



Investment Climate and Foreign Direct Investment Attraction in Mozambique: An Empirical Assessment

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Abstract

Investment climate in Mozambique has been a topic of interest for policymakers aiming to attract Foreign Direct Investment (FDI). The country's economic landscape is characterized by significant developmental challenges, including infrastructure deficiencies and political instability. The research employs a mixed-methods approach, combining quantitative survey data with qualitative interviews. Data was collected through an online questionnaire distributed among potential and existing FDI companies in Mozambique. Findings indicate that infrastructure deficiencies are the most significant barrier to FDI attraction, with over 70% of respondents citing this issue as a major concern. Political stability is also highlighted as a critical factor affecting investor confidence. The investment climate in Mozambique remains challenging, primarily due to inadequate infrastructure and political instability. Recommendations include prioritising infrastructure development and enhancing transparency in governance to improve the FDI environment. To attract more foreign direct investment, Mozambique should focus on improving its infrastructure by investing in transportation networks, energy supplies, and telecommunications. Additionally, fostering a stable and predictable business environment will be crucial for economic growth.

Keywords: *Sub-Saharan, economic geography, institutional quality, resource curse, qualitative analysis, neo-classical economics, governance assessment*

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