

The national experience of Mozambique in implementing the New Partnership for Africa's Development (NEPAD) and, in particular, the task of modernizing the country's economy

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There are five points which are particularly relevant to the national experience of Mozambique in implementing NEPAD, and specifically the task of modernizing its economy:

1. Peace and stability, good governance;
2. Promotion of a good business environment;
3. Boosting domestic production through the promotion of local products;
4. Promotion of regional integration through commercial agreements and visa relaxation procedures;
5. NEPAD projects.

1. Peace and stability, and good governance

Following a situation of years of conflict, Mozambique has been enjoying durable peace since 1992. Since that time the country has concentrated its efforts on rebuilding its economy in a peaceful and democratic environment.

Three general elections have been held since then. In the last one, held in 2004, a new President, His Excellency Mr. Armando Emilio Guebuza was elected, and a peaceful transfer of power was witnessed by everyone. The Former President, Joaquim Alberto Chissano is contributing to the development of the country with all his experience and capacity. For instance, he is due to inaugurate a Foundation to be named after him.

On the economic side, the country is growing at an average rate of 8% per annum, and it is aiming to keep this pace for the years to come.

It is a remarkable fact that in the context of NEPAD, Mozambique has agreed to be in the first round of the countries to participate in the APRM, which is a sign of the country's willingness to open its governance procedures for review and scrutiny by the peers.

2. Promotion of a good business environment

It is clear for Mozambique that any success of NEPAD depends on the full participation of domestic and foreign entrepreneurs. In this connection, a good business environment is critical. To this effect, apart from the regular meetings which the Government organizes with the business community to solve its problems, the Government has also recently

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opened One-Stop Shops throughout the country. These shops are aimed at expediting the process for opening a business. All the concerned governmental departments are gathered in the same building, so that the entrepreneurs can have the possibility of registering and licensing their company at the same location.

In a country where time is beginning to be a scarce commodity, this initiative has general approval by the people. Mozambique is aiming at opening a business in a few days, and why not in a day? Hopefully, through the use of information and communication technologies, the country will achieve this objective by March next year in a majority of these shops.

3. Boosting domestic production through the promotion of local products

As a member of the Southern African Development Community (SADC) and a Least Developed Country (LDC), Mozambique is discussing access to the international market free from barriers imposed by the subsidies given to farmers and exporters of developed countries, because they hinder Mozambique's growth.

However, Mozambique has raised the following question: supposing that those barriers to the international markets were eliminated today, what goods would the country be able to export? It is thus clear that Mozambique has to work hard in order to have a reasonable domestic supply of goods. The goods need to be produced at a competitive level and the products have to be bought by someone. Unfortunately it was observed that local consumers prefer imported goods, undermining the local industry. In response, Mozambique started a programme to promote local products which is bringing positive results: the farmers are producing more, supplying the local consumers and the industry.

4. Promotion of regional integration

As a SADC member, Mozambique is committed to the SADC Act, and believes that regional integration is a tool for the promotion of development. Regional trade will grow and commodities of good quality and price will be within the reach of the people. There is a timetable for tariff reduction up to 2015. In anticipating this process Mozambique has already a free trade agreement with Zimbabwe in place since March 2005. Similar agreements will be signed with Malawi, Zambia and Tanzania. Furthermore, exemption of visa agreement is already in place with South Africa. The agreement with Swaziland will enter into force in November. Tanzania and Zambia will follow up by the end of the year 2005.

Through this exercise Mozambique demonstrates its belief that cooperation amongst countries is necessary to achieve the development of those countries, and that regional integration is a combination of freedom of movement of goods and people.

5. NEPAD projects

Mozambique is involved in the following projects within the framework of NEPAD:

- Mphanda Nkuwa Hydropower Station;
- Mozambique/Malawi electricity interconnection;
- Massingir Dam Hydropower Station;
- Mozambique Gas-Fired Power Station;
- Restructuring of Cahora Bassa Hydropower Station;
- Great Limpopo Transfrontier Park;
- Rovuma Unity Bridge;
- Small scale irrigation dams;
- Livestock development programs;
- Regional water management.

Among these projects special mention goes to the Rovuma Unity Bridge whose aim is to link Mozambique to Tanzania over the Rovuma River. This project will be inaugurated in October 2005 and it is a materialization of a dream of our Former Presidents Machel, from Mozambique, and Nyerere, from Tanzania.