ISS | AFRICAN FUTURES

Mozambique
Combined Agenda 2063 scenario

Alize le Roux

Chart 55: GDP per capita in CP and scenarios, 2019–2043
Additional GDP per capita per scenario, purchasing power parity
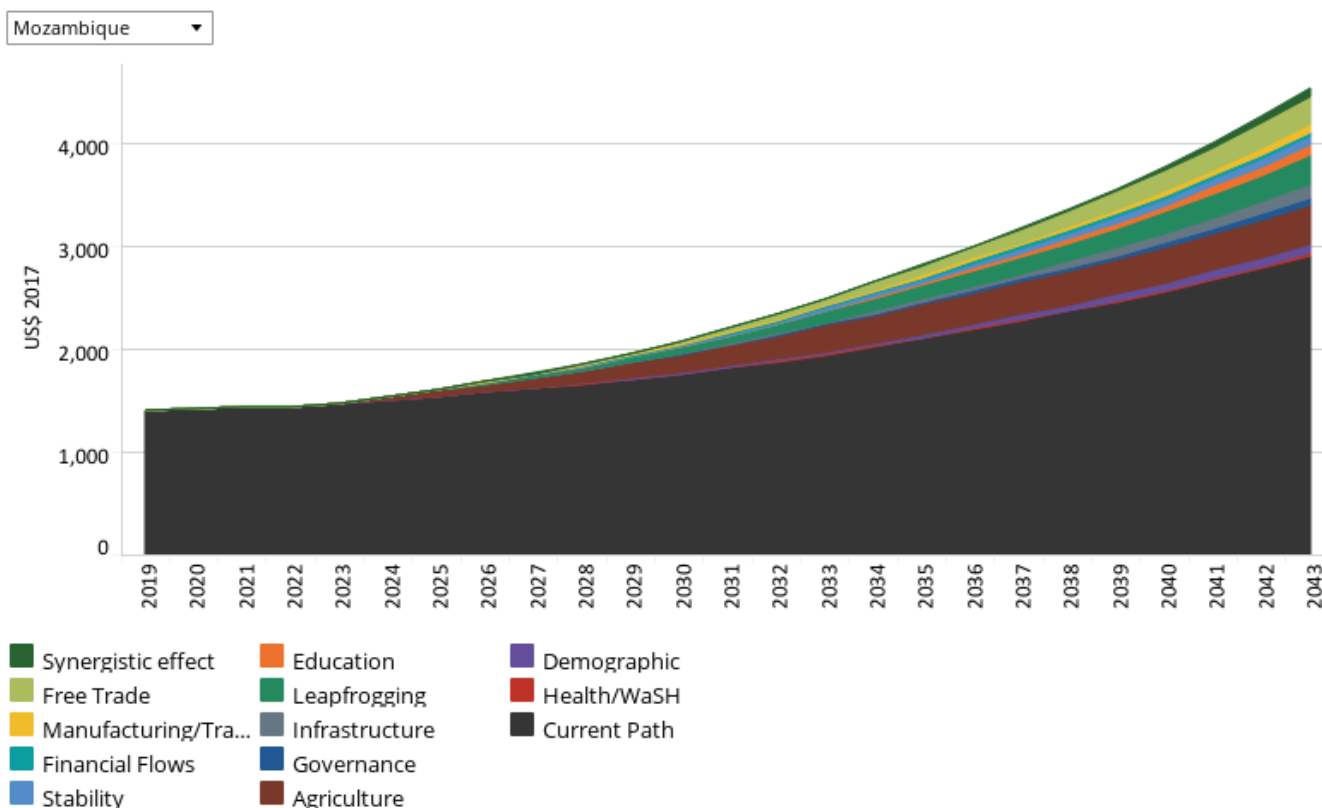
Legend:
- Synergistic effect
- Free Trade
- Manufacturing/Tra...
- Financial Flows
- Stability
- Education
- Leapfrogging
- Infrastructure
- Governance
- Agriculture
- Demographic
- Health/WaSH
- Current Path

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

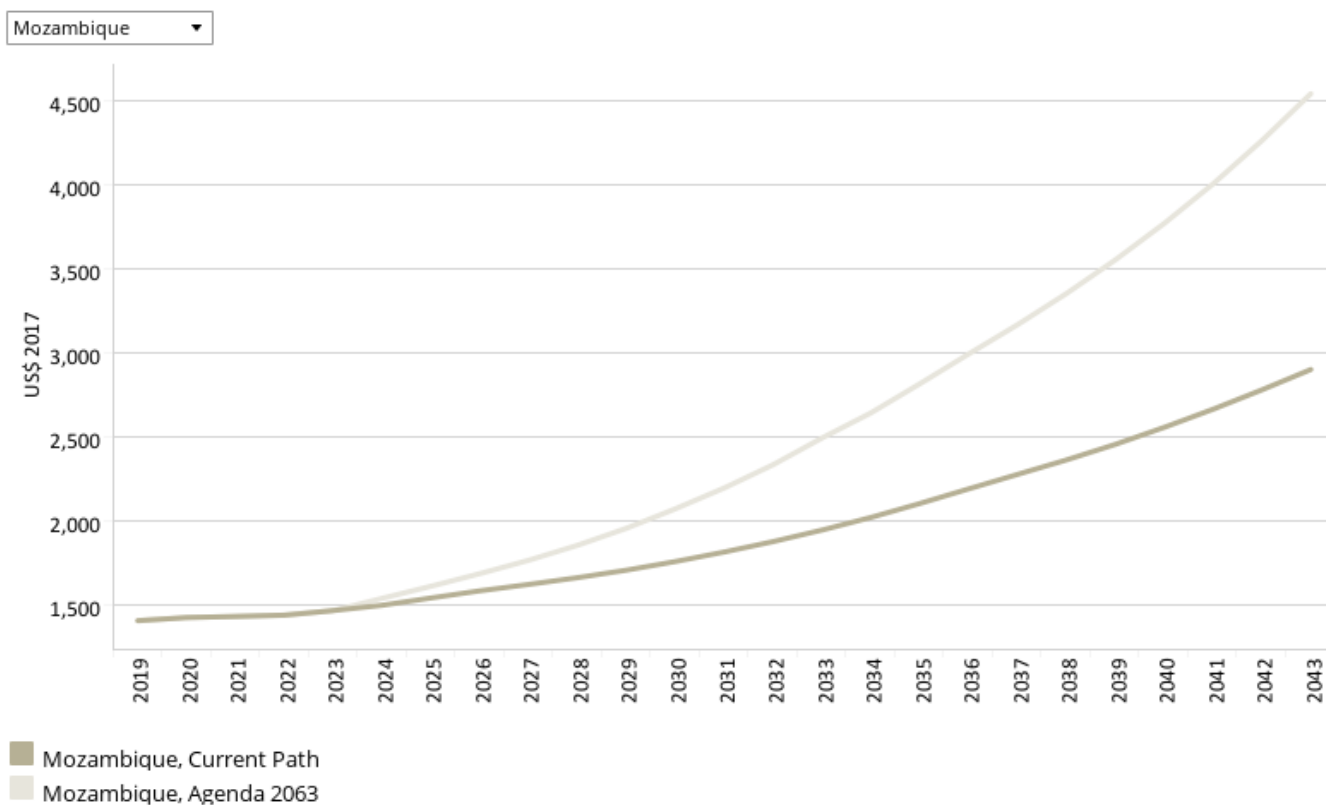⋮⋮⋮ View on Tableau Public   ↺ ↻ ↶ ↷ ▾ | 🖵▾ ▢ ⠶ Share

The Combined Agenda 2063 scenario consists of the combination of all 11 sectoral scenarios presented above, namely the Stability, Demographic, Health/WaSH, Agriculture, Education, Manufacturing/Transfers, Leapfrogging, Free Trade, Financial Flows, Infrastructure and Governance scenarios. The cumulative impact of better education, health, infrastructure, etc. means that countries get an additional benefit in the integrated IFs forecasting platform that we refer to as the synergistic effect. Chart 55 presents the contribution of each of these 12 components to GDP per capita in the Combined Agenda 2063 scenario as a stacked area graph.

Although Mozambique faces stark challenges as outlined in the previous sections, there are plenty of opportunities to improve the future of the country. Improving agricultural production and increasing yields will raise GDP per capita most by 2043 with an additional US$383 above the Current Path forecast. Increasing economic freedom through the full implementation of the AfCFTA will increase per capita income by US$278 while formalising the informal sector, increasing government efficiency and providing greater electricity access through leapfrogging could increase per capita income by US$273.

A more stable country can raise per capita income in 2043 by US$217 (Chart 55). The synergistic effect of the Combined Agenda 2063 scenario that assumes improvements are made in all 11 broad intervention areas, could add an additional US$146 in 2043 on top of the combined US$4 588 per capita.

Chart 56: GDP per capita in CP and Combined scenario, 2019–2043
Purchasing power parity

Mozambique ▾

■ Mozambique, Current Path
■ Mozambique, Agenda 2063

Source: IFs 7.63 initialising from UN Population Division World Population Prospects and World Development Indicators data

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Chart 55 presented a stacked area graph on the contribution of each scenario to GDP per capita as well as the additional benefit or synergistic effect, whereas Chart 56 presents cumulative GDP per capita in the Current Path forecast and the Combined Agenda 2063 scenario.

The Combined Agenda 2063 scenario has the potential to raise GDP per capita to US$4 734 by 2043, US$1 837 above the Current Path forecast for the same year. The gap between Mozambique and the average for low-income countries in Africa is however expected to grow. In 2019 Mozambique's per capita income was US$258 lower than its income peers; this gap is expected to grow to US$2 000 by 2043.

Chart 57: Poverty in CP and Combined scenario, 2019–2043
Millions of people and % of total population

Mozambique $1.90

Legend: Mozambique, Current Path · Mozambique, Combined Ag...
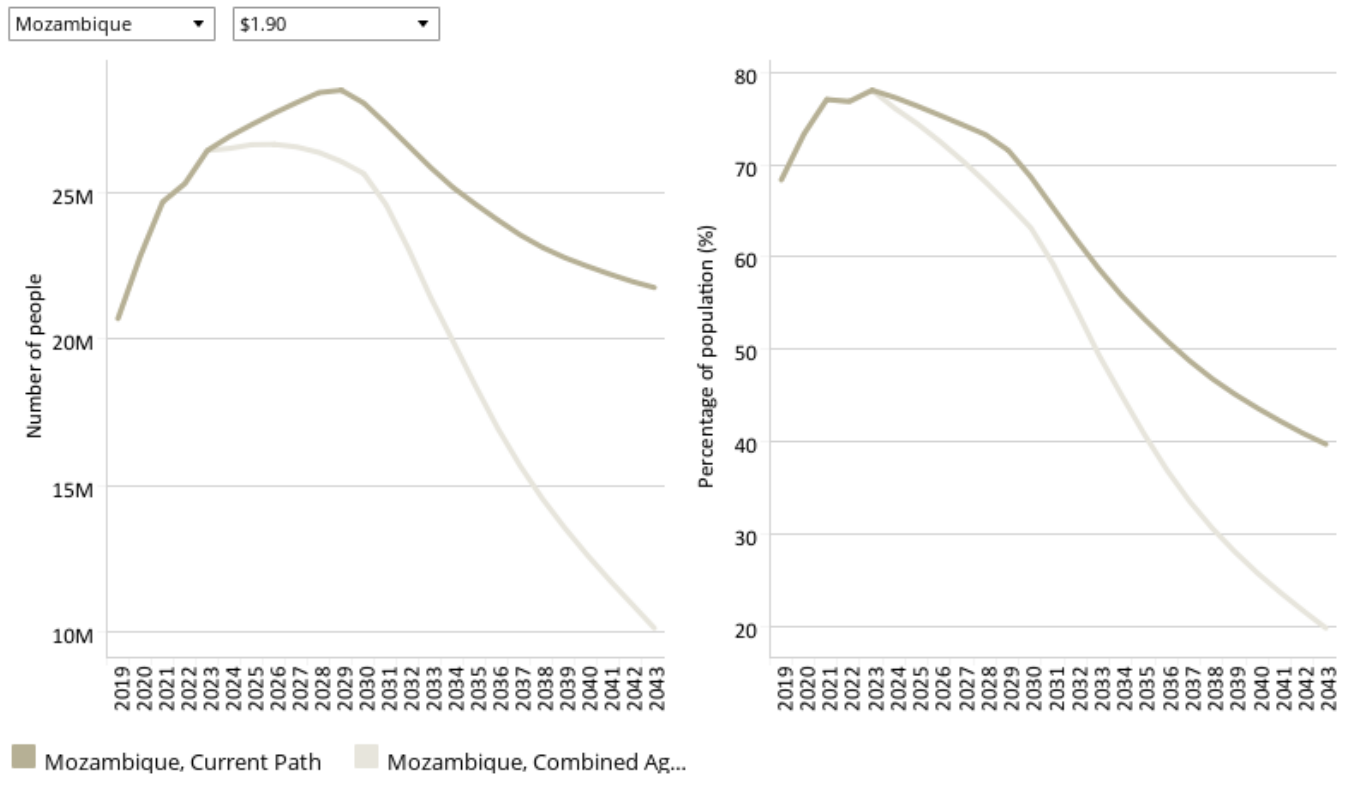
Source: IFs 7.63 initialising from UN Population Division Population Prospects estimate, World Development Indicators population data and PovcalNet World Bank data
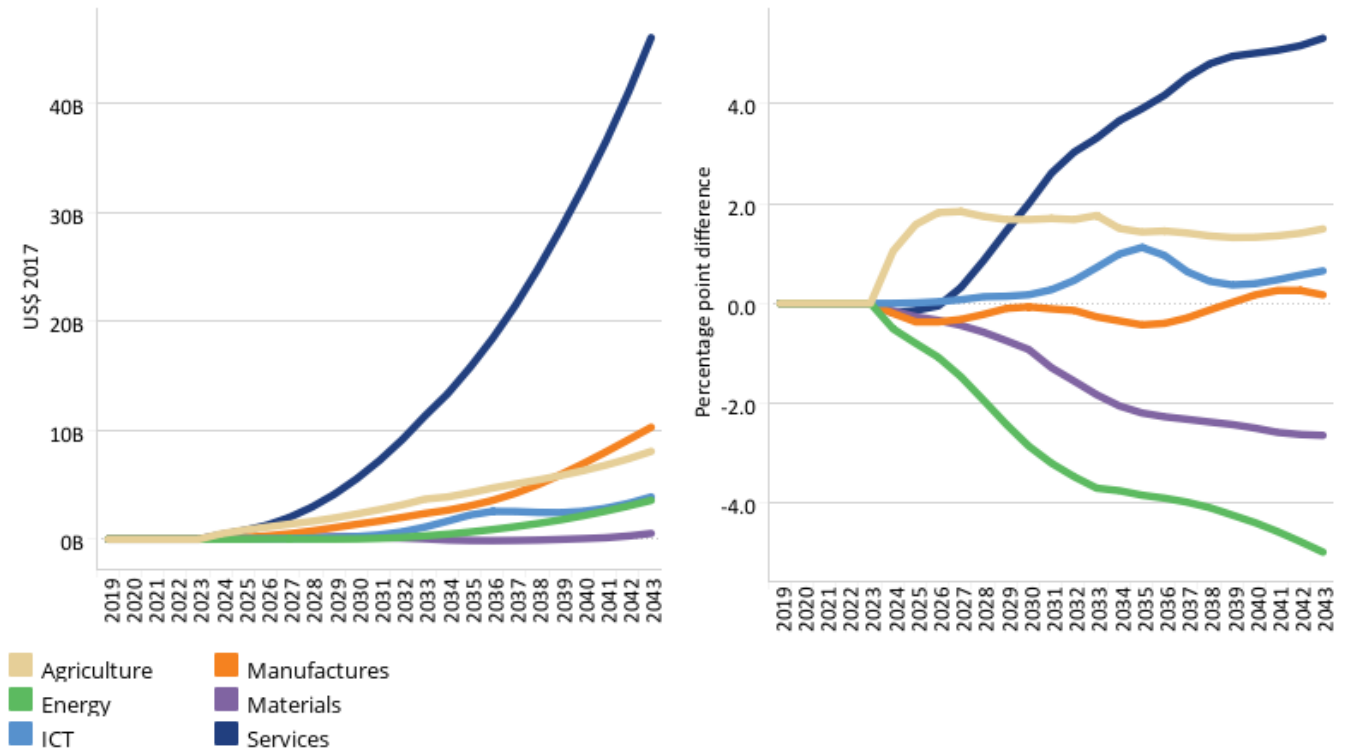
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Mozambique's natural resource potential and large gas reserves could significantly benefit the economic growth of the country. This however will require an improvement in stability, significant improvements in budget management and transparency, and rapid roll-out of basic service delivery. Without these measures and the interventions outlined above, Mozambique's projected economic growth will do little to improve human development for the poorest and most vulnerable in the country. [1] If Mozambique can effectively implement measures as outlined in the Combined Agenda 2063, 12.2 million fewer people could be living in extreme poverty by 2043. Even in this optimistic scenario, 9.6 million people (18.7% of the population) will still live in extreme poverty in 2043 (Chart 57).

Chart 58: Value added by sector in CP and Combined scenario, 2019–2043
Absolute and % point difference GDP

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Mozambique

- Agriculture
- Energy
- ICT
- Manufactures
- Materials
- Services

Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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See Chart 8 to view the Current Path forecast of the sectoral composition of the economy.

Chart 58 displays the percentage-point difference and the value difference between the Current Path forecast and the Combined Agenda 2063 scenario for the six sectors of the economy modelled in IFs. The service sector will contribute 5.8 percentage points more to GDP in the Agenda 2063 scenario compared to the Current Path forecast, equivalent to a difference of US$51.5 billion by 2043. Agriculture will contribute 1.1 percentage points more, which will translate to a value of US$11.9 billion by 2043. ICT and manufacturing will respectively contribute 0.7 and 0.4 percentage points more to GDP in the Combined Agenda 2063 scenario.

Chart 59: GDP in CP and Combined scenario, 2019–2043
Billions US$ 2017, market exchange rates
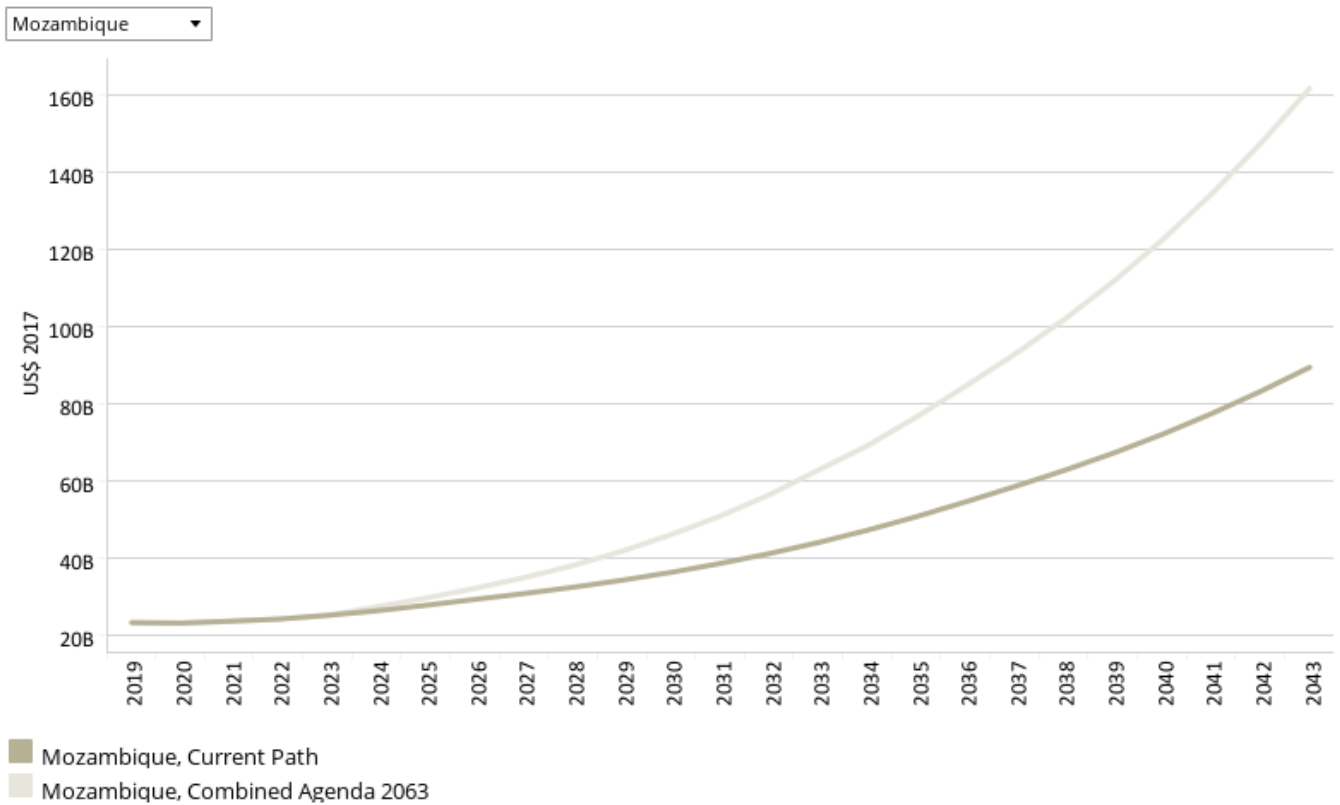
Mozambique ▼

■ Mozambique, Current Path
■ Mozambique, Combined Agenda 2063

Source: IFs 7.63 initialising from International Monetary Fund World Economic Outlook database

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Chart 59 displays the projected GDP from 2019 to 2043 for both the Agenda 2063 scenario and the Current Path forecast. Mozambique's GDP is forecast to grow substantially to US$170.2 billion by 2043, compared to US$89.6 in the Current Path forecast, an increase of 90%. This shows the value that the interventions in the 11 sectoral scenarios could have on economic growth. This economic growth will have to be invested in human development and basic infrastructure to ensure poverty is addressed and that quality of living is raised for citizens.

Chart 60: Carbon emissions in CP and Combined scenario, 2019–2043
Million tons of carbon (note, not CO₂ equivalent)
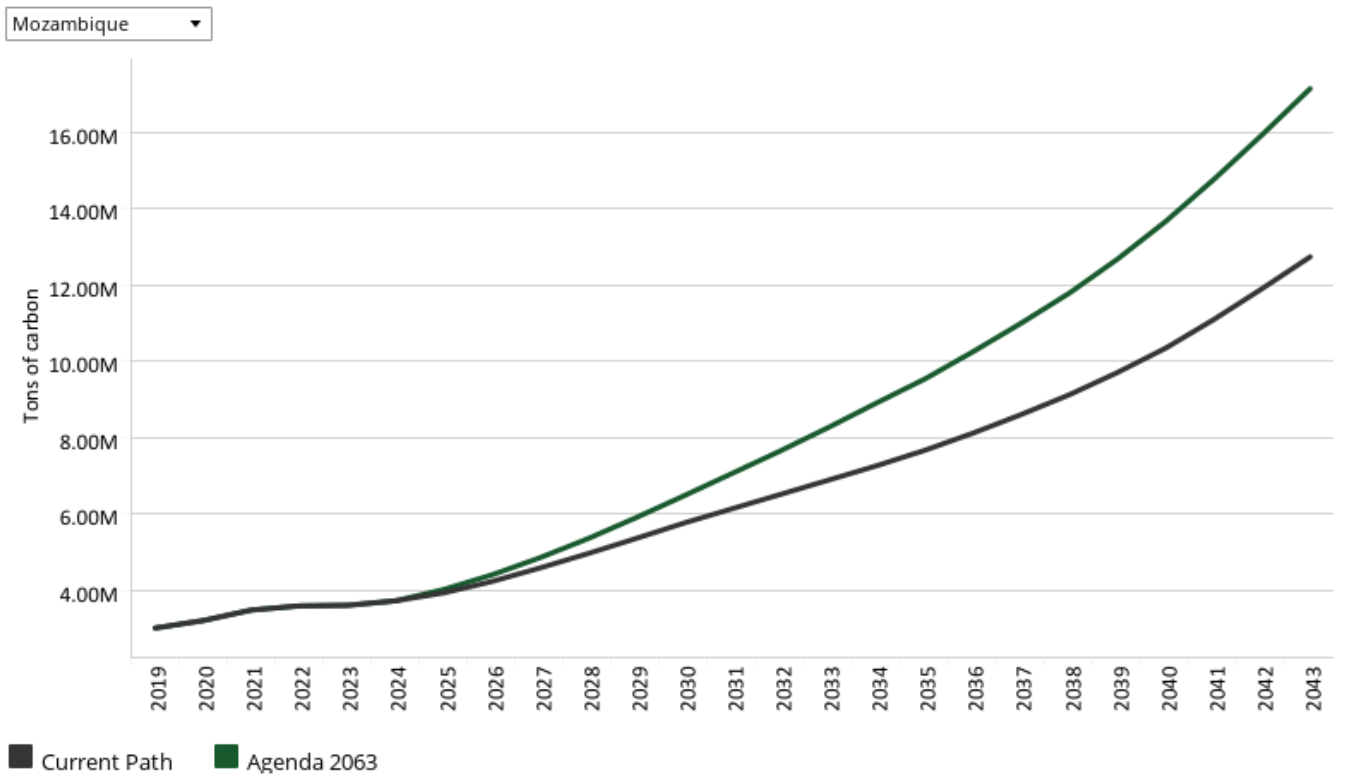
Mozambique ▾

Source: IFs 7.63 initialising from Carbon Dioxide Information Analysis Center data

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Chart 60 displays projected tons of carbon emission for Mozambique in the Agenda 2063 scenario and the Current Path forecast. In 2019, Mozambique's carbon emissions were 3 million tons and are projected to increase to 17.7 million tons of carbon by 2043 in the Combined Agenda 2063 scenario, 5 million tons above the Current Path forecast for 2043. This is the result of aggressive economic growth and a substantial increase in agricultural production.

Endnotes

1. ISS Africa, Prospects and Challenges: Mozambique's Growth and Human Development Outlook to 2040, 2017

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About the authors

Ms Alize le Roux joined the AFI in May 2021 as a senior researcher. Before joining the ISS, she worked as a principal geo-informatics researcher at the CSIR, supporting various local and national policy- and decision-makers with long-term planning support. Alize has 14 years of experience in spatial data analysis, disaster risk reduction and urban and regional modelling. She has a master's degree in geographical sciences from the University of Utrecht, specialising in multi-hazard risk assessments and spatial decision support systems.

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