



Status Report COVID-19  
Exchange Mozambique

March 2021

[Abstract](#)

Report on the effects of COVID-19 in Mozambique  
Version 10  
17<sup>th</sup> March 2021

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## 1. Executive Summary

This report builds upon the previous Country updates presented. It summarizes the status of COVID virus spread and the measures taken to prevent its dissemination in Mozambique. The document aims at providing an updated overview of the economic situation in Mozambique, with a focus on the impact of the measures and the pandemic on the economy, particularly on private sector activities. Data are sourced from official reports including those of the National Statistical Institute, the Confederation of Economic Activity of Mozambique, The World Bank Group.

The first chapter provides an overview of the disease spread, showing a growing trend in number of tested but also of the identified positive cases. The trends increased after the restrictions were lifted in August, and during the festive season which lead to a spike in infections and fatalities in January 2021. For that, restrictions were imposed again towards the end of January, to limit the impact of a severe second wave of infections. The second wave affecting Western partnering countries are expected to prolong the low international demand for goods, restrictions to international mobility, as well as foreign investment. To date, Mozambique is open to receive international visitors with negative Covid tests. However, particularly in Maputo, after the festive season, a growing number of infected people have been reported, leading to increased attention level.

Mozambique received its first dosages of the vaccine at the end of Februaryh 2021, coming from China and which will be allocated strictly to the medical personnel.

The document presents a general overview of the economy, as it was captured by official data, which are scarce, and few available recent press releases.

The Monetary Policy rate remained stable at 13.25%, following one digit inflation forecasts and but the Prime Rate grew from 15.5% in February to 17.8% in March, following the negative forecast of the Association of Banks on the rate of default expected from loans carried in their portfolio from 2020.

Despite the sentiment of the private sector in the first quarter of the year has been negative, economic activity is picking up again, with large extractives returning to operation after months of suspension.

The Confederation of Economic Activity created an internal task force to support Government promoting effective measures to support private sector.

All sectors are still struggling to recover, with low internal demand, low international commodity prices and low demand. Nevertheless, the economy is expected to slowly start recovering in the upcoming months.



## General overview and statistics

### National Statistics

At the time of writing, Mozambique reports 62,703 confirmed COVID-19 cases, of which 46,594 have recovered, and a total 700 deaths. To date, in the Country, 4,393,550 tests have been conducted since the beginning of the pandemic.

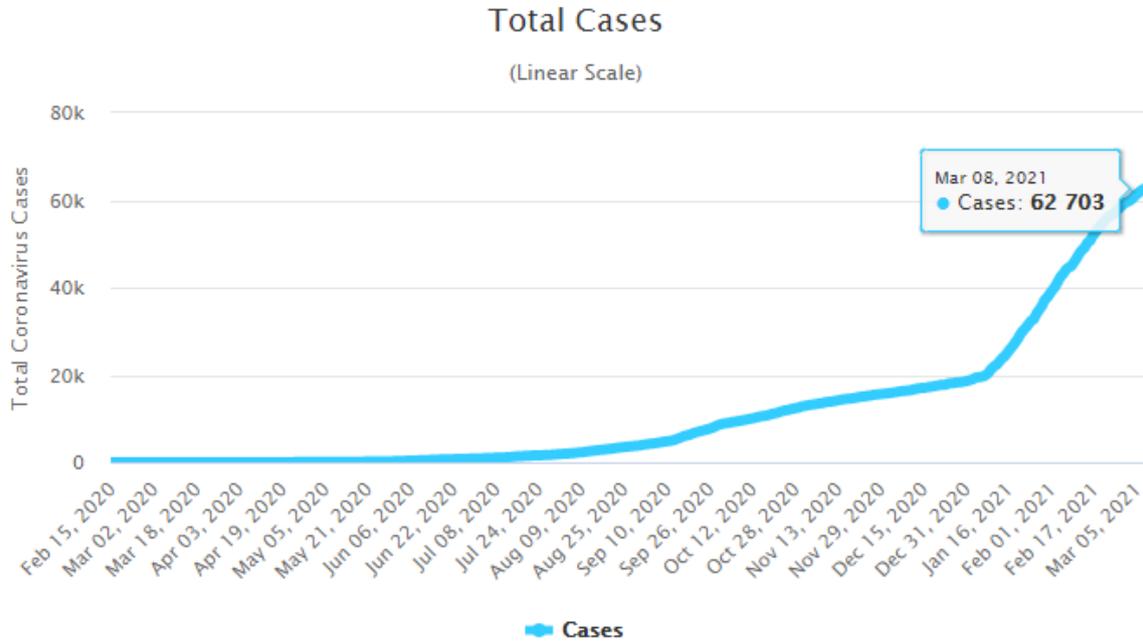


Figure 1: Evolution of COVID-19 new cases per day in Mozambique (Source: wordlometers.info, 10 March 2021)

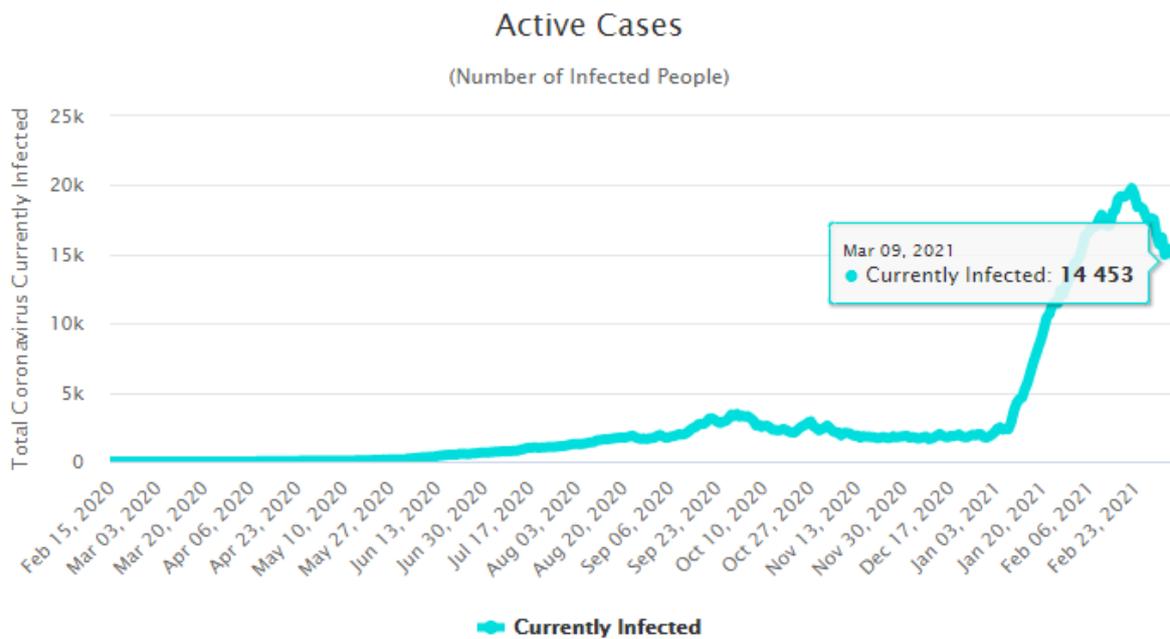


Figure 2: Number of COVID-19 Active cases in Mozambique (Source: wordlometers.info, 10 March 2021)

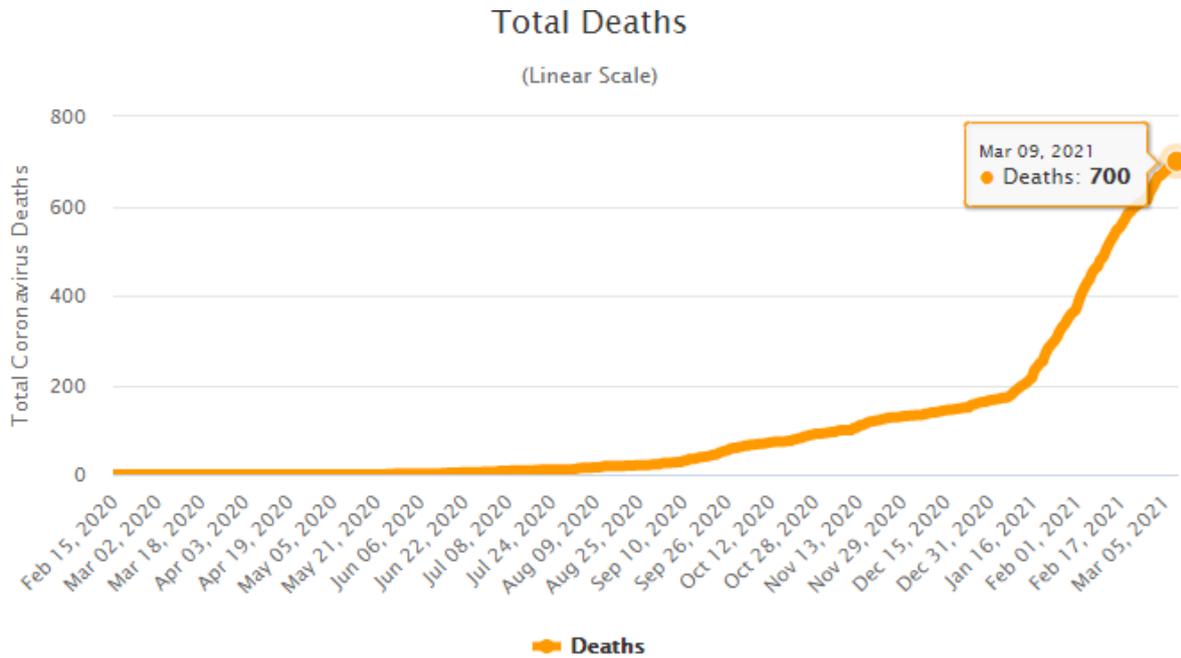


Figure 3: Total COVI19 related deaths in Mozambique (Source: wordlometers.info, 10 March 2021)



Figure 2: Average number of new daily cases daily (Source: JHU CSSE COVID-19 Data, 10 March 2021)

COVID-19 spread the most in Maputo Province, where more than 60% of whole cases are reported, with almost 50% of national cases having been reported in Maputo City. These data may reflect the higher density of population in suburban areas, as well as the mobility of workers, but also the availability of health facilities and equipment for testing. In fact, tests done in the Northern part of Mozambique may take up to 3 weeks to produce the results.



Numbers of infected patients and death are rapidly decreasing, and the restrictive measures imposed are being lifted.

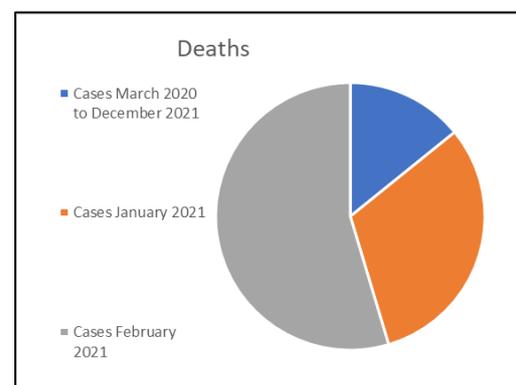
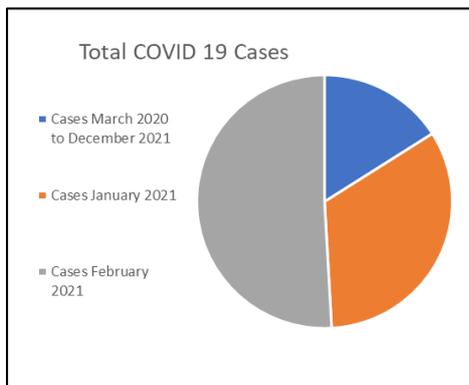
Table 1: COVID-19 Statistics for Mozambique, 8th February 2021 (Source: MISAU)

TOTAL CONFIRMED CASES	44,600
TOTAL ACTIVE CASES	16,974
TOTAL RECOVERED	27,162
TOTAL TESTED	363,047
TOTAL DEATHS	460

More than 75% off all total Covid-19 cases and deaths in Mozambique occurred in January and February, showing the extent of the Covid-19 explosion, causing increased pressure on health services.

	Total Cases	Deaths
Cases March 2020 to December 2021	18642	166
Cases January 2021	38654	367
Cases February 2021	59350	641

Table 2 : COVID-19 Statistics comparison from 2020 and 2021



Statistics in the Neighbouring Countries

The table below illustrates the statistics for countries surrounding Mozambique.

Country	Confirmed cases	Total Vaccines	Deaths
South Africa	1,522,697	107,054	50,906
Zimbabwe	36,321	35,761	1,489
Zambia	93,333	No data	1140
Malawi	32,528	No data	1,074
Eswatini (Swaziland)	17,191	No data	658
Tanzania	509	No data	21

Table 2: COVID-19 reported cases in Mozambique Neighbouring countries (Source: <https://news.google.com/covid19/>)



A quick analysis shows that the most most affected country is South Africa, which in turn has a spillover effect into Mozambique due to the close relationship between these two countries.

It is important to mention that the low data in the other countries could be due to the low testing capacity of those countries.

In the case of Tanzania, the statistics have not changed for many months since Government has prohibited the testing, with the president claiming religion as the solution to COVID19. This lack of control is a big concern for Mozambique, especially the northern region, since there is also considerable trading and travel between the two countries.

## 2. Current Measures

The Figure below represents the Government Response Stringency Index, developed by the university of Oxford.<sup>1</sup> The graph compares the stringency of the measures adopted to the response in South Africa, where, as reported in Table 3, the number of reported cases has been exponentially higher.<sup>2</sup> Mozambique adopted measures quite early in the pandemic, but when they have been released, the number of cases began increasing. In response, on September 7, Mozambique transitioned from a State of Emergency (SOE) to a State of Public Calamity (SOPC). The SOPC continues indefinitely at the red alert level while the risk of spreading COVID-19 exists in Mozambique and preserves many of the SOE COVID-19 prevention measures. Social and economic activities continue limited.

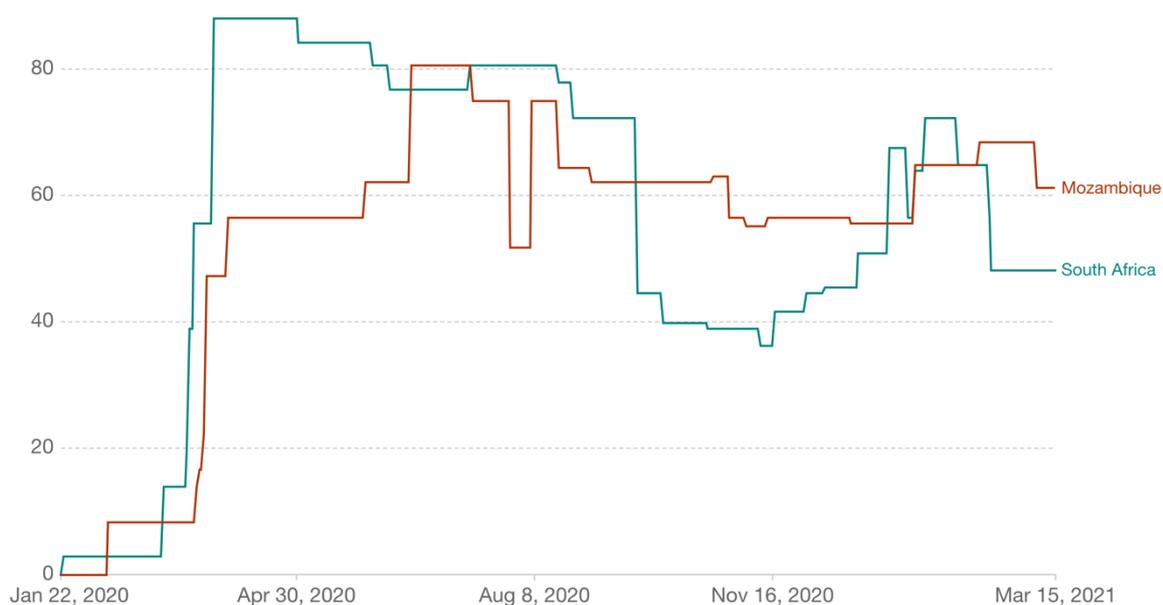


Figure 3: Government Response Stringency Index (Oxford, COVID-19 Government Response Tracker, 2020)

Due to the continue increase of cases, on February 4, 2021 President Nyusi announced new mitigation measures to combat COVID-19, effective February 5 for 30 days. Among them, a curfew has been imposed in the cities of Maputo, Matola, Marracuene and Boane from 21h to 4h am.

These same restrictions were renewed on the 6<sup>th</sup> of March, except for the opening of schools, as it was understood that the level of contamination at educational establishments was minimal.

<sup>1</sup> <https://ourworldindata.org/grapher/covid-stringency-index?tab=chart&time=2020-02-05..2020-10-09&country=ZAF~MOZ&region=Africa>

<sup>2</sup> Maputo has 37 cases each 100,000 habitants. By comparison,



Un-changed limitations
Face-Masks, Hand-sanitizing and social distancing recommendations
Quarantine, Self-isolation, and hospitalization policies defined under the SOE. All persons displaying respiratory symptoms or fever must stay home.
Closure of clubs, bars, and informal stalls which sell alcoholic beverages
The sale of alcoholic beverages by bottle stores, greengrocers or supermarkets is only allowed between 8 a.m. and 1 p.m. from Monday to Saturday.
Suspension of team sport activities
Suspension of cultural and recreational activities in cinemas, theatres, museums, galleries, cultural centers and catering establishments
Markets operating hours reduction
Limitation of Passenger for buses, vans, and other public transport vehicles
All incoming travellers must present a negative test for COVID-19.
Closure of the beaches for purposes of physical and leisure activities. This restriction does not apply to sidewalks, pedestrian zones and boardwalks adjacent to beaches.
Expired official documents will remain valid until May 30, 2021.
Teleworking is recommended, in particular for people at higher risk.

Additional Measures introduced
In the Greater Maputo area (Maputo, Matola, Marracuene, and Boane) there is a curfew in place from 9 p.m. – 4 a.m. every night.
Face-to-face classes at all educational institutions are to open on the 8 <sup>th</sup> of March, following the preventative measures 2021.
Commercial establishments will be open from 9 a.m. – 7 p.m. Monday – Saturday, and 9 a.m. – 4 p.m. on Sunday. Restaurants may remain open until 8 p.m. every day.
Places of worship are closed, and no religious celebrations or conferences are permitted.
Government events must not exceed 50 participants. Private events are limited to a maximum of 20 people.
The sale of alcoholic beverages from stalls is prohibited.
Public and private sector establishments will be held responsible for non-compliance with safety measures. Additional safety measures are to be immediately implemented in all public establishments.

### 3.1 Entry and Exit Requirements

The Ministry of Health (MISAU) continues screening at airports and other points of entry scanning the temperatures of all travellers. Travellers are required to provide proof of negative Polymerase Chain Reaction (PCR)-based COVID-19 test results administered in their country of origin within 72 hours of departure. Only negative passengers are allowed on the plane and, thereafter, in the Country, releasing the need for Quarantine period.

#### 3.1.1 Entry procedures (residence permit holders)

Non-Mozambican citizens that have a valid DIRE (residence permit) are now able to enter Mozambique, subject to the COVID-19 testing requirement (presented above), without seeking specific authorization from the Ministry of Interior.

#### 3.1.2 Entry procedures (Non-permit holders)

Non-Mozambican citizens who do not have a valid DIRE or visa(s) must obtain authorization to enter Mozambique at the Ministry of Interior via a letter addressed to “Sua Excelencia Secretário Permanente do Ministério do Interior”. The letter should include the following information:

- Traveler name and passport details
- Date and time of arrival



- Flight Information/Travel itinerary
- Purpose of travel to Mozambique

The letter should be submitted at the Secretaria Geral do Ministério do Interior located at av. Olof Palme 46/48, Maputo, Mozambique. The request maybe dispatch in 7 days. Once the request has been approved by the Ministry of Interior, the traveller is instructed to apply for a visa at the nearest Mozambican embassy or consulate. Travelers must complete a negative PCR-based COVID-19 test within 72-hours of travel. Issuance of airport / border visas has been suspended.

Travelers arriving in Mozambique will be required to provide proof of negative Polymerase Chain Reaction (PCR)-based COVID-19 test results administered in their country of origin within 72 hours of departure. Children up to age 11 are exempt from this requirement.

For purposes of land border crossings, COVID-19 tests remain valid for 14 days for those requiring multiple entries over a short period of time or leaving Mozambique for a short duration.

### 3.1.3 Extension of Visas

For foreigners already present in Mozambique whose visas were automatically extended through September 30, 2020, visa extension process can be done online at: <http://sigav.senami.gov.mz/>

### 3.1.4 Exit Procedures

No specific authorization is required to exit Mozambique. Per a communication from the Ministry of Interior on August 20, 2020, previous requirements that travellers seeking to exit Mozambique must obtain authorization have been lifted.

The Government of Mozambique does not require a COVID-19 test to exit the country. However, acting as agents for the airlines, officials at the airport will request a negative COVID-19 PCR test before permitting you through immigration.

The Ministry of Health (MISAU) continues screening at airports and other points of entry scanning the temperatures of all travelers.

## 3.2 COVID 19 Testing facilities

<b>Hospital Privado</b>	<b>MEDI-EVAC Medical Assistance</b>	<b>Clinicare</b>
Rua do Rio Inhamiara, Maputo	Contact Number: 86 655 5911	Rua Angelo Azarias Chichava CP 1676, Maputo
Contact Number: 21 488 600	Medical staff will come to your residence to take the sample.	Contact Number: 84 311 4444
No appointment necessary	Price: 7000 MZN	No appointment necessary
Price: 3800 MZN	Hours: 09:00 – 11:00 Monday – Friday	Price: 5500 MZN
Hours: 7:30 to 16:00	Time for Results: 24 hours	Hours: Monday to Friday, 7:30 to 16:00
Time for Results: 48 hours		Time for Results: 24 hours if test taken before 11:00, otherwise 48 hours. Friday results are available the following Monday.
<b>Oceanpath</b>	<b>Aeromed (at-home testing)</b>	<b>Medivac (Anka's ambulance service, provides at-home testing)</b>
Rua Kibiriti Diwane nr 106, Sommerschild, Maputo	Contact Number: 84 555 5911	Contact Number: 86 655 5911
Contact Number: 21 494 248	Price: 7600 MZN	Price: 7000 MZN
Price: 5000 MZN	Turnaround: 24 hours	Turnaround: 24 hours
Time for Results: 24 Hours		



### 3.3 COVID-19 Vaccine Information:

The government of Mozambique received on the 24<sup>th</sup> of February the first batch of vaccines, donated by the Chinese Government. The first batch contains 200,000 doses of Inactivated VeroCell ( SARS-CoV-2 Vaccine), which have been allocated to the medical professionals who are active.

Inactivated VeroCell Vaccine (SARS-CoV-2 Vaccine), according to studies, has an efficacy of 79.3% against symptomatic disease and 100% against moderate to severe disease.

The Government officially launched on the 8<sup>th</sup> of March the National Vaccination Plan, where the Minister of Health, Dr. Armido Tiago, a medical doctor himself, being the first to receive the vaccination. The National Vaccination Plan which aims to “provide guidelines for the prioritized implementation of vaccination against Covid-19 in a safe and effective manner, ensuring equity and quality in the vaccination offer”, according to a note from the Prime Minister's office.

This initial batch of vaccinations will cover approximately 59,161 health professionals, with the aim to in time acquire enough vaccines for the 16.805.399 people who are eligible as per the terms detailed in the plan

Also on the 8<sup>th</sup> of March, an additional 484 thousand vaccines arrived in Mozambique (384,000 as part of the COVAX initiative, coordinated by the WHO, and the remainder 100,000 donated by the Government of India). As a low income country, Mozambique qualifies for subsidised vaccines under the COVAX facility, which aims to make available 2 billion doses of safe and effective COVID-19 vaccines by the end of 2021. Mozambique has applied to access COVID-19 vaccines through the global vaccine distribution scheme co-led by the World Health Organization, giving it the option to buy doses for at least 20% of its population. According to the declarations of Health minister Armindo Tiago, the Country expects to receive around 6 million doses and plans to start vaccinations from the end of June or in July.<sup>3</sup>

## 3. Impact of COVID-19 on the economy

At the end of January the Monetary Policy Committee of the Central Bank increased the base interest rate by 300 base points to 13.25%. On March 17<sup>th</sup>, the Committee announced that the rate would have remained stable, in light of lower-than-expected, one digit only inflation forecast. Nevertheless, the Prime Rate (composed by a base rate and the rate suggested by the Association of the Banks) increased at the beginning of March to 17.8%. This is due to the risk of insolvency faced by the Commercial Banks, in light of the amount of loans carried forward from 2020 that are expected to default.

### 4.1 Impact in Companies

Since the outbreak of COVID-19, all sectors recorded loss of economic activity. The private sector started a shy recovery in the last quarter of 2020, with positive expectations for the festive seasons and the gradual reopening of the economy.<sup>4</sup>

Measures introduced by the Government to support private sector firms surviving the crisis came to an end. Prime Rate has been increased; inter-bank deposit ratio has been increased by 300 base points again; the discounted credit line for SMEs in financial distress due to COVID-19 received requests up by 589% to its availability of funds (and only started disbursing in the second half of November);

<sup>3</sup> <https://www.reuters.com/article/us-health-coronavirus-mozambique-idUSKBN29I2TR>

<sup>4</sup> <http://www.ine.gov.mz/estatisticas/estatisticas-economicas/icce/notas-de-imprensa-icce/c-transfer-nota-de-imprensa-icce.pdf>



postponment of tax payments and dues to National Security are now expired and firms will need to pay all their arrears. The Government does not have additional resources to allocate to support private sector with discounts or further postponment of tax payments.

The Rating of the Economic Activity (published by the National Statistics Institute) for January 2021 recorded a decrease from 90.5% in December 2020 to 89.4%. The rating was negatively affected by the performances of industry, transport, hospitality, and the sectors in general. The performances of these sectors overcame the positive results of construction sector, whilst trading remained stable.

Employment prospects also decreased, for the second month in a row.

The Private sector association, in the meantime, created a task force to support the government identifying measures to contribute to private sector recovery.

## 4.2 Sector Specific Impact

### 4.2.1 Agriculture

Official data on the results of the 2019-2020 agriculture campaign are not yet public. Undoubtedly, COVID unleashed opportunities for local food producers to access larger national markets, thank to movement restrictions. The time has come to seriously invest on supply chain development, to facilitate agriculture production and commercialization as a Whole, in the best interest of small holder farmers and the Country, in the first place. However, shortage of imported inputs (particularly quality improved seeds and fertilizer) severely affected small holder farmers producing in rural areas.

Concerns raised when OLAM, the global commodities company that is the largest processor of cashew in Mozambique, announced on 4th February that it is closing its cashew factory and stopping its producer support programmes. The factory alone employs about 3000 people at the seasonal peak. This come as consequence to a global collapse of prices and markets. In 2019 the crop was overproduced, and many traders carried over stocks. Then Covid-19 pushed down consumption of many nuts. China and some other countries have cut imports. But Olam also cited "difficulties in obtaining raw material in the quality and volumes needed". Peasants have been growing more cashew each year, but not of high quality.

### 4.2.2 Industry

The extractives sector reported significant drops in activity, volumes and employment. Extractive industries recorded losses in the order of 64% y-o-y of revenues in Q2, with most of their operations forced to stop on account of COVID-19. Vale, the largest coal producer in Mozambique, reduced its production by 32.6% in the first nine months of the year, compared to 2019 and their volumes further reduced by 10% y-o-y Q3.<sup>5</sup> Syrah Resources producing graphite in Cabo Delgado, restarted operating in the 2nd week of March 2021, on year after its suspension of activity in March 2020.<sup>6</sup> Ruby mining in Cabo Delgado also went back into operations at the beginning of the month. This contraction of activities affected also all the SMEs involved along the supply chain of the megaprojects and the extractives, spanning from catering services or maintenance. Companies responded to the contraction by reducing jobs in the order of 42% in the mining sector and 29% in the oil and gas, with a compound 36% of workers left unemployed.

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<sup>5</sup> Diario Economico, 21<sup>st</sup> October 2020, retrieved on <https://diarioeconomico.co.mz>

<sup>6</sup> Diario Economico, 21<sup>st</sup> October 2020, retrieved on <https://diarioeconomico.co.mz>

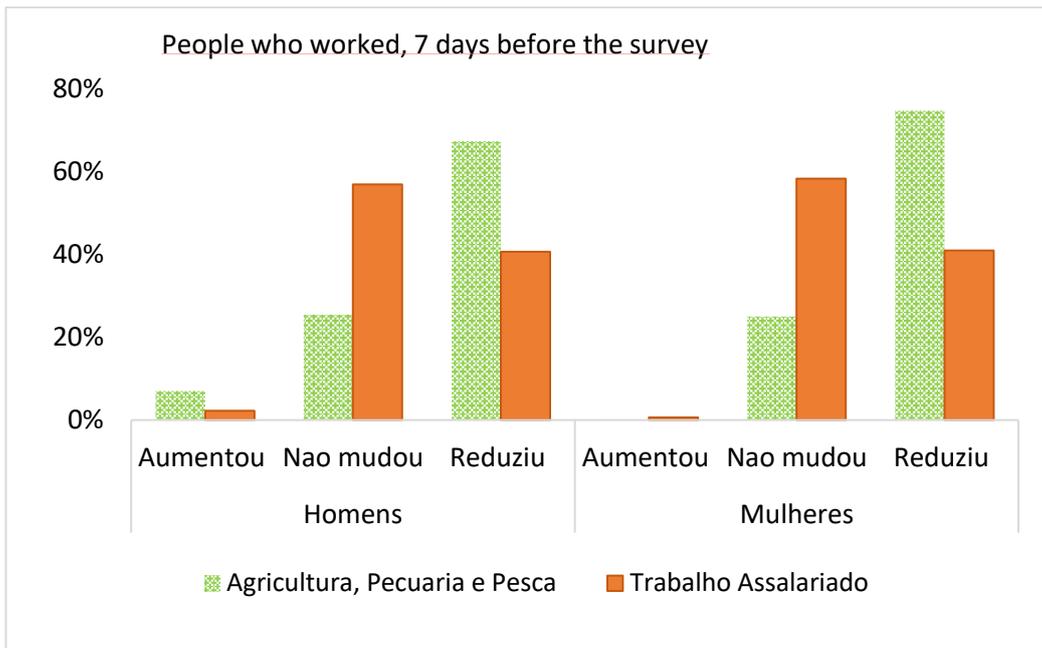


### 4.3 Impact on Employment

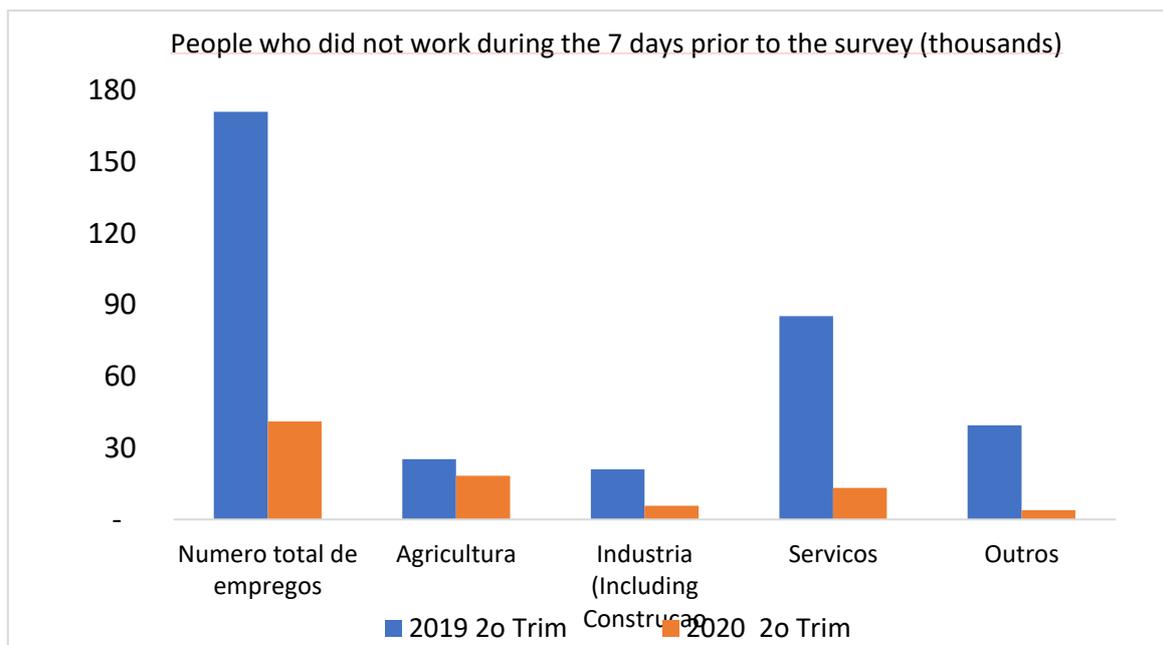
The high degree of informality of the economy, made the system paradoxically more resilient.

However, according to an on-going assessment being prepared by the UN office, the impact of COVID on families and households, as a result of reduced income from informal work, has been severe.

According to the data presented by the World Bank Economic Outlook, among urban households, 65% of men and over 75% of women working in agriculture and the primary sector saw their income reduced as consequence of COVID shocks.



Most of the jobs lost were in the services sector.





The most concerning figures came from the break-down of the data per Region, which highlighted that the Provinces that were the most affected where also those where the poverty rates were already higher, for which concerns have been raised on the risk that COVID will revert the gains on Poverty of the past years, estimating that already a million people fell below the poverty line.

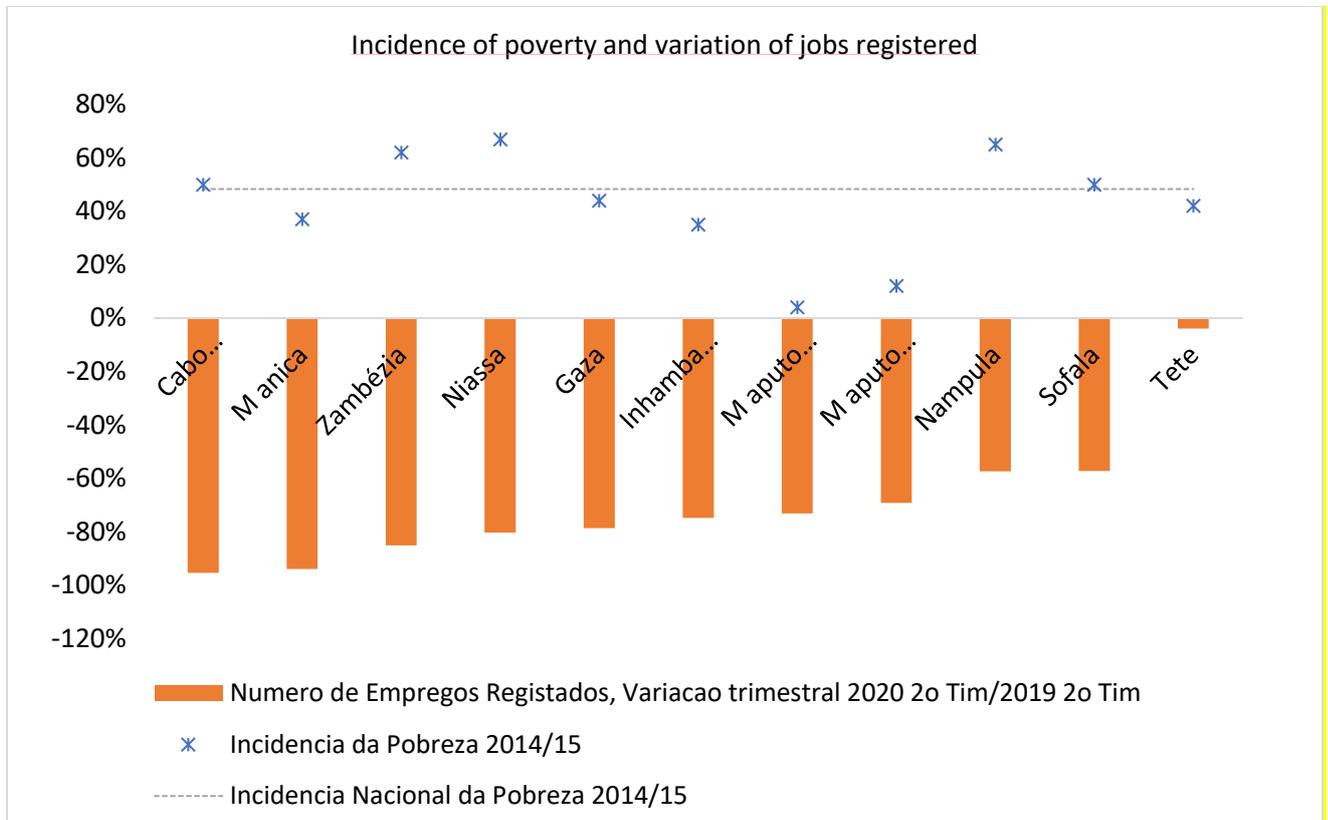


Figure 4: Source: Ministry of Labor; World Bank Group

### Conclusions and recommendations

The measures to support private sector expired, and there is no sign of any new one being made available.

The informal sector suffered and the majority of household enterprises lost income and business activities, resulting in increased multidimensional poverty and food insecurity. Informal firms should, however, be targeted through social assistance funding, as there is no legal setting that could encompass them among firms. The Government considered disbursing a cash grant to each informal firm in the Country. Such measure would be hardly effective due to the complexity of its timely implementation, in a country where only some public services are digitalized. Some cash grants have been disbursed to beneficiaries in areas at risk via mobile money.

When the normalization of economic activities will restart, policies should instead focus on productive, growth oriented firms. This is also aligned to the Strategies presented by the Government in its Plano Quinquenal do Governo, aiming at promoting job creation, particularly for youth. In order to achieve that, however, structural reforms are needed. Addressing the constraints in the financial sector,



infrastructure gaps and skills development is paramount to create the necessary conditions to capitalize the opportunities arising in the value chain of the mega-projects, for Mozambican SMEs.