

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-MOZAMBIQUE BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

The Republic of Mozambique lies on the east coast of Africa, bordered to the north by Tanzania, to the west by Malawi, Zambia and Zimbabwe, and to the south by South Africa and Swaziland. The country has a coastline of about 2,470 km (1,535 miles) on the shores of the Indian Ocean and is separated from Madagascar, to the east, by the Mozambique Channel. Mozambique is a member of the UN, WTO, The Commonwealth, the African Union, African Development Bank, SADC, Non-Aligned Movement, Organization of the Islamic Conference, Indian Ocean Rim, Organization of the Portuguese Language Countries and is an ACP member state of the ACP-EU relationship.

2. Mozambique is one of the poorest and most underdeveloped countries in the world, even though between 1994 and 2006 its average annual GDP growth was approximately 8%. Since 2014/15 household real consumption has decreased significantly and a sharp rise in economic inequality has been observed. According to IMF Executive Board Completes Fourth Review under Extended Credit Facility and 2024 Article IV Consultation July 8, 2024. “Economic growth is positive but expected to moderate, with tight financial conditions acting as a drag on activity. While inflation pressures have declined, Mozambique faces significant risks, mainly from adverse climate events and the fragile security situation. In the context of the mixed program performance, the authorities are focused on measures to ensure macroeconomic stability and address debt vulnerabilities, and reforms to promote broad-based, inclusive, and sustainable growth”.

. **A snapshot of Mozambique’s select economic indicators is as under.**

TABLE-I

Republic of Mozambique: Selected Economic Indicators, 2020–24					
	2020	2021	2022	2023	2024
					Proj.
National income and prices					
Nominal GDP (MT billion)	989	1,058	1,206	1,339	1,425
Real GDP growth (percentage change)	-1.2	2.4	4.4	5.4	4.3
Consumer price index (percentage change, end of period)	4.4	7.3	10.9	4.3	3.6
Government Operations (percent of GDP)					
Total revenue	23.8	25.1	23.7	24.5	25.6
Total expenditure and net lending	32.2	30.8	32.8	33.2	32.9
Overall balance, after grants	-4.8	-4.6	-5.3	-4.3	-3.7
Primary Balance after grants	-1.9	-1.9	-5.2	-0.3	-0.1
Public sector debt	120.0	104.3	100.3	93.9	97.5
of which: external	97.3	80.8	72.1	66.4	65.9
Money and Credit					
Reserve money (percentage change)	9.0	-14.3	0.6	117.8	-13.0
M3 (Broad Money) (percentage change)	23.3	1.9	8.7	3.3	4.0
Credit to the economy (percentage change)	13.1	5.2	4.0	-2.2	-5.0

Credit to the economy (percent of GDP)	26.2	25.8	23.5	20.7	18.5
External sector (percent of GDP)					
Merchandise exports	26.1	35.3	43.9	39.5	37.2
excluding megaprojects	8.5	10.3	11.2	9.8	9.0
Merchandise imports	-41.3	-48.5	-70.6	-43.8	-45.6
excluding megaprojects	35.9	43.5	41.8	37.6	36.7
External current account, after grants	-26.2	-20.5	-36.4	-11.6	-30.8
Net international reserves (millions of U.S. dollars, end of period)	3,493	2,927	2,333	2,933	2,821
Gross international reserves (millions of U.S. dollars, end of period)	4,070	3,470	2,888	3,510	3,508
Sources: Mozambican authorities; and IMF staff estimates and projections.					

Sources: IMF Executive Board Completes Fourth Review under Extended Credit Facility and 2024 Article IV Consultation July 8, 2024.

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Mozambique are South Africa, India, Netherlands, China and United Kingdom. On the other hand five major import partners of Mozambique are South Africa, China, India, United Arab Emirates and Singapore. Major five exported goods of Mozambique are (i) Other coal, not agglomerated, nes (ii) Aluminium unwrought, not alloyed, (iii) Electrical energy (iv) Titanium ores and concentrates and (v) Coke and semi-coke of coal. On the other hand major five imported goods of Mozambique are (i) Petroleum oils, etc, (excl. crude); preparation, (ii) Semi-milled or wholly milled rice (iii) Crude palm oil (iv) Spelt, common wheat and meslin and (v) Electrical energy.

4. Mozambique's total exports globally in 2019 were of the order of US\$ 4,787 million. It had scaled upto US\$ 8,276 million in 2023. Exports from Mozambique had steeply increased by 53.33% in the year 2021 just after the initial serious impact of Covid-19 pandemic followed by another 45.49% increase in 2022 . During the period from 2019 to 2023, the annual average compound rate of growth of exports was 14.67%.

5. Mozambique's total imports from the world in 2019 were of the order of US\$ 7,699 million and had touched US\$ 10,092 million mark in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of imports was 7.00%.

6. Mozambique faced an overall Balance of Trade deficit from 2019 to 2023 and that has scaled up to USD 1,816 million in 2023. During the period from 2019 to 2023, the annual average compound rate of growth of total volume of trade was 10.13%.

A snapshot of Mozambique's overall Trade Statistics is presented in Table 2 and Figure 1 below.

A snapshot of India's merchandise trade statistics w.r.t. Mozambique is presented in Table 3 Figure 2.

BILATERAL TRADE WITH INDIA

Merchandise Trade

7. India enjoys warm, friendly and substantive ties with Mozambique. Trade links between Mozambique and the western states of India go back to several centuries, and pre-date the colonial era. These ancient people-to-people links have been built upon in modern times to forge a strong bilateral relationship based on regular political contacts, ever-deepening economic engagement, and a well-integrated Indian

community in Mozambique. Mozambique ranked 42th as an export destination of India in FY 2023-24. India had exported to Mozambique almost 0.46% of its total export value in FY2023-24. In the same financial year imports from Mozambique was 0.56% of India's total import value. Almost 0.40% of India's total international trade value of goods was between India and Mozambique as has been recorded in DGCI&S data base for FY 2023-24.

8. Indo-Mozambique total volume of bilateral trade in FY 2019-20 was of the order of US\$ 3,009.38 million. It had scaled to US\$ 4,415.11 million in FY 2023-24. The annual compound growth rate of total volume comprising both exports and imports during the period from 2019-20 to 2023-24 had been of the order of 10.06%.

9. It is seen from the available figures that between 2022-23 and 2023-24, India has had a deficit Balance of Trade with Mozambique. It has been observed that exports from India to Mozambique increased by 60.46% in FY2021-22 followed by another 26.86% increase in 2022-23. The annual average compound rate of growth of Exports was -2.12% during the period 2019-20 to 2023-24. On the other hand, imports from Mozambique to India increased steeply by 197.58% in FY 2021-22. During the period from 2019-20 to 2023-24, the annual average compound rate of growth of imports was 30.46%.

10. **Additionally, from Tables 4 & 5 presented below the following are stated:**

a. **(i) Petroleum Products. (ii) Drug Formulations, Biologicals and (iii) Rice (Other Than Basmati)** had occupied the top three slots in India's exports to Mozambique in FY 2023-24. **Petroleum Products** had occupied 62.48% share of India's total exports to Mozambique in FY2023-24.

b. **(i) Coal, Coke And Briquettes Etc. (ii) Petroleum Products and (iii) Copper, Products Made Of Copper** were the three major commodities in India's imports list from Mozambique in the year 2023-24, India had imported a significant amount of **Coal, Coke And Briquettes Etc.** from Mozambique with a share of 56.65% of total imports from Mozambique recorded in 2023-24.

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TABLE - 2
MOZAMBIQUE'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2019 TO 2023

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019	4787		7699		12,486		-2912
2020	3720	-22.29	6514	-15.39	10,234	-18.04	-2794
2021	5704	53.33	8758	34.45	14,462	41.31	-3054
2022	8299	45.49	14671	67.52	22,970	58.83	-6372
2023	8276	-0.28	10092	-31.21	18,368	-20.03	-1816
Annual Growth Rate	Compound	14.67	7.00	10.13			

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

Figure - 1

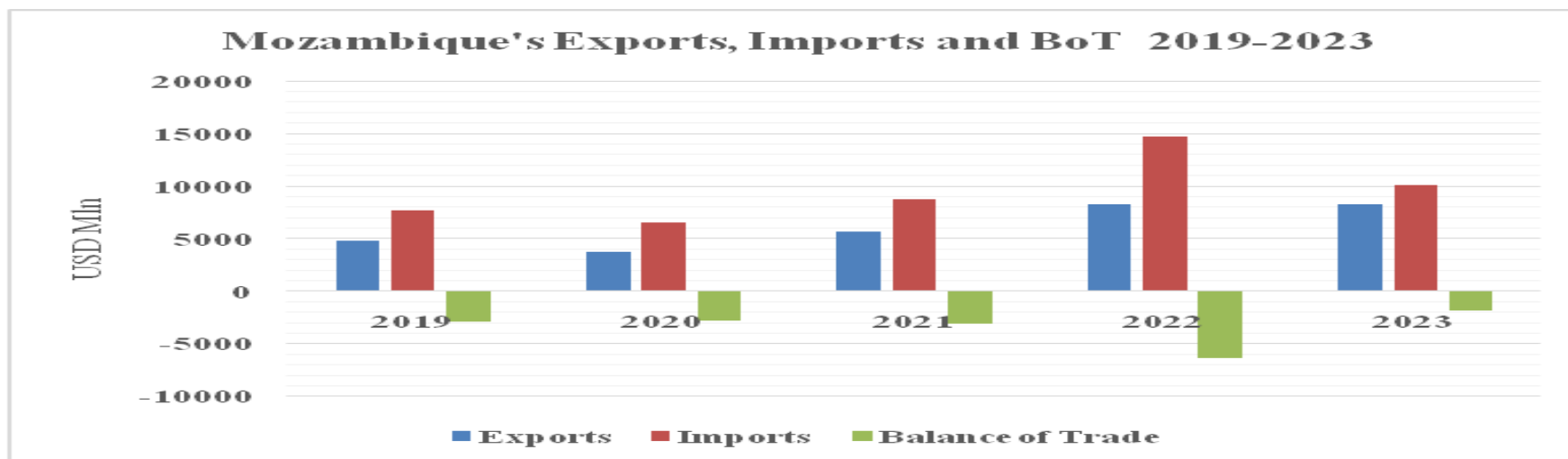


TABLE - 3
INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. MOZAMBIQUE
FY 2019-2020 to 2023-2024

(Value in USD Million)

Year	Exports from India to Mozambique	Percentage Growth in Exports	Imports from Mozambique to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2019-20	2174.31		835.07		3009.38		1339.24
2020-21	1231.34	-43.37	631.60	-24.37	1862.94	-38.10	599.74
2021-22	1975.76	60.46	1879.49	197.58	3855.25	106.94	96.27
2022-23	2506.47	26.86	2521.96	34.18	5028.43	30.43	-15.49
2023-24	1996.00	-20.37	2419.11	-4.08	4415.11	-12.20	-423.11
Annual Growth Rate	Compound	-2.12		30.46		10.06	

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

Figure 2

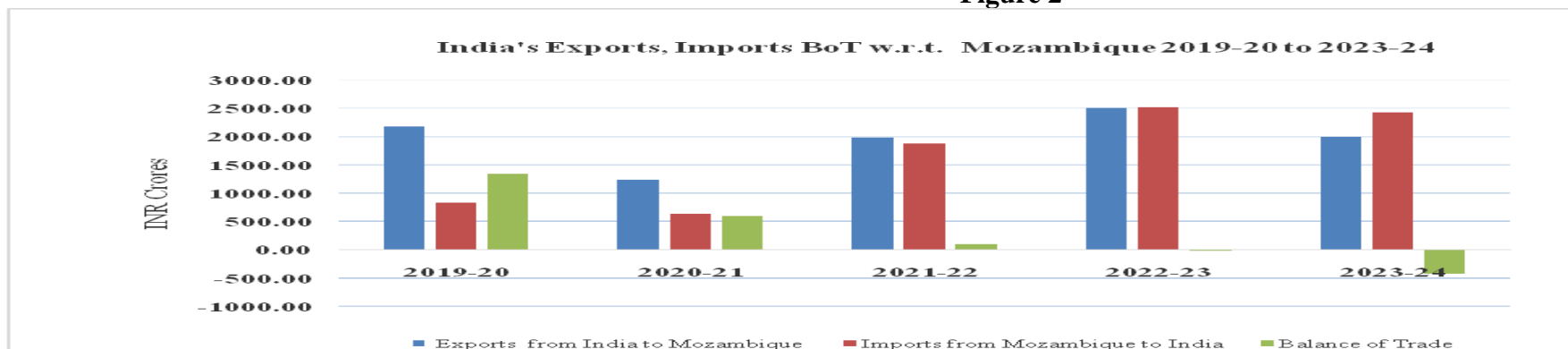


TABLE -4
INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO MOZAMBIQUE
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Petroleum Products	1731.40	731.68	1420.73	1821.37	1247.15	-57.74	94.17	28.20	-31.53
	Share in total export	79.63	59.42	71.91	72.67	62.48				
2	Drug Formulations Biologicals	139.04	134.94	132.03	131.95	180.60	-2.95	-2.16	-0.06	36.87
	Share in total export	6.39	10.96	6.68	5.26	9.05				
3	Rice (Other Than Basmati)	4.51	69.26	88.77	114.70	120.11	1435.70	28.17	29.21	4.72
	Share in total export	0.21	5.62	4.49	4.58	6.02				
4	Indl. Machinery For Dairy Etc	16.53	9.56	21.90	33.31	36.55	-42.17	129.08	52.10	9.73
	Share in total export	0.76	0.78	1.11	1.33	1.83				
5	Product Of Iron And Steel	7.85	15.29	17.89	43.22	25.17	94.78	17.00	141.59	-41.76
	Share in total export	0.36	1.24	0.91	1.72	1.26				
6	Electric Machinery And Equipmens	11.39	5.63	7.59	12.18	21.42	-50.57	34.81	60.47	75.86
	Share in total export	0.52	0.46	0.38	0.49	1.07				
7	Motor Vehicle/ Cars	17.95	18.56	24.62	22.59	20.21	3.40	32.65	-8.25	-10.54
	Share in total export	0.83	1.51	1.25	0.90	1.01				
8	Cotton Fabrics, Madeups Etc.	31.82	13.69	19.46	19.49	19.63	-56.98	42.15	0.15	0.72
	Share in total export	1.46	1.11	0.98	0.78	0.98				
9	Paper, Paper Board, And Products	12.34	4.94	5.40	14.32	17.59	-59.97	9.31	165.19	22.84
	Share in total export	0.57	0.40	0.27	0.57	0.88				
10	Medecal And Scientific Instruments	1.29	0.69	2.12	7.87	13.04	-46.51	207.25	271.23	65.69
	Share in total export	0.06	0.06	0.11	0.31	0.65				
	Total export to MOZAMBIQUE	2174.31	1231.34	1975.76	2506.47	1996.00	-43.37	60.46	26.86	-20.37

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCIS&S, M/o C&I

TABLE -5
INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM MOZAMBIQUE
2019-2020 TO 2023-2024 AND THEIR GROWTH RATES

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2019-20	2020-21	2021-22	2022-23	2023-24	20-21 over 2019-20	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23
1	Coal, Coke And Briquettes Etc.	70.35	316.34	1011.05	1797.20	1370.33	349.67	219.61	77.76	-23.75
	Share in total imports	8.42	50.09	53.79	71.26	56.65				
2	Petroleum Products	0.13		0.01	0.02	314.54	-100.00		100.00	1572600.00
	Share in total imports	0.02		0.00	0.00	13.00				
3	Copper, Products Made Of Copper	20.56	86.31	223.39	230.30	281.89	319.80	158.82	3.09	22.40
	Share in total imports.	2.46	13.67	11.89	9.13	11.65				
4	Pulses	139.67	126.20	289.75	296.27	249.18	-9.64	129.60	2.25	-15.89
	Share in total import	16.73	19.98	15.42	11.75	10.30				
5	Other Oil Seed	8.88	19.96	100.67	21.68	53.79	124.77	404.36	-78.46	148.11
	Share in total import	1.06	3.16	5.36	0.86	2.22				
6	Iron And Steel	15.64	18.08	29.54	45.95	40.46	15.60	63.38	55.55	-11.95
	Share in total import	1.87	2.86	1.57	1.82	1.67				
7	Cashew	22.54	23.28	47.85	23.01	36.94	3.28	105.54	-51.91	60.54
	Share in total import	2.70	3.69	2.55	0.91	1.53				
8	Processed Minerals	26.41	13.19	25.77	17.48	20.54	-50.06	95.38	-32.17	17.51
	Share in total import	3.16	2.09	1.37	0.69	0.85				
9	Pulp And Waste Paper				20.23	13.69				-32.33
	Share in total import				0.80	0.57				
10	Lead And Prod. Made Of Lead	10.43	9.79	11.22	18.46	11.78	-6.14	14.61	64.53	-36.19
	Share in total import	1.25	1.55	0.60	0.73	0.49				
	Total import from Mozambique	835.07	631.60	1879.49	2521.96	2419.11	-24.37	197.58	34.18	-4.08

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I