Mozambique’s experience highlights the benefits of undertaking policies and measures that attract private investment financed by foreign direct investment (FDI). It also reveals the challenges arising from commodity-based growth, whereby lasting structural reforms will be needed for broad-based improvements in productivity, growth, and living standards.

Sources: Barro and Lee (2010); IMF, Balance of Payments Statistics database; IMF, World Economic Outlook database (October 2012); Lane and Milesi-Ferretti (2007) updated to 2011; Penn World Table 7.1; Solt (2009); World Bank, World Development Indicators database (2012); and IMF staff calculations.

Note: Indicators are defined in Appendix 4.1.