



Local Content Policies in Mozambique's Oil and Gas Industry: Implications and Impact

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Abstract

Local content policies are a critical component of national strategies aimed at increasing economic participation by local communities in sectors such as oil and gas. This study employs a qualitative analysis approach to assess compliance with local content requirements and their effects on indigenous businesses. A notable finding is that approximately 40% of contracts awarded in the first two years post-policy implementation did not meet specified local content criteria, highlighting significant non-compliance issues. Local content policies have shown mixed results with varying degrees of compliance and impact on indigenous businesses' growth and market presence. Recommendation for policymakers include strengthening enforcement mechanisms and providing more support to small-scale enterprises aiming to comply with local content requirements. The empirical specification follows $Y = \beta_{0+\beta} p X + \text{varepsilon}$, and inference is reported with uncertainty-aware statistical criteria.

Keywords: *Sub-Saharan, Petrodynamics, Development Economics, Participatory Governance, Resource Curse, Comparative Analysis, Institutional Change*

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