

Mozambique: Intra-Africa trade and tariff profile 2020



Regional Economic Communities

Mozambique is a member of the Southern African Development Community (SADC). The African Continental Free Trade Agreement (AfCFTA) entered into force on 30 May 2019. Mozambique signed the AfCFTA but has not yet ratified the Agreement.

SADC



Members of the SADC FTA:



Botswana
Eswatini
Lesotho
Madagascar
Malawi
Mauritius
Mozambique
Namibia
Seychelles
South Africa
Tanzania
Zambia
Zimbabwe



Comoros
DRC
Angola (has submitted its offer)

SADC is a Regional Economic Community with 16 member states - all the SACU countries, Angola, DRC, Seychelles, Comoros, Madagascar, Tanzania, Zimbabwe, Zambia, Mauritius, Mozambique and Malawi. 13 SADC member states are members of the SADC Free Trade Area (FTA). Comoros and DRC are yet to join the FTA. Angola has submitted its tariff offer to join the SADC FTA.

Intra-Africa exports

For 2020, 28% of Mozambique's world exports were to the rest of Africa. The main African destination markets are other SADC countries. The value of 2020 intra-Africa exports is US\$960.27 million. The main export products are electric energy and petroleum gas.

Intra-Africa exports 2019-2020 ▼ **14%**

MAIN DESTINATIONS

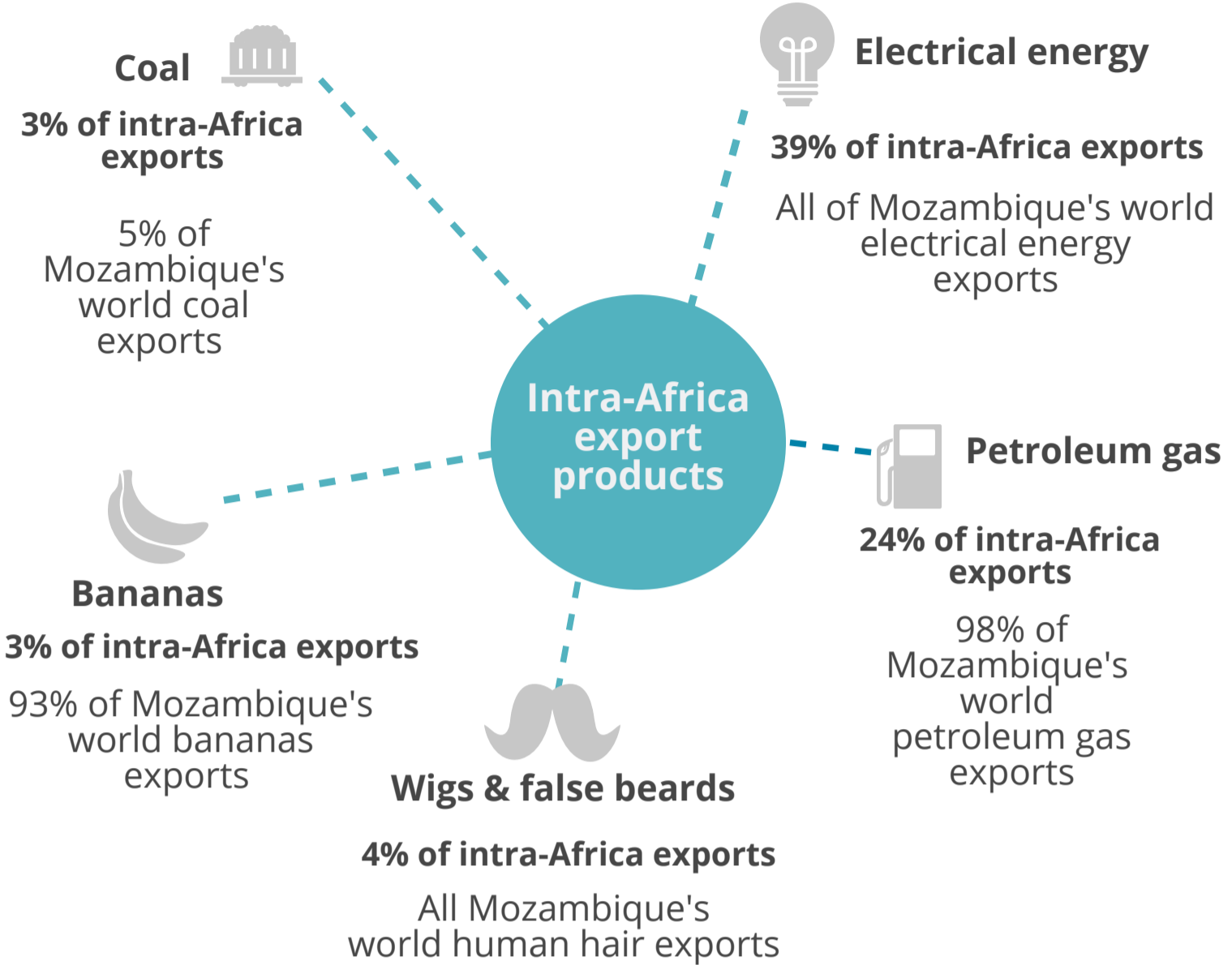
South Africa: 76% of intra-Africa exports

Zimbabwe: 11% of intra-Africa exports

Malawi: 3% of intra-Africa exports

Zambia: 3% of intra-Africa exports

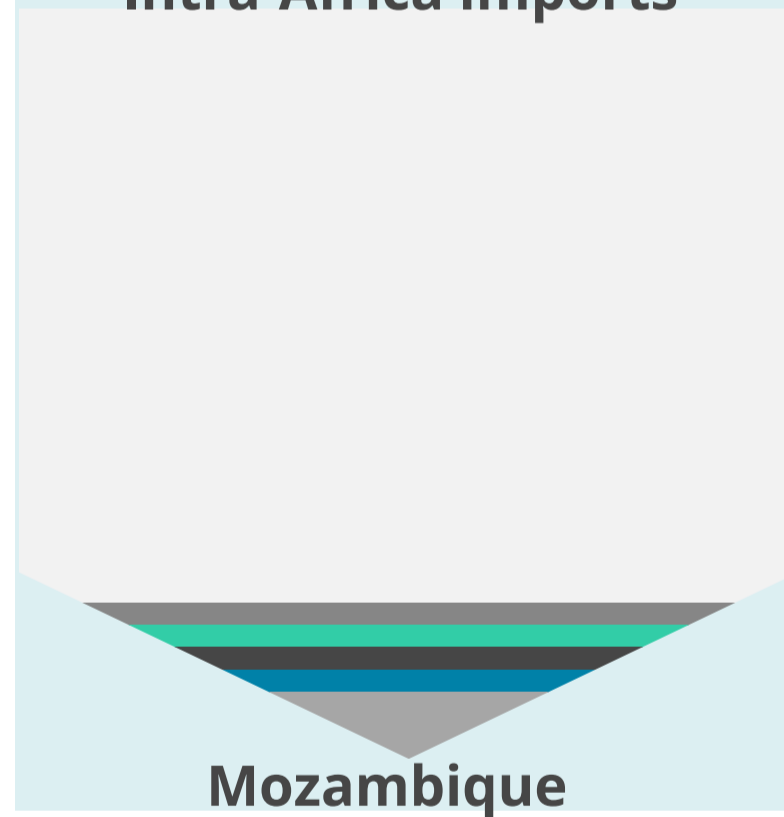
Eswatini: 1% of intra-Africa exports



Intra-Africa imports

For 2020, 33% of Mozambique's world imports were intra-Africa imports. Mozambique's intra-Africa imports are mainly from the other SADC member states. Between 2019 and 2020, intra-Africa imports declined by 13%. Electrical energy is the main import product, accounting for 9% of Mozambique's intra-Africa imports.

Intra-Africa imports



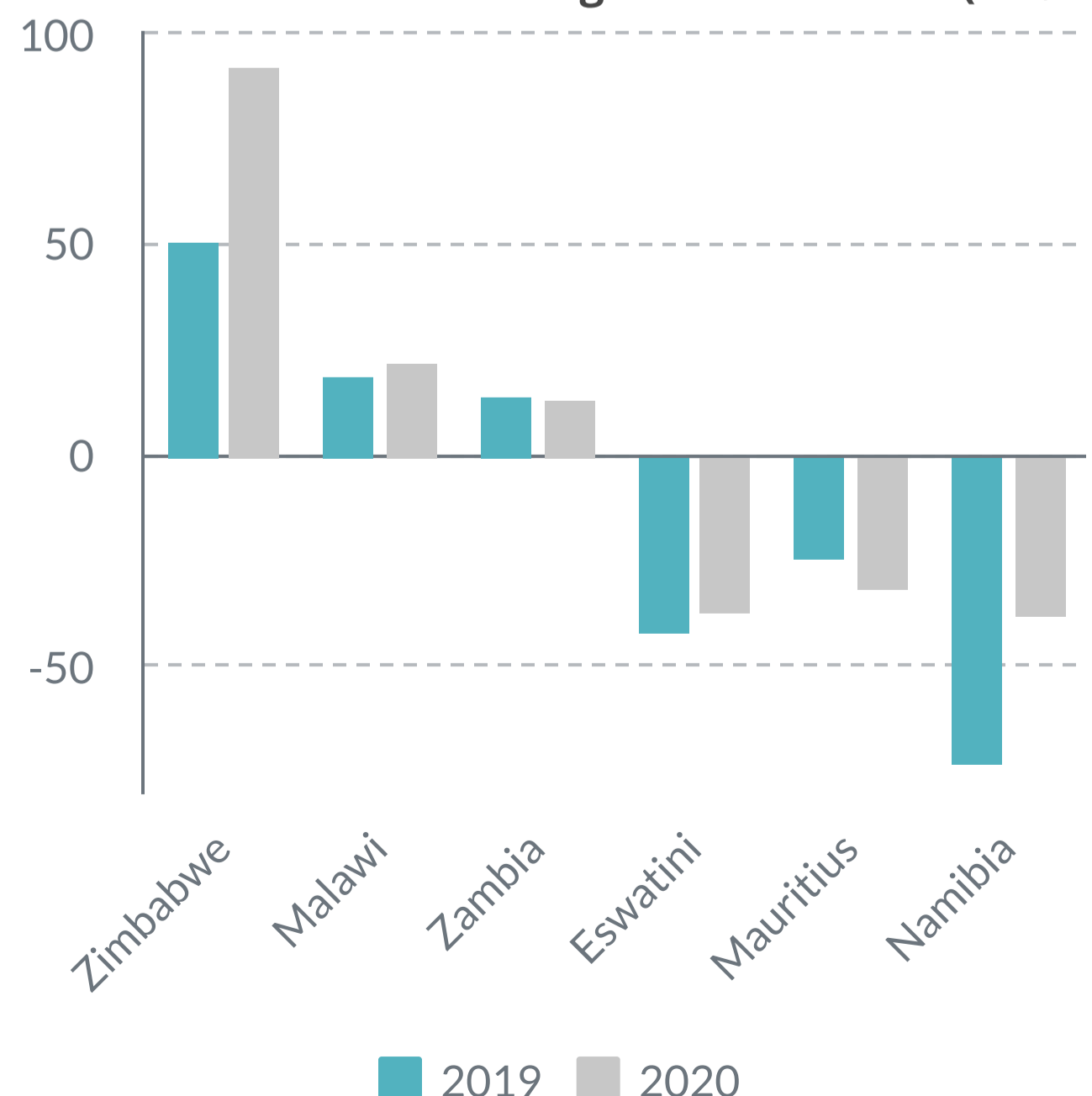
intra-Africa imports as % of world imports of designated products

Electrical energy (8.91%)	100%
Goods vehicles (2.97%)	49%
Frozen fish (2.97%)	81%
Sorting machines (2.97%)	75%
Maize (2.97%)	100%
Other (79.21%)	

% change in exports and imports (2019 to 2020)

South Africa	Exports: 18% decline Imports: 12% decline
Zimbabwe	Exports: 59% increase Imports: 5% decline
Malawi	Exports: 5% increase Imports: 14% decline
Zambia	Exports: 1% decline Imports: 3% increase
Eswatini	Exports: 40% decline Imports: 19% decline
Lesotho	Exports: 39% increase Imports: 74% decline

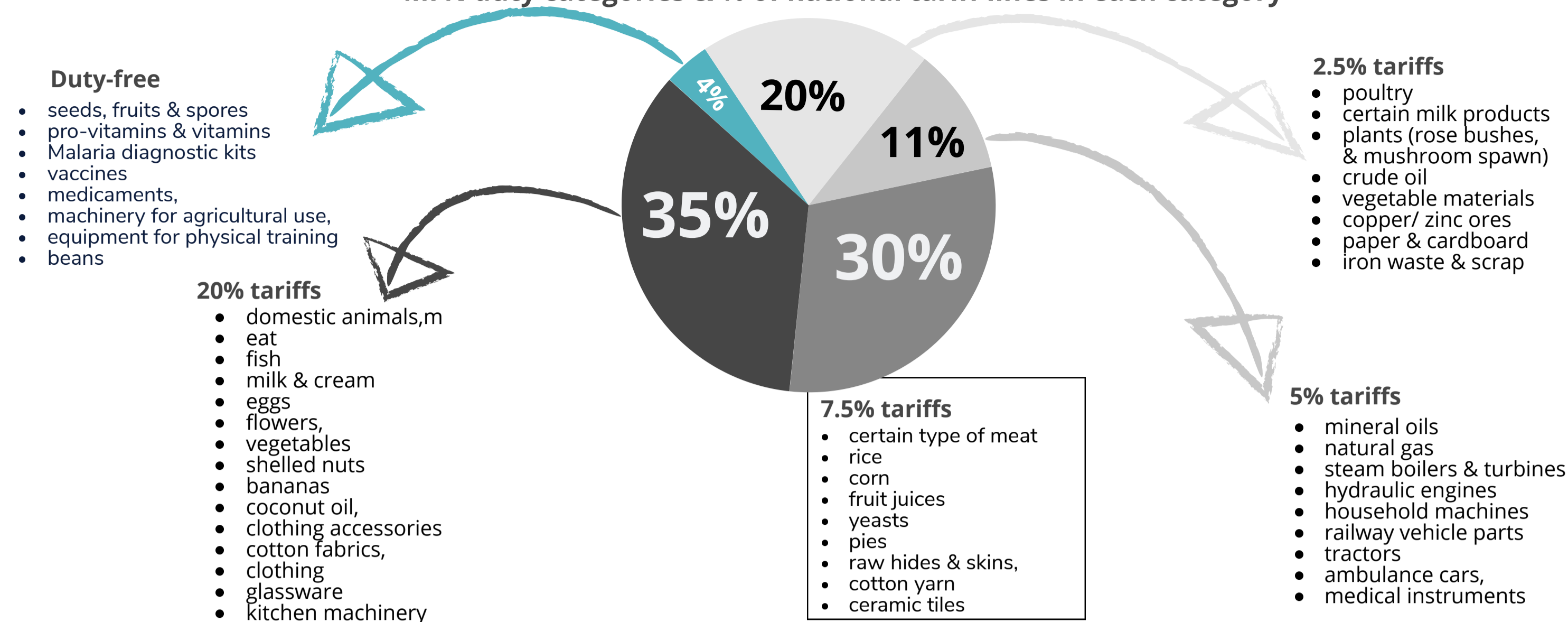
Trade balance with designated countries (US\$m)



Intra-Africa tariffs

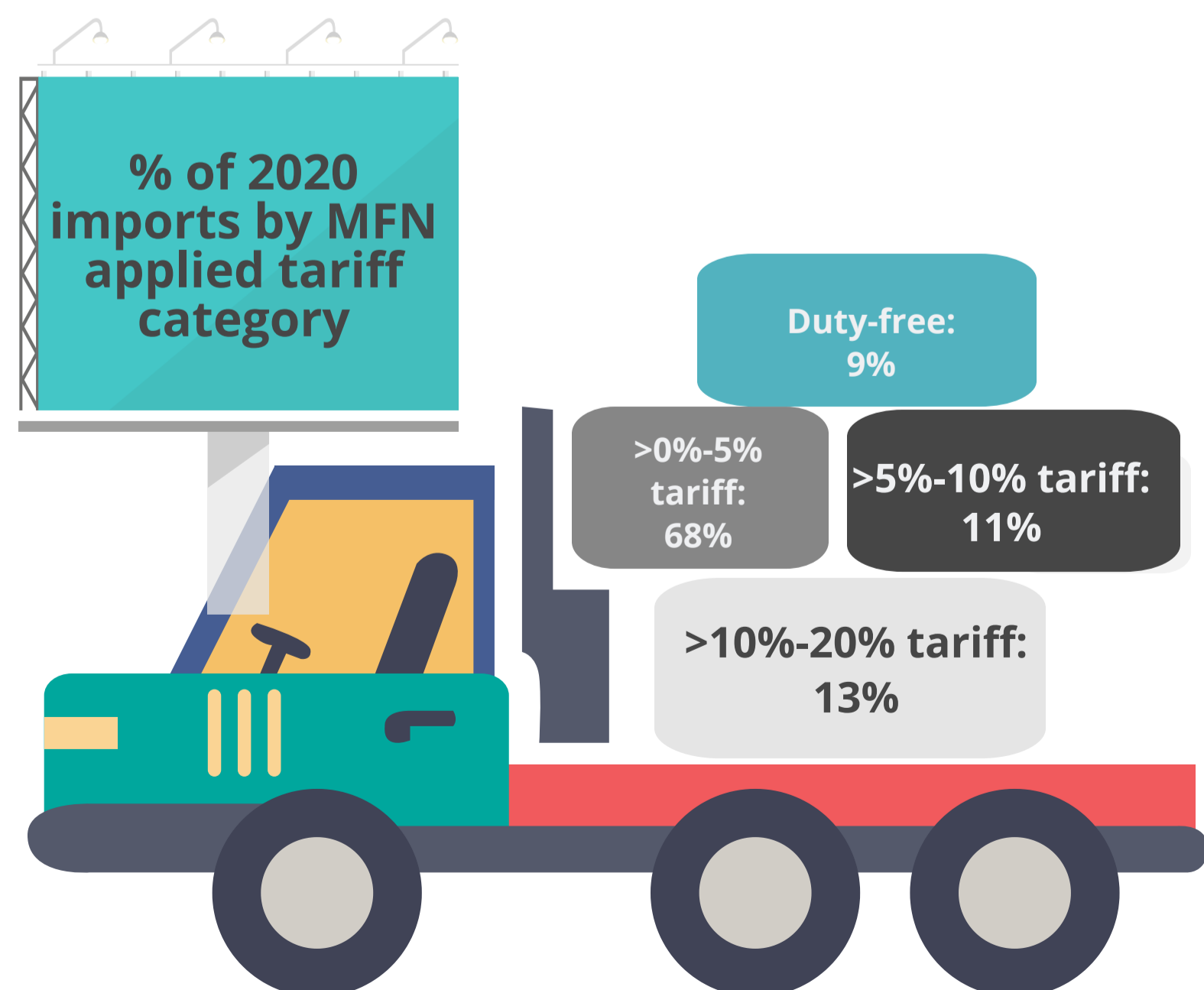
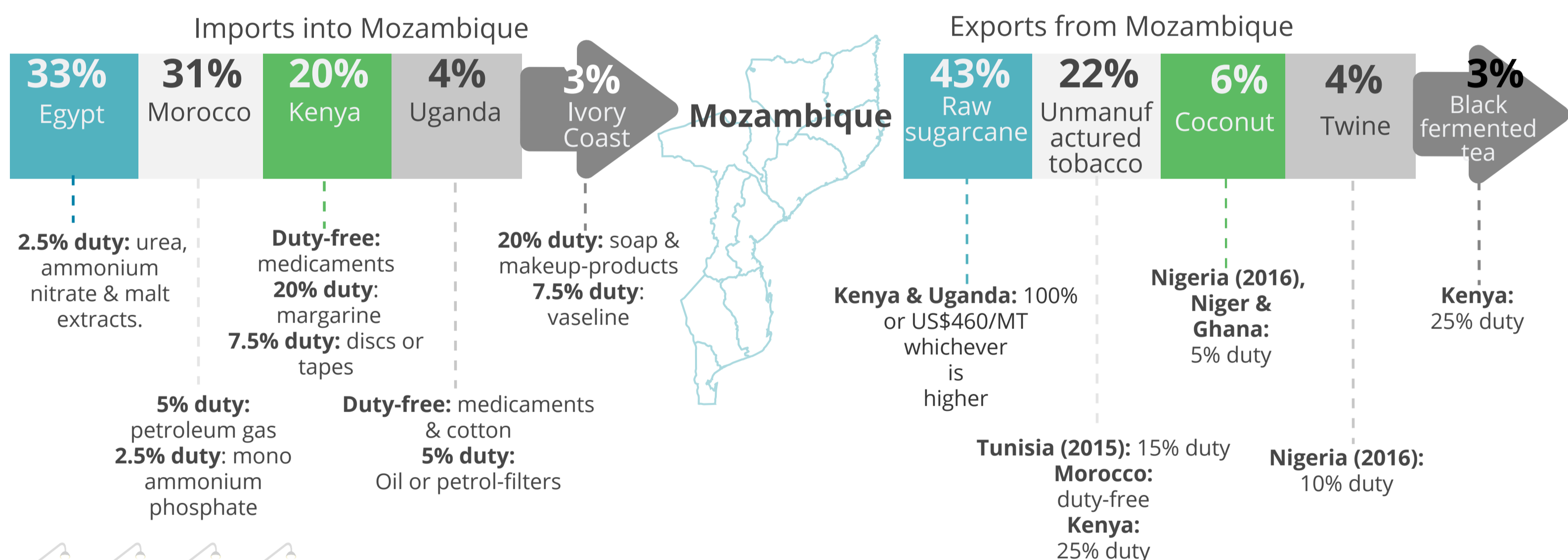
Imports from SADC (excl. sugar, second-hand clothes, original vehicle components parts & wheat flour) enter Mozambique duty-free. Imports from countries outside SADC face Mozambique's MFN applied duties.

MFN duty categories & % of national tariff lines in each category



Trade with African countries outside SADC

In 2020, only 0.4% of Mozambique's world exports and 1% of intra-Africa exports were to African countries not members of SADC. Mozambique mainly exports raw sugarcane and unmanufactured tobacco. These products account for 65% of Mozambique's exports to African countries outside SADC. Other export products include coconut, twine, and black fermented tea. In terms of imports, only 1% of Mozambique's world imports and 2% of intra-Africa imports were sourced from African countries not members of SADC. 25% of Mozambique's imports from African countries outside SADC is liquefied gaseous hydrocarbons and 16% is urea. Other imports include medicaments, ammonium nitrate, and malt extracts.



All of Mozambique's world imports of medicaments containing pseudoephedrine, crude coconut oil, hearing aids and non-metal sulphides are sourced from African countries outside SADC.

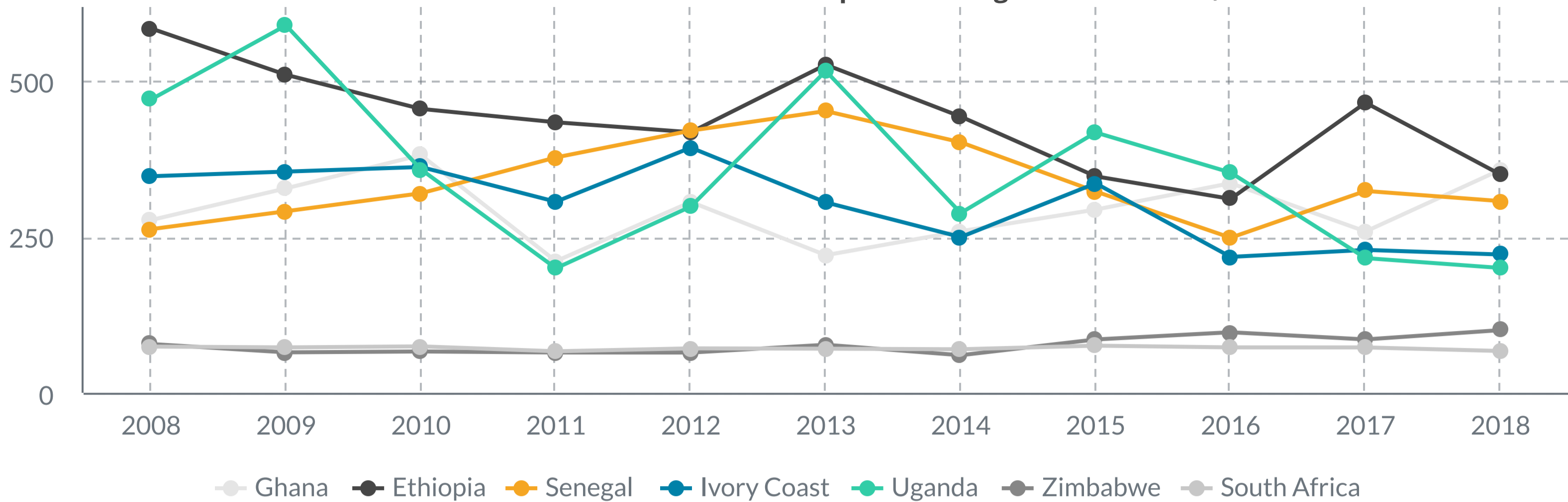
Of the top 20 import products, the highest tariffs (20% duty) are applicable to imports of black fermented tea, shelled cashew nuts, passenger vehicles, prefabricated buildings, tuna, carp fillets, and dried fish. A 7.5% duty is levied on imports of raw sugarcane, twine, prepared explosives, iron/steel structures and parts, and iron/steel non-threaded articles. A 5% duty is applied on earthmoving machinery and universal AC-DC motor (output >37.5W) imports. A 2.5% duty is levied on import of:

- unmanufactured tobacco
- coconut
- cotton
- tinned iron/steel waste & scrap
- crude coconut oil

Non-tariff trade costs

The ESCAP-World Bank trade cost database includes the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. Mozambique's trade with most east and west African countries (including Ghana, Ethiopia, Senegal, Ivory Coast & Uganda) is more expensive than southern African countries (including South Africa, Zimbabwe, Eswatini, Namibia & Botswana). Mozambique's trade with some African countries (i.e. Ghana, Ethiopia, Senegal, Ivory Coast & Ghana) is more costly than trade with the non-African countries such as Brazil, Germany, the UK, and China.

Cost of bilateral trade between Mozambique and designated countries; 2008-2018



The most expensive product to export to Angola via road transportation is unused postage (US\$72.11 per unit).

Road transportation of kitchenware:

- Tanzania (US\$40.23 per unit)
- Zimbabwe (US\$1.37 per unit)

Unmanufactured tobacco per unit cost:

- Morocco (US\$0.63)
- Zimbabwe (US\$0.12)
- South Africa (US\$0.02)

Per unit cost of transporting cuttle fish:

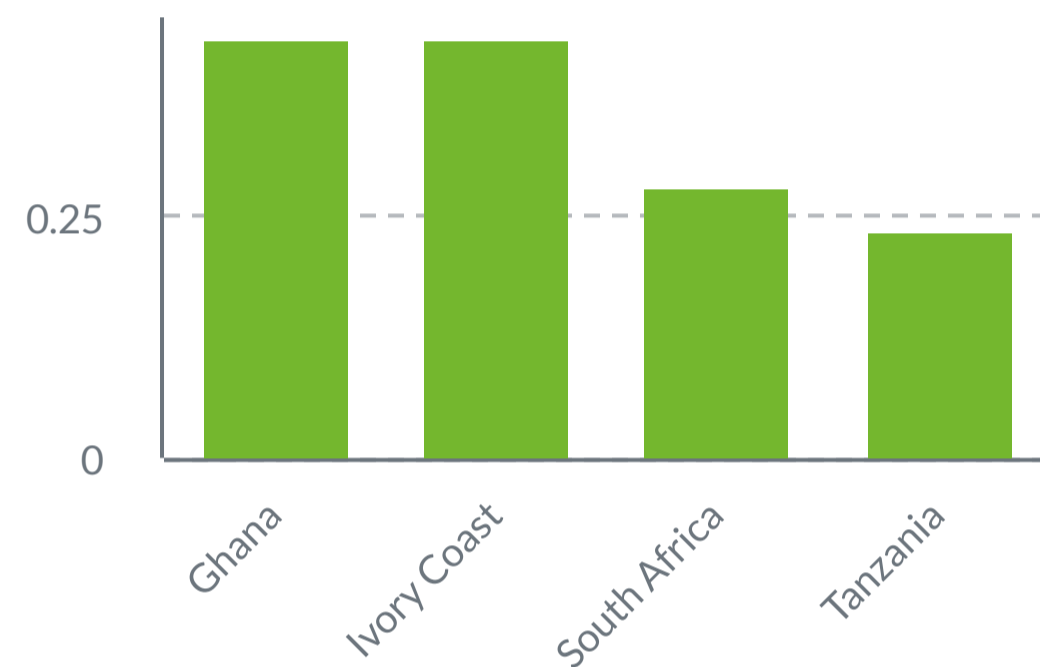
- Tunisia (US\$1.31)
- South Africa (US\$0.07)

Per unit road transport for palm oil:

- Senegal (US\$0.14)
- Zimbabwe (US\$0.14)

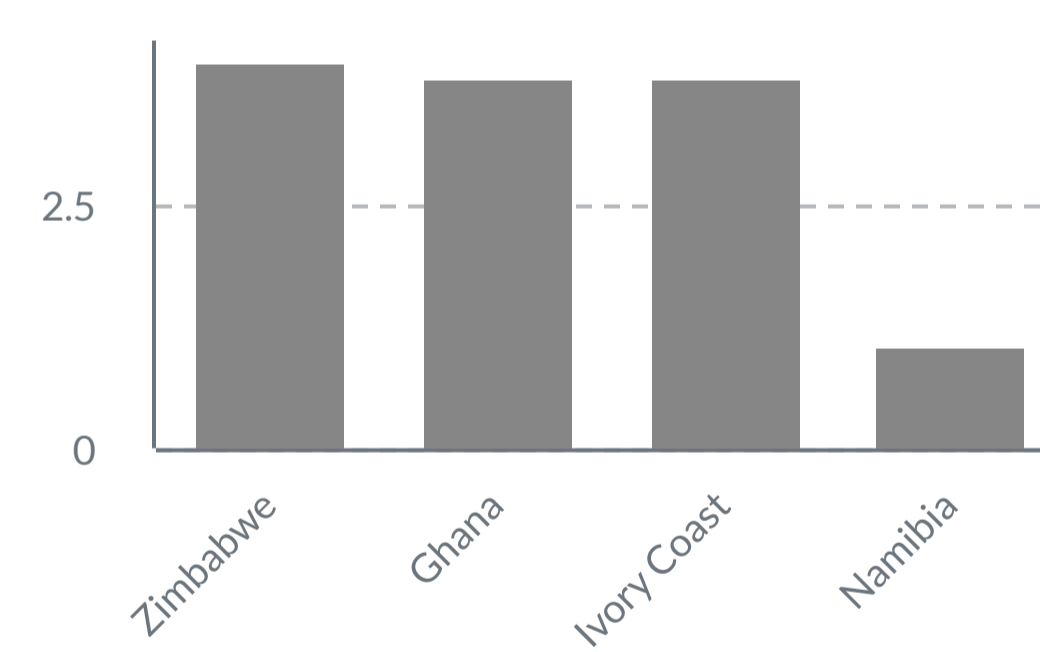
The per unit cost of transporting fresh or chilled spinach to South Africa (US\$5.23) is higher than iron/steel chain.

US\$ per unit road transport chemical/allied industry products and preparations



Transportation costs
The UNCTAD transport cost database measures the cost of bilateral transport by product. Transport cost is defined as the difference between the Cost, Insurance and Freight value and Free on Board value of goods. Transport cost across all modes of transport (road, rail, air, and sea) is included. The initial data is for 2016, but is in the process of being updated.

US\$ per unit road transport for flasks



Road transportation of unused postage and blotting pads is the most expensive. Road transport to Angola is the highest due to the high cost of transporting unused postage and blotting pads.

The WTO-OECD Balanced Trade in Services Dataset (BaTiS) is an experimental dataset which contains a complete, consistent and balanced matrix of international trade in services. Statistics cover the period 2005-2019, for over 200 reporters and partners, and 12 EBOPS 2010 categories in addition to total services.

Transport

South Africa: US\$29 million
Angola: US\$11 million
Nigeria: US\$7 million
Zambia: US\$3 million

Services exports 2019

Commercial Services

South Africa: US\$30 million
Angola: US\$11 million
Nigeria: US\$7 million
Mauritius: US\$3 million
Zambia: US\$3 million

Services imports 2019

