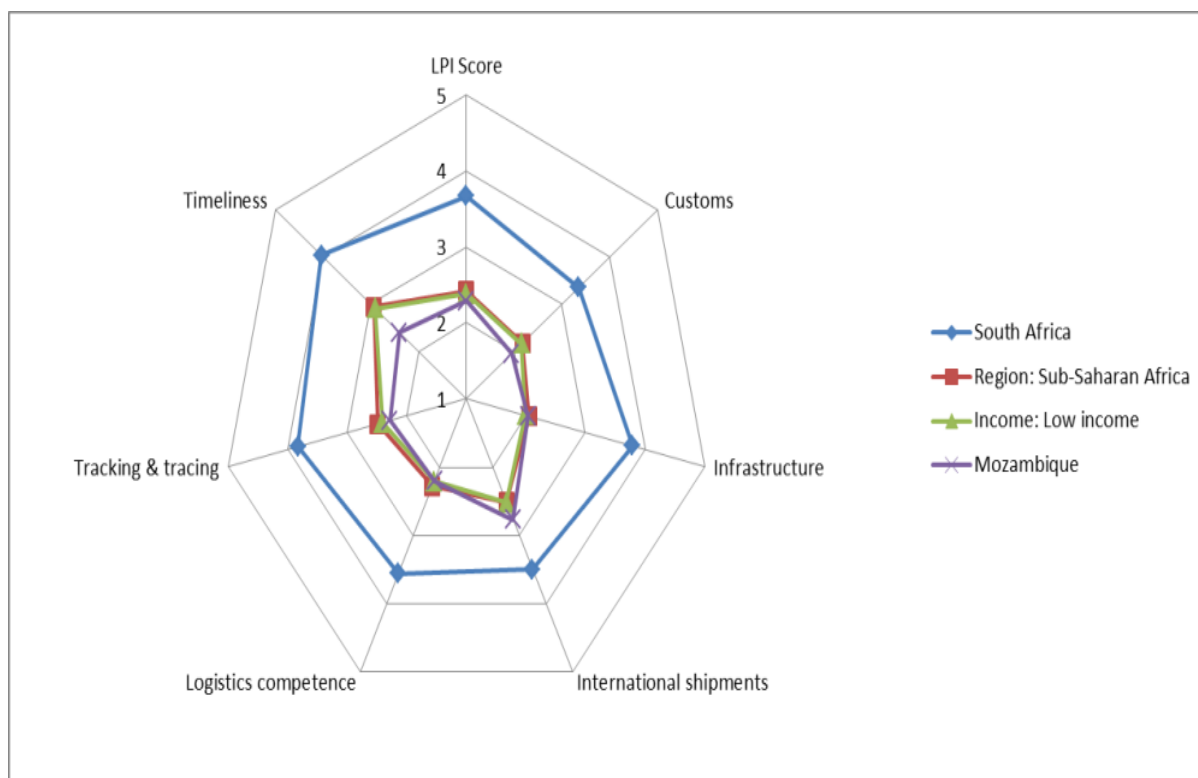
A comparative performance assessment between Mozambique and South Africa is shown below in table 15 and figure 17.

Table 15: Comparative performance between Mozambique and South Africa

Logistics Performance Index	Global Rank (out of 160)		Mozambique 1 = low, 5 =high	South Africa 1 = low, 5 =high
	Mozambique	South Africa		
Efficiency of customs clearance	149	25	1.95	3.35
Quality of trade and transport	138	19	2.04	3.79
Ease of arranging competitively priced shipments	79	19	2.77	3.50
Competence and quality of logistics services	134	23	2.20	3.56
Frequency with which shipments reach consignee within scheduled or expected time	152	19	2.40	4.03
Ability to track and trace consignments	137	16	2.28	3.83

From the table above it is evident that South Africa out-performs Mozambique in all aspects of the LPI, indicating that Mozambique still needs to improve its trade facilitation logistics and customs procedures.

Figure 17: LPI country comparison

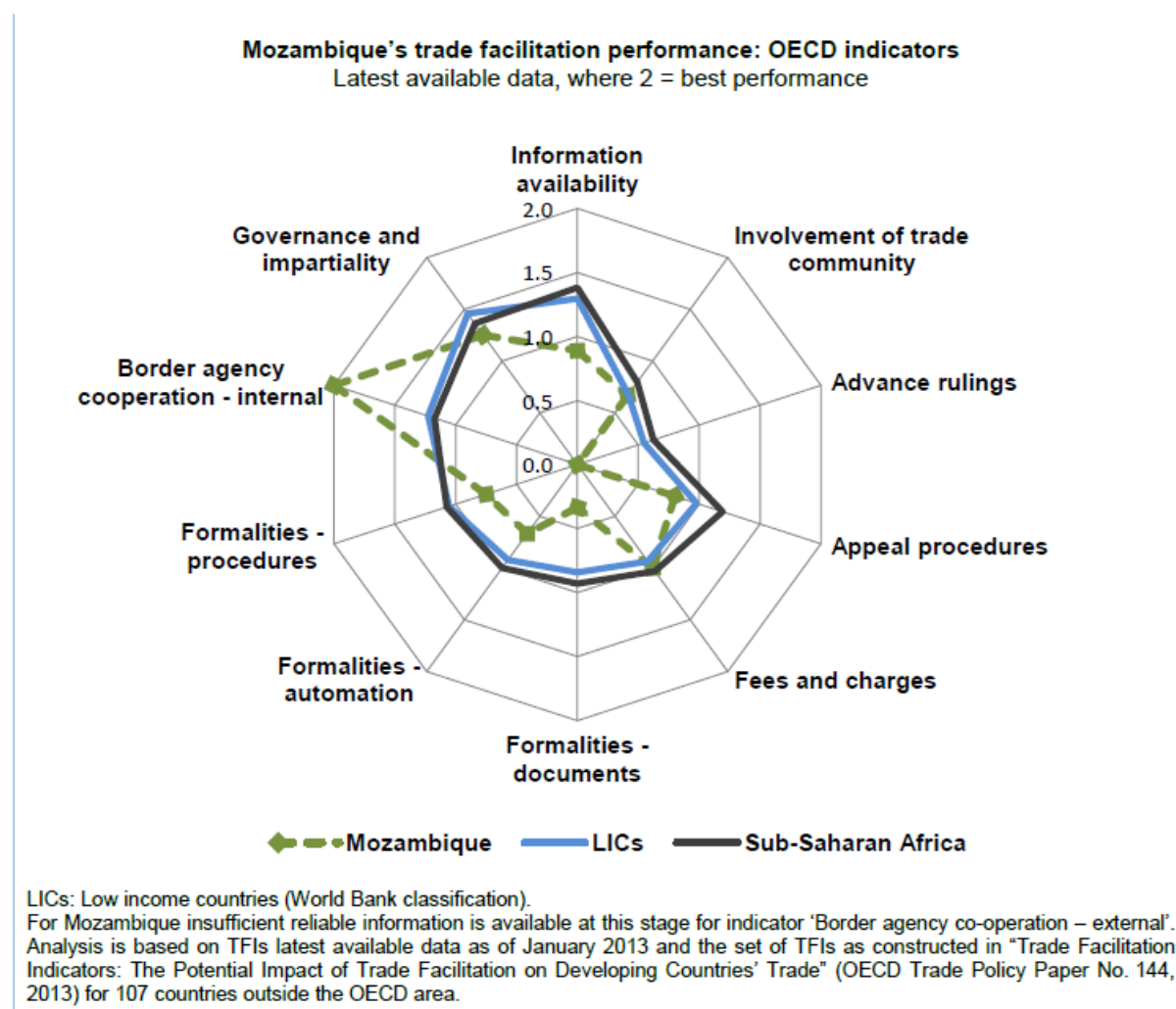


Source: World Bank, Logistics Performance Index (LPI)

According to the OECD Trade Facilitation Indicator, Mozambique's trade facilitation performance was better than the averages of Sub-Saharan African and low income countries in terms of internal border agency co-operation. However, all the other indicators, except fees and charges, are below the averages of Sub-Saharan African and lower income countries, as shown below in figure 18.

The latest (2014) World Bank Doing Business report shows a substantial improvement in customs clearance processes and the issuing of construction permits in Mozambique, which have been major obstacles to businesses. According to the latest Doing Business estimates, the improvements have resulted in savings of approximately 247 days in the process for obtaining a license, resulting in substantial savings to the private sector, increased investment, and employment.

Figure 18: Trade facilitation indicators



Source: OECD Trade Facilitation Indicators – Mozambique

The Mozambican economy has the following strengths:

- high GDP growth rate, low inflation and a relatively stable currency;
- vast mineral and hydrocarbon deposits attracting large amounts of FDI; and
- geographically well positioned to export to Asian markets.

Although the country has improved its ease of doing business, there are still a few challenges such as the bureaucracy, pervasive influence of the political elites and widespread corruption, poor infrastructure resulting in higher logistical costs, Portuguese being the official language, and a legal system based on Portuguese civil law.

8. CONCLUSION AND RECOMMENDATIONS

Since the mid-2000s, the country has made significant investments in infrastructure at an average of 10% of its GDP. However, infrastructure is still not adequate for the country's needs.

Several infrastructure projects are underway, and these will ensure that Mozambique's exports increase substantially in the medium to long-term. Increased coal production will lead to increased transport volumes due to increased exports. Mozambique is a key entry and exit point for the flow of goods for its landlocked neighbours. As a result, there is a long term market for cross-border road transport services. However, in the short term the country is likely to continue experiencing congestion on its transport corridors as volumes of goods in transit increase.

Mozambique's exports are concentrated around a few products (gas, coal, agriculture and forestry), dominated by the product needs of the country's major projects. Its imports, however, are more diversified and this indicates the country's low level of industrialisation. Mozambique's steadily increasing imports from South Africa over the years, the improvement in the ease of doing business and trade facilitation logistics and customs procedures rankings, indicate existing and potential opportunities for cross-border road transport operators. This is further bolstered by the fact that truck processing times at Maputo, Beira and Nacala ports compare favourably with other Southern African ports, which make these ports alternative gateways for exporters.

Furthermore, additional development and investment in the three major transport corridors: Maputo, Nacala and Beira corridor and the associated ports, present vast opportunities for transportation and logistics services (local and cross-border) operators. Port of Maputo, especially, serves as an important link between South Africa's industrial regions and the sea. It is expected to increasingly serve an important role as an export and import hub to many regions of South Africa as well as other SADC countries. South Africa, and therefore cross-border commercial transport operators, needs to strengthen current links to Mozambique, which is one of the fastest growing economies in Sub-Saharan Africa, in order to prosper and achieve economic growth.

The report recommends the following for Mozambique:

- To intensify the use of prudent macroeconomic policies by designing an appropriate fiscal framework for natural resource management to hedge against volatility in government revenue. The recommended policies must also support the competitiveness of the non-natural-resource sectors;
- To prioritise institutional and structural reforms including continued capacity-building in public administration in economic analysis and policy formulation, implementation, and monitoring;
- To strengthen efforts to improve the business environment, upgrade access to infrastructure and improve productivity in agriculture;
- To simplify and standardise border-related documentation requirements with neighbouring countries;
- To recognise neighbouring countries documents - On the basis of bilateral or multilateral agreements, governmental bodies of the countries have to recognise the documents, issued by a second country;
- International agreements like the SADC PTMC and the SADC Trade Protocol should be transposed into national legislation to obtain legal enforcement authority;
- To coordinate and streamline the application of all border regulations among controlling agencies to minimise negative impacts on traders and transporters, and monitor actual border and clearance performance on a regular basis.

9. CONTACT DETAILS OF RELEVANT AUTHORITIES

9.1 Contact Details of Major Stakeholders

This section contains information on key stakeholders in the cross-border road transport environment for both South Africa and Mozambique.

Table 16: Contact Details

South Africa	Cross-border Road Transport Agency	012 348 1357
	Port coordinator	013 793 7626
	SARS Customs	013 793 7458 083 555 3357
	BCOCC Provincial	013 793 7626 082 573 7871
	DHA	013 793 0102 079 519 3099
	DHA – Inspectorate	013 793 0101 072 147 2335
	SAPS	013 793 7311 072 062 4988
	Agriculture	013 793 8534 082 213 6304
	Port Health	013 793 7183 071 103 9112
	State Security	082 804 5878
Mozambique	Ministry of Transport and Communication	(00258) 827855990 (0025821) 323 817 / 323 034/ 305 832
	Mozambique Revenue Authority (MRA)	(00258) 84549970
	PRM Policia Transport	(00258) 84728004 (00258) 828550120

Should a cross-border transport operator or any other stakeholder face any challenge or need assistance in the course of conducting cross-border business, it is recommended that they contact the stakeholders in table 16.

REFERENCES

- Almeida Santos, A., Roffarello, L. M., & Filipe, M. (2015). *Mozambique*. Retrieved July 2015, from <http://www.africaneconomicoutlook.org/en/country-notes/>:
<http://www.africaneconomicoutlook.org>
- Associacao de Comercio e Industria. (2011, March 23). Decree Law 1/2011 of 23 March: The Road Traffic Code. Mozambique.
- Bowland, C., & Otto, L. (2012, August). *Implementing Development Corridors: Lessons from the Maputo Corridor*. Maputo: SAIIA.
- Bulletin of the Republic. (2008, June 25). Regulation of weights, Dimensions, Combinations and disposal of cargo in Motor Vehicles and trailers. Mozambique.
- C.N, C.-B. (2002, August). *Economic Linkages between South Africa and Mozambique*. Retrieved July 27, 2015, from http://www.sarpn.org/documents/d0000120/P117_SA-Mozambique_Link.pdf
- CMA CGM Group. (2013). *Mozambique Regulations*. Maputo: Delmas.
- Darmalingam, S. (2013, August 12). *Trade special report: Part IV: South Africa trade picture - Africa's dominant position*. Retrieved August 2015, from <http://www.safpi.org>:
http://www.safpi.org/sites/default/files/publications/standard_bank_part_iv.pdf
- DHV B.V. (2012). *Port and Hinterland Development Mozambique*. Netherlands: Sanec.
- Furtado, Bhikha, Loforte, Popat & Associados. (2011, February 14). Legal Opinion on Transport of Out of Gauge Loads. Mozambique.
- Intertek. (2014, June). *Republic of Mozambique Guidelines for Importers*. Retrieved July 2015, from Intertek:
http://www.intertek.com/uploadedFiles/Intertek/Divisions/Oil_Chemical_and_Agri/Media/pdfs/Mozambique%20Importer%20Guidelines.pdf
- KPMG. (2014). *Mozambique Country Profile*. Retrieved July 2015, from KPMG:
<https://www.kpmg.com/Africa/en/KPMG-in-Africa/Documents/Mozambique.pdf>
- Macauhub. (2012, July 30). *Mozambique will have new customs regulation for goods traffic by the end of August*. Retrieved August 13, 2015, from macauhub:
<http://www.macauhub.com.mo/en/2012/07/30/mozambique-will-have-new-customs-regulation-for-goods-traffic-by-the-end-of-august/>
- Ministerial Diploma No. 116/2013. (2013, August 8). Approval of Customs Transit Regulation. Mozambique.
- OECD. (2014). *Trade Facilitation Indicators: Mozambique*. OECD.

- PricewaterhouseCoopers. (November 2009). *A practical guide to accounting for agricultural assets*.
- PwC. (2013). *Africa gearing up*. Retrieved July 2015, from <http://www.pwc.com/africagearingup>:
http://www.pwc.com/en_M1/m1/publications/africa_gearing_up_-_transport_and_logistics_industry-web.pdf
- SADC. (1996, August 24). SADC Protocol on Transport, Communications and Meteorology in the Southern African Development Community Region. SADC.
- Sandhop, L.-B. (2013). *Economic Development and Resources Boom in Southern Africa: Consequences for Port Development in Mozambique*. Maputo: Erasmus School of Economics.
- Sequeira Sandra, H. O. (2014). *Reviving Trade Routes: Evidence from the Maputo Corridor*. Washington D.C: The World Bank.
- Statistics South Africa. (2013). *Tourism 2013*. Pretoria: Statistics South Africa.
- Statistics South Africa. (2014). *Tourism 2014*. Pretoria: Statistics South Africa.
- United States Agency for International Development. (2007). *Reducing import and export processing times in Mozambique*. Maputo: Nathan Associates Inc.
- World Bank . (2015). *Doing Business 2015: Economy Profile 2015 Mozambique*. Washington: The World Bank.
- World Bank. (2014). *Logistics Performance Index 2014*. Washington DC: The World Bank Group.
- World Trade Organization. (2004). *Mozambique Diagnostic Trade Integration Study. Volume 1*. World Trade Organisation.