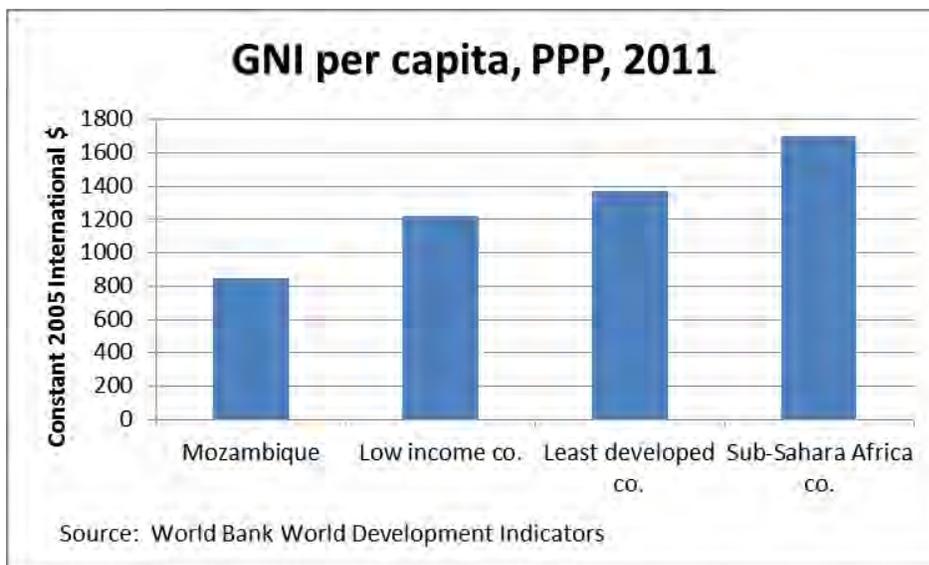


Mozambique Inclusive Growth Diagnostic (IGD) Screening Profile¹

Economic Overview

Mozambique is a low income country of 24 million people, 60 percent of whom live in extreme poverty (below \$1.25/day). Its average per capita income (PPP GNI) was \$960 in 2011, having grown by an average 5.3% annually over the last 10 years, which has resulted in a rapid decline in extreme poverty of -4.4% per year. In constant 2005 international dollars its per capita GNI was \$847 in 2011, still lower than all but 5 other countries in the world. In this calculation, per capita GNI averaged \$1,222 in low income countries and \$1,703 in developing Sub-Sahara African countries. Mozambique's Gini index, at 45.7, indicates a less egalitarian distribution of income than in many countries. The adult labor force participation rate in 2011 was 84.7%, higher than the average for Sub-Saharan Africa (69.6%) and the average for low income countries (75.1%). The adult female labor force participation rate of 86.0%, higher than the average for both Sub-Saharan Africa (63.1%) and Low Income countries (67.7%). This is typical of very poor countries where most adults must either work or starve. The ratio of female to male labor participation rate is very high at 103.7%, compared with the 84% and 83.5% Sub-Sahara African and Low Income Country averages, respectively. [World Bank World Development Indicators (WB WDI)]



In the 2012-2013 World Economic Forum Global Competitiveness Index (WEF GCI) Mozambique received a good mark for maintaining a low general government debt (33.2% of GDP), but its fiscal deficit was a bit too high (-4.9% of GDP, ranking 108 out of 144 countries), its inflation rate was 10.4% (ranking 124), its low credit rating ranked 110, and its gross national savings ratio was too low (11.2% of GDP, ranking 121). As a result its overall ranking for macroeconomic environment was very low, at 125

¹ This country profile presents indicators available online that are relevant to the IGD analytical nodes of the "Analytic Guide for an Inclusive Growth Diagnostic (the productive employment model)," which is available from <https://dec.usaid.gov/dec>

out of 144. (See Tables 1 & 2) WB WDI reported Mozambique's consumer price inflation as 10.2% in 2011 but only 1.1% in 2012.

Based on the indicators discussed below, there appears to be substantial potential for income growth both in smallholder agriculture and in higher wage non-farm employment. Cereal yields and agricultural value added per worker remain too low, despite recent improvements. Agricultural research and development is underfunded, and fertilizer use is well below par. With around 80% of employment still in agriculture, constraints hindering more rapid progress in this sector deserve analysis, as do constraints affecting the non-farm sector as well, the more productive formal sector of which employs a very small fraction of the labor force. Overall rates of investment appear to be relatively high, including foreign direct investment, as is its productivity (incremental capital-output ratio, or ICOR).

Mozambique's banking sector gets fairly good grades and its interest rates and interest rate spreads have been reasonable, and yet access to finance gets very low grades in both agriculture and non-agriculture. Domestic credit to the private sector is much lower than in comparator countries and access to finance is listed as the most problematic factor for doing business in Mozambique by the largest percentage of WEF GCI respondents, with all elements of the financial market development GCI "pillar" (sub-index) receiving extremely low scores. Mozambique was ranked worse than 100 in all 12 of the main GCI pillars, but its worst marks of all were in health & primary education and higher education & training. Infrastructure and labor market efficiency grades were not much better. Clearly, as one of the poorest countries in the world, Mozambique faces a large number of severe challenges. It would be difficult to determine which one(s) should be given priority as the most proximate "binding constraint(s)" without a carefully designed and implemented IGD constraints analysis.

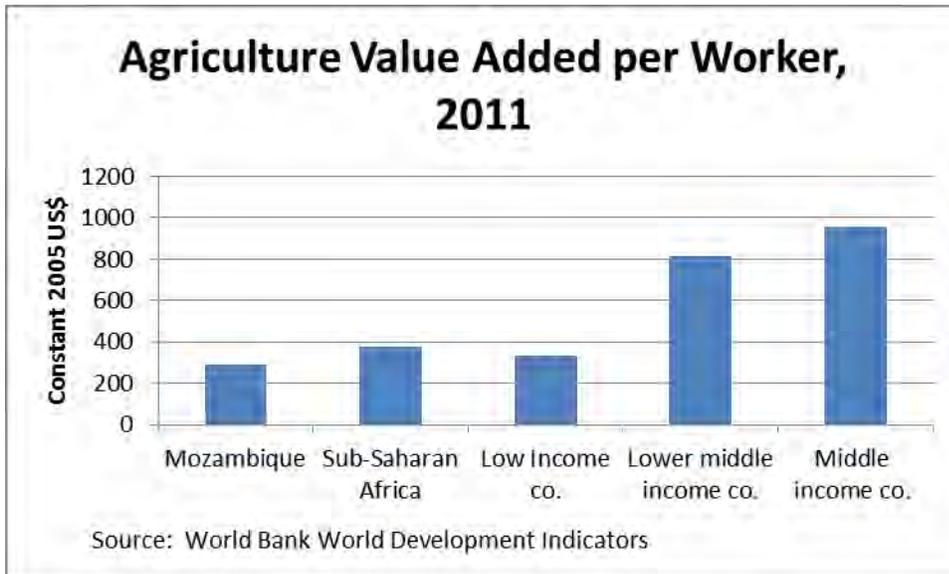
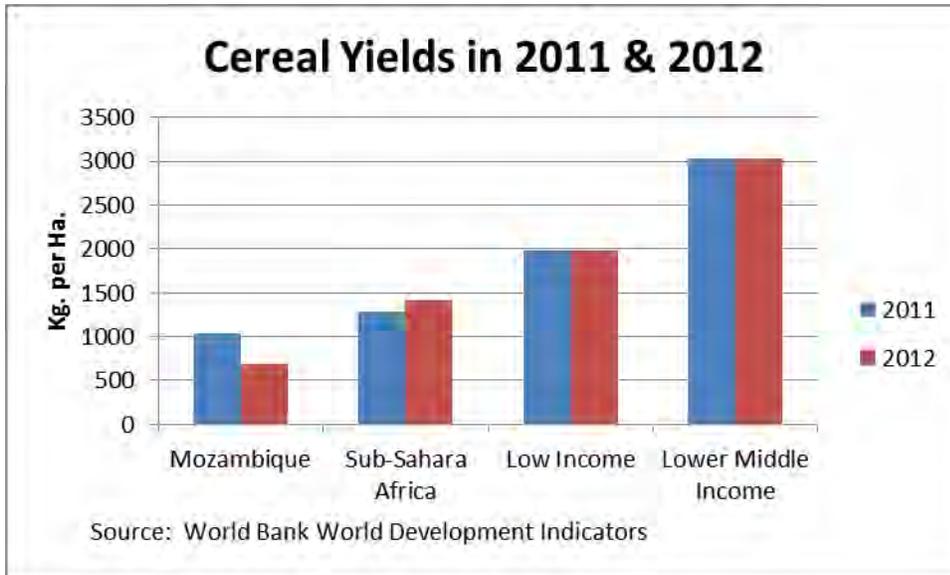
1) Potential for higher smallholder agricultural production and rural incomes

Mozambique is predominantly rural, with 69% of the population living in rural areas, and 80.5% of total employment was in agriculture in 2003 (latest data available). However, agriculture contributed only 28.0% to GDP in 2003, and 29.8% in 2011, indicating much lower productivity per worker than in the non-agricultural sectors. Average cereal yield was only 693.8 kg. per hectare in 2012, down from 1,041.1 kg. per hectare in 2011, lower than the averages for Sub-Saharan Africa (1,417 kg. in 2012, up from 1,290 kg. in 2011), low income countries worldwide (1,982 kg.) and much lower than that for lower middle income countries (3,029 kg.). Total crop production increased by 54% between 2000 and 2011 while livestock production fell by 5%. This was due in part to a 2.6% increase in agricultural land, a 33% increase in arable land,² and to a 20% improvement in average cereal yields³. Total agricultural value added increased 28% in constant price terms between 2000 and 2011, and the labor force increased 30% during this same period. Total agricultural value added per worker in Mozambique as reported actually rose by 83% between 2000 and 2011, which does not seem consistent with the data reported above unless there has been a sharp drop since 2003 in agricultural employment as percentage of total employment. Nevertheless, agricultural value added per worker was still equal to only US\$270 in 2011

² Agricultural land refers to the share of land area that is arable, under permanent crops, and under permanent pastures. Arable land includes land defined by the FAO as land under temporary crops (double-cropped areas are counted once), temporary meadows for mowing or for pasture, land under market or kitchen gardens, and land temporarily fallow. Land abandoned as a result of shifting cultivation is excluded. Land under permanent crops is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. Permanent pasture is land used for five or more years for forage, including natural and cultivated crops. -- <http://data.worldbank.org/indicator/AG.LND.AGRI.K2>

³ Three-year average yield for 2010-12 over 2000-02. WB WDI.

(in constant 2005 US\$), far below the \$375 average for Sub-Saharan Africa countries, \$336 for low income countries worldwide and \$812 for lower middle income countries. (WB WDI)



1A&B) On-farm productivity & Processing and marketing of farm products

1Aa) Agricultural research & extension services

1Ab) Access to credit for farm inputs & capital improvements

1Ac) Rural infrastructure for irrigation and farm-to-market roads

1Ad) Land tenure and land markets

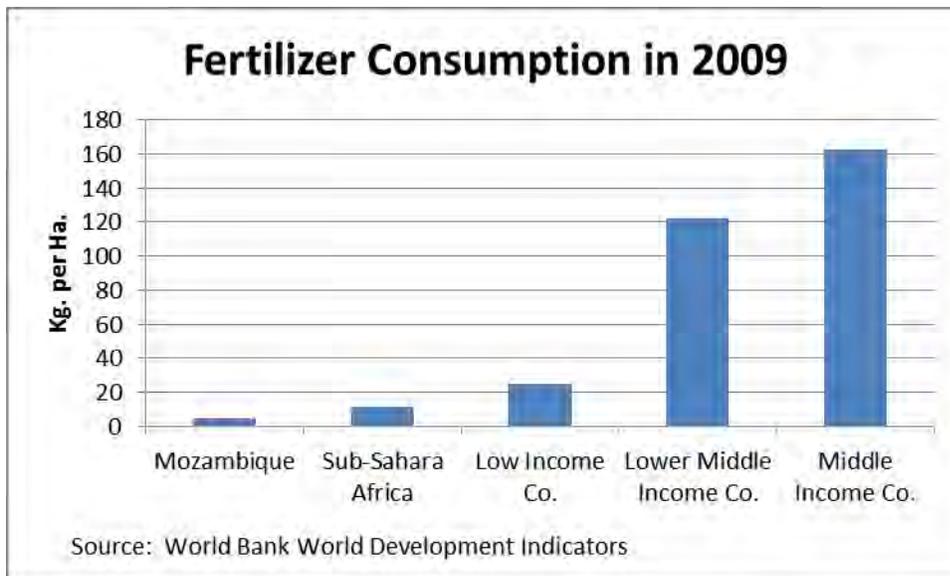
1Ba) Market and pricing policies

1Bb) Availability of information about and contacts with higher value markets

1Bc) Rural infrastructure for transport, electric power, storage, markets, communication

1Bd) Access to rural credit for agriculture product processing, storage, marketing, etc.

The EIU Global Food Security Index (GFI) indicates Mozambique spends only 1% of the agricultural contribution to GDP on agricultural research and development, placing it in the bottom half of the 105 countries covered. The same index placed Mozambique in the bottom third in access to finance for farmers, and the bottom half in agricultural infrastructure. As components of the latter index, it scored poorly in the existence of crop storage facilities and in the middle to upper third for road and port infrastructure. Fertilizer consumption in Mozambique was only 4.4 kg. per hectare of arable land in 2009, far below the Sub-Saharan average of 11.4 kg. and the low income country average of 25 kg. But it peaked in 2008 at 12.8 kg. per hectare, a little above the Sub-Saharan average for that year of 12.2. However, the lower middle income average was 122 kg. and middle income countries averaged 162 kg. per ha. in 2009 (WB WDI), so there is much room for improvement. In 2013 the MCC scored Mozambique as better than 84% of a comparable group of 81 developing countries in land rights and access. However, the World Bank Doing Business Indicators 2013 ranked Mozambique poorly, 155 out of 185, for registering property. The 2012-2013 WEF Global Competitive Index ranked Mozambique extremely low at 135 out of 144 in agricultural policy costs.



2) Potential for more productive, higher wage non-farm employment.

As noted above, adult labor force participation rates are very high. However, vulnerable employment (family workers and self-employed—a proxy for informal sector employment) rates have also been very high: 87.8% of total employment in 2003 (latest data, WB WDI). This was among the highest rates in the world. The average rate for lower middle income countries in 2009 was 70.9%. This implies that the more productive formal sectors of the Mozambique economy provide only a very small portion of total employment. Among female workers, 96% of the total employment was considered vulnerable, as was 78% of male employment. The non-farm sector is hampered by a poor business climate, as the country ranks 146 out of 185 in the 2013 World Bank Ease of Doing Business Index.

2A) Private Sector Demand for More Productive Employment

2Aa) Level of Private Investment (HRV Constraints Analysis)

2Aai) Private returns to economic activity

Gross capital formation in Mozambique has been variable, dropping from 31.0% of GDP in 2000 to 14.9% in 2009 and then rising back up to 24.3% in 2011. This compares well with the 2011 averages of 21.3% for Sub-Saharan Africa and 24.8% for low income countries, but is lower than the 28.9% average for lower middle income countries (WB WDI). The 5-year Mozambique average was 18.8% of GDP from 2007-2011, compared with 21.1% for Sub-Sahara African countries. Net foreign direct investment was equal to 16.3% of GDP in 2011, and averaged 9.5% over the last 5 years. This is high compared with the 5-year averages of 3.3% for all Sub-Saharan and low income countries and 2.9% for all lower middle income countries. According to the IMF World Economic Outlook, total investment in Mozambique reached 37.1% of GDP in 2012, having risen from a low of only 14.9% in 2009. Mozambique was the 13th highest in 2012 among 173 countries for this indicator. One bright spot about investment in Mozambique is its apparent productivity and lack of wasteful investment spending. Rough incremental capital/output ratio (ICOR) calculations, based on 5-year averages of gross fixed capital formation and subsequent GDP growth rates, indicate relatively low ICORs, well below 3.0 from 2000 to 2010.

2Aai1) Evidence of low social returns

Is there inadequate human capital to run a business successfully?

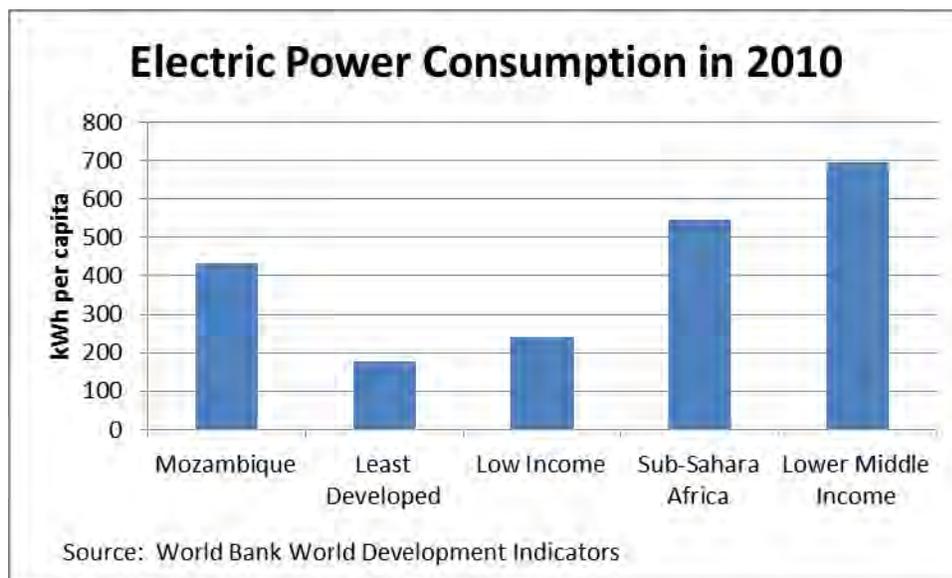
In the 2012-2013 World Economic Forum (WEF) survey of business leaders, 10.7% listed an inadequately educated workforce as the most problematic factor for doing business in Mozambique, the fifth highest percentage (See Table 3). Only 56.1% of the adult population was recorded as literate in 2010, compared with 63% averages in Sub-Sahara African countries and low income countries and 71% in lower middle income countries. And only 42.8% of Mozambique women were literate in 2010, an improvement over 33.2% in 2003 but still very low. (WB WDI) The 2012-13 WEF GCI ranked Mozambique near the very bottom (138 out of 144) in higher education and training and also (133) for its quality of primary education, despite an 89.6% enrollment rate in the latter. (See Tables 1, 12 and 13)

Is there a lack of or poor condition of productive infrastructure?

The 2012-2013 WEF survey results about infrastructure placed Mozambique a very low 129th out of 144 countries, and 12.8% of respondents (the 3rd highest) listed an inadequate supply of infrastructure as the most problematic factor for doing business. The country received its lowest marks for telephone access, but the quality of roads, ports, electric supply and air transport infrastructure also received low scores, ranking worse than 100 out of 144 in all cases. The quality of railroad infrastructure received a mediocre ranking of 89. (See Tables 1, 3 & 4)

This is supported by other sources. Private firms reported an average of 1.6 power outages per month in 2007 (latest data available in WB WDI). Electric power consumption in Mozambique was 433 kWh per capita in 2010, higher than the 240 kWh average for low income countries but lower than the 546 kWh average for developing Sub-Sahara African countries and 695 kWh for lower middle income countries. The 2013 World Bank Doing Business Report ranked Mozambique a very low 174th out of 185 for getting electricity, and indicates it cost an average 2,395% of income per capita and 117 days to do so. And according to the UNDP Human Development Report only 11.7% of the Mozambique population had access to electric power in 2009. In this statistic Mozambique was fourth from the very bottom of a list of 126 countries. The WB WDI reports that 20.8% of Mozambique's roads were paved in 2009, higher

than the 18.1% average for Sub-Saharan African countries and 14.4% for low income countries, but still problematic for private business.



2Aai2) Private appropriability

Government failure/poor governance

The Heritage Foundation/Wall Street Journal Business Freedom Index gave Mozambique a score of 63.1 in 2011 (with 100 being the best), a 4.4 point improvement from the year before. But it ranked 109 out of 183 countries in the overall Economic Freedom Index. It ranked near the bottom with 138 out of 144 in the 2012-2013 WEF Global Competitiveness Index (GCI) (See Table 1). The Canadian Fraser Institute, in its annual Economic Freedom of the World Report for 2013, ranked Mozambique 139th out of 152 countries in its (unadjusted) overall index. This was a drop from ranking 129th in 2005. Mozambique scored -0.55 in the 2011 Government Effectiveness Estimate of the World Bank Governance Indicators, out of a -2.5 to +2.5 range, ranking 139 in a list of 212 countries. It scored -0.56 in the WB Rule of Law Estimate, in 143rd place out of 214.

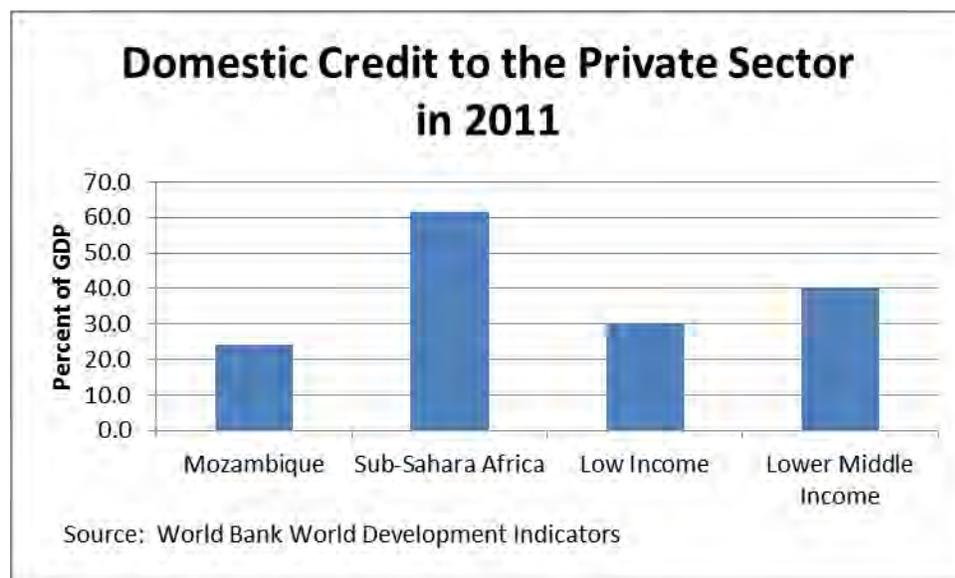
Corruption was cited by the second largest percentage (16.6) and inefficient government bureaucracy the fourth largest (12.2) of WEF respondents as the most problematic factors in Mozambique, following closely behind first place access to financing (16.9). (See Table 3) Mozambique was given an average score of 3.4 in the WEF GCI for Institutions, ranking 112 out of 144. Its lowest rankings in this area were in the judicial independence, intellectual property protection, diversion of public funds, efficacy of corporate boards, and ethical behavior of firms. But it received scores ranking worse than 100 in 14 of the 22 elements of this GCI institutional “pillar.” Mozambique earned good marks for the strength of investor protection, ranking 39. (See Tables 1 & 5) Mozambique scored only 31 out of 100 possible points in the Transparency International Corruption Perceptions Index in 2012 and placed in a 5-way tie for 123rd among 176 countries scored. The World Bank Governance Matters Control of Corruption estimate of 2011 scored Mozambique -0.41 in the -2.5 to +2.5 range, tied for 124th place out of 212 countries.

Market failures in the availability of information for innovation and “coordination”

Mozambique ranked a low 121 (out of 144) in the 2012-13 WEF GCI Technological Readiness Index and a low 130 in its Innovation & Business Sophistication Indices. It was ranked very low in almost all elements of these three “pillars” of the GCI, ranking worse than 100 in 19 elements (and worse than 130 in 7), obtaining a relatively good score only in “FDI and technology transfer,” ranking 41. (See Tables 1, 6, 7 and 8)

2Aaii) Cost of finance

Domestic credit to the private sector in Mozambique was only 24.0% of GDP in 2011, having increased from a low point of only 9.5% in 2004. (WB WDI) Despite the gradual improvement, this still compares unfavorably with the Sub-Saharan African developing country average of 61.4% of GDP in 2011. The low income country average was 30.1% and the lower middle income country average was 40.4%. The MCC ranked Mozambique as scoring higher than 67% of its “peer” group of 85 developing countries providing access to credit in 2013. Its real interest rate has been volatile, rising from 6.3% in 2000 to 18.5% in 2003, falling back to 6.1% in 2006, rising to 11.1% in 2009, falling to 5.7% in 2010 and reported as 7.5% in 2011. (WB WDI). The lending interest rate fell from a high of 26.7% in 2002 to an average of 18.1% between 2005 and 2011, while the interest rate spread fell from a high of 12.5% in 2003 to an average of 6.3% from 2009 to 2011. (WB WDI) The Heritage Foundation/Wall Street Journal Investment Freedom Index scored Mozambique a low 45 out of 100 possible points in 2011, indicating fairly strong government influence over the financial sector. In the 2012-13 WEF GCI access to financing was listed as the most problematic factor for doing business in Mozambique by 16.9 percent of survey responses (the highest percent, above corruption and inadequate infrastructure), and the country scored 4.1 (from 1-7 high); and the country ranked a very low 134 out of 144 in the Financial Market Development sub-index. In this sub-index, Mozambique received a moderate grade for the soundness of its banks, ranking 78 out of 144, but in all 7 of the other elements it was ranked worse than 113 and especially low in the legal rights index, ease of access to loans, venture capital availability, and affordability of financial services. (See Tables 1, 3 & 9)



2Ab) Conversion from Informal to Formal Sector

The World Bank Doing Business Report for 2013 ranked Mozambique 146 out of 185 countries in business climate indicators. Getting electricity is the most troublesome area, ranking 174, as it takes 117 days to obtain a hookup and costs 2,395% of income per capita to do so. The country is also ranked very poorly in registering property (155), resolving insolvency (147), dealing with construction permits (135), trading across borders (134), enforcing contracts (132), and getting credit (129).

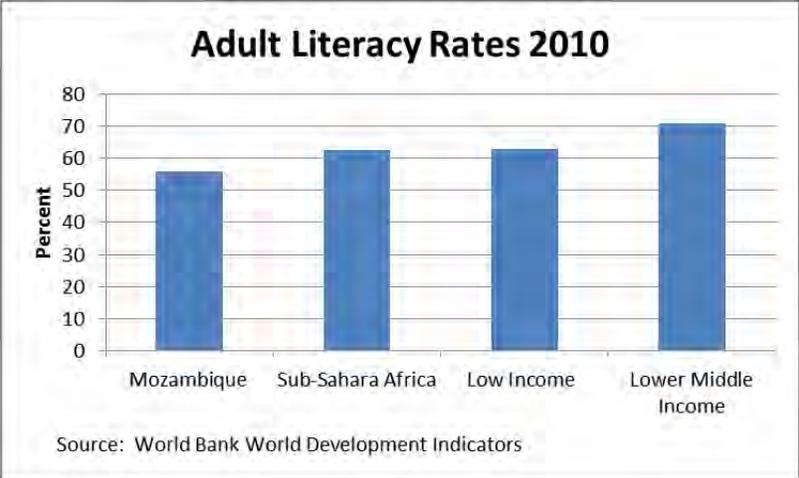
2Ac) Labor Intensity of Production

The 2012-2013 WEF GCI survey also scored Mozambique very low in the Goods Market Efficiency category (124th out of 144 overall), ranking near the bottom (133-135) in agricultural policy costs, effectiveness of anti-monopoly policy, intensity of local competition, and extent of market dominance, all areas that reduce more productive employment generation. The prevalence of trade barriers and burden of customs procedures also received low scores, ranking worse than 100. (See Table 10) However, the World Bank Development Research Group Trade Research Unit calculated a Trade Restrictiveness Index that resulted in a fairly good score of 5.7 for Mozambique in 2006-09 (latest).⁴ Its trade with the outside world totaled a respectable 101% of GDP in 2011, compared with a 69.8% average for developing Sub-Sahara African countries and 66.7% for low income countries (WB WDI). Mozambique scored a low WEF pillar ranking in Labor Market Efficiency, 128 out of 144, ranking worse than 100 in 6 of the 8 elements. Its only good score here was in the “women in labor force, ratio to men,” element, ranking 2nd in the whole survey with a ratio of 1.05! (See Table 11)

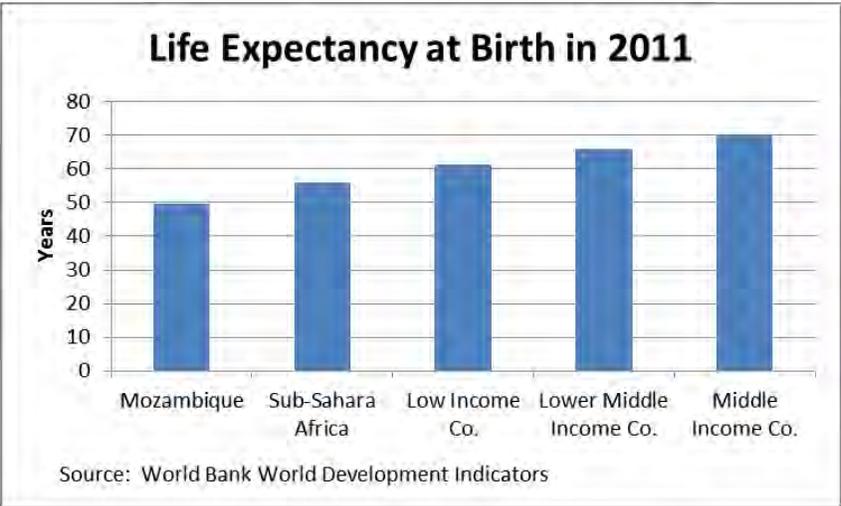
2B) Employability of the Workforce:

Only 56.1% of the adult population was recorded as literate in 2010, compared with 63% averages in Sub-Sahara African countries and low income countries and 71% in lower middle income countries. And only 42.8% of Mozambique women were literate in 2010, an improvement over 33.2% in 2003 but still very low. (WB WDI) The 2012-13 WEF GCI ranked Mozambique near the very bottom (138 out of 144) in higher education and training, with all 8 elements ranking worse than 100. It ranked 133 for its quality of primary education, despite an 89.6% enrollment rate in the latter. The gross percentage of students enrolled in secondary education was only 26.4%, and only 1.5% was enrolled in tertiary education, ranking Mozambique 139th in both elements. (See Tables 1, 12 and 13)

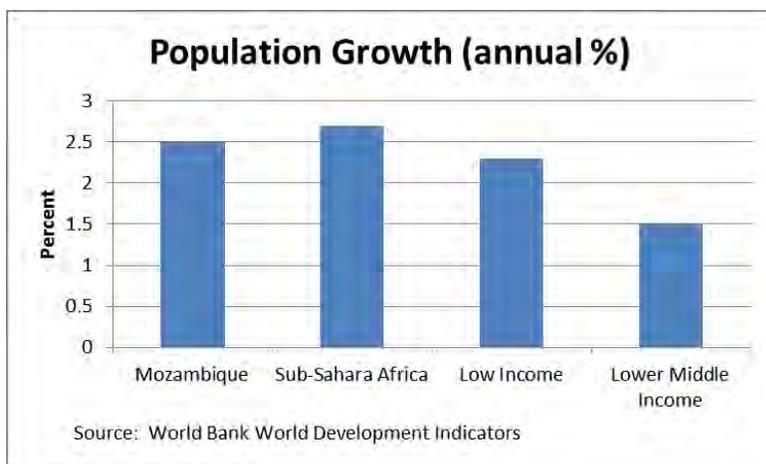
⁴ The Trade Restrictiveness Index is an indicator of the trade restrictiveness of the MFN tariff schedule of a country. It calculates the equivalent uniform tariff of a country's tariff schedule that would keep domestic import levels constant. Product level tariffs are weighted by import shares as well as the responsiveness of imports to price changes (import demand elasticity). It includes preferential rates. It is expressed as a tariff rate. Lower is better. The higher the number, the more restrictive a country's trade policy, and the less open the country is to international competition. Desirable to be less than 7.0. <http://info.worldbank.org/etools/wti/3a.asp#>



Also worrying from an employability standpoint is the poor health of the workforce. The 2012-2013 WEF GCI overall ranking for Mozambique in Health and Primary Education is 137 out of 144 (Table 1). It ranked worse than 133 in all 8 health indicators surveyed, including the business impacts of malaria, tuberculosis and HIV/AIDS. Some 33% of the entire population has malaria and 11.5% of the adult population has HIV. WEF GCI listed Mozambique's life expectancy as only 49.7 years, longer than only 5 other countries in its survey. (See Table 12) A WB WDI table listed the country's life expectancy in 2011 as 49.5 years, lower than the Sub-Saharan country average of 55.9 years and that of low income countries worldwide (61.1 years). Despite these poor health marks, however, it is interesting that only 1.1% of the WEF survey respondents selected poor public health as one of the most problematic factors for doing business in Mozambique (Table 3). Perhaps this is simply indicative of the small percentage of the workforce utilized by the more successful formal sector entrepreneurs who participated in the survey, or of primary concerns about even more serious problems they face in doing business in this country.



Mozambique's population growth rate is 2.5% per year, a little lower than the Sub-Saharan country average of 2.7%, but higher than the low income country average of 2.3% and the lower middle income country average of 1.5%. (WB WDI) A high growth rate makes it more difficult for the country to keep up with the health, education and infrastructure needs of its growing population.



Appendix

Table 1. The Global Competitiveness Index:	Rank	Score
Mozambique	out of 144)	(1–7)
GCI 2012–2013	138	3.2
GCI 2011–2012 (out of 142)	133	3.3
GCI 2010–2011 (out of 139)	131	3.3
Basic requirements (60.0%)	138	3.2
Institutions	112	3.4
Infrastructure	129	2.4
Macroeconomic environment	125	3.7
Health and primary education	137	3.5
Efficiency enhancers (35.0%)	133	3.1
Higher education and training	138	2.4
Goods market efficiency	124	3.8
Labor market efficiency	128	3.7
Financial market development	134	3.1
Technological readiness	121	2.8
Market size	101	2.9
Innovation and sophistication factors (5.0%)	130	2.9
Business sophistication	131	3.1
Innovation	122	2.6
Source: WEF, <i>Global Competitiveness Report 2012–2013</i> , p. 266		

Table 2. Macroeconomic environment: Mozambique	Rank	Score
	(out of 144)	(1-7)
3.03 Inflation, annual % change*	124	10.4
3.02 Gross national savings, % GDP*	121	11.2
3.05 Country credit rating, 0-100 (best)*	110	27.9
3.01 Government budget balance, % GDP*	108	-4.9
3.04 General government debt, % GDP*	51	33.2
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 267		

Table 3. The most problematic factors for doing business in Mozambique	(Percent of Responses)
Access to financing	16.9
Corruption	16.6
Inadequate supply of infrastructure	12.8
Inefficient government bureaucracy	12.2
Inadequately educated workforce	10.7
Poor work ethic in national labor force	4.9
Tax rates	4.4
Tax regulations	3.8
Crime and theft	3.7
Inflation	3.7
Foreign currency regulations	3.5
Insufficient capacity to innovate	2.6
Restrictive labor regulations	2.0
Poor public health	1.1
Policy instability	1.0
Government instability/coups	0.0
Note: From the list of factors above, respondents were asked to select the five most	
Source: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 266	

Table 4. Infrastructure: Mozambique	Rank	Score
	(out of 144)	(1-7)
2.08 Mobile telephone subscriptions/100 pop.*	140	32.8
2.09 Fixed telephone lines/100 pop.*	137	0.4
2.02 Quality of roads	135	2.4
2.01 Quality of overall infrastructure	126	3.0
2.04 Quality of port infrastructure	116	3.4
2.07 Quality of electricity supply	111	3.2
2.06 Available airline seat kms/week, millions*	107	31.0
2.05 Quality of air transport infrastructure.....	103	3.9
2.03 Quality of railroad infrastructure	89	2.0
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, Global Competitiveness Report 2012-13, p. 267		

Table 5. Institutions: Mozambique	Rank	Score
	(out of 144)	(1-7)
1.06 Judicial independence	130	2.4
1.02 Intellectual property protection	128	2.6
1.03 Diversion of public funds	128	2.3
1.20 Efficacy of corporate boards	123	3.9
1.18 Ethical behavior of firms	122	3.2
1.16 Organized crime	117	4.1
1.19 Strength of auditing and reporting standards	116	3.9
1.01 Property rights	112	3.5
1.17 Reliability of police services	112	3.4
1.14 Business costs of terrorism	111	4.9
1.11 Efficiency of legal framework in challenging regs.	109	3.0
1.15 Business costs of crime and violence.....	104	4.2
1.08 Wastefulness of government spending	102	2.8
1.21 Protection of minority shareholders' interests	102	3.8
1.10 Efficiency of legal framework in settling disputes	93	3.3
1.04 Public trust in politicians	89	2.4
1.05 Irregular payments and bribes	88	3.6
1.07 Favoritism in decisions of government officials	83	2.9
1.09 Burden of government regulation	70	3.4
1.12 Transparency of government policymaking	70	4.3
1.13 Gov't services for improved business performance 3.7	67	3.7
1.22 Strength of investor protection, 0-10 (best)*	39	6.0
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, Global Competitiveness Report 2012-13, p. 267		

Table 6. Technological readiness: Mozambique	Rank	Score
	(out of 144)	(1-7)
9.06 Int'l Internet bandwidth, kb/s per user*	131	1.2
9.04 Individuals using Internet, %*	129	4.3
9.05 Broadband Internet subscriptions/100 pop.*	124	0.1
9.01 Availability of latest technologies	111	4.3
9.07 Mobile broadband subscriptions/100 pop.*	111	1.0
9.02 Firm-level technology absorption	110	4.3
9.03 FDI and technology transfer	41	5.0
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, Global Competitiveness Report 2012-13, p. 267		

Table 7. Business sophistication: Mozambique	Rank	Score
	(out of 144)	(1–7)
11.02 Local supplier quality	139	3.4
11.05 Value chain breadth	135	2.6
11.09 Willingness to delegate authority	135	2.9
11.01 Local supplier quantity	133	3.8
11.07 Production process sophistication	127	2.7
11.06 Control of international distribution	125	3.4
11.04 Nature of competitive advantage	122	2.7
11.08 Extent of marketing	115	3.3
11.03 State of cluster development	96	3.3
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 267		

Table 8. Innovation: Mozambique	Rank	Score
	(out of 144)	(1–7)
12.06 Availability of scientists and engineers	137	2.8
12.01 Capacity for innovation	132	2.3
12.03 Company spending on R&D	128	2.5
12.07 PCT patents, applications/million pop.*	119	0.0
12.02 Quality of scientific research institutions	112	2.9
12.05 Gov't procurement of advanced tech products	84	3.4
12.04 University-industry collaboration in R&D	78	3.5
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 267		

Table 9. Financial market development: Mozambique	Rank	Score
	(out of 144)	(1–7)
8.08 Legal rights index, 0–10 (best)*	135	2
8.04 Ease of access to loans	131	1.9
8.05 Venture capital availability	128	1.9
8.02 Affordability of financial services	126	3.3
8.07 Regulation of securities exchanges	122	3.2
8.03 Financing through local equity market	119	2.6
8.01 Availability of financial services	114	3.8
8.06 Soundness of banks	78	5.0
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 267		

Table 10. Goods market efficiency: Mozambique	Rank	Score
	<u>(out of 144)</u>	<u>(1-7)</u>
6.08 Agricultural policy costs.....	135	3.0
6.03 Effectiveness of anti-monopoly policy	134	3.1
6.01 Intensity of local competition	133	3.8
6.02 Extent of market dominance	133	2.9
6.15 Degree of customer orientation	127	3.8
6.16 Buyer sophistication	121	2.7
6.09 Prevalence of trade barriers	118	3.7
6.13 Burden of customs procedures	101	3.5
6.06 No. procedures to start a business*	97	9
6.10 Trade tariffs, % duty*	89	7.5
6.12 Business impact of rules on FDI	73	4.6
6.04 Extent and effect of taxation	65	3.5
6.07 No. days to start a business*	59	13
6.11 Prevalence of foreign ownership	55	5.0
6.05 Total tax rate, % profits*	52	34.3
6.14 Imports as a percentage of GDP*	43	59.1
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 267		

Table 11. Labor market efficiency: Mozambique	Rank	Score
	<u>(out of 144)</u>	<u>(1-7)</u>
7.05 Pay and productivity	135	2.9
7.04 Redundancy costs, weeks of salary*	133	41
7.06 Reliance on professional management	132	3.4
7.02 Flexibility of wage determination	127	3.9
7.01 Cooperation in labor-employer relations	126	3.6
7.03 Hiring and firing practices	102	3.5
7.07 Brain drain	76	3.4
7.08 Women in labor force, ratio to men*	2	1.05
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 267		

Table 12. Health and primary education: Mozambique	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
4.02 Malaria cases/100,000 pop. *	140	32,977.9
4.07 Infant mortality, deaths/1,000 live births*	140	92.2
4.08 Life expectancy, years*	139	49.7
4.03 Business impact of tuberculosis	138	3.2
4.04 Tuberculosis cases/100,000 pop. *	137	544.0
4.05 Business impact of HIV/AIDS	137	2.9
4.06 HIV prevalence, % adult pop. *	137	11.5
4.01 Business impact of malaria	134	2.9
4.09 Quality of primary education	133	2.3
4.10 Primary education enrollment, net %*	98	89.6
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 267		

Table 13. Higher education and training: Mozambique	Rank	Score
	<u>(out of 144)</u>	<u>(1–7)</u>
5.01 Secondary education enrollment, gross %*	139	26.4
5.02 Tertiary education enrollment, gross %*	139	1.5
5.05 Quality of management schools	133	2.9
5.04 Quality of math and science education	131	2.6
5.07 Availability of research and training services	128	3.1
5.06 Internet access in schools	121	2.7
5.03 Quality of the educational system	119	2.9
5.08 Extent of staff training	119	3.2
Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*).		
Source: WEF, <i>Global Competitiveness Report 2012-13</i> , p. 267		