

This metadata describes the compilation practices, sources and methodology in use as at the end of 2003. Please refer to the contact person below for details of any changes that may have been introduced by the country since that time.

## **Mozambique:**

### **Direct Investment Compilation Practices, Data Sources and Methodology**

#### **Contact person:**

Ms. Maria Mateus  
Economist  
Department of Economic Studies and Statistics  
Banco de Mocambique  
Av. 25 de Setembro no. 167 9  
P.O. Box 423  
Maputo  
Mozambique

Telephone: (258 1) 318-001/9 ext. 1306

Fax: (258 1) 321-363

E-mail: [maria.mateus@bancomoc.mz](mailto:maria.mateus@bancomoc.mz)

#### **Direct Investment in Mozambique**

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

#### **Direct Investment Abroad**

- **Balance of Payments (“Transactions Data”)**
- **International Investment Position (“Position Data”)**

**DIRECT INVESTMENT IN MOZAMBIQUE**  
**BALANCE OF PAYMENTS (“TRANSACTIONS DATA”)**

**A. Compilation Practices and Data Sources**

**Data Availability**

Separately identifiable quarterly data are compiled by the Banco de Mocambique (BOM) within the balance of payments framework on (a) direct investment income (dividends and distributed branch profits only) and (b) direct investment financial flows (equity capital only). These data are disseminated with a timeliness of one month after the end of the reference period in the *Boletim Estatístico, Precos e Conjuntura Financeira*, as well as on the BOM website [www.bancomoc.mz](http://www.bancomoc.mz), under the statistics section (on the balance of payments page.) These data are also reported to the IMF for publication (as total direct investment income, and total direct investment in Mozambique, respectively).

Data on reinvested earnings are not compiled. Separately identifiable data on income on debt (Interest) and other capital are not compiled, but are instead recorded indistinguishably under Other Investment income and Other Investment financial flows in the balance of payments statistics, rather than as direct investment.

**Revision Practices**

The data are preliminary when first released. The data are revised quarterly to take account of late reported transactions and the revised data for the previous two quarters are disseminated together with the preliminary data for the latest quarter. The data are considered to be final 9 months after their first release.

The revised status of the data is not clearly identified in the disseminated data, and the general public are not informed of the reasons for the revisions. The historical data are not revised in instances of major changes in methodology or data collection systems.

There are no differences in the revision practices between the data disseminated in the national publications and those reported to the IMF for publication.

**Data Coverage**

No major sectors of the economy or elements within those economic sectors are excluded from the data, although the coverage of the informal sector presents difficulties.

There are no differences in the sectoral coverage between the data disseminated in the national publications and those reported to the IMF for publication.

**Data Collection Methods**

Data are collected on a mixture of an individual transactions basis and an aggregate basis—the data are collected primarily on an individual transactions basis (exchange control records), but data collected on aggregate basis (enterprise surveys) are used as a secondary source. The reporting requirements are compulsory.

**Data Sources**

The data are compiled primarily from exchange control records. A quarterly enterprise survey of direct investment enterprises in Mozambique is used as a secondary data source.

There are no differences in the data sources between the data disseminated in the national publications and those reported to the IMF for publication.

A business register of enterprises involved in direct investment is not used to compile the inward transactions data.

### **Geographic Classification**

Not applicable. Data showing breakdowns by (i) country, or (ii) regions/economic zones, are not compiled.

### **Industrial Classification**

Not applicable. Data showing breakdowns by industrial activity are not compiled.

## **B. Methodology**

**Definition of Direct Investment Enterprises in Mozambique:** In accordance with the international standards, the basic criterion for defining direct investment enterprises in Mozambique is 10 percent ownership by a nonresident investor, regardless of whether the investor has an effective voice in management—that is, enterprises in which the nonresident direct investor owns 10 percent or more but does not have an effective voice in management are included, while enterprises in which the nonresident investor owns less than 10 percent but has an effective voice in management are not included. In accordance with the international standards, the 10 percent ownership is based on the ownership of each individual nonresident investor or group of related investors, rather than being calculated by combining the holdings of all nonresident investors in a specific enterprise or from a specific country. No value threshold is used to identify resident direct investment enterprises, and unincorporated enterprises are not treated differently from incorporated enterprises.

### **Treatment of Indirectly-Owned Direct Investment Enterprises**

The “Fully Consolidated System” (FCS) recommended in the international standards is not applied. Specifically, the direct investment earnings data do not include the relevant share of all indirectly-owned direct investment enterprises, and (ii) the direct investment financial flows data do not include all equity capital transactions made directly between resident enterprises of a related group as defined in the FCS and nonresident enterprises of the same group, without consideration of the percentage of equity directly held by these enterprises in each other, and including those enterprises that share a common direct investor but have no ownership in each other. However, there are plans to introduce enterprise surveys that are intended to obtain information on transactions involving indirectly-owned direct investment enterprises. Data on other capital transactions are not compiled.

Enterprises in Mozambique are required by law to produce consolidated accounts covering their subsidiary and associate companies, both foreign and domestic, but are not required by law to identify all transactions with the parent company.

### **Measurement of Direct Investment Earnings**

The data sources do not provide sufficient information to determine the extent to which the “Current Operating Performance Concept” (COPC), recommended in the international standards, is used to calculate earnings of direct investment enterprises. Specifically, it is not known whether, in accordance with COPC, (i) deductions are made for depreciation of capital and for provisions for host-country income and corporation taxes, (ii) realized and unrealized capital gains and losses, write-offs and exchange rate gains or losses are excluded, (iii) interest receivable and interest payable are included, and (iv) debt repayments receivable and payable are excluded.

### **Treatment of Dividends and Distributed Branch Profits**

The data on dividends and distributed branch profits cover both incorporated enterprises and unincorporated enterprises. Contrary to the international standards, dividends are recorded on the date they are paid, rather than the date they are declared payable. The data sources do not provide sufficient information to determine whether, in accordance with the international standards, (i) the data are recorded gross of any withholding taxes, (ii) the data include transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and other affiliated financial intermediaries and affiliated banks.

#### **Treatment of Reinvested Earnings and Undistributed Branch Profits**

Not applicable. Data on reinvested earnings and undistributed branch profits are not compiled.

#### **Treatment of Income on Debt (Interest)**

Not applicable. Data on income on debt (interest) are not compiled .

#### **Treatment of Equity Capital**

The data on equity capital cover both incorporated enterprises and unincorporated enterprises. The data cover equity stocks (shares). However, the data sources do not provide sufficient information to determine whether, in accordance with the international standards, the data cover all types of relevant equity capital, namely, (i) listed voting stocks (shares), (ii) unlisted voting stocks (shares), (iii) participating preference [preferred] shares, (iv) other non-voting stocks (shares), and (v) noncash acquisitions of capital, such as through the provision of capital equipment. The data sources also do not provide sufficient information to determine whether, in accordance with the international standards, (i) the data include equity transactions between affiliated banks and between affiliated financial intermediaries, (ii) the data include equity transactions between nonfinancial direct investment enterprises and affiliated financial intermediaries, including SPEs primarily engaged in financial intermediation for a group of related enterprises, and (iii) there are no differences between the treatment of affiliated financial auxiliaries (such as security dealers) and the treatment of other affiliated financial intermediaries and affiliated banks. However, there are plans to introduce enterprise surveys that are intended to obtain data covering these aspects.

#### **Treatment of Other Capital**

Not applicable. Data on other capital are not compiled.

#### **Treatment of Reverse Investment**

Not applicable. Reverse investment involving equity capital transactions cannot be identified from the present data sources. Data on other capital are not compiled.

#### **Treatment of Quasi-corporations**

In accordance with the international standards, the direct investment data include the activities of quasi-corporations involving the operation in Mozambique by nonresidents of (i) construction enterprises, and (ii) mobile equipment, such as ships, aircraft, and drilling rigs.

#### **Treatment of Offshore Enterprises**

In accordance with the international standards, activities of offshore enterprises established in Mozambique by nonresidents are included in the direct investment data.

#### **Treatment of Land and Buildings**

Contrary to the international standards, the data do not include purchases and sales of land and buildings in Mozambique by nonresident enterprises and individuals.

#### **Treatment of Special Purpose Entities (SPEs)**

Not applicable. There are no SPEs established in Mozambique by nonresidents.

#### **Treatment of Natural Resources Exploration**

The data sources do not provide sufficient information to determine whether, in accordance with the international standards, (i) expenditure on exploration for natural resources in Mozambique by nonresidents is included in the inward direct investment transactions data, (ii) expenditure on bonus payments made by nonresidents to the host country for the right to undertake exploration for natural resources is included in the data when there is a clear intention to establish a direct investment enterprise, and (iii) in instances of the shutdown of a direct investment

enterprise established in Mozambique by nonresidents for natural resource exploration, no transaction is recorded in the balance of payments statistics.

**Exchange Rate Conversion**

Data on dividends and distributed branch profits and equity capital are converted to the unit of account using the average exchange rate for the period in which the transactions are recorded.

**DIRECT INVESTMENT IN MOZAMBIQUE**  
**INTERNATIONAL INVESTMENT POSITION ("POSITION DATA")**

Not applicable. Position data on direct investment in Mozambique are not compiled at present. However, there are plans to begin to do so within 2-5 years.

**MOZAMBIQUE: DIRECT INVESTMENT ABROAD  
BALANCE OF PAYMENTS (“TRANSACTIONS DATA”)**

Not applicable. Transactions data on direct investment abroad are not compiled at present. However, there are plans to begin to do so within 2-5 years.

**MOZAMBIQUE: DIRECT INVESTMENT ABROAD**  
**INTERNATIONAL INVESTMENT POSITION ("POSITION DATA")**

Not applicable. Position data on direct investment abroad are not compiled at present.