Gross Capital Formation’s doubled in five years driven by both FDI and public investments.

The investment acceleration was dominated by: Minerals and Extractives (avg. 17% GDP) Public & Basic Infrastructure (avg. 11% GDP)

Foreign Direct Investment Dominates Extractives, but not Jobs

As expected, the extractive sector was also predominant among FDI inflows between 2010 and 2015 representing an average of 72% of total inflows, 2010–15.

• Extractives are predominant among both Mega Project & Non-Mega Project FDI.


The Transports’ sector also attracted a significant share of FDI, 2013-15, due to the investments in railways and port infrastructure linked to the extraction of coal.

Trends From Announced Green Field FDI

47% of announced ‘capital’ FDI flows went to Tete and Cabo Delgado reflecting the predominance of extractives.

Direct Employment Creation was limited to approximately 50000 jobs concentrated in less capital intensive sectors (i.e. manufacturing, construction and agriculture).

Public Investment: large volumes but uneven results

36% of the Government’s Investment Budget (cumulative 2009–15) went to recurrent expenditures.

• Share of recurrent expenditures is higher among externally funded investment (25% vs 11%) which generally funds capital costs.

Close to 80% of Public Capital Investment is executed at the central level, 12% at the provincial level and 9% by districts and municipalities.

• Public Works (e.g. Infrastructure) and Public Administration (e.g. Government Buildings, Security) are the largest areas of Public Capital Investment and are mostly executed at the central level – 61% of total expenditure.

• 68% of Provincial Capital Investment is split between Public Administration and Education.

Investment through State Owned Enterprises and other Public Entities

Large part of Public Investment is conducted through 6 Main SOEs: Telecommunications (TDM), Electricity (EDM); Railways (CFM); Road Fund; Airports (ADM) and Water Fund (FIPAG).

On average, 30% of Budgeted Public Capital Investment (2012–15) corresponds to investments made through these 6 SOEs.

• Off-budget investment of these SOE’s represented at

Impact of Public Capital Investment on Access to Basic Services

Despite the Growth of Inv. on Rural Water, Access Remains Higher in Urban Areas

Low Inv. on Electricity Appears to be Widening the Urb-Rural Disparities in Access

Public Capital Investment has Effectively Reduced Distances to Health Units but not Schools

FDI Flowed Mostly to Extractive Sector (e.g. 34% GDP, 2013)

Extractives are predominant among both Mega Project & Non-Mega Project FDI.

Public & Basic Infrastructure (avg. 11% GDP)

Minerals and Extractives (avg. 17% GDP)

Gross Capital Formation’s Weight on GDP Doubled (2010-14) Surpassing SSA Average

Acceleration Largely Driven by FDI Growth: From 10% 39% of GDP, 2010-13

Substantial Investment Through 6 Public Entities. More than 50% Off-Budget (MZN Millions)

An Investment Acceleration, Outstripping the SSA Average

68% of Provincial Capital Investment is split between Public Administration and Education.