



Status Report COVID-19  
Exchange Mozambique

April 2021

[Abstract](#)

Report on the effects of COVID-19 in Mozambique  
Version 11  
30<sup>th</sup> April 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. Following the increase in cases recorded in January 2021, 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 February 2021, coming from China and which was 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 is at 18.9% high, increasing barriers for private sector to access credit.

Since February 2021, the metical has appreciated 14% against the US dollar, making it the world's best performing currency in the period<sup>1</sup>.

All sectors are still struggling to recover, with low internal demand, low international commodity prices and low demand. The economy was expected to slowly start recovering in the upcoming months. However, the economy was brutally affected by the escalation of violence in the Northern Province. On the 24<sup>th</sup> of March a group of militant terrorist attacked the city of Palma, where the French energy giant Total has a \$20 Billion gas exploration project. Dozens of foreign contract workers and local people were besieged and over 50,000 people were displaced. As a result, Total has suspended operations, claiming *force majeure* and cancelling contracts with over 400 local companies, causing damages of over \$90 million<sup>2</sup> to the local economy and the loss of 70,000 jobs.

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<sup>1</sup> <https://www.engineeringnews.co.za/article/mozambiques-world-topping-currency-shrugs-off-gas-project-raid-2021-04-06>

<sup>2</sup> <https://www.dw.com/pt-002/cabo-delgado-ataques-a-palma-lesam-setor-privado-em-90-milh%C3%B5es-de-d%C3%B3lares/a-57268200>



## General overview and statistics

### National Statistics

At the time of writing (26<sup>th</sup> of April 2021), Mozambique reports a total of 69,665 confirmed COVID-19 cases, of which 62,501 have recovered, and a total 807 deaths. There are 8,850 people on quarantine, and 512,219 tests have been done since the beginning of the pandemic.

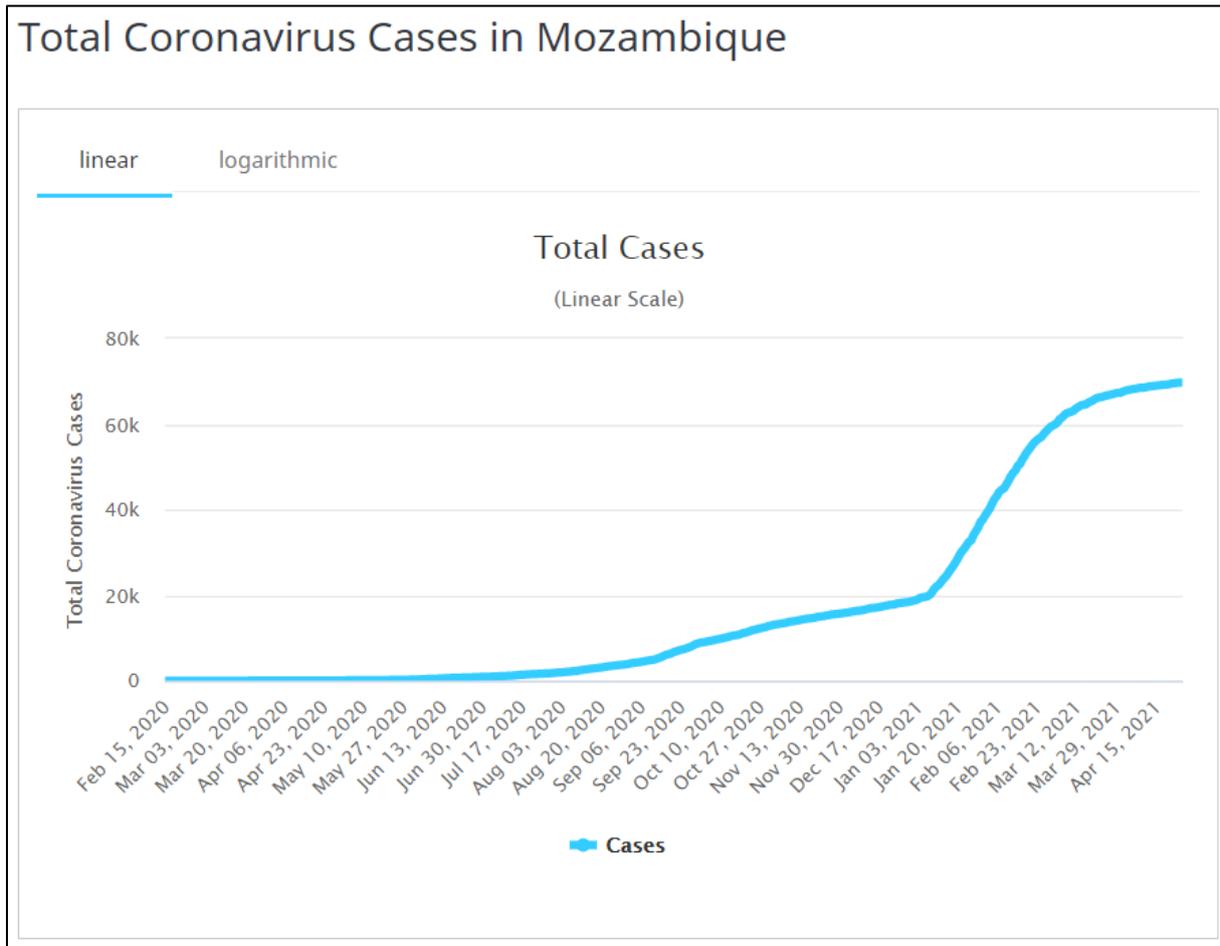


Figure 1: Evolution of COVID-19 **total cases registered** in Mozambique (Source: wordlometers.info, 26 April 2021)

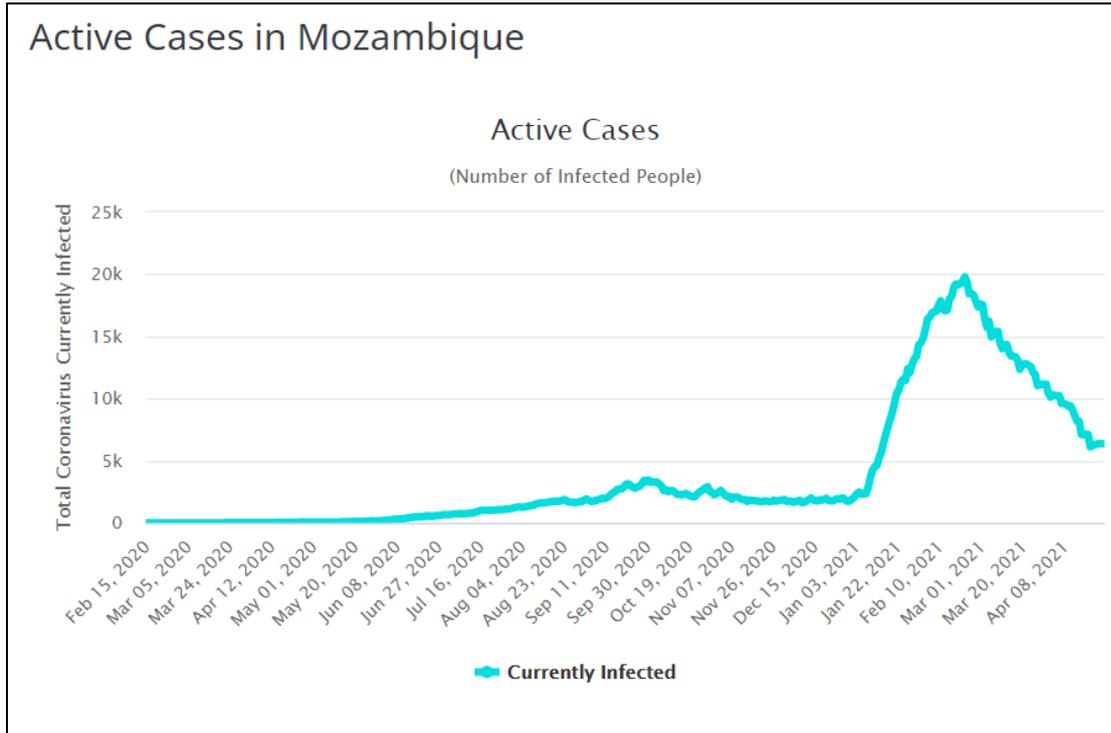


Figure 2: Number of COVID-19 Active cases in Mozambique (Source: wordlometers.info, 26 April 2021)

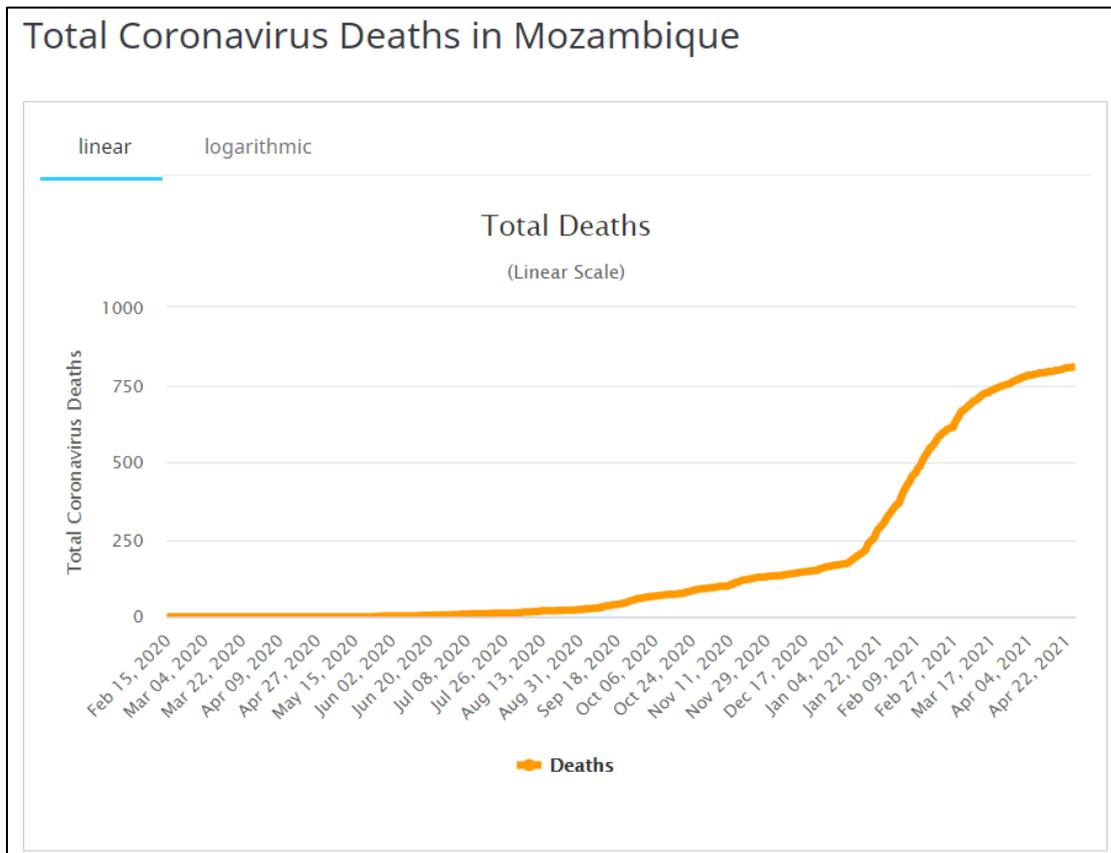


Figure 3: Total COVID-19 related deaths in Mozambique (Source: wordlometers.info, 26 April 2021)

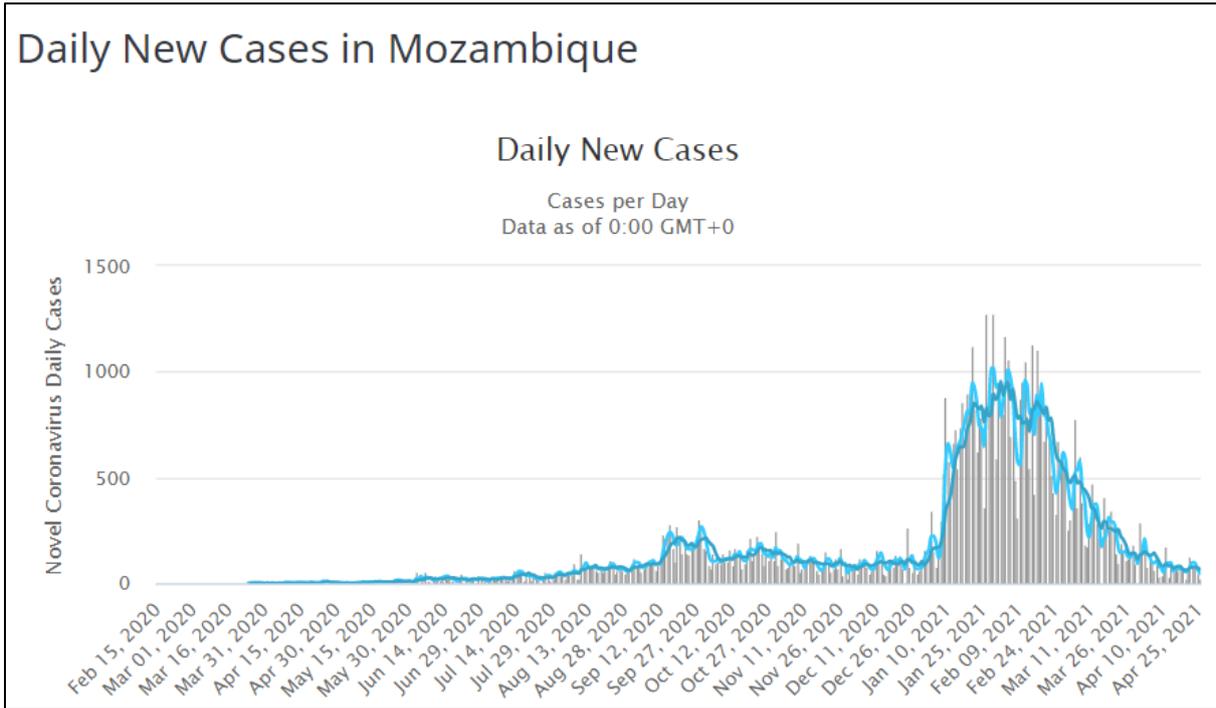


Figure 4: Average number of new daily cases daily (Source: wordlometers.info, 26 April 2021)

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	69,665
TOTAL IN QUARENTINE	8,850
TOTAL RECOVERED	62,501
TOTAL TESTED	512,214
TOTAL DEATHS	807

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.



## Statistics in the Neighbouring Countries

The table below illustrates the statistics for countries surrounding Mozambique.

Country	Total cases	Total Vaccines	Deaths
South Africa	1,575,471	292,623	54,148
Zimbabwe	38,086	372,099	1,557
Zambia	91,358	14,012	1,246
Malawi	34,016	267,293	1,146
Eswatini (Swaziland)	18,442	31,846	671
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 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 John Magufuli having claimed religion as the solution to COVID19. The President died on the 16<sup>th</sup> of March, with allegations that the cause of death was COVID19 infection<sup>3</sup>.

This lack of control in Tanzania has been 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>4</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>5</sup> Since September 2020, Mozambique is under 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.

<sup>3</sup> <https://www.bbc.com/news/world-africa-56437852>

<sup>4</sup> <https://ourworldindata.org/grapher/covid-stringency-index?tab=chart&time=2020-02-05..2020-10-09&country=ZAF~MOZ&region=Africa>

<sup>5</sup> As of April 26<sup>th</sup>, Mozambique records 42 new cases per day, South Africa 850. Nevertheless, in both Countries, the spread of the virus has been significantly reduced through a combination of restrictive measures and, In the case of South Africa, the roll-out of mass vaccination campaign.

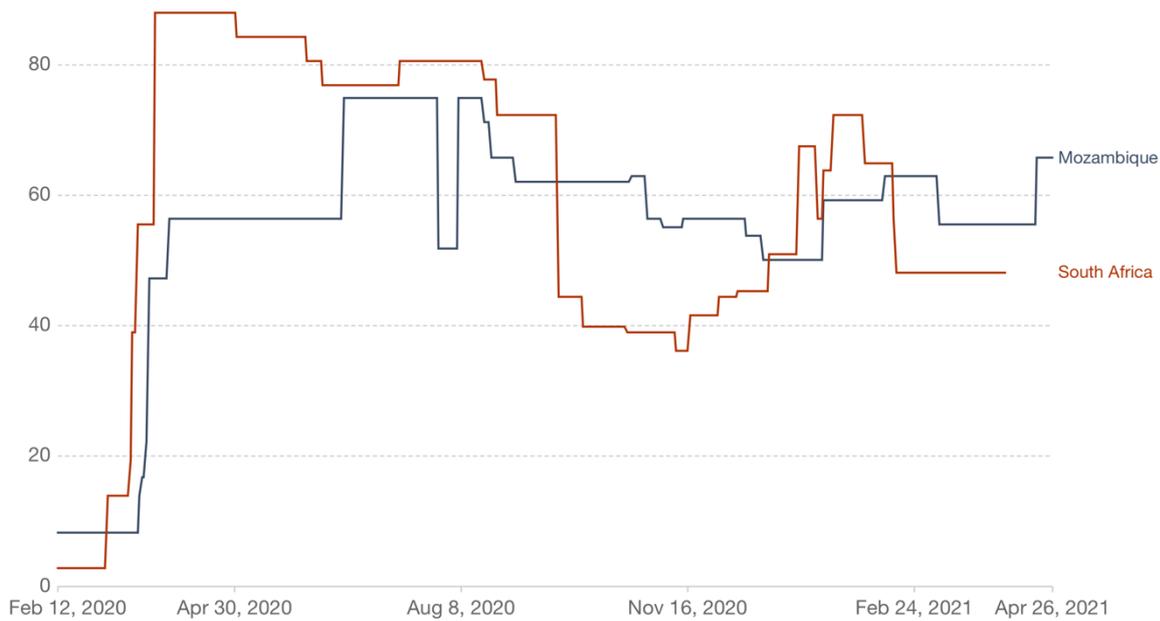


Figure 2: Government Response Stringency Index (Oxford, COVID-19 Government Response Tracker, 2021)

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.

On April 25, 2021 President Nyusi extended the mitigation measures to combat COVID-19 for an additional 30 days, with some adjusted regulations:

The current measures include:
Face-Masks, Hand-sanitizing and social distancing recommendations
In the Greater Maputo area and all provincial capitals there is a curfew in place from 10 p.m. to 4 a.m. every night. The curfew also applies in Manhiça, Chokwe, Maxixe, Gondola, Moatize, Mocuba, Nacala, Montepuez, and Massinga.
Commercial establishments will be open from 9 a.m. – 7 p.m. Monday – Saturday, and 9 a.m. – 6 p.m. on Sunday. Restaurants may remain open until 8 p.m. every day.
DIRE’s (Foreign National licenses) and temporary visas are automatically extended until May 31, 2021.
Religious services, conferences, and meetings may resume up to 30% capacity, with a maximum of 50 people for indoor venues and 100 people for outdoor venues.
Private social events are prohibited throughout the country, except for wedding registrations which may have 20 attendees maximum.
Government events must not exceed 100 participants.
The sale of alcoholic beverages from stalls is prohibited.
Additional safety measures are to be immediately implemented in all public establishments.
Public and private sector establishments will be held responsible for non-compliance with safety measures.
The use of a clear plastic face shield does not replace the use of a facemask.
Recreational and leisure sports and games are prohibited.
Casinos, museums, theaters, galleries, and similar cultural venues may open up to 40% capacity.
Gyms may open up to 15% of capacity.
Hotel swimming pools may open for the use of hotel guests only.



These measures are in addition to the prior measures already in place, some of which include:
All incoming travelers must present a negative test for COVID-19.
All persons displaying respiratory symptoms or fever must stay home.
Discos, bars and stalls selling alcoholic beverages will remain closed.
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.
The beaches are closed for purposes of physical and leisure activities; however, this restriction does not apply to sidewalks, pedestrian zones and boardwalks adjacent to beaches.
Expired official documents are valid until May 30, 2021.
eleworking is recommended, in particular for people at higher risk.

### 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:

- Traveller 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 Avenue Olof Palme 46/48, Maputo, Mozambique. The request may be dispatched 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		

#### **Centro Medico Nhamacunda (Vilankulos)**

Contact Number: +258 293 84321 / +258 827 644911

Hours: Monday – Friday 8 a.m. – 5 p.m.; Saturdays 8 a.m. – 12:00 p.m.

Price: 5800 MZN

Time for Results: 48 hours for tests administered before noon

### 3.3 COVID-19 Vaccine Information:

The Government of Mozambique announced its vaccine strategy on March 5, 2020. The plan is to vaccinate 16.8 million Mozambicans, currently excluding children under 15 and pregnant women. The strategy did not name the specific vaccines that are approved for use in Mozambique.

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 be 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.

By the time of writing this report, 57,305 doses have been administered in Mozambique.

### 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 in April to 18.9%. 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.

The monetary policy also intended to push the appreciation of the national currency against the America Dollar. This should have benefited primarily import operations, expected by the megaprojects in the north. However, at the same time, violent attacks to the Camp forced Total to suspend all its operations. The situation escalated to the point that on April 26<sup>th</sup>, the company enforced its contacts and called “Force Majeur”, to justify the withdrawal of all its staff from Afungi Camp. At the same time, paradoxically and unexpectedly, some complaints have been recorded that commercial banks do not have American Dollars to exchange.

With this scenario, private sector representatives are even worried that the appreciation of the Metical will be counterproductive to the competitiveness of the economy, whose national export maybe weakened by such manoeuvre. At the same time, the high cost of credit and the high exchange rate did not reflect in increased internal production nor processing, whilst this is a core strategy in focus by the Ministry of Industry and Commerce and the Ministry of Agriculture to drive inclusive development in the Country.

#### 4.1 Impact in Companies

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);



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.

For that, a new credit line valued at EUR 15mn was financed by the German Development Cooperation in partnership with the Central Bank, in order to support firms in financial distress. In an effort to save productive jobs, the credit line is conditioned to a formal commitment of the recipient to maintain at least 80% of the workforce (Contrary tot he credit line financed by Governemtn in 2020, which was not tight to conditions of preserving jobs). The credit line is managed by comercial banks, namely Banco Commercial de Investimento, Societé Generale, Millenium BIM, and microfinance institutions MBC and Microbanco Confiança. The Credit line can finance up to MNZ 2.5mn (approximately EUR 35,000 at the time of writing) and can be accessed by formal firms operating in Mozambique that can prove that its operations and results have been affected by the COVID crisis. The Credit line can be used to cover expenses such as salaries and other HR related costs for a period up to 3 months, other fixed costs (up to 3 months), up to 3 monthly loan repayment, as long as they are lower than 30% of the amount of the credit received. The line cannot be invested in fixed assets, civil works installed before March 2020 or not directly linked tot he core business, investment in shares of other businesses nor repayment of loans that are not directly linked tot he core business or that were contracted before March 2020.

The Rating of the Economic Activity (published by the National Statistics Institute) for February 2021 recorded a drecrease 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.

Following the escalation of violence registered in the northern Provinces, the focus of Government, Development Partners and the Private sector community is now all on the current impact on economic activity of the violence. The Confederation of Economic Activity published a preliminary assessment of the impact. The CTA Reported that Local content opportunities lost were estimated to amount to US\$ 1.2mn in undelivered goods already purchased by suppliers, US\$ 4.1mn lost by supplier and transport companies and US\$ 8.3mn in unpaid invoices by LNG suppliers to their subcontractors. Firms consulted reported losses of US\$ [95mn](#) in damaged physical assets, US\$ 7mn lost food crops.

1,100 firms were affected due to forced stop of activities during the attacks (410) or due to trickle down effects on their supply chain (750). These numbers produced have been perceived by the Government and multilateral agency as inflated, but they are the first assessment produced to alert the national community of the gravity of the situation. The Government of Mozambique, supported by the World Bank, the European Union and the United Nations has started a comprehensive process to define a strategy for Recovery and Peace Building in the Northern Region, to establish a resilient society and create opportunities for inclusive economic development and job creation.

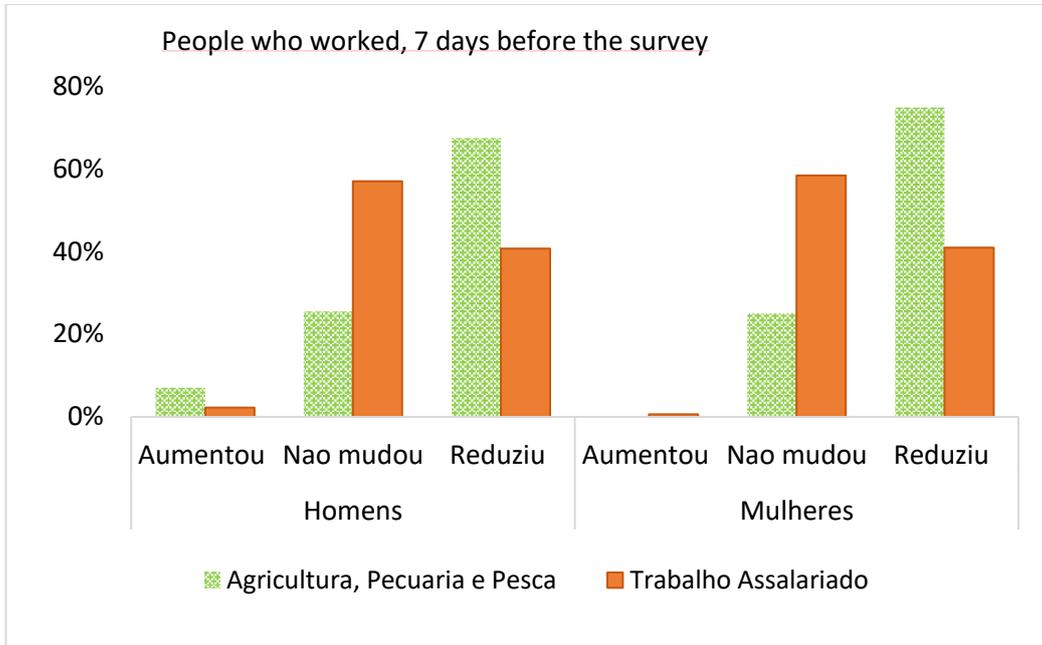
#### 4.3 Impact on Employment

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

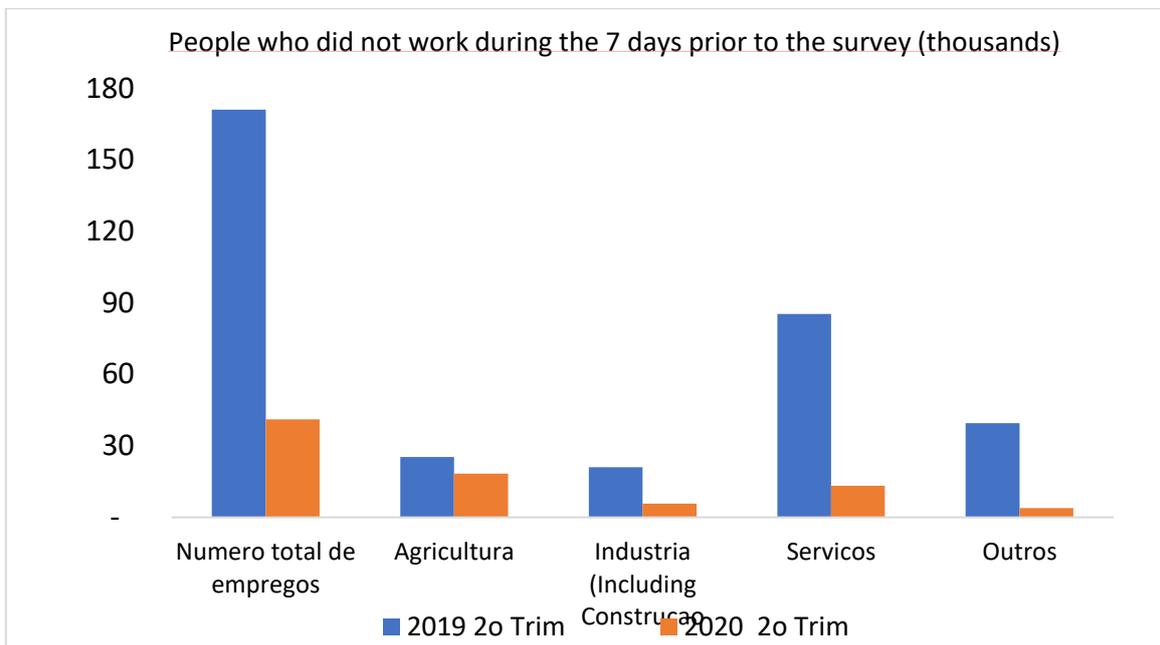
However, according to an on-going assessment being prepared bet he UN office, the impact of COVID on families and households, as a result of reduced income from informal work, has been severe.



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.

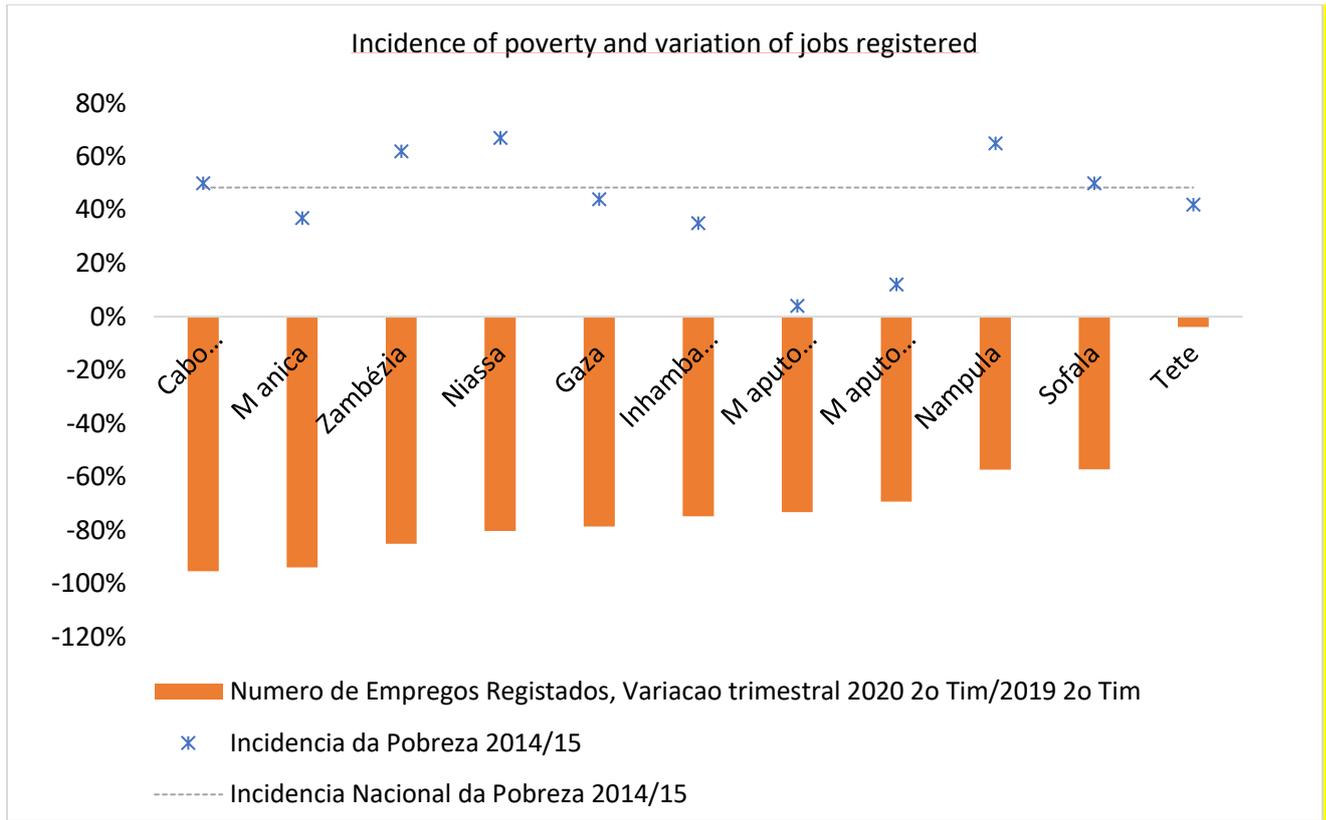


Figure 3: Source: Ministry of Labor; World Bank Group

### Conclusions and recommendations

The measures to support private sector expired, a new subsidized credit line has been introduced to support firms in financial distress, subject to a formal commitment of the company to preserve jobs.

In the meantime, the Ministry of Industry and Commerce, together with the Ministry of Agriculture are promoting policies supporting industrialization of the country, with a focus on agriculture processing for input substitution along the food value chain, for example on edible oil, poultry feed and flours.

Amidst the slow recovery from the COVID shock, the Country is faced with the attempt to appreciate the local currency, in spite of its repercussion on inflation rate and the potential harm to the competitiveness of national export.

Additionally, the private sector is highly concerned with the evolution of the escalation of violence in the norther region of the country, where the LNG megaprojects have been suspended indefinitely, with the potential repercussion of lost US\$ 8bn lost in local content opportunities.