

# SADC Investment Climate Scorecard



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1. Support to Improving the Investment and the Business Environment in the SADC Region.

# Acronyms

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ACP	Africa, Caribbean and Pacific
AfCFTA	African Continental Free Trade Area
APEC	Asia Pacific Economic Cooperation
CFIUS	Committee on Foreign Investment of the United States
EAC	East African Community
EC	European Commission
EMDEs	Emerging Market and Developing Economies
EU	European Union
FDI	Foreign Direct Investment
FDI RR Index	FDI Regulatory Restrictiveness Index
FP	Focal Point
FSC	Financial Services Commission
G20	Group of Twenty
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GVC	Global Value Chain
IFA	Investment Facilitation for Development Agreement
IMF	International Monetary Fund
ISIC	International Standard Industrial Classification
ITC	International Trade Center
MNE	Multinational Enterprise
OACPS	Organization of African, Caribbean and Pacific States

OECD	Organization for Economic Co-operation and Development
PPP	Public-Private Partnership
R&D	Research and Development
RAPI	Regional Action Program on Investment
RECs	Regional Economic Communities
RISDP	Regional Indicative Strategic Development Plan
RRI	Regulatory Restrictiveness Index
SADC	Southern African Development Community
SDG	Sustainable Development Goal
SEZ	Special Economic Zone
SME	Small and Medium Enterprise
STE	Short-term Expert
STRI	Services Trade Restrictiveness Index
UAE	United Arab Emirates
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
US	United States
VAT	Value-added Tax
WB	World Bank
WBG	World Bank Group
WEF	World Economic Forum
WTO	World Trade Organization

# Executive Summary

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**The overlapping crises of the past few years have translated into unprecedented volatility and uncertainty for foreign direct investment (FDI) and international production.** Global FDI flows have stagnated since the global financial crisis in 2008. The pandemic reduced global FDI further by 40 percent in 2020. FDI did rebound temporarily in 2021. Nonetheless, the long-term trend of stagnation has persisted. The latest data shows that FDI declined by 12 percent in 2022 (UNCTAD 2023). The serial shocks that have buffeted the global economy and stymied growth in developing countries—including the pandemic, Russia-Ukraine war-induced surges in energy, food and fertilizer prices, and global inflation, have reduced the availability of FDI to developing countries. As a result, the relative importance of FDI has steadily declined over the past decade when measured as a share of developing countries' gross domestic product (GDP). Yet, the need for FDI, especially for developing countries has only grown. Indeed, the latest estimates suggest that the investment gap to achieve the Sustainable Development Goals (SDGs) exceeds US\$4 trillion a year, up from the US\$2.4 trillion estimate in 2015 (UNCTAD 2023).

**Geography, endowments, macroeconomic stability and policy fundamentals remain primary determinants of a country's ability to attract FDI. However, governments can play a key role in attracting, retaining and benefiting from FDI by creating a more conducive enabling business environment.** Several investor surveys,

including the World Bank's recent Global Investment Competitiveness Surveys, show that political stability, macroeconomic stability, the legal and regulatory environment, physical infrastructure, and export competitiveness are considered crucial determinants by foreign investors (World Bank 2018; 2020; and 2022). Research shows that improvements in the quality of a country's legal and regulatory environment<sup>2</sup> are associated with higher FDI inflows (Akame, Ekwelle, and Njei 2016; Buchanan, Le, and Rishi 2012; Daude and Stein 2007; Gani 2007; Globerman and Shapiro 2002; Hebous, Kher, and Tran 2020; Shepherd and others 2022; Vogiatzoglou 2016; Wei 2000; and Wernick, Haar, and Singh 2009). Mistura and Roulet (2019) use an augmented gravity model for 60 advanced and emerging countries and find that liberalizing FDI restrictions by about 10 percent (as measured by the Organization for Economic Co-operation and Development (OECD) FDI Regulatory Restrictiveness Index) can increase bilateral FDI in stocks by 2.1 percent on average. Equally important is ensuring that investors have strong and well-enforced rights to protect them from political risks, more specifically from any non-transparent or arbitrary and unpredictable regulatory actions of governments. Research shows that weak legal protection against expropriation, transfer restrictions, and/or arbitrary regulatory actions can cause investors to divest or cancel expansion plans in a country, as well as lead to investor-State disputes (World Bank Group 2018; 2019; and 2020).

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2. See Kher and Eltgen (2020) for a literature review.

**The Southern African Development Community (SADC) has an interest in better integrating in global and regional value chains. As such, it has increasingly been emphasizing private sector-led growth, with governments of the sub-region continuing to seek ways of establishing an appropriate enabling environment to support economic growth and poverty alleviation.** FDI inflows to the SADC region remain low and volatile. FDI inflows declined 89 percent from the peak of US\$29.5 billion in 2014 to US\$3.2 billion in 2018. Despite a minor recovery observed in 2019, with net inflows of US\$10.5 billion, the onset of the pandemic in 2020 led to negative net inflows of US\$3.6 billion.<sup>3</sup> In 2021, however, the region saw a new record of FDI, with inflows of US\$50.1 billion to the region. It should be noted though that this was inflated by a single intrafirm financial transaction in South Africa in the second half of 2021. Excluding that transaction, the increase is still significant, but more in line with other developing regions (UNCTAD 2022). Recent estimations of FDI until 2024 suggest a potential return to pre-pandemic levels of FDI inflows (IMF 2023). Furthermore, FDI to the SADC region has been primarily resource-seeking, but there are opportunities to diversify.

**The current outlook is overshadowed by the funding squeeze that is hitting the sub-Saharan Africa region, with a confluence of higher global interest rates, elevated sovereign debt spreads, and exchange rate depreciations. Thus, economic activity in the region is expected to remain subdued in 2022 and 2023 (IMF 2023).** In this context, and to complement their other initiatives to boost investment to the region, the SADC Secretariat requested World Bank support in developing an Investment Climate Scorecard. Based on consultations with counterparts from the SADC Secretariat and the European Union (EU), it was agreed to focus the scorecard on the FDI Regulatory Restrictiveness Index, a tool developed by the OECD. It identifies legal and regulatory barriers to FDI in individual countries and allows for country benchmarking.

**The SADC Investment Climate Scorecard focuses on identifying legal and regulatory restrictions on the entry of foreign direct investment in 15 SADC member economies, namely:** Angola, Botswana, the Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe. Specifically, it examines the investment legislation for each country at an economy-wide level, as well as for 22 economic sectors.

**The overall results of the SADC Investment Climate Scorecard show that, despite the ongoing liberalization efforts of SADC member states, specific legal and regulatory measures continue to impede FDI.** Some member states boast relatively open and competitive regulatory regimes for FDI. However, others impose restrictions in the four policy categories analyzed in this report, namely: (i) limits on foreign equity ownership; (ii) FDI screening and approval; (iii) limits on the employment of foreigners as key personnel and directors; and (iv) other types of operational restrictions. The distribution of restrictions and other types of measures<sup>4</sup> across the member states is relatively heterogeneous. Overall, there is a relatively high incidence of horizontal, economy-wide measures, both in terms of the number of countries and in terms of the variety of measures applied. For example, preferential treatment of domestically owned companies in public procurement appears more widespread than elsewhere in the world (where preferential treatment is more commonly focused on imported goods and services). In addition, higher minimum capital requirements on FDI, as well as limits on access to local finance by foreign-owned companies, are also relatively more prevalent in SADC member states than elsewhere.

**In line with trends in the rest of the world, sector-specific FDI measures in the SADC are most common in transport, media, financial services, and real estate. However, the measures in other sectors are somewhat more prevalent in the SADC countries, both in**

3. Negative values of FDI flows correspond to reverse investment or disinvestment. FDI financial transactions may be negative for three reasons. First, it can occur if there is disinvestment in assets, that is, the direct investor sells its interest in a direct investment enterprise to a third party or back to the direct investment enterprise. Second, it could occur if the parent borrowed money from its affiliate or if the affiliate paid off a loan from its direct investor. Third, it can occur if reinvested earnings are negative. Reinvested earnings are negative if the affiliate loses money or if the dividends paid out to the direct investor are greater than the income recorded in that period. Negative FDI positions largely result when the loans from the affiliate to its parent exceed the loans and equity capital given by the parent to the affiliate. This is most likely to occur when FDI statistics are presented by the partner country.

4. 'Measure(s)' refers to provisions in countries' laws and regulations that treat foreign investors differently from domestic investors, often less favorably. As for the SADC Investment Climate Scorecard, such measures are identified in the following 4 policy categories: (i) limits on foreign equity ownership, (ii) foreign investment screening and approval, (iii) limits on employment of foreigners as key personnel, and (iv) other measures regarding operations of foreign investors. The identification and mapping of measures follows the OECD's Methodology on FDI Regulatory Restrictiveness Index.



**comparison to OECD and global averages**<sup>5</sup>. These sectors include mining, manufacturing, construction, distribution, hotels and food and tourism services. On average, SADC Member States observe an almost two times higher level of restrictiveness than the global average<sup>6</sup>, and four times the level of OECD<sup>7</sup> economies, thus pointing to a high incidence of legal barriers to FDI. Only four SADC countries have OECD FDI Regulatory Restrictiveness index scores<sup>8</sup> below the global average (0.10). They include South Africa (with a score of 0.034). It has the most competitive performance compared to the global average, followed by Angola (0.089), Mauritius (0.09) and Zimbabwe (0.098). At the same time, three SADC member states observe a score over three times higher than the global average, namely Lesotho, Mozambique, and Tanzania.

**The SADC member states and other countries covered by the OECD's FDI Regulatory Restrictiveness Index (RRI) observe a similar composition of legal barriers to FDI, that is, "policy categories"**. For the SADC member states, the category of measures with the highest relative share in the overall score is "*foreign equity limits*", followed by "*other other types of measures*", "*foreign investment screening*" and "*restrictions on foreign key personnel*". In total, 378 measures<sup>9</sup> are identified for all SADC members, that is, 25 per country, on average. South Africa registers the lowest number of measures, with 9 in total, whereas Mozambique observes the highest number of measures, totaling 43. The SADC member states observe measures in 11 of the 22 assessed sectors, on average. The SADC countries have, on average, 8.5 percent of their measures applied horizontally across the economy, with the remaining 91.5 percent of the measures pertaining to individual sectors. "Foreign equity limit" is the most prevalent type of policy category at the country level, with on average, 47.4 percent of all measures falling under this category. The SADC member states tend to impose foreign

equity limits in multiple sectors. On average, countries report foreign equity limits in 7 of the 22 sectors covered and tend to concentrate one-third of foreign equity limits in only one sector. Two-thirds of all foreign equity limits are in services. The policy category "other types of measures" covers various operational restrictions, including land/real estate ownership, and profit/capital repatriation. "Other types of measures" is the second most prevalent policy category in SADC countries. On average, the SADC member states have 8 measures — or 31.2 percent of their total number of measures — in this category. "Other types of measures" are present in 17 of the 22 sectors covered, but they are concentrated in horizontal policies and in the financial services sector, jointly representing 56.8 percent of all measures under this policy category. "Screening and approval" is the third most prevalent category in SADC; on average, 11.1 percent of all measures fall under this category. Although FDI screening is concentrated in services, other sectors and horizontally applied measures represent an important share of this policy category as well. The services sectors have about 54.8 percent of all screening measures, whereas other sectors represent about 38.1 percent of all screening measures. The remaining 7.1 percent of all screening measures are horizontal. "Restrictions on foreign key personnel" is the least used policy category, with on average, 10 percent of all identified measures falling under this category.

**Over the past few years, the SADC member countries have implemented policies to improve their investment competitiveness.** For example, to facilitate investment, Botswana established an Investment Facilitation Centre that houses relevant government agencies to provide faster services to investors<sup>10</sup>. Similarly, in 2022, Mauritius launched the Financial Services Commission (FSC) Single Window. It is a one-stop-shop service to serve financial institutions, businesses, and potential investors.<sup>11</sup>

5. The global average covers 38 OECD countries and 26 non-OECD economies. They are included in the OECD FDI- RRI until April 14, 2023.

6. The global average covers 38 OECD countries and 26 non-OECD economies. They are included in the OECD FDI-RRI until April 14, 2023.

7. Until April 14, 2023, this covers the 38 OECD countries, 15 SADC countries, and 26 non-OECD economies, including: Albania, Algeria, Angola, Argentina, Armenia, Brazil, Cambodia, Croatia, Egypt, Georgia, Jordan, Kazakhstan, Lao PDR, Lebanon, Libya, Morocco, Namibia, , Peru, Romania, Singapore, Thailand, Tunisia, Ukraine, Uruguay, Vietnam and the West Bank and Gaza.

8. Index value 1 is most restrictive and 0 is the least restrictive.

9. The term "measure" as used in this report refers to specific restrictions in countries' laws and regulations that treat foreign investors differently than domestic investors, often less favorably. Regarding the SADC Investment Climate Scorecard, such measures are identified across 4 key policy categories (that is, limits on foreign equity ownership; foreign investment screening and approval; limits on employment of foreigners as key personnel; and other measures regarding operations of foreign investors) within the selected 22 sectors (including sub-sectors). The identification and mapping of measures follows the OECD's Methodology on FDI Regulatory Restrictiveness Index."

10. These services include administrative procedures, such as for company and business registration, trade and industrial license applications, entry visas, work and residence permits, work permit exemptions, connection of utilities, income tax and value-added tax (VAT) registration, access to industrial and commercial land, and environmental impact assessments.

11. The Single Window provides relevant information related to licenses, professional permits and business registration. It helps investors in the sector to submit information to fulfill regulatory requirements. It provides access to three institutions, the Financial Services Commission, the Corporate and Business Registration Department and the Economic Development Board.

Zimbabwe, Namibia and Madagascar have also recently undertaken reforms to improve their rules regarding FDI entry and operations. Specifically, Zimbabwe amended the Indigenization and Economic Empowerment Act (2008) to remove the majority indigenization threshold. Namibia removed the requirement for companies seeking mining exploration licenses to be partly owned and managed by black Namibians. Madagascar also removed restrictions concerning the transfer of capital in and out of the country (foreign exchange), while also requiring a declaration of transfer to be submitted to the authorities or authorized bank.

**As global competition for FDI intensifies, countries need to continuously monitor and adjust their investment policy frameworks to the changing global realities, as well as to their own political economy and development considerations.** In reviewing their performance in the SADC Investment Climate Scorecard and in determining their own reform options, the SADC member states should take into consideration good practices in the four policy categories covered in the Scorecard, as well as recent global developments in investment policy. Key elements of a competitive FDI policy and institutional framework include, amongst others: (i) an open FDI entry regime; (ii) a streamlined and transparent investment facilitation framework; (iii) targeted investment promotion; and (iv) an overall predictable regulatory environment for investment. Of course, to determine reform priorities, countries need to also take into consideration their stage of development and broader socioeconomic and sustainable development objectives.

**Member states may also use the Scorecard as an analysis of the baseline to identify areas for further reform in moving towards greater alignment with the**

**African Continental Free Trade Area (AfCFTA) Services and Investment Protocols.** The Services Protocol requires member states to make trade and investment liberalization commitments in 5 priority sectors<sup>12</sup>. Notably, the sectors with most measures across the SADC member states include transport, financial services and tourism — all of which are AfCFTA priority sectors. Regarding the Investment Protocol of the AfCFTA, although it does not focus on market access or entry frameworks per se, member states may also leverage the Scorecard to determine the gap between repatriation frameworks in member states and the Investment Protocol. In addition, the Scorecard can serve as a resource for conducting self-assessments vis-a-vis the World Trade Organization (WTO) Investment Facilitation for Development Agreement, in particular, assessments concerning the aspects of investment approval and screening, as well as the employment of expatriates.

**It is also important to highlight the aspects that the SADC Investment Climate Scorecard does not cover.** It is not a comprehensive review of the entire legal and regulatory framework affecting investment. Although the OECD's methodology assigns certain weights to each policy category covered, it still does not enable prioritization of reforms by country. Therefore, the prioritization of reforms will need to be specific to the context, political economy, feasibility and interest in reforms for each SADC member state. Notably, the Scorecard also does not capture de facto implementation of laws and regulations in the country. Indeed, there are persistent de facto restrictions in SADC member states that are not captured by the Scorecard.<sup>13</sup> The effective implementation of laws and regulations remains a key aspect that the member states need to address.

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12. This includes: Business Services; Communication Services; Financial Services; Transport Services, and Tourism and Travel-related Services.

13. See Hallward-Driemeier, Mary, and Lant Pritchett (2015). The authors find that the estimate of legally required time for firms to complete a certain legal and regulatory process provided by the Doing Business survey does not necessarily reflect the experience of firms as reported by the Enterprise Surveys. When strict de jure regulation and high rates of taxation meet weak governmental capabilities for implementation and enforcement, researchers and policymakers should stop thinking about regulations as creating "rules" to be followed, but rather as creating a space in which "deals" of various kinds are possible.

A woman wearing a patterned hijab and a light-colored top is smiling warmly at the camera. She is in a factory or workshop environment, with sewing machines and other equipment visible in the background. The entire image is overlaid with a semi-transparent blue filter. In the upper portion, there is a white network diagram consisting of numerous interconnected nodes and lines. The text 'Part. 1' is displayed in a white box on the left side of the image.

Part. 1

**Overview and**

**Key Findings**



# I. Introduction

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**The global economy is facing uncertainties and a slowdown in growth and productivity that are unprecedented.** The broad-based slowdown in growth rates has profound implications for the world's ability to tackle the growing array of challenges, especially poverty and climate action, that are unique to our times. Private investment, and foreign direct investment in particular, will have to drive the recovery in Emerging Market and Developing Economies (EMDEs). In this regard, FDI is also expected to contribute to sustainable investment and development goals.

**The overlapping crises of the past few years have translated into unprecedented volatility and uncertainty for FDI and international production.** Global FDI flows have stagnated since the global financial crisis in 2008. However, the COVID-19 pandemic reduced global FDI further by 40 percent in 2020. FDI did rebound temporarily in 2021. Nonetheless, the long-term trend of stagnation has persisted. The latest data shows that FDI declined by 12 percent in 2022 (UNCTAD 2023). FDI to developing countries stagnated prior to the pandemic, and the current set of compounding crises has further exacerbated the longer-term trends. The serial shocks that have buffeted the global economy and stymied growth in developing countries—including the pandemic, the Russia-Ukraine war-induced surges in energy and food prices, global inflation, and a looming recession—have reduced the

availability of FDI to developing countries. As a result, the relative importance of FDI has steadily declined over the past decade when measured as a share of developing countries' GDP.

**Geography, endowments, macroeconomic stability and policy fundamentals remain the primary determinants of a country's ability to attract FDI. However, governments can play a key role in attracting, retaining and benefiting from FDI by creating a more conducive enabling business environment.** Several investor surveys, including the World Bank's recent Global Investment Competitiveness Surveys, show that political stability, macroeconomic stability, the legal and regulatory environment, physical infrastructure, and export competitiveness are considered crucial by foreign investors (World Bank 2018; 2020; and 2022). Research shows that improvements in the quality of a country's legal and regulatory environment<sup>14</sup> are associated with higher FDI inflows (Akame, Ekwelle, and Njei 2016; Buchanan, Le, and Rishi 2012; Daude and Stein 2007; Gani 2007; Gliberman and Shapiro 2002; Shepherd and others 2022; Vogiatzoglou 2016; Wei 2000; and Wernick, Haar, and Singh 2009). Mistura and Roulet (2019) use an augmented gravity model for 60 advanced and emerging countries and find that liberalizing FDI restrictions by about 10 percent (as measured by the Organisation for Economic Co-operation and Development (OECD) FDI Regulatory

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14. See Kher and Eltgen 2020 for a literature review.

Restrictiveness Index) can increase bilateral FDI in stocks by 2.1 percent on average. These effects were largest for FDI in the services sector. Covering a similar set of elements, Borchert, Gootiiz and Mattoo (2012) find that foreign equity restrictions, FDI-specific rules in licensing, restrictions on the repatriation of earnings and a lack of legal recourse all have a significant and sizable negative effect, reducing the expected value of sectoral foreign investment by US\$ 2.2 billion over a 7-year period as compared with more “open” policy regimes. Equally important is ensuring that investors have strong and well-enforced rights to protect them from political risks, more specifically non-transparent or arbitrary and unpredictable regulatory actions of governments. Research shows that weak legal protection against expropriation, transfer restrictions, and arbitrary regulatory actions can cause investors to divest or cancel expansion plans in a country, as well as lead to investor-State disputes (World Bank Group 2018, 2019, 2020). High regulatory risk, that is, risks due to arbitrary government

actions, is associated with lower FDI inflows. Estimations from a model of investor location choices suggest that regulatory risk can deter the decisions of multinational enterprises (MNEs) to enter or expand in a host country (Hebous, Kher, and Tran 2020).

## Southern African Development Community (SADC)

**At the request of the SADC Secretariat, this report focuses on the SADC member states.**<sup>15</sup> With an interest in better integrating in global and regional value chains, the SADC has increasingly been emphasizing private sector-led growth. Governments of the sub-region continue to seek ways to establish an appropriate enabling environment to support economic growth and poverty alleviation.

### **BOX 1** Southern African Development Community

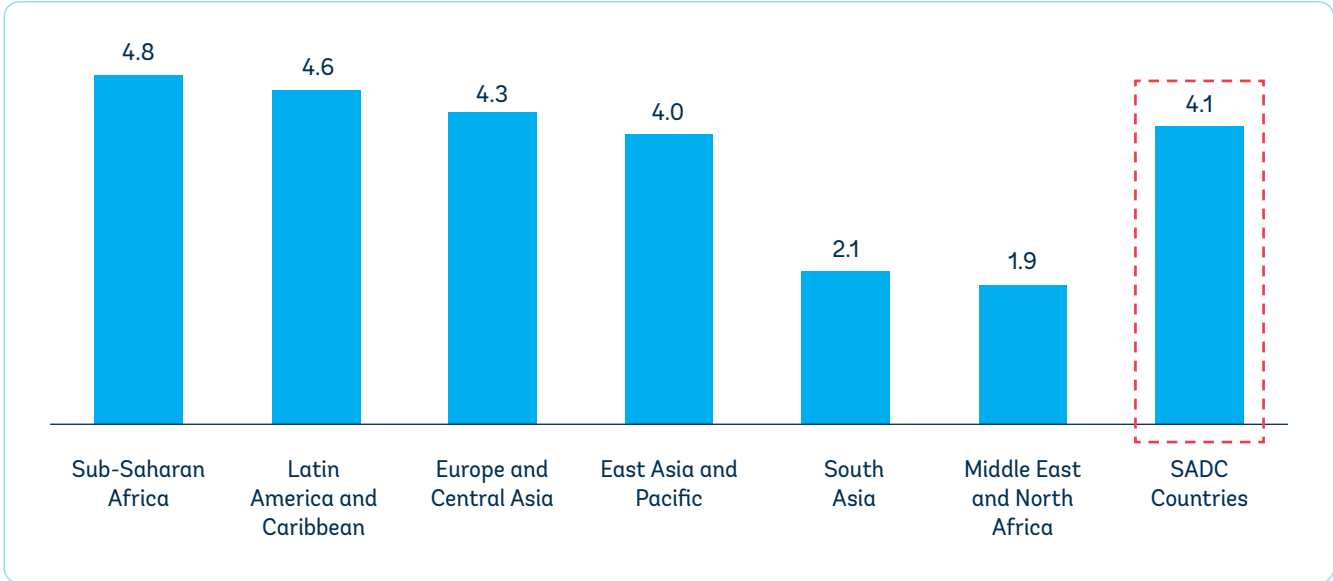
The Southern African Development Community (SADC), one of the regional economic communities in Africa, was formed in 1980 as the “Southern African Development Co-operation Conference” by nine of the current Member States. On August 17, 1992, in Windhoek, Namibia, the SADC was transformed into The Southern African Development Community with the signing of the SADC Declaration and Treaty.

SADC currently comprises sixteen member states, with a combined population of approximately 360 million and a gross domestic product (GDP) of US\$ 752 billion (2021) (UNCTAD Stats). The main objectives of the SADC are to: (i) achieve development, peace and security; (ii) attain economic growth; (iii) alleviate poverty; (iv) enhance the standard and quality of life of the peoples of Southern Africa; and (v) support the socially disadvantaged through regional integration, built on democratic principles and equitable and sustainable development.

Source: [www.sadc.int](http://www.sadc.int)

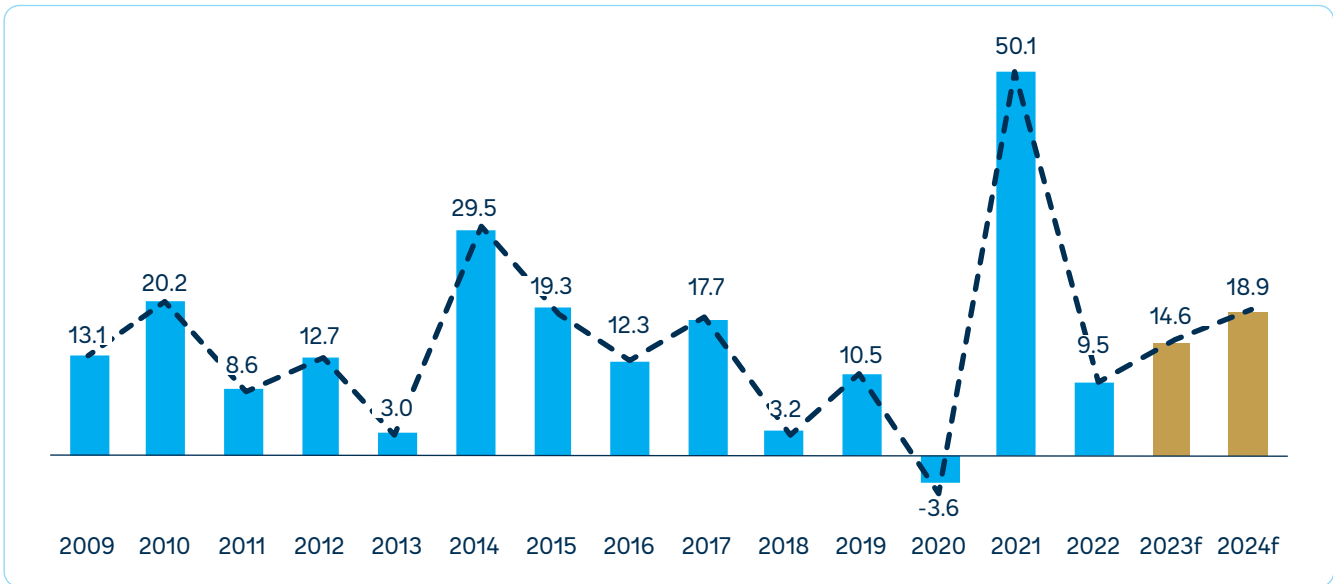
15. SADC member states include: Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic Tanzania, Zambia and Zimbabwe.

**FIGURE 1** FDI Inflows to Developing Countries, 2011-2021 average (as a percentage of GDP)



Source: UNCTADstat.

**FIGURE 2** Net FDI Inflows to SADC Member States, 2009-2023 (US\$ billions)



Source: IMF, Africa regional outlook database.  
 Note: 2023/2024 values are from IMF forecasts.

**FDI inflows to the SADC region remain low and volatile.**

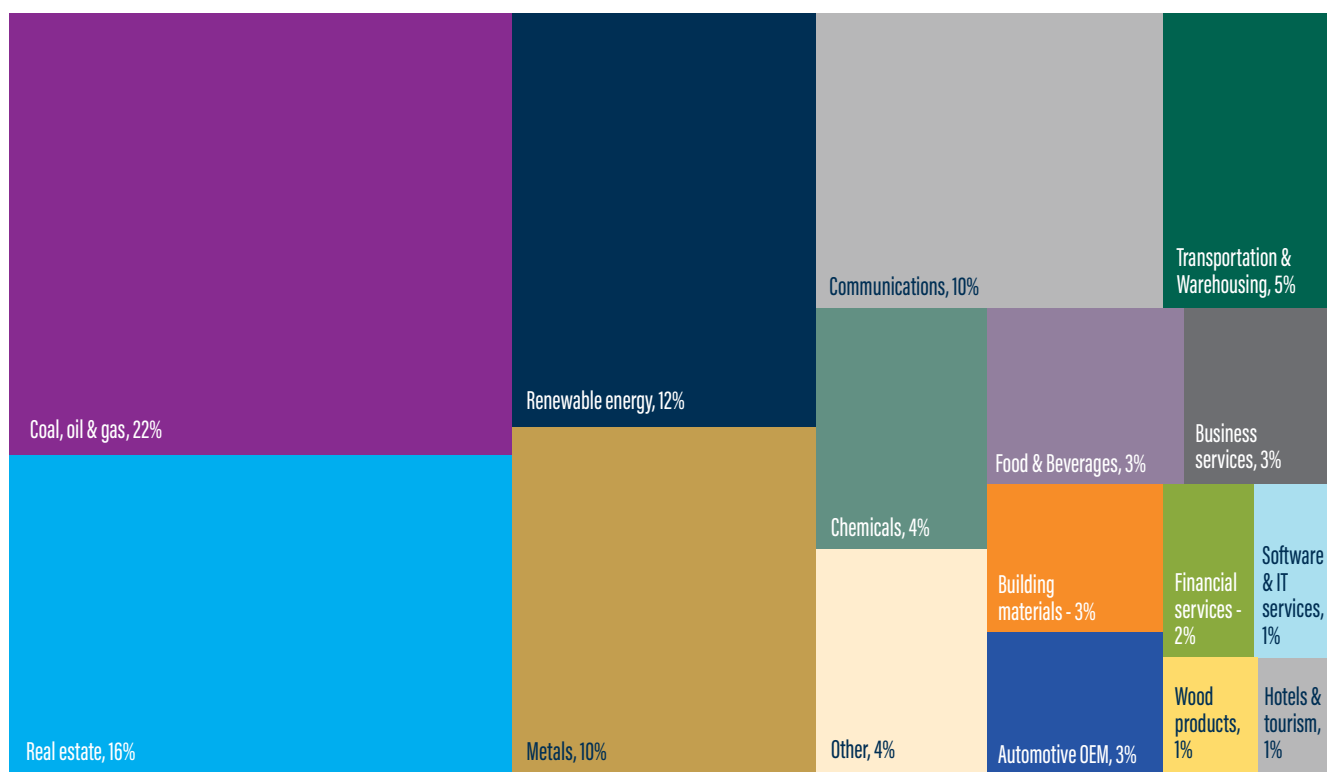
As shown in Figure 1, compared to the rest of sub-Saharan Africa, the SADC region attracts somewhat less FDI relative to the size of its economy. SADC's FDI performance has also been volatile. Indeed, FDI inflows declined 89 percent from the peak of US\$29.5 billion in 2014 to US\$3.2 billion in 2018. Despite, a minor recovery observed in 2019, with net inflows of US\$10.5 billion, the onset of the pandemic in 2020 led to negative net inflows of US\$3.6 billion<sup>16</sup>. However, in 2021, the region saw a new record of FDI, with inflows of US\$50.1 billion to the region, as shown in Figure 2. It should be noted though, that this was inflated by a single intrafirm financial transaction in South Africa in the second half of 2021. Excluding that transaction, the increase is still significant, but more in line with other developing regions (UNCTAD 2022). Recent estimations of FDI until 2024 suggest a potential return to pre-pandemic levels of FDI inflows (IMF

2023). However, this outlook is overshadowed by the funding squeeze that is hitting the sub-Saharan Africa region, with a confluence of higher global interest rates, elevated sovereign debt spreads, and exchange rate depreciations. Thus, economic activity in the region is expected to remain subdued in 2022 and 2023 (IMF 2023).

**FDI to the SADC region has been primarily resource-seeking, but there are opportunities to diversify.**

Figure 3 shows that investments to natural resources have accounted for more than 45 percent of FDI inflows into the region, of which 32 percent went to extractive industries, including coal, oil, gas and metals. The top destinations (for resource seeking FDI) include South Africa (mining/metals) and Angola, the Democratic Republic of Congo, and Mozambique (coal, oil and gas).

**FIGURE 3** FDI by Sector, 2012-2022



Source: FDI markets data.

Note: This figure represents the percentage of FDI inflows over total FDI in SADC countries.

OEM= Original Equipment Manufacturer

16. Negative values of FDI flows correspond to reverse investment or disinvestment. FDI financial transactions may be negative for three reasons. First, this can occur if there is disinvestment in assets, that is, the direct investor sells its interest in a direct investment enterprise to a third party or back to the direct investment enterprise. Second, it can occur if the parent borrowed money from its affiliate or if the affiliate paid off a loan from its direct investor. Third, it can occur if reinvested earnings are negative. Reinvested earnings are negative if the affiliate loses money or if the dividends paid out to the direct investor are greater than the income recorded in that period. Negative FDI positions largely result when the loans from the affiliate to its parent exceed the loans and equity capital given by the parent to the affiliate. This is most likely to occur when FDI statistics are presented by the partner country.





**The SADC Secretariat requested World Bank Group support in developing an Investment Climate Scorecard.**

Based on consultations with counterparts from the SADC Secretariat and the European Union (EU), it was agreed to focus the scorecard on the FDI Regulatory Restrictiveness Index- a tool developed by the OECD. It identifies legal and regulatory barriers to FDI in individual countries and allows for country benchmarking. The SADC Secretariat also expressed a specific interest in the approach since it would complement other ongoing initiatives, such as the SADC's Regional Action Program on Investment (RAPI), which has three components: (1) developing and harmonizing relevant policies for attracting both domestic and foreign investment, (2) investment promotion initiatives, and (3) developing platforms for sharing information relevant to investors.

**Despite the ongoing efforts by many SADC member states to improve their investment competitiveness, FDI inflows to the SADC region have been low and volatile.**

Compared to the rest of sub-Saharan Africa, the SADC region attracts somewhat less FDI relative to the size of its economy. The SADC Investment Climate Scorecard focuses on one important element of the overall legal and

regulatory environment affecting FDI, that is, restrictions on the entry of FDI in the SADC member states. The SADC Investment Climate Scorecard focuses on 4 specific types of FDI measures<sup>17</sup>, namely: (1) the limits of foreign equity ownership, (2) FDI screening and approval, (3) employment of foreigners as key personnel and directors, and (4) other types of measures (for example, operational restrictions, such as on capital repatriation or land ownership). This initiative is particularly timely given the recent developments regarding international and regional investment agreements, such as the Africa Continental Free Trade Area Agreement, as well as the World Trade Organization's Investment Facilitation for Development Agreement (IFA).

**The African Continental Free Trade Area (AfCFTA) presents an important opportunity for the SADC member states to catalyze new investments to diversify exports, accelerate growth, and attract private investment through the creation of a more integrated and larger market (Echandi and others 2022; World Bank 2023).** To benefit from the AfCFTA, countries will need to align their domestic frameworks with the AfCFTA Agreement — including its Investment and Services

17. 'Measure(s)' refers to provisions in countries' laws and regulations that treat foreign investors differently from domestic investors, often less favorably. As for the SADC Investment Climate Scorecard, such measures are identified in the following 4 policy categories: (i) limits on foreign equity ownership, (ii) foreign investment screening and approval, (iii) limits on employment of foreigners as key personnel, and (iv) other measures regarding operations of foreign investors. The identification and mapping of measures follows the OECD's Methodology on FDI Regulatory Restrictiveness Index.

Protocols — by implementing systematic reforms. The SADC Investment Climate Scorecard will serve as an analysis of the baseline. As such, it can help identify areas for further reforms toward greater integration within the AfCFTA. It will be especially useful in benchmarking areas, such as capital repatriation, the employment of foreigners and, critically, market access restrictions in the services sectors<sup>18</sup>.

**At a global level, the negotiation of the WTO's Agreement on Investment Facilitation for Development, also presents an important opportunity, although with fewer SADC member states participating<sup>19</sup>.** The IFA focuses on a broader set of facilitation measures, including requiring member states to improve the approval and authorization frameworks and work permit and visa processes. The goal is to achieve greater transparency and simplification of investment frameworks. By mapping the provisions concerning FDI screening and approval, work permits and expatriate employment, the SADC Investment Climate Scorecard can allow for the benchmarking of member states on these dimensions of the IFA framework. It can help identify a baseline for further analysis regarding specific areas of improvement.

**The SADC Investment Climate Scorecard fills a knowledge gap because FDI regulatory restrictions in the SADC member states have not been systematically mapped.** The OECD's FDI Regulatory Restrictiveness Index (FDI-RRI) systematically maps an important set of regulatory restrictions. Through the SADC Investment Climate Scorecard, the OECD's FDI-RRI has expanded its coverage to include 15 SADC member states. These member states are also covered in the World Bank and

World Trade Organization's Services Trade Restrictiveness Index (STRI). At the time of preparation of this report, the STRI covered 9 sectors<sup>20</sup> in comparison to the OECD FDI-RRI's 22 sectors (See Annex 5 for the sector coverage). The STRI covers these sectors across the 4 modes<sup>21</sup> of supply of services. By contrast, the OECD FDI-RRI's focus is on mode 3. There are also differences in terms of the topics covered and data sources<sup>22</sup>.

**It is also important to highlight the aspects not covered by the SADC Investment Climate Scorecard.** It is not a comprehensive review of the entire legal and regulatory framework affecting investment. The OECD's methodology assigns certain weights to each policy category covered. However, it still does not enable prioritization of reforms by country. Prioritization of reforms will need to be specific to the context, political economy, feasibility, as well as interest in reforms for each SADC member state. Notably, it does not capture the de facto implementation of laws and regulations in the country. Indeed, there are persistent de facto restrictions in SADC member states that are not captured by the Scorecard<sup>23</sup>. Given these limitations, information presented in the Scorecard should be interpreted and used, while also keeping in view the overall country context and realities. The information captured is in summary form. Thus, it is not intended to be a substitute for detailed legal research.

**Section II of this report provides an overview of the methodology, Section III presents the results and Section IV discusses policy implications. Part 2 presents the detailed country-specific scorecard information (that is, the individual Country Profiles).**

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18. Notably, the AfCFTA Trade in Services Protocol calls for the progressive liberalization of services based on a "WTO plus" positive lists, plus offer exchanges by member states.

19. At least 4 member states are currently participating, namely – Mauritius, Seychelles, Zambia, Zimbabwe.

20. This includes professional services, computer and related services, communications services, construction and related reengineering services, distribution services, financial services, health services, tourism and travel-related services, and transport services.

21. The General Agreement on Trade in Services (GATS) distinguishes between 4 modes of supplying services. Mode 1 refers to cross-border services. Mode 2 is consumption abroad. Mode 3 is commercial presence or FDI, and Mode 4 is movement of persons.

22. In terms of types of measures covered, the STRI includes the following categories: (i) conditions on market entry; (ii) conditions on operations; (iii) measures affecting competition; (iv) administrative procedures and regulatory transparency; and (v) miscellaneous (See Annex 5 for specific topics included). Although there is a partial overlap in the coverage of OECD FDI-RRI and the STRI categories (i), (iii) and (iv), the scope differs across these categories (in addition to the sectoral coverage). Further, the other categories included in the two indices are distinct. In terms of data sources, the OECD's RRI is primarily based on the provisions of laws and regulations, whereas the STRI uses laws and regulations, other secondary sources, and data collected through a survey jointly conducted by the World Bank and the World Trade Organization.

23. See Hallward-Driemeier, Mary, and Lant Pritchett (2015). The authors find that the estimate of legally required time for firms to complete a certain legal and regulatory process provided by the Doing Business survey does not necessarily reflect the experience of firms as reported by the Enterprise Surveys. When strict de jure regulation and high rates of taxation meet weak governmental capabilities for implementation and enforcement, researchers and policymakers should stop thinking about regulations as creating "rules" to be followed, but rather as creating a space in which "deals" of various kinds are possible.

## II. Methodology

### Countries and Sectors Covered

The SADC Investment Climate Scorecard focuses on identifying legal and regulatory restrictions on the entry of foreign direct investment in 15 SADC member economies, including: Angola, Botswana, the Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius,

Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia and Zimbabwe. Specifically, for each country, it examines the investment legislation at the economy level, as well as for 22 economic sectors. The 22 sectors are listed in Table 1.

**TABLE 1** Sectors Assessed in the Scorecard

1. Agriculture	12. Distribution – Retail
2. Forestry	13. Distribution – Wholesale
3. Fishery	14. Transport (surface, air and water/maritime)
4. Mining and quarrying (including oil extraction)	15. Hotels and Restaurants
5. Manufacturing – Food and Others	16. Media (radio and TV broadcasting, and other media)
6. Manufacturing – Oil Refining and Chemicals	17. Communications (fixed and mobile telecommunications)
7. Manufacturing – Metals, Machinery and Other Minerals	18. Financial Services – Banking
8. Manufacturing – Electrical, Electronics and Other Instruments	19. Financial Services – Insurance
9. Manufacturing – Transport Equipment	20. Financial Services – Other Finance
10. Electricity (generation and distribution)	21. Business Services (legal, accounting and auditing, and architectural and engineering services)
11. Construction	22. Real Estate Investment

Source: OECD



## Topics Covered

The Scorecard focuses on 4 specific types of FDI measures,<sup>24</sup> namely: (1) limits of foreign equity ownership, (2) FDI screening and approval, (3) employment of foreigners as key personnel and directors, and (4) other types of measures (for example, operational restrictions, such as on capital repatriation or land ownership). For ease of reference, each of these 4 categories is referred to as a policy category, whereas legal or regulatory provisions under a category are referred to as measures.<sup>25</sup> Country-level data concerning the measures was collected through a questionnaire (Annex 1). Part 2 of this report presents the detailed, country-specific scorecard information (that is, the **Country Profiles**).

The questionnaires, and the listing of measures and scorecard values are based on a methodology developed by the OECD, specifically the **FDI Regulatory Restrictiveness Index**. The OECD has applied this methodology since the late 1990s in more than 80 countries, including all OECD economies, Group of 20 (G20) countries, as well as a growing number of developing countries across regions.

## Data Collection

The questionnaires for collecting data were completed in late 2021 and throughout 2022 by independent legal experts for each country. Designated government focal points oversaw the project in each of the SADC member states. The cut-off date for the data was December 31, 2021, unless specific clarifications were made by member state national focal points during the multiple consultations. The information collected through the questionnaire relied on detailed analysis of countries' legal frameworks. The general list of references that guided the country focal points and independent experts through the process of completing the questionnaires is provided in Annex 3.

24. The term "measure" as used in this report refers to specific restrictions in countries' laws and regulations that treat foreign investors differently than domestic investors, often less favorably. Regarding the SADC Investment Climate Scorecard, such measures are identified across 4 key policy categories (that is, limits on foreign equity ownership; foreign investment screening and approval; limits on employment of foreigners as key personnel; and other measures regarding operations of foreign investors) within the selected 22 sectors (including sub-sectors). The identification and mapping of measures follows the OECD's Methodology on FDI Regulatory Restrictiveness Index.
25. The tabulation of the number of measures is based on the OECD's identification of measures.

The data collection process was guided by the following instructions:

- Identifying relevant laws and regulations including: horizontal, sectoral, implementing regulations and other secondary instruments.
- Key assumptions for the legal research included: (1) A focus on the legal/regulatory framework applicable to a foreign investor and not any specialized or preferential regimes, such as those in special economic zones or economic processing zones. (2) A foreign investor is a private multinational company with no equity interest or management control by the government of its home country (that is, it is not a state-owned enterprise). (3) The research should be based on currently applicable policy and legal instruments.
- All questionnaire responses included: (1) a summary response (2) a relevant legal provision (including a link to the instrument, name, and article/clause number).
- Where there is uncertainty concerning answers, the experts were asked to consult with the national focal point, as well as private practitioners.
- In case of multiple interpretations of the text of the laws/regulations, responses should provide details of the interpretational challenge and select the conservative option.

## Data Analysis

**The analysis of the data followed the OECD's latest FDI Regulatory Restrictiveness Index methodology.** The OECD FDI Regulatory Restrictiveness Index covers statutory measures<sup>26</sup> that treat foreign investors less favorably than domestic firms.<sup>27</sup> The Index is a *de jure* policy indicator. As such, it is reflective of market access barriers to FDI and exceptions to national treatment. Other important aspects of the investment climate (for example, the implementation of regulations and state monopolies, preferential treatment for export-oriented investors, and special economic zones (SEZ) regimes, among others) are not considered. Investment-related measures implemented solely for the purpose of safeguarding essential security interests are also not reflected. Therefore, the indicator does not provide a full measure of a country's investment climate. Nonetheless, the covered FDI rules are a critical determinant of a country's attractiveness to foreign investors. Thus, the OECD FDI Regulatory Restrictiveness Index, used in combination with other indicators measuring various aspects of the FDI climate, contributes to assessing countries' investment policies (Box 2).

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26. The identification and mapping of measures follows the OECD's Methodology on FDI Regulatory Restrictiveness Index. For ease of tabulation and policy discussions, measures are counted at the sector level (including sub-sectors). When a "measure" exists at the horizontal level of the economy, it is considered as one measure applying to the whole of the economy.

27. The index uses non-discrimination as a key principle for identifying barriers. No government applies national treatment (that is, non-discrimination between nationals and foreigners) across the board. This is the case even in OECD member countries, where restrictions on foreign investment have tended to be, on average, lower than in other parts of the world. If other attributes of the investment climate are favorable, investors may still invest even if they face some operational restrictions once established. However, restrictions specific to foreign direct investment have been found to result in less FDI overall. Beyond the impact on FDI, any policy that favors some firms over others involves a cost, notably less competition and hence lower firm-level efficiency. For this reason, exceptions to non-discrimination need to be regularly evaluated with a view to determining whether the original motivation behind an exception (for example, safeguarding essential security-interests, protection based on the infant industry argument) remains valid. This should include an evaluation of the costs and benefits, as well as an assessment of the proportionality of the measure. In this context, the SADC Investment Climate Scorecard provides participating countries with the baseline data on FDI-specific policies that countries may consider for possible reforms in accordance with their priorities and political economy considerations.

## **BOX 2** OECD Scoring Methodology for the Investment-related Measures

Four types of measures are covered by the SADC Investment Climate Scorecard: (i) foreign equity restrictions, (ii) screening and prior approval requirements, (iii) rules for foreign key personnel, and (iv) other restrictions concerning the operation of foreign enterprises. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

### **(i) Foreign equity limits**

Foreign equity limits in specific sectors are widely prevalent, particularly in the service sectors. The scoring includes a difference between full exclusion of foreign participation, restrictions on majority holdings, and limits on full foreign ownership. If no foreign equity is permitted, the score is 1 (the sector is closed).

### **(ii) Screening and prior approval**

Screening mechanisms applicable only to foreign investors fulfill many functions and vary widely in their scope. At their most restrictive, they may apply economic needs, net economic benefits and/or national interest tests to both greenfield investments and acquisitions. However, in some cases, they are automatic and amount to little more than a pre-notification requirement for investors.

### **(iii) Restrictions on foreign key personnel**

Measures regarding key personnel (directors, managers, and other key personnel) covered in the scorecard include nationality requirements for members of the board of directors and for persons occupying top executive corporate positions (for example, the Chief Executive Officer [CEO]/President and Executive Directors). Although these measures are typically applied in a non-discriminatory manner across companies, they are considered particularly more burdensome to foreign-owned companies and investors. As such, they are considered a restriction in the scorecard.

### **(iv) Other restrictions concerning the operation of foreign-controlled entities**

This includes various restrictions that can affect the potential operations of foreign investors. Some of the measures covered cut across all sectors, which accounts for their significant impact on the overall index for some countries. A partial list of the measures includes:

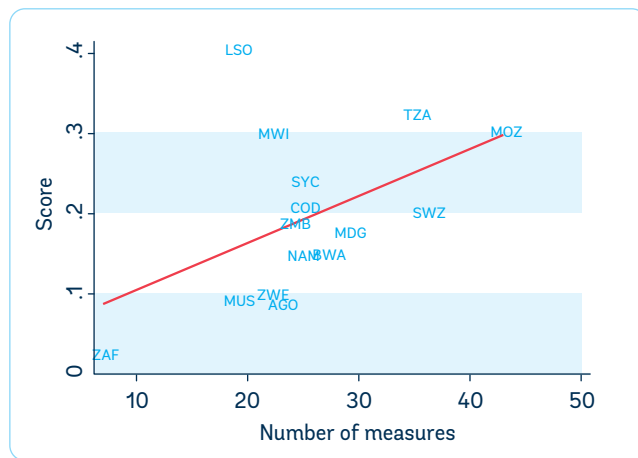
- Restrictions on the establishment of branches.
- The acquisition of land for business purposes, including cases where foreigners may not own property, but may sign leases.
- Reciprocity clauses in particular sectors.
- Restrictions on profit or capital repatriation.

Furthermore, the scores are adjusted by a factor ranging from 0.05 to 1, thus taking into consideration the extent to which a measure is applied to activities within a specific sector or sub-sector. A factor of 1 signifies that the measure is fully applied. It is assumed to affect almost the entire universe of activities within the corresponding sector or sub-sector breakdown (that is, 90 percent or more). However, a factor of 0.05 indicates that the measure is residually applied, impacting only a few segments within the respective sector or sub-sector breakdown (that is, less than 5 percent). This adjustment accounts for the varying degrees of applicability of measures across different sectors or sub-sectors, thereby providing a more nuanced assessment of their impact on FDI.

Annex 4 provides comprehensive details regarding the breakdown of the measures within the policy categories and the scoring methodology.

As the OECD index tracks the existence of restrictive measures, a higher number of measures tends to result in a relatively higher score. However, this relationship is not strictly linear, as the index also takes into account the relative degree of restrictiveness of measures. Some policies are considered more restrictive than others; in particular, “foreign equity restrictions” are given a higher score compared to measures such as “land ownership not permitted but leases possible”. Also, as the number of policies with a restrictive impact on FDI accumulates in countries, its restrictiveness score also increases. The relationship between the score and the number of measures is presented in figure 4. It confirms the positive relation; however, a country can have a less-than-average number of measures and still be considered restrictive (for example, Lesotho has 19 policies in place, which is below the 25-measure average for SADC states, and yet it has a score of 0.4).

**FIGURE 4** OECD FDI Regulatory Restrictiveness Index 2021 (score and number of measures)  
(FDI Restrictiveness Score: 0 = no restrictions; 1 = most restricted)



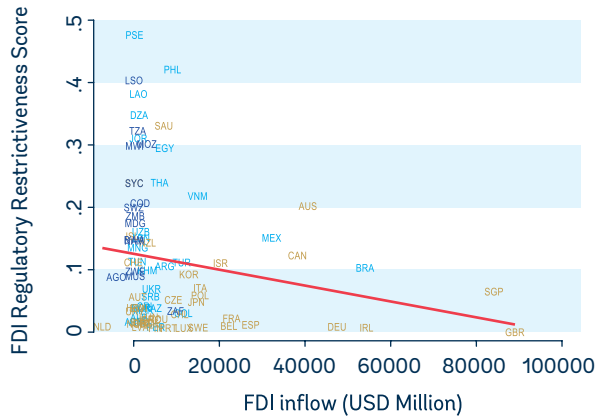
Source: SADC Investment Climate Scorecard.  
Note: AGO=Angola; BWA=Botswana; COD=Democratic Republic of Congo; LSO= Lesotho; MDG=Madagascar; MOZ= Mozambique; MUS=Mauritius; MWI=Malawi; NAM=Namibia; SWZ=Eswatini; SYC=Seychelles; TZA=Tanzania; ZAF=South Africa; ZMB=Zambia; ZWE=Zimbabwe.

Globally, countries with fewer FDI restrictions attract more FDI. Figure 5 shows a relationship between the restrictiveness score and FDI attraction. Panel A shows this relationship for all countries covered under the OECD’s Regulatory Restrictiveness Index. Panel B shows the relationship among SADC member states, indicating a steeper relationship for the SADC member states. This observation is in line with previous research using this Index. For example, Mistura (2019), used edition 2017 of the OECD FDI Regulatory Restrictiveness Index including over 60 advanced and emerging countries and found that even partial restrictions can have a strong negative impact on investment. The paper estimates that the introduction of reforms liberalizing FDI restrictions by about 10 percent, as measured by the Index, could increase bilateral FDI inward stock by around 2.1 percent on average. OECD research has also shown that countries that have reformed their FDI entry rules in the direction of liberalization have seen greater FDI inflows (see, for instance, the evolution of inward FDI in Brazil, Korea, the Philippines, and Vietnam) (Figure 6).

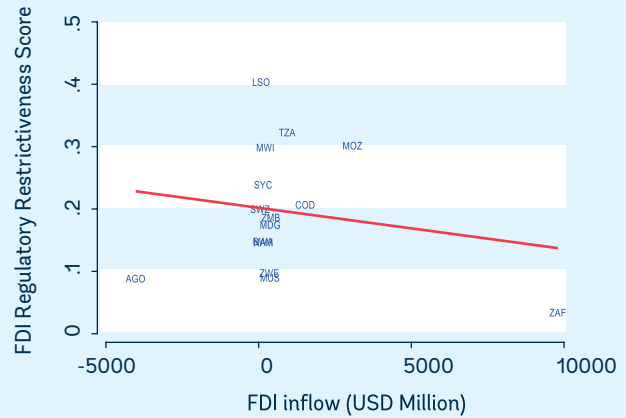
Mistura (2019) also found that the effect of reducing foreign equity limitations is the strongest, denoting its relatively greater importance as a statutory barrier for investors. In line with this, evidence from the 2021 edition of the index and for SADC countries is presented in Panels C and D of Figure 5, further supporting the notion of the influence of foreign equity limitations on FDI inflows.

**FIGURE 5** Correlation of OECD FDI Regulatory Restrictiveness Scores and FDI Inflows  
 (FDI Restrictiveness Score: 0 = no restrictions; 1 = most restricted)

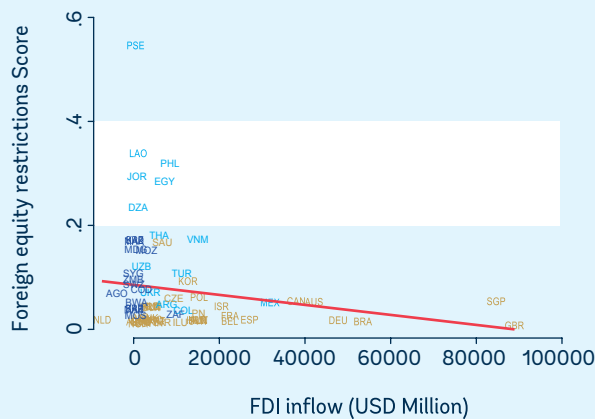
**Panel A:** Correlation between the FDI Regulatory Restrictiveness Score and the FDI Inflow Average for All Countries, 2016 – 2021



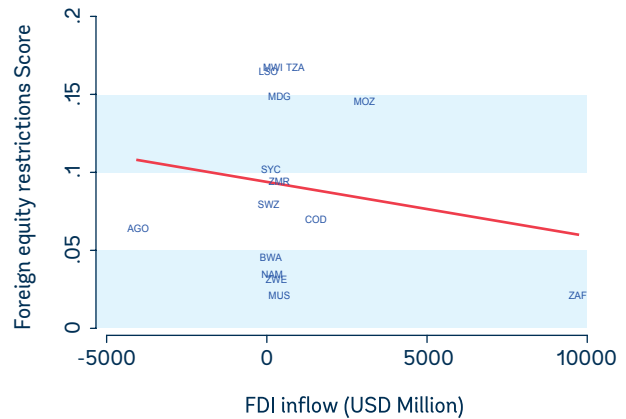
**Panel B:** Correlation between FDI Regulatory Restrictiveness Score and FDI Inflow Average for SADC Members, 2016 – 2021



**Panel C:** Correlation between Foreign Equity Restrictions Scores and FDI Inflow Average for All Countries, 2016 – 2021



**Panel D:** Correlation between Foreign Equity Restrictions Score and FDI Inflow Average for SADC Members, 2016 – 2021



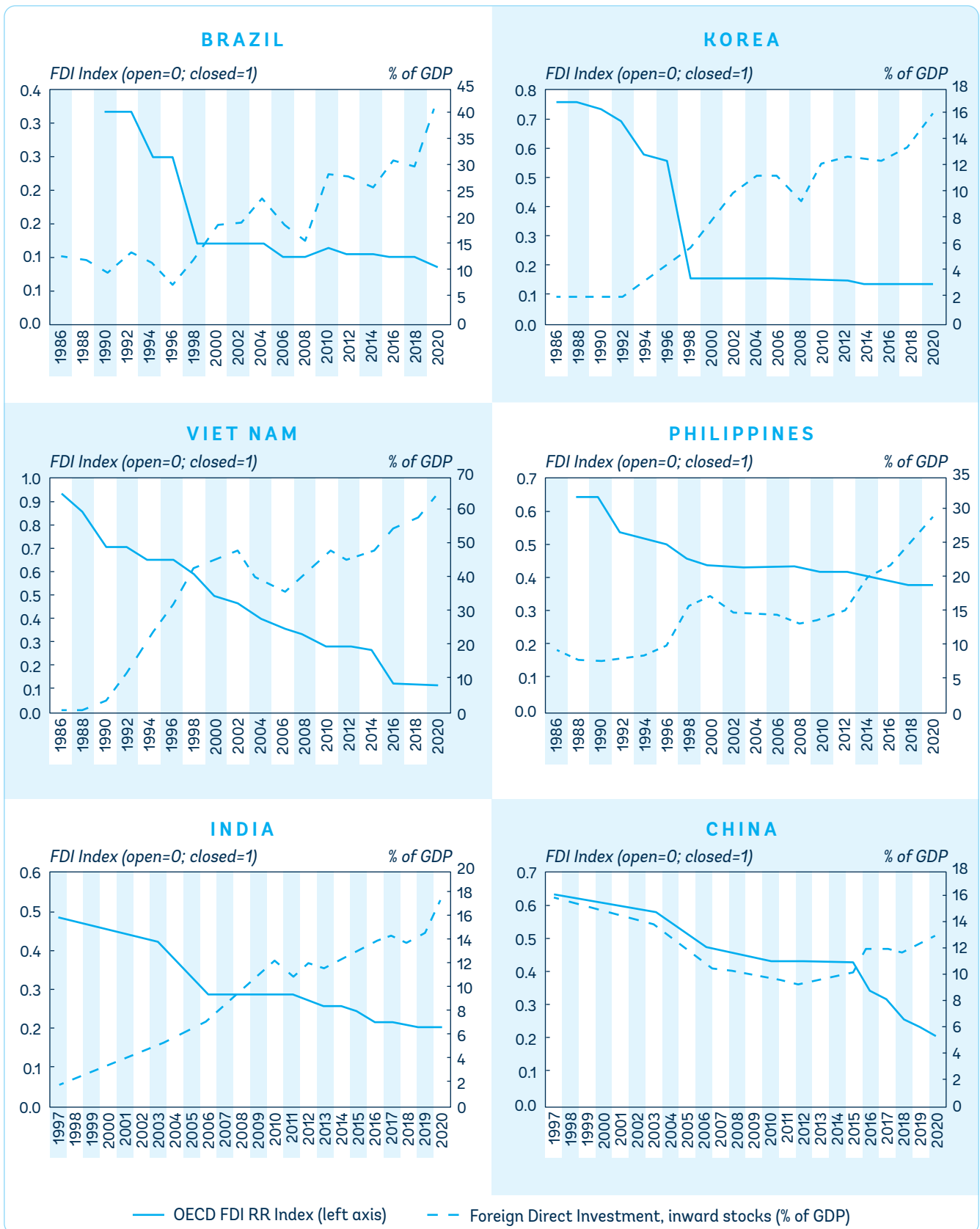
Source: UNCTAD Statistics and OECD FDI Regulatory Restrictiveness Index (2021).

Note: AGO= Angola; BWA= Botswana; COD= Democratic Republic of Congo; LSO= Lesotho; MDG= Madagascar; MOZ= Mozambique; MUS=Mauritius; MWI= Malawi; NAM= Namibia; SWZ= Eswatini; SYC= Seychelles; TZA= Tanzania; ZAF= South Africa; ZMB= Zambia; ZWE= Zimbabwe.



**FIGURE 6**

**Correlation between Entry Barriers and FDI Inflows**



Source: OECD's FDI Regulatory Restrictiveness Index.



## Stakeholder Validation

**The information collected through the questionnaires and the subsequent analysis by the World Bank and OECD were reviewed and validated by the SADC Member States through multiple checks.** First, all legal experts and government focal points provided an email-based confirmation that the collected information was complete and accurate and could be used for scorecard preparation and analysis. Second, the final analyzed information was shared with the SADC Member States in December 2022 for their review and validation ahead of the SADC Investment Sub-Committee meeting on January 25-27, 2023, which included a multi-day workshop concerning the Scorecard. Third, this Sub-Committee meeting provided the official endorsement of the results by the SADC Member States. The overall implementation process allowed for capacity building to the representatives of member states, as well as to the SADC Secretariat regarding data collection, analysis and FDI frameworks. Peer-to-peer learning and innovation across member states was also an integral part of the process due to the cross-country comparative nature of the project. The next section presents the findings of the analysis undertaken as part of the SADC Investment Climate Scorecard.

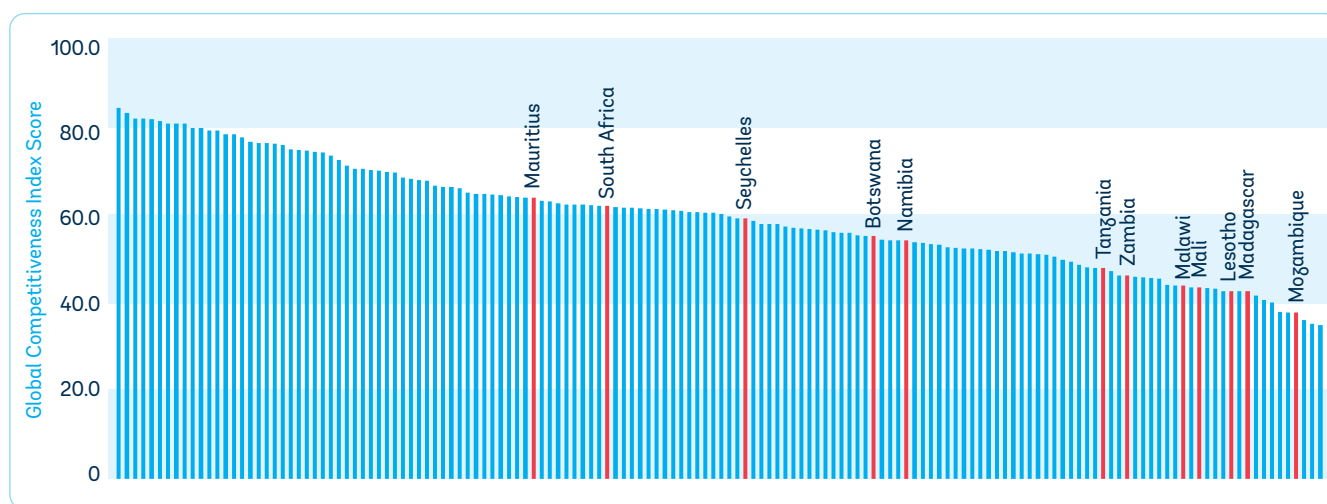
# III. Results

## Overall Business Environment

**The overall business environment in most SADC countries has been challenging.** Two key indicators illustrating the broader business and policy environment include the World Economic Forum's Competitiveness Index and the World Bank Group's Worldwide Governance Indicators. In the most recent World Economic Forum (WEF) Competitiveness Index Assessment, only 5 SADC countries ranked in the top 100 (out of 141 countries surveyed). The index is represented in a normalized score that ranges from 0 to a

100, with higher scores indicating more competitiveness as determined by the WEF methodology. To put these numbers into perspective, the best ranked country is Singapore with a score of 84.8. Mauritius is the best ranked country among the SADC member states, scoring 64.3 and ranking in position 51 of the index. It is followed by South Africa, ranking 59 with a score of 62.4; Seychelles, ranking 75 with a score of 59.6; Botswana, ranking 90 with a score of 55.5; and Namibia, ranking 93 with a score of 54.5 (Figure 7).

**FIGURE 7** WEF Global Competitiveness Index, 2019



Source: World Economic Forum

Note: Regarding the scores, 0 = least competitive and 100 = ideal state of competitiveness.

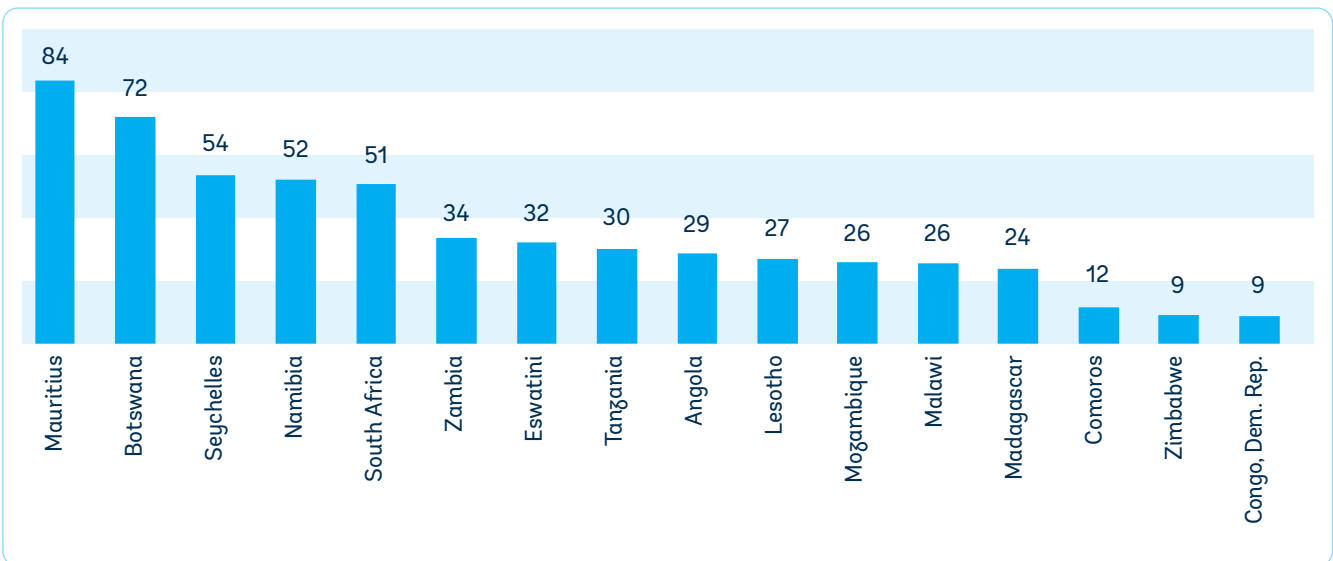
The WEF Competitiveness Index is a composite indicator that measures the level of competitiveness of a country's economy by considering various factors that influence economic growth and productivity. The index is based on a weighted average of twelve pillars, including institutions, macroeconomic stability, the financial system, and business dynamism, among others. For a comprehensive explanation of the methodology and breakdown of its various components, please refer to the following link: [Global Competitiveness Report](#).



The Worldwide Governance Indicator for regulatory quality assesses the perceptions on the ability of the government to formulate and implement sound policies and regulations that promote private sector development. In 2021, over

one-third of all SADC countries ranked in the bottom quartile of countries globally, with only Mauritius ranking in the top quartile (4) (Figure 8).

**FIGURE 8** Regulatory Quality Performance in SADC Member States, 2021 (percentiles)



Source: World Governance Indicators.

Note: Regulatory quality captures perceptions of the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. For a comprehensive breakdown of its various components, please refer to the following link: [Regulatory Quality Index](#). A higher percentile ranking indicates superior performance on the Regulatory Quality index.

## Results of SADC Investment Climate Scorecard

The overall results of the SADC Investment Climate Scorecard show that despite SADC member states' ongoing liberalization efforts, specific legal and regulatory measures continue to impede FDI. As analyzed in this report, some member states boast relatively open and competitive regulatory regimes for FDI, whereas others impose restrictions in the 4 policy categories analyzed by this report. These include: limits on foreign equity ownership, FDI screening and approval, limits on the employment of foreigners as key personnel and directors, and other types of operational restrictions. The distribution of measures across the member states is relatively heterogeneous.

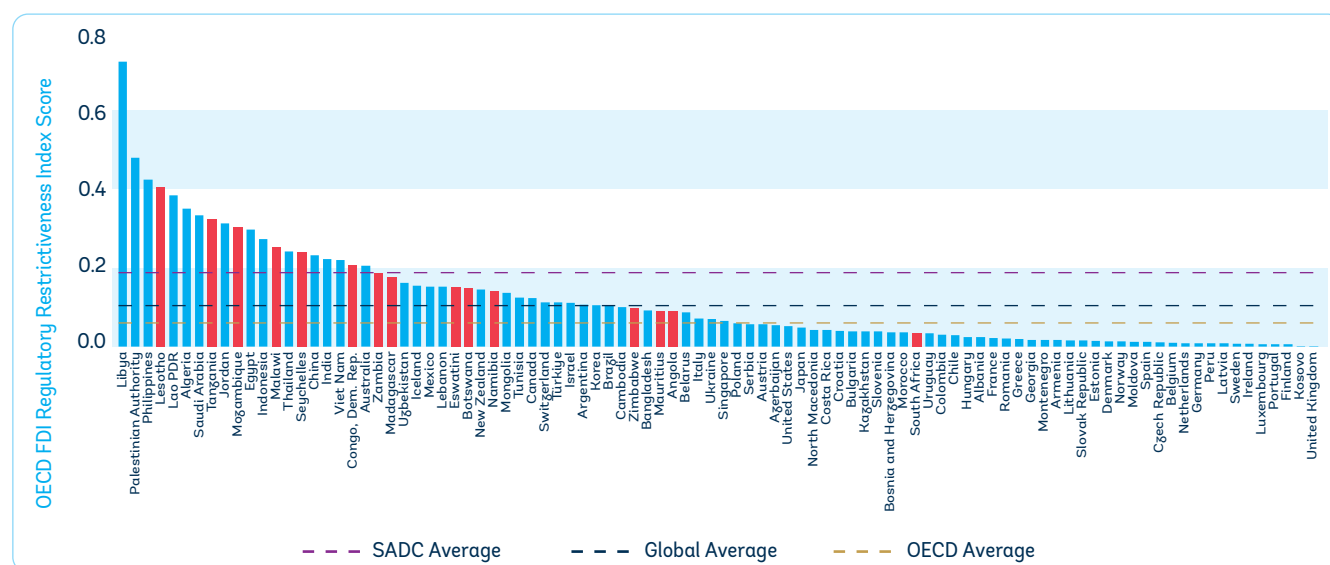
Overall, there is a relatively high incidence of horizontal, economy-wide measures, both in terms of the number of countries and in the variety of measures applied. For example, preferential treatment of domestically owned companies in public procurement appears more widespread than elsewhere in the world (where preferential treatment is more commonly focused on imported goods and services). Higher minimum capital requirements on FDI and limits on access to local finance

by foreign-owned companies are also relatively more prevalent in SADC member states than elsewhere.

In line with trends in the rest of the world, sector-specific FDI measures in SADC are most common in transport, media, financial services, and real estate. However, measures in other sectors are somewhat more prevalent in SADC, both in comparison to the OECD and global averages<sup>28</sup>. These sectors include mining, manufacturing, construction, distribution, hotels, and food and tourism services.

On average, SADC member states observe an almost 2 times higher level of restrictiveness as compared to the global average<sup>29</sup>, and almost 4 times higher than the OECD<sup>30</sup>, thus indicating a high incidence of legal barriers to FDI (Figure 9). Only four SADC countries have OECD FDI Regulatory Restrictiveness index scores<sup>31</sup> below the global average (0.10). South Africa (score of 0.034) has the most competitive performance compared to the global average, followed by Angola (0.089), Mauritius (0.09) and Zimbabwe (0.098). At the same time, three SADC member states observe a score over 3 times higher than the global average, namely, Lesotho, Mozambique and Tanzania.

**FIGURE 9** OECD FDI Regulatory Restrictiveness Index, 2021

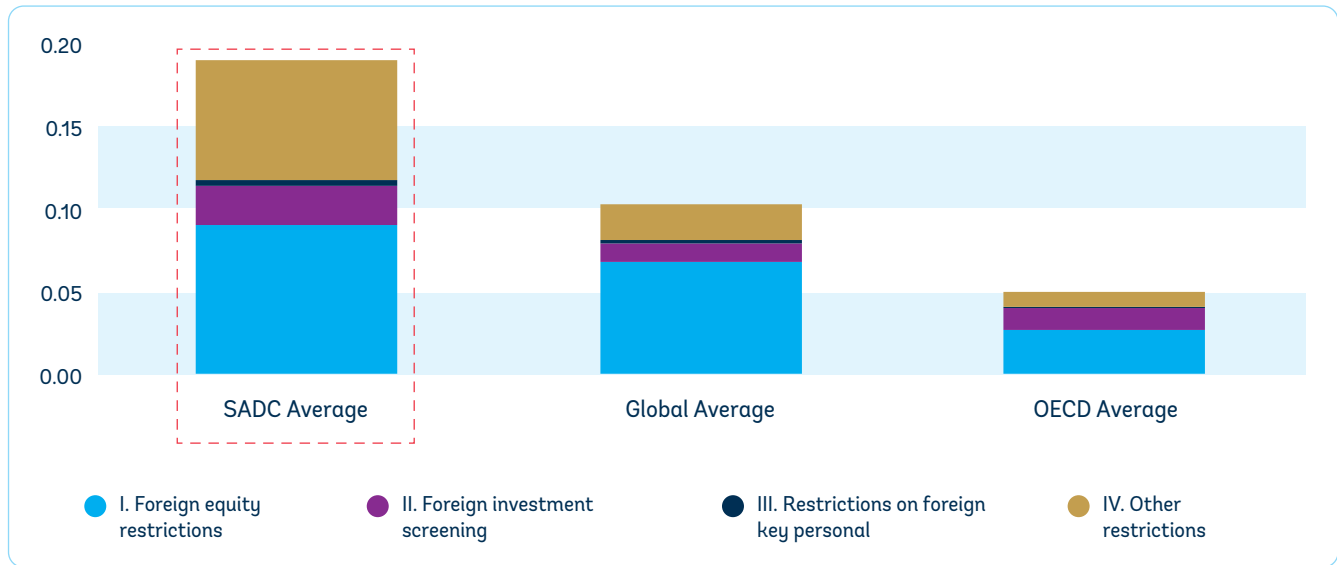


Source: OECD FDI Regulatory Restrictiveness Index (2021).  
Note: Scoring: 0 = no restrictions and 1 = most restricted.

28. The global average covers 38 OECD countries and 26 non-OECD economies. These are included in the index until April 14, 2023.  
29. The global average covers 38 OECD countries and 26 non-OECD economies. These are included in the OECD FDI-RRR until April 14, 2023.  
30. Until April 14, 2023, the project covers the 38 OECD countries, 15 SADC countries, and 26 non-OECD economies including: Albania, Algeria, Angola, Argentina, Armenia, Brazil, Cambodia, Croatia, Egypt, Georgia, Jordan, Kazakhstan, Lao PDR, Lebanon, Libya, Morocco, Namibia, Peru, Romania, Singapore, Thailand, Tunisia, Ukraine, Uruguay, Vietnam, and West Bank and Gaza.  
31. The index value 1 is most restrictive and 0 is the least restrictive.

**SADC member states and other countries covered by the OECD's FDI-RRI observe a similar composition of legal barriers to FDI, that is, "policy categories".** However, on average, SADC countries have a more significant restrictiveness score in each policy category than other developing economies, as shown in figure 10. For SADC member states, the category of measures with the highest relative share in the overall score is "foreign equity limits", followed by "others types of measures", "foreign investment screening" and "restrictions on foreign key personnel".

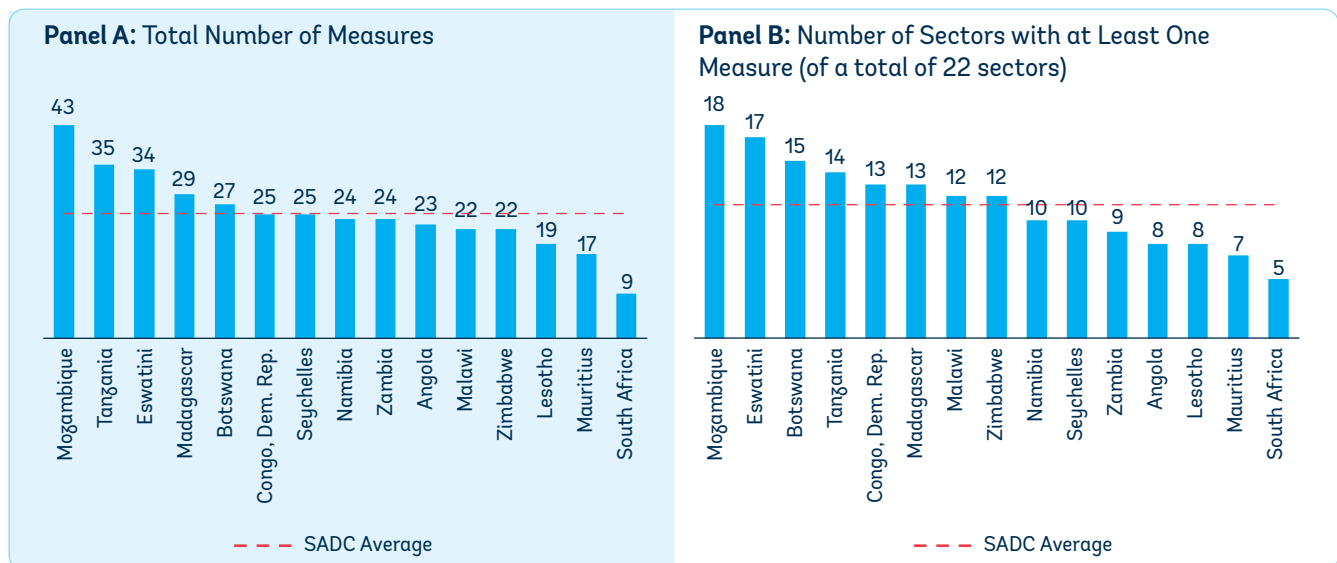
**FIGURE 10** Distribution of OECD FDI Regulatory Restrictiveness Scores by Policy Category and Income Levels



Source: OECD FDI Regulatory Restrictiveness Index (2021).  
 Note: Score: 0 = no restrictions; 1 = most restricted.

**In total, 378 measures are identified for all SADC members, that is, 25 per country, on average.** Figure 11 presents a comparison of countries and the SADC average. South Africa registers the lowest number of measures, that is, 9 in total, whereas Mozambique observes the highest number of measures, totaling 43. SADC member states observe measures in 11.4 of the 22 assessed sectors, on average. Again, Mozambique has measures across a broader range of sectors (18), whereas South Africa has measures covering the least number of sectors (5).

**FIGURE 11** Overview of Number of Measures and Sectors with FDI Restrictions

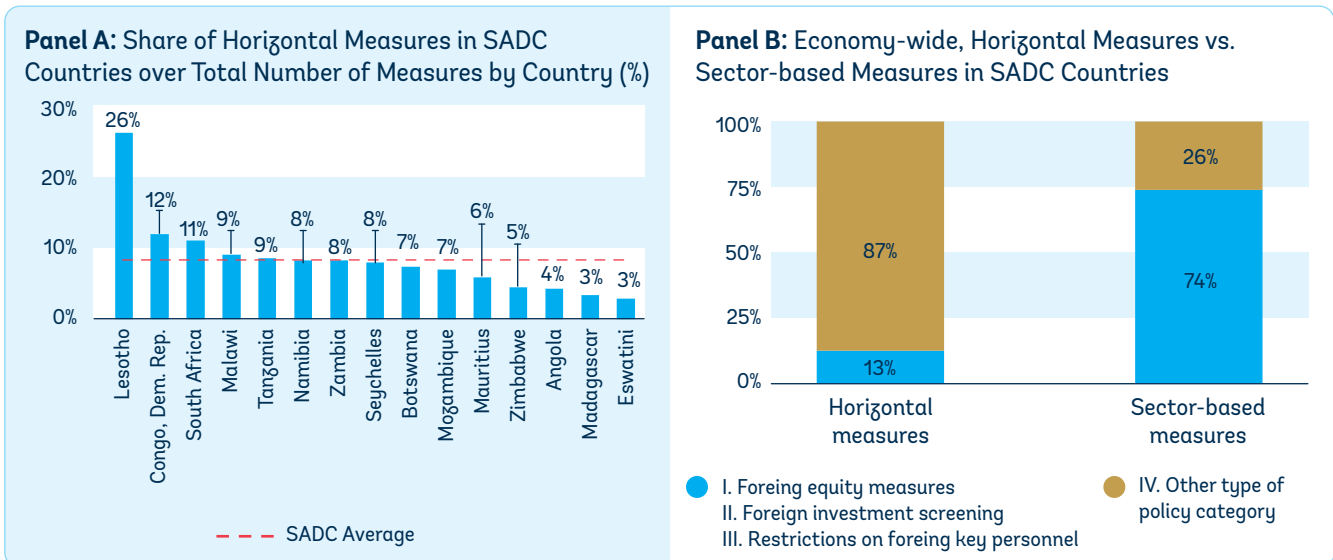


Source: SADC Investment Climate Scorecard.



**SADC countries have, on average, 8.5 percent of their measures applied horizontally across the economy, with the remaining 91.5 percent of the measures pertaining to individual sectors.** However, countries exhibit considerable differences, as presented in figure 12, panel A. Four SADC member states observe a higher number of horizontal measures, with Lesotho at the top, including 26.3 percent of all the measures in the country being applied horizontally. Panel B presents the distribution of the horizontal (32 measures) and sector-based measures (346 measures) under the different policy categories. The results show a high concentration of horizontal policies in the “other measures” category, with 87.5 percent of all measures horizontally applied.

**FIGURE 12** Distribution by Number of Horizontal, Economy-wide Measures



Source: SADC Investment Climate Scorecard

Note: Values in total number of measures, and scaled to represent weights in percentage.

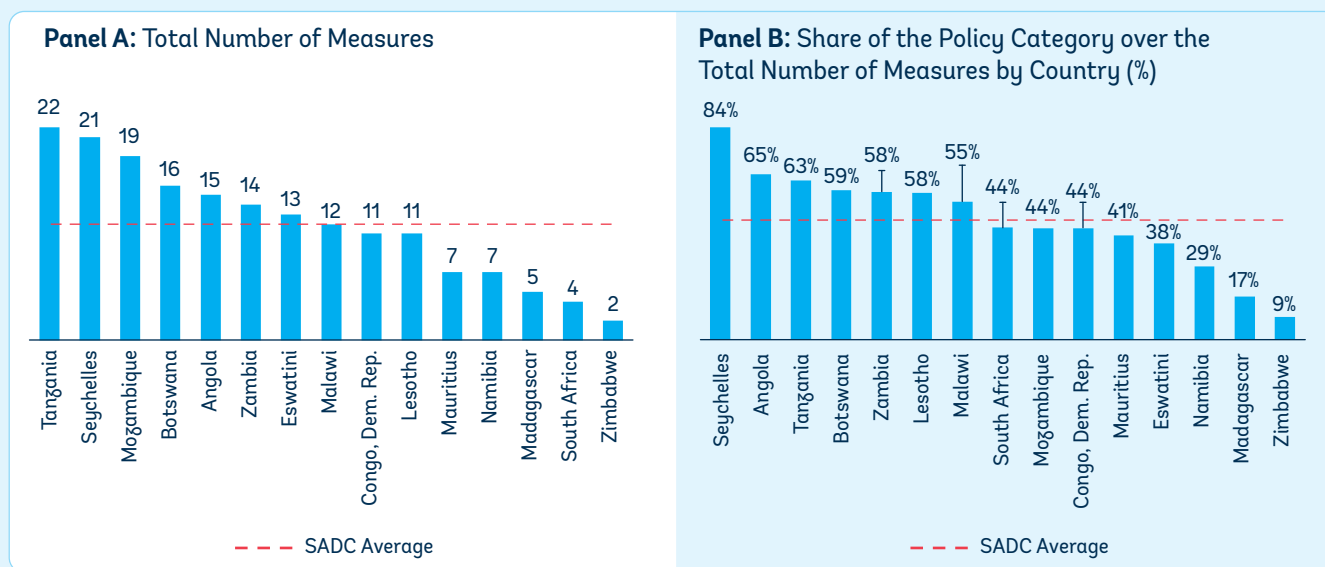
## Results by the Four Types of Policy Categories

### Policy Category 1: Foreign equity limits

This policy category is further broken down for the purpose of analysis for the SADC Investment Climate Scorecard. A distinction is made between full exclusion of foreign participation, restrictions on majority holdings, and limits on foreign ownership. In addition, the scorecard makes a distinction between greenfield investment and acquisitions. This category has multiple sub-categories.<sup>32</sup> However, all measures in SADC countries fall within nine of these sub-categories.

Foreign equity limit is the most prevalent type of policy category at the country level; on average, 47.4 percent of all measures fall under this category<sup>33</sup>. Figure 13, panel B shows that in 7 countries, over 50 percent of measures fall within this category. Figure 13, panel A presents the number of measures by SADC country under this policy category. The findings indicate that Tanzania has the most foreign equity limits (22 measures or 63 percent of all recorded measures in the country), contrasting with Zimbabwe (2 policies or 9 percent).

**FIGURE 13** Distribution of Foreign Equity Limits



Source: SADC Investment Climate Scorecard.

32. Greenfield and acquisitions: No foreign equity is allowed; Greenfield and acquisitions: Less than 33 percent; Greenfield and acquisitions: Between 33 and 50 percent; Greenfield and acquisitions: More than 50 percent up to 67 percent; Greenfield and acquisitions: More than 67 percent, but below 100 percent; Acquisition only: No foreign equity allowed; Acquisition only: Less than 33 percent; Acquisition only: Between 33 and 50 percent; Acquisition only: More than 50 percent up to 67 percent; Acquisition only: More than 67 percent, but below 100 percent; Divestment is required: No foreign equity is allowed; Divestment is required: Less than 33 percent; Divestment is required: Between 33 and 50 percent; Divestment is required: More than 50 percent up to 67 percent; Divestment is required: More than 67 percent, but below 100 percent; Equity restrictions apply as follows, but foreign investments through branches are allowed: No foreign equity allowed; Equity restrictions apply as follows, but foreign investment through branches allowed: Less than 33 percent; Equity restrictions apply as follows, but foreign investment through branches allowed: Between 33 and 50 percent; Equity restrictions apply as follows, but foreign investment through branches allowed: More than 50 percent up to 67 percent; Equity restrictions apply as follows, but foreign investment through branches allowed: More than 67 percent, but below 100 percent; Greenfield only: No foreign equity allowed; Greenfield only: Less than 33 percent; Greenfield only: Between 33 and 50 percent; Greenfield only: More than 50 percent up to 67 percent; Greenfield only: More than 67 percent, but below 100 percent; Listed companies only: No foreign equity allowed; Listed companies only: Less than 33 percent; Listed companies only: Between 33 and 50 percent; Listed companies only: More than 50 percent up to 67 percent; Listed companies only: More than 67 percent, but below 100 percent; Privatized companies/assets: No foreign equity allowed; Privatized companies/assets: Less than 33 percent; Privatized companies/assets: Between 33 and 50 percent; Privatized companies/assets: More than 50 percent up to 67 percent; Privatized companies/assets: More than 67 percent, but below 100 percent.

33. All measures fall within 9 of the above-mentioned sub-categories.





**Ninety-five percent of all measures in foreign equity limits cover “greenfield investment and acquisitions”.**

Box 3 offers an illustrative sample of identified measures in this policy category. Greenfield investment and foreign acquisition restrictions can be further broken down according to the level of foreign equity allowed, ranging from the least restrictive bracket to the most restrictive as follows:

- More than 67 percent, but below 100 percent: 39 measures
- Greenfield and acquisitions: More than 50 percent up to 67 percent: 1 measure
- Greenfield and acquisitions: Between 33 and 50 percent: 53 measures
- Greenfield and acquisitions: Less than 33 percent: 21 measures
- Greenfield and acquisitions: No foreign equity allowed: 57 measures

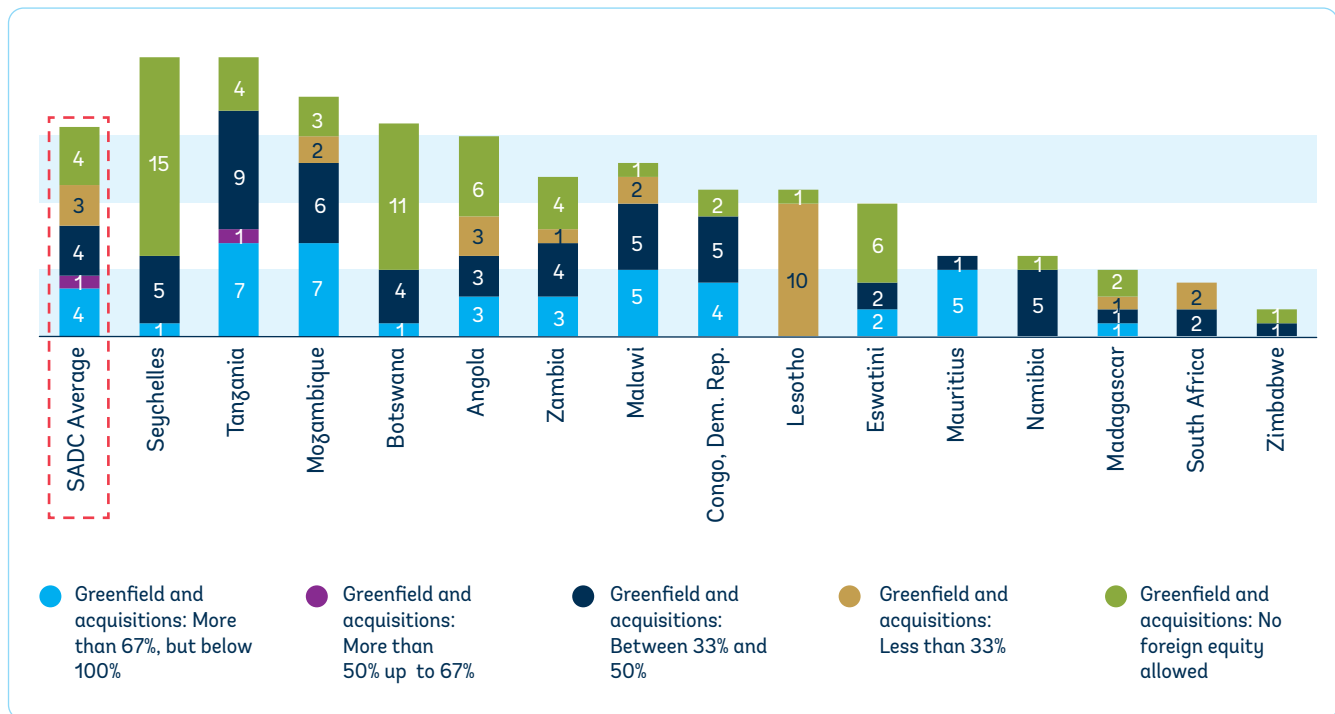
**BOX 3** Sample SADC Investment Climate Scorecard Measures for Policy Category: “Foreign Equity Limits”

- Investment in certain sectors/activities (e.g., domestic haulage sectors, commercial cleaning services, and transportation of heavy and bulk commodities by road) are reserved to citizens.
- Foreign shareholding in an insurance brokerage firm is limited to 49 percent.
- Foreign shareholding in companies manufacturing some chemical products is prohibited and in other activities is limited to 49 percent.
- Foreign shareholding in small accommodation structures (e.g., guest houses) is prohibited.
- Foreign shareholding in taxi and inter-city shuttle services companies is limited to 49 percent.
- Foreign shareholding in telecommunication firms is limited to 49 percent of the voting capital.
- Foreign invested companies cannot hold a permit to exploit industrial minerals.
- Foreign shareholding in companies undertaking certain medium/large-scale paper, wood, furniture activities (e.g., packaging, burglar bars, gates and windows, fencing materials, school furniture, and so on) is limited to 49 percent.

Source: SADC Investment Climate Scorecard.

**Figure 14 shows the distribution of foreign equity limits across SADC member states.** Tanzania represents 12.2 percent of all the measures under this policy category, followed by Seychelles (11.7 percent). When looking only at the composition of restrictions to “greenfield and acquisitions”, 15 of the 21 measures in Seychelles include “no foreign equity allowed”, followed by 5 measures restricting less than 50 percent. In contrast, Tanzania has less severe restrictions, with 4 of the 21 measures falling under “no foreign equity allowed” category; 9 measures limiting greenfield investment and acquisitions to less than 50 percent; and the remaining 8 measures allowing more than 50 percent foreign equity.

**FIGURE 14** Typology of Foreign Equity Limits (by number of measures)



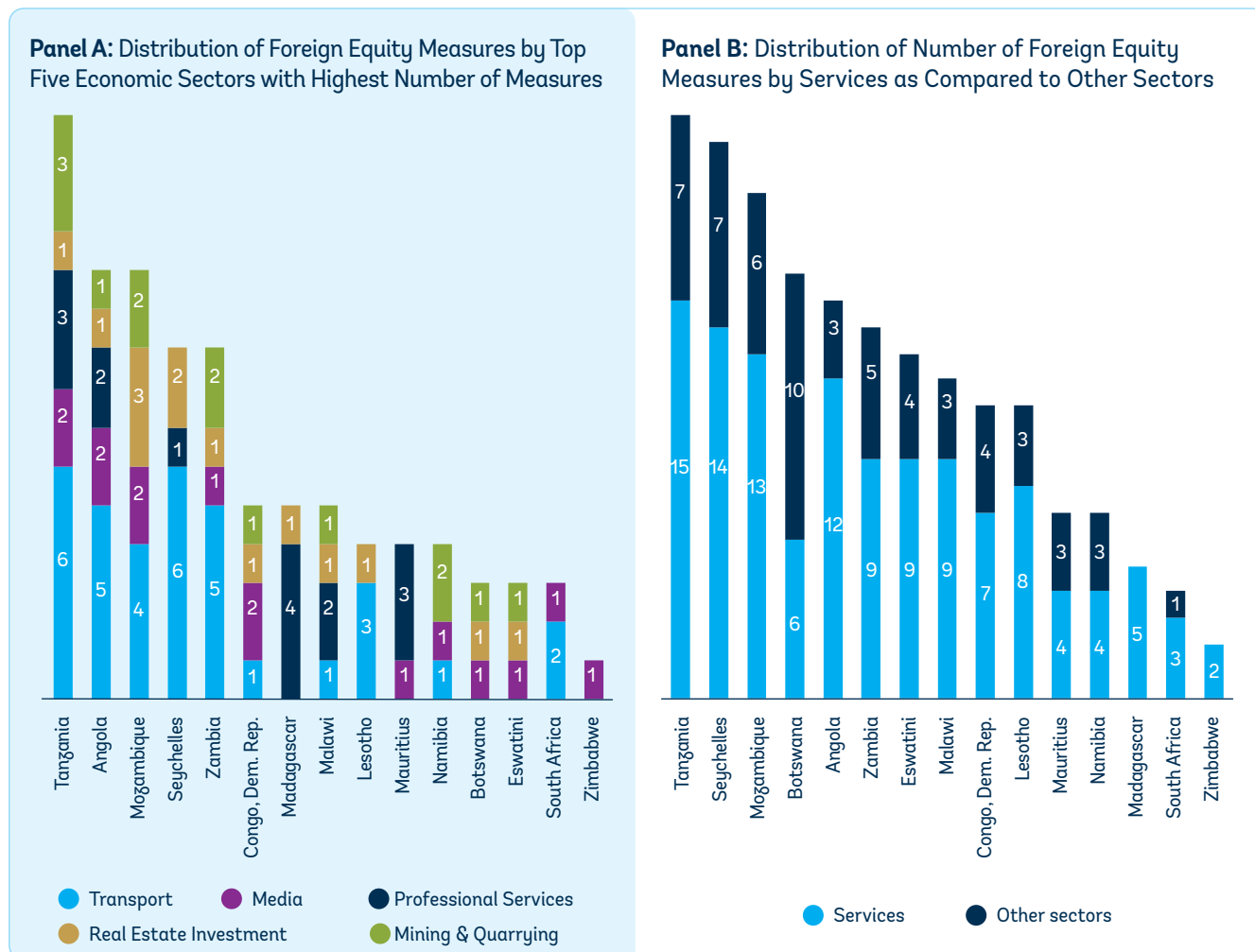
Source: SADC Investment Climate Scorecard.

**SADC member states tend to impose foreign equity limits in multiple sectors.** On average, countries report foreign equity limits in 7 of the 22 sectors covered and tend to concentrate one-third of foreign equity limits to only one sector (figure 15). The countries with the highest concentration by sector are Madagascar, reporting 4 of the 5 measures under this policy category applied to “professional services”; Mauritius observes 3 of the 7 measures in “professional services”; followed by Botswana, registering 6 of the 16 measures in “manufacturing – food and others.”

**Two-thirds of all foreign equity limits are in services<sup>34</sup>.** Madagascar is the country with the highest concentration of foreign equity limits in services, including all its 5 measures. The next is Angola, with 80 percent of the 15 measures applied in services; and Malawi, with 75 percent. In terms of numbers, Tanzania is the country with the largest number of measures applied in the services sectors, with 15 measures, with the remaining 7 measures applied to other sectors, mainly mining and quarrying.

34. The following sectors are included in ‘Services’: 12. Distribution – Retail, 13. Distribution – Wholesale, 14. Transport, 15. Accommodation, Food Services, Arts, Entertainment and Recreation, 16. Media, 17. Telecommunications, 18. Financial Services – Banking, 19. Financial Services – Insurance, 20. Financial Services – Other Financial Services, 21. Professional Services and 22. Real Estate Investment.

**FIGURE 15** Distribution of the Number of Foreign Equity Measures by Economic Sector (by number of measures)



Source: SADC Investment Climate Scorecard.

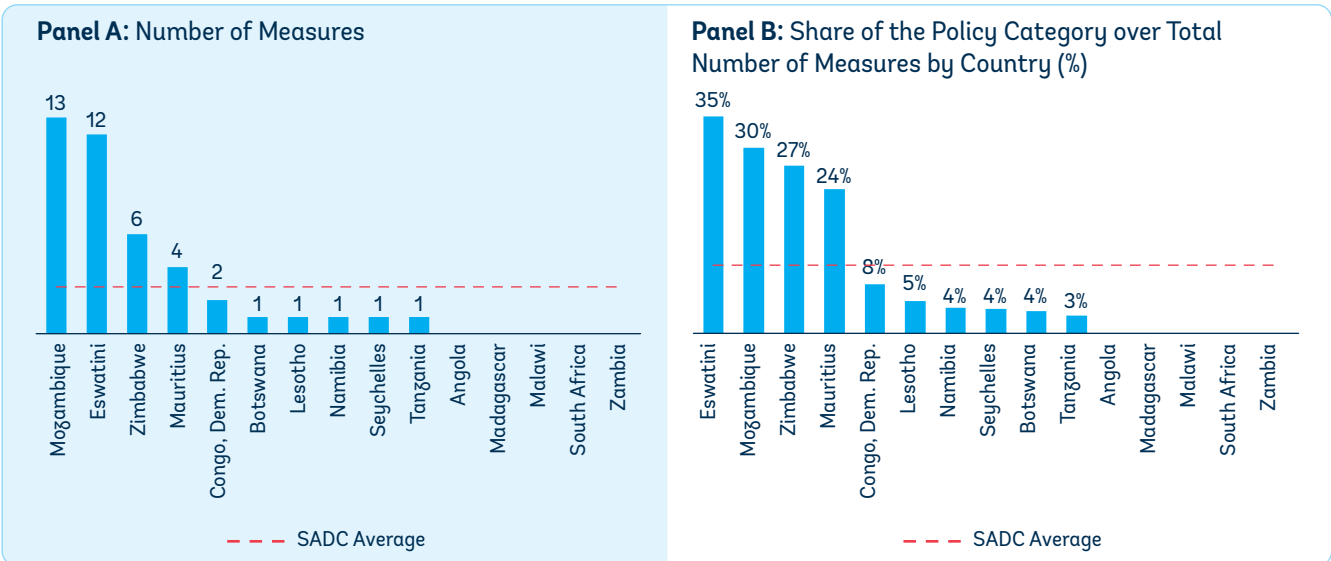
### Policy Category 2: Foreign investment screening

**Screening<sup>35</sup> and approval is the third most prevalent category in SADC; on average, 11.1 percent of all measures fall under this category.** Among the SADC states, two countries comprise 25 of the 42 recorded measures in this category: Mozambique uses this policy category most extensively (13 measures or 30 percent of all the measures in the country), followed by Eswatini (12 measures, representing 35 percent of all measures) (figure 16). Five countries observe a minor participation in this policy category, with only one screening an approval measure. Another 5 countries had no policy measure under this category- these are Angola, Madagascar, Malawi, South Africa, and Zambia.

35. Foreign investment screening can be of two types: a) General screening: This category includes all FDI screening policies. For simplification purposes, this category of screening can be called “General screening” (or “non-national security based FDI screening”); b) National security/interest review: Historically, FDI screening based on national security (or “national security review”) has been frequently applied to foreign investments in defense or armament manufacturing, which were considered sensitive sectors. In recent times, the concept has been expanded in the context of emerging technologies and geo-political tensions. For instance, communications infrastructure, biotechnology, data privacy, food security and, in some instances, even certain types of real estate are now often included within the category of “sensitive” or “strategic”. The use of national security screening or review is becoming more common, and not only in advanced or industrialized economies.



**FIGURE 16** Distribution of Foreign Investment Screening



Source: SADC Investment Climate Scorecard.

**Seventeen of the 22 sectors observe at least one foreign investment screening measure (see sample measures in Box 4), and on average there are 2 measures per sector.** As shown in Panel A of Figure 17, real estate investment is

the sector with the highest number of screening measures (6), followed by distribution/retail, accommodation, and food services with 5 measures each.

**BOX 4** Sample SADC Investment Climate Scorecard Measures in Policy Category: “Foreign Investment Screening”

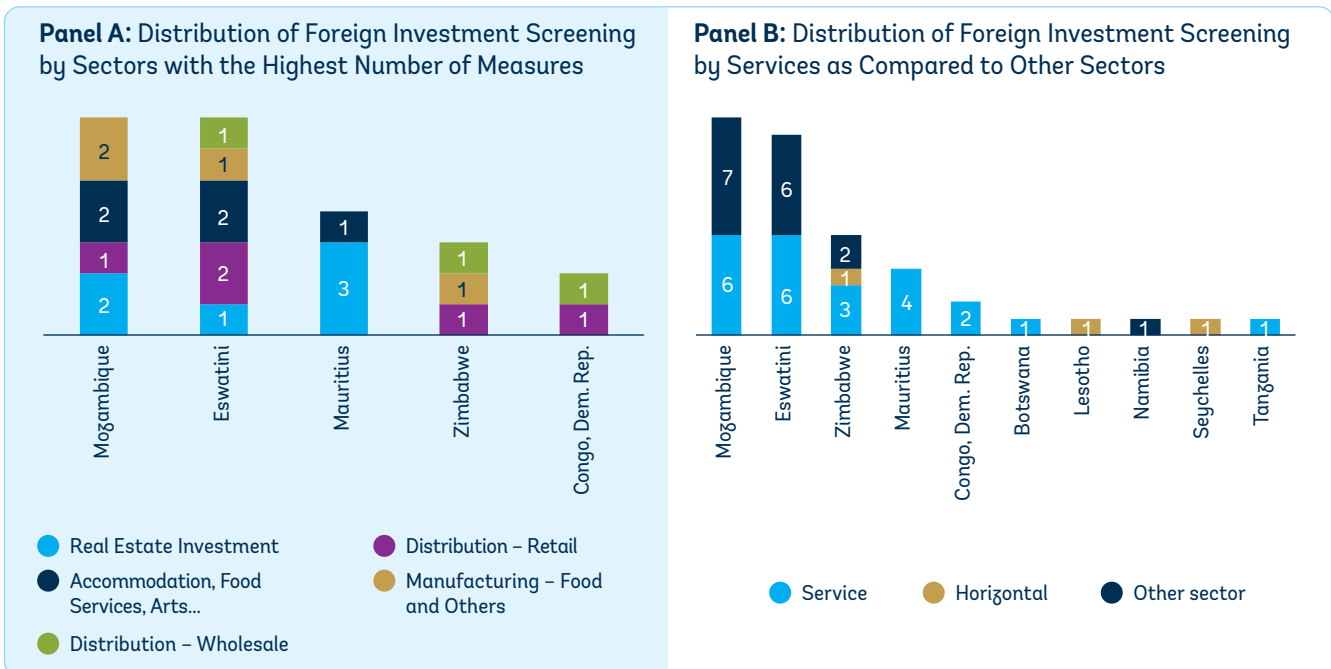
- Foreign investment (above 49 percent of share capital) in the retail sector requires the approval of the Minister of Trade and Industry.
- A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodations, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a foreign citizen or company not wholly-owned by local citizens where: (i) there are no available local citizens to provide the service; or (ii) where local citizens cannot meet the demand.
- The aquaculture policy stipulates that preference is to be given to local citizens and to ventures beneficially controlled by local citizens to benefit from the utilization of the country’s natural resources for aquaculture development. For the purposes of the OECD FDI Regulatory Restrictiveness Index, it is assumed that this takes place during the licensing process by the Minister because differential rules for FDI are explicitly stipulated in the legislation.

Source: SADC Investment Climate Scorecard.

**Although FDI screening is concentrated in services, other sectors and horizontally applied measures represent an important share of this policy category as well.** Services sectors have about 54.8 percent of all screening measures, and other sectors represent about 38.1 percent of all screening measures. The remaining

7.1 percent of all screening measures are horizontal. Mozambique and Eswatini have the largest number of screening measures applied to services, with 6 measures each. In Mozambique, the remaining 7 measures were applied to other sectors, and in the case of Eswatini, the remaining 6 measures are mainly in manufacturing.

**FIGURE 17** Distribution of Foreign Investment Screening across Sectors (by number of measures)



Source: SADC Investment Climate Scorecard.  
 Note: The countries not listed have 0 measures within this policy category.



### Policy Category 3: Measures on foreign key personnel

**Measures regarding foreign key personnel (directors, managers, and other key personnel) include the following: nationality requirements for members of the board of directors and for top executive positions** (see sample identified measures in Box 5).

In SADC countries, three types of sub-categories fall within this policy category:

- Foreign key personnel (that is, top-level executive positions) not permitted.
- Nationality requirements for the board of directors, that is, a majority must be nationals.
- Nationality requirements for the board of directors, that is, at least one must be a national.

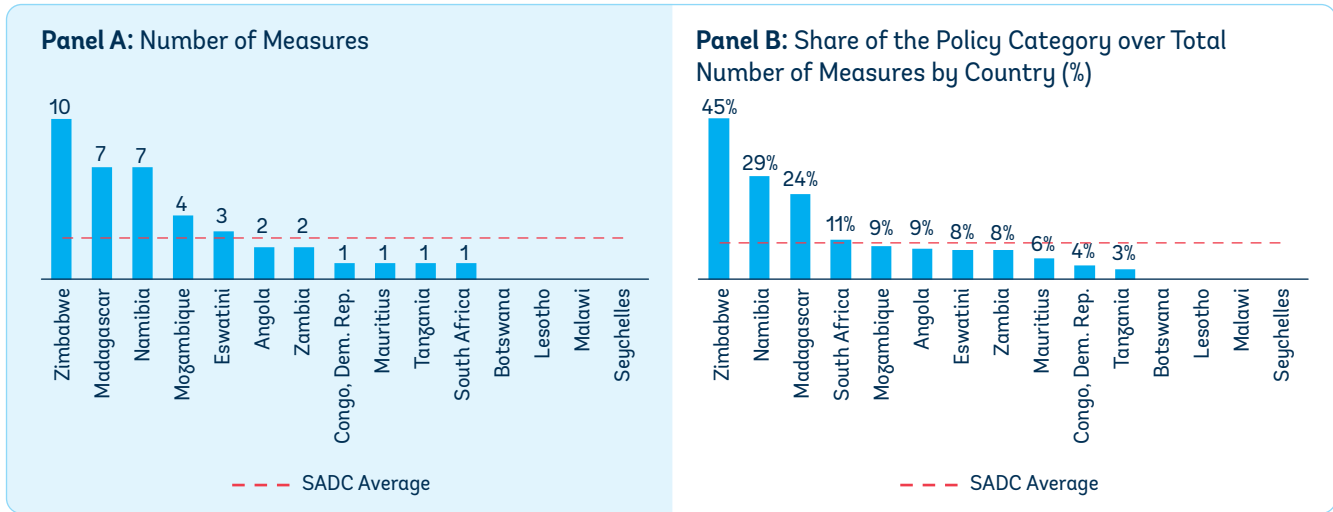
#### **BOX 5** Sample SADC Investment Climate Scorecard Measures in Policy Category: “Foreign Key Personnel”

- Road service licenses (allowing holders to carry out transportation services for goods and passengers) are granted to companies in which not less than 25 percent of membership and all directors are local citizens.
- The director of a company/establishment selling alcoholic beverages for on-site consumption (for example, restaurants, bars) or take-away (for example, supermarkets, alcoholic beverage retail distributors) must be a local citizen.
- National cabotage, demarcation and inland transport are reserved for vessels flying the local flag. The crew [including the captain] of a local vessel must be of local nationality.
- Qualified foreign nationals may register with the Order of Accountants upon meeting requirements and subject to reciprocity. Only foreigners who have resided in the country for over 10 years and that meet qualification requirements are entitled to register and practice as chartered accountants [auditors].
- Foreign investors in certain types of tourism accommodation, notably guesthouses and tourist residences, cannot nominate a foreigner for the position of Managing Director, except for the investor him(her)self and subject to a proven track record in managing similar structures.

Source: SADC Investment Climate Scorecard.

**Foreign key personnel is the least used policy category; on average, 10 percent of all identified measures fall under this category.** Only two countries observe a concentration under this policy category of over 25 percent of all their respective measures, including Zimbabwe (10 measures or 45 percent of all measures), followed by Namibia (7 measures or 29 percent). Furthermore, 7 countries register a share (of total measures) below 10 percent, and 4 do not observe any measures under this policy category. On average, the SADC countries observe 2.6 measures each (Figure 18)

**FIGURE 18** Distribution of Measures on Foreign Key Personnel



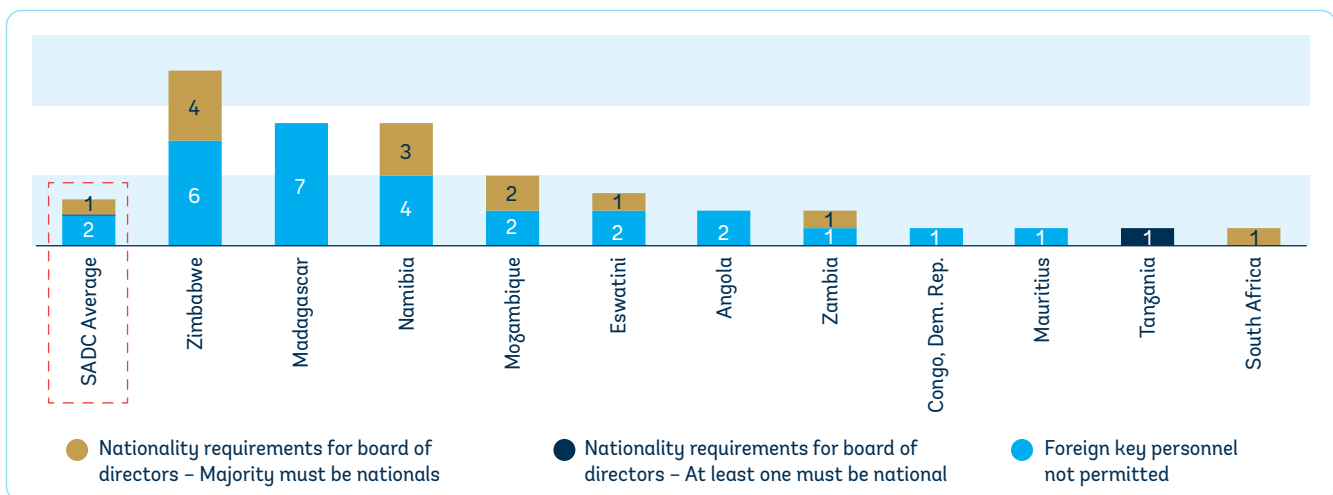
Source: SADC Investment Climate Scorecard.

The most prevalent sub-category within this policy area is “foreign key personnel not permitted,” representing 66.7 percent of all measures concerning foreign key personnel. Figure 19 shows that 9 SADC countries record at least one measure under this sub-category. Notably, Madagascar has 7 measures under “foreign key personnel not permitted,” followed by Zimbabwe with 6 measures, and Namibia with 4 measures.

“Nationality requirements for the board of directors”<sup>36</sup> are found in 7 SADC member states, representing 33.3 percent of all measures concerning foreign key person-

nel (figure 19). Although not as prevalent as the previous sub-category, “nationality requirements for the board of directors” stands out in two countries, namely: Zimbabwe and Namibia. Zimbabwe observes 4 measures that can be classified as “nationality requirements for the board of directors – majority must be nationals”, and Namibia registers 3 measures of the same type. In contrast, Tanzania reports only one measure under “restrictions on foreign key personnel,” However, it is the only country in the sample with nationality requirements for the board of directors, specifically, it notes that at least one must be a national.

**FIGURE 19** Distribution of Measures on Foreign Key Personnel (by number of measures)



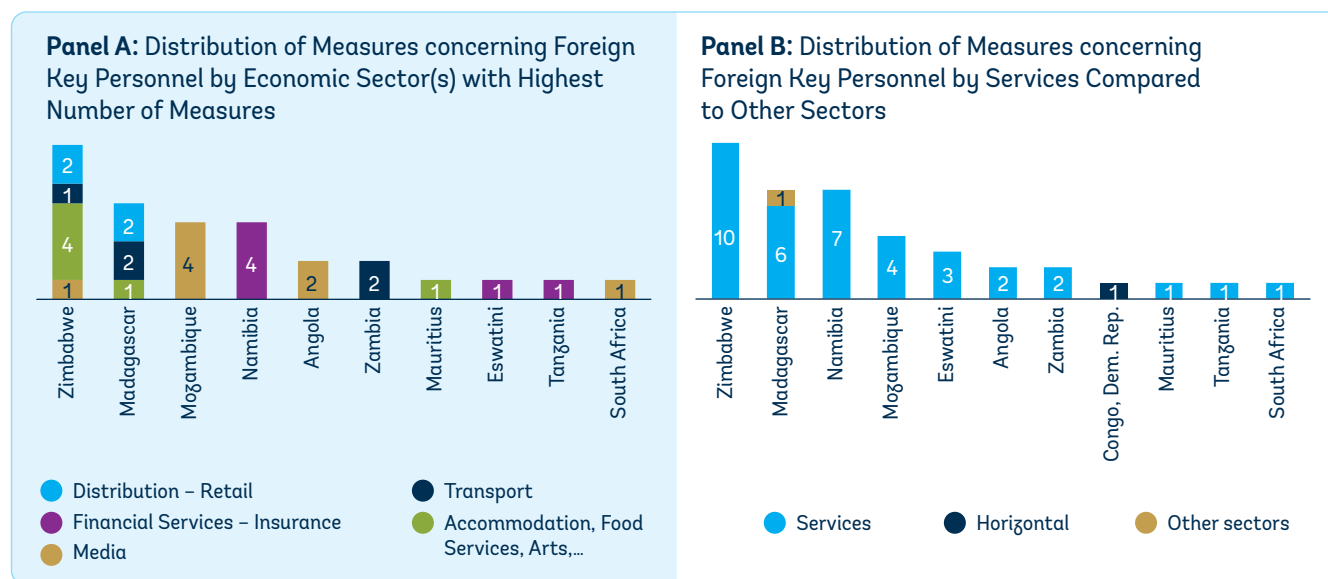
Source: SADC Investment Climate Scorecard.

Note: The countries not listed have 0 measures within this policy category.

36. For simplicity, the percentage of “Nationality requirements for board of directors” was calculated including the two types observed in SADC countries: “majority must be nationals” and “at least one must be a national”.

**Ninety-five percent of all the measures under this policy category apply to services** (figure 20). Media is the service sector with the highest number of measures under this category, representing 21 percent of the 39 measures recorded. It is observed that all the 10 measures in Zimbabwe are in the service sectors. Namibia, the second country with the most measures for foreign key personnel, also registers all the measures in the service sector. In the case of Madagascar, from the 7 measures in total, 6 are imposed in the service sector, whereas the remaining policy is applied in other sectors. On average, countries place restrictions on foreign key personnel in 1 sector. Notably, none of the five manufacturing sectors observe a measure on foreign key personnel.

**FIGURE 20** Distribution of Measures concerning Foreign Key Personnel (by number of measures)



Source: SADC Investment Climate Scorecard.  
 Note: The countries not listed have 0 measures within this policy category.

### Policy Category 4: Other types of measures

The SADC Investment Climate Scorecard methodology covers various additional rules concerning FDI operations. These are apart from the first 3 policy categories, and are jointly classified as “other types of measures”. Box 6 offers an illustrative sample of identified measures in this policy category. This policy category has the following 10 sub-categories:

1. Land/real estate ownership not permitted but leases possible – medium-term: up to 70 years.
2. Land/real estate ownership not permitted but leases possible – long-term: over 70 years.
3. Access to land/real estate is subject to a FDI-specific restriction (for example, prior approval, quantitative/size limits, tax, and so on).
4. Restrictions on (post-tax) profit/capital repatriation (for example, prior approval, quantitative or time limits).
5. Access to local finance.
6. FDI-specific minimum capital requirement.
7. FDI-specific local content requirement.
8. Government procurement offers preference to locally owned firms.
9. Reciprocity requirement.
10. Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).



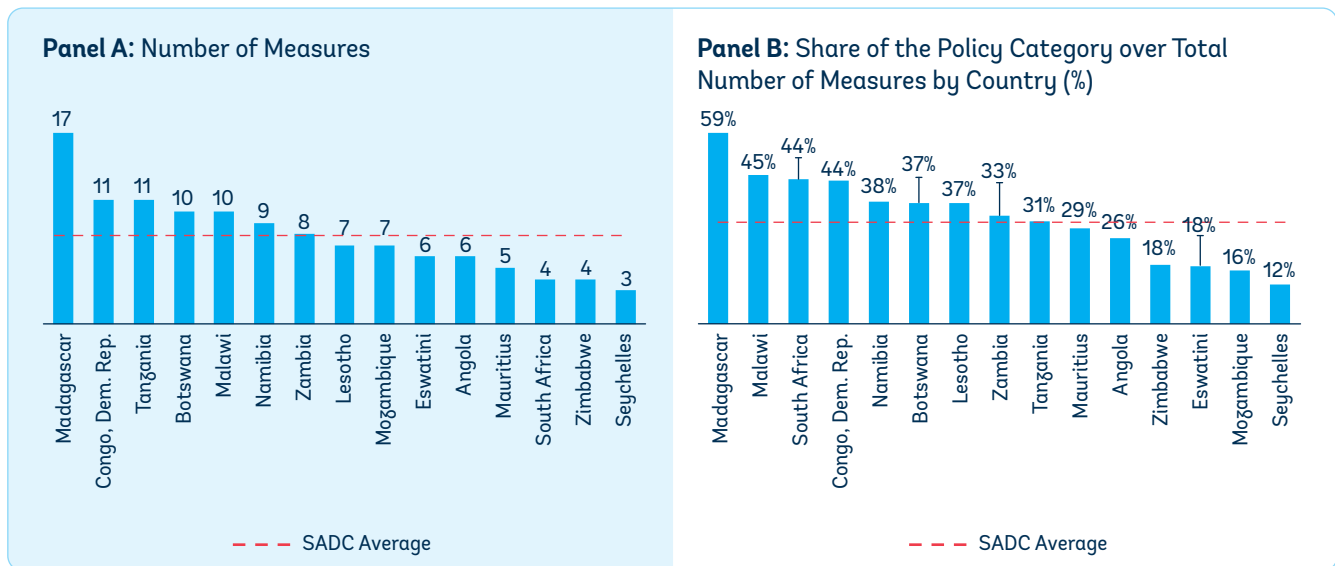
**BOX 6** Sample SADC Investment Climate Scorecard Measures in Policy Category: “Other Types of Measures”

- Public procurement rules on goods, works and services are accorded preferential treatment to enterprises that are majority-owned by local citizens.
- Branches of foreign banks/financial institutions are not allowed. Local incorporation is required for undertaking banking activities and various other financial services.
- Mining companies, including coal mining, are required to give preference to contractors, suppliers and service agencies located in the country and owned by citizens.
- Reciprocity considerations apply for granting road transport permits to foreign-owned transport companies.
- Foreign investment in certain types of tourism accommodations, notably guesthouses and tourist residences, are subject to higher minimum capital/investment requirements for foreign companies.
- Foreign investors are subject to differential minimum capital requirements stipulated by the Minister from time to time by notice in the Gazette.
- Companies in which foreign investors hold 75 percent or more of the capital are subject to local borrowing and other financial assistance limitations, except in relation to working capital finance.

Source: SADC Investment Climate Scorecard.

“Other types of measures” is the second most prevalent policy category in SADC countries; on average, SADC member states have 8 measures, or 31 percent of their total number of measures, in this category. Figure 21 shows that Madagascar uses this policy category most extensively (17 measures or 59 percent), followed by Democratic Republic of Congo and Tanzania (11 measures each or 44 percent and 31 percent, respectively, of all measures in the corresponding country).

**FIGURE 21** Distribution of “Other Types of Measures”



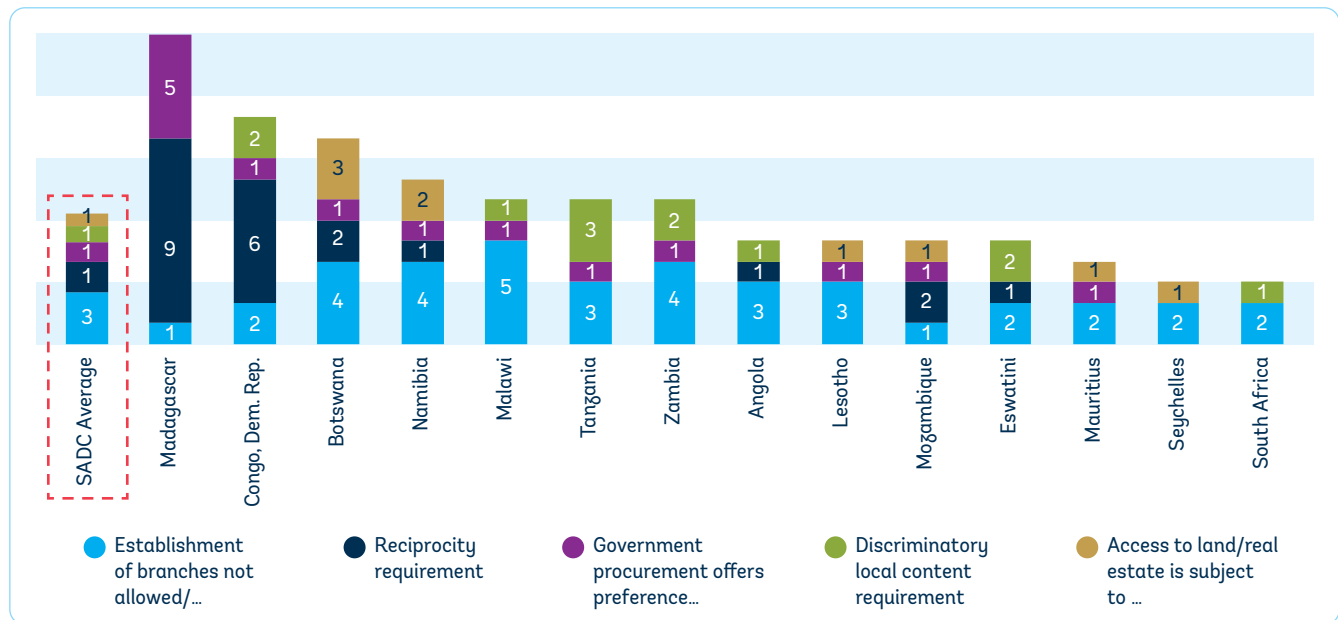
Source: SADC Investment Climate Scorecard.

**Seven of ten measures are concentrated in half of the 10 policy sub-categories (figure 22):**

- The “establishment of branches not allowed” / “local incorporation required” is the most prevalent type, representing 32 percent of all measures in this category (38 measures). In total, 14 member states record at least one measure; however, four countries represent almost half (45 percent) of all the measures under this sub-category. They include Malawi, which registers 5 measures, followed by Botswana, Namibia and Zambia, which record 4 measures each.
- “Reciprocity requirement” is the second most prevalent, representing 19 percent of all measures in this category (22 measures). Of all the SADC member states, 7 have at least one measure under this sub-category. Two countries comprise more than two-thirds (68 percent) of all measures under this sub-category. They include Madagascar with 9 measures, followed by the Democratic Republic of Congo, registering 6 measures.

- “Government procurement granting preference to locally owned firms” is the third most prevalent measure, representing 12 percent of all measures in this category (14 measures). This is the most homogeneously distributed policy measure, with 10 countries recording at least one measure.
- The “FDI-specific local content requirement” is the fourth most prevalent type, representing 10 percent of all measures in this category (12 measures). Seven countries register at least one measure under this sub-category, with Tanzania accounting for one-fourth, including 3 FDI-specific local content requirements.
- The “Access to land/real estate with conditions” is the fifth most prevalent type, representing 8 percent of all measures in this category (9 measures). A total of 6 countries have at least one measure, and two comprise over half of all measures recorded. Botswana registers 3 measures, followed by Namibia with 2 measures.

**FIGURE 22** “Other Types of Measures” by top five sub-categories (by number of measures)



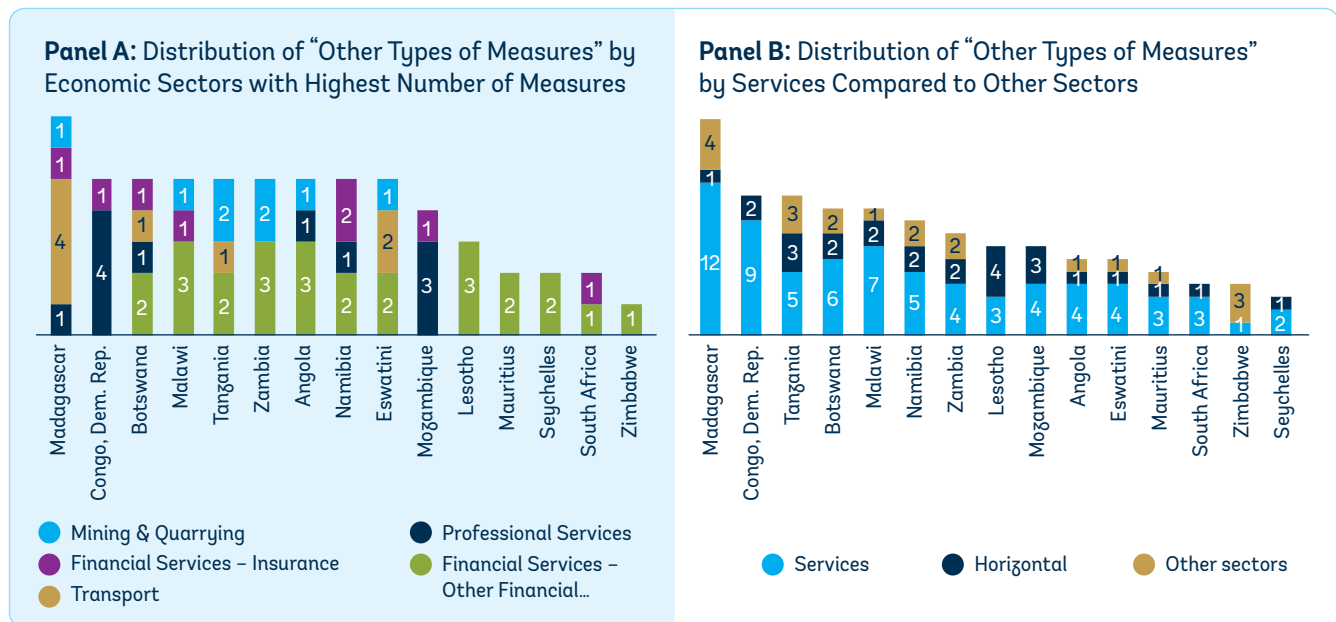
Source: SADC Investment Climate Scorecard.



The ‘Other types of measures’ are present in 17 of the 22 sectors covered; however, they are concentrated in horizontal policies and in the financial services sector<sup>37</sup>, jointly representing 57 percent of all measures under this policy category. Horizontally applied policies are the most prevalent, comprising 22 percent of all measures under this category. Horizontal measures apply across sectors. As noted, the sector with the highest share of measures under this policy category is financial services, with 35 percent of the measures (figure 23). Measures are spread across the

member states, with all 15 countries observing at least one horizontal measure and at least one measure in financial services. At the country level, Madagascar has the largest number of measures in the service sectors, comprising 12 of the 70 measures across SADC countries under this policy category. The Democratic Republic of Congo follows with 9 measures in service sectors, representing 13 percent of all other measures. In South Africa, one of the countries with the least number of measures among SADC members, 3 of the 4 “other types of measures” are in service sectors.

**FIGURE 23** Distribution of “Other Types of Measures” (by number of measures)



Source: SADC Investment Climate Scorecard.

37. Financial Services is represented by three sectors under the OECD methodology: 18. Financial Services – Banking; 19. Financial Services – Insurance; and 20. Financial Services – Other Financial Services.



## IV. Policy Implications

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**FDI can play a critical role in countries' efforts to stimulate economic development.** Next to providing capital, FDI can foster economic growth, job creation, productivity improvements for domestic firms, and knowledge transfer. Further, it can serve as a vehicle for the transformation of domestic production and better integration with global value chains (Alfaro-Urena, Manelici and Vasquez 2020; Heimberger 2021; Javorcik 2004; Qiang and others 2021; and World Bank Group 2018). There are a number of countries that have successfully leveraged FDI to upgrade into new global value chains, including China, Costa Rica, Malaysia and South Korea (Qiang and others 2021; World Bank Group 2020). Today, most countries in the world seek to attract FDI to complement domestic investment and modernize and/or upgrade their economy.

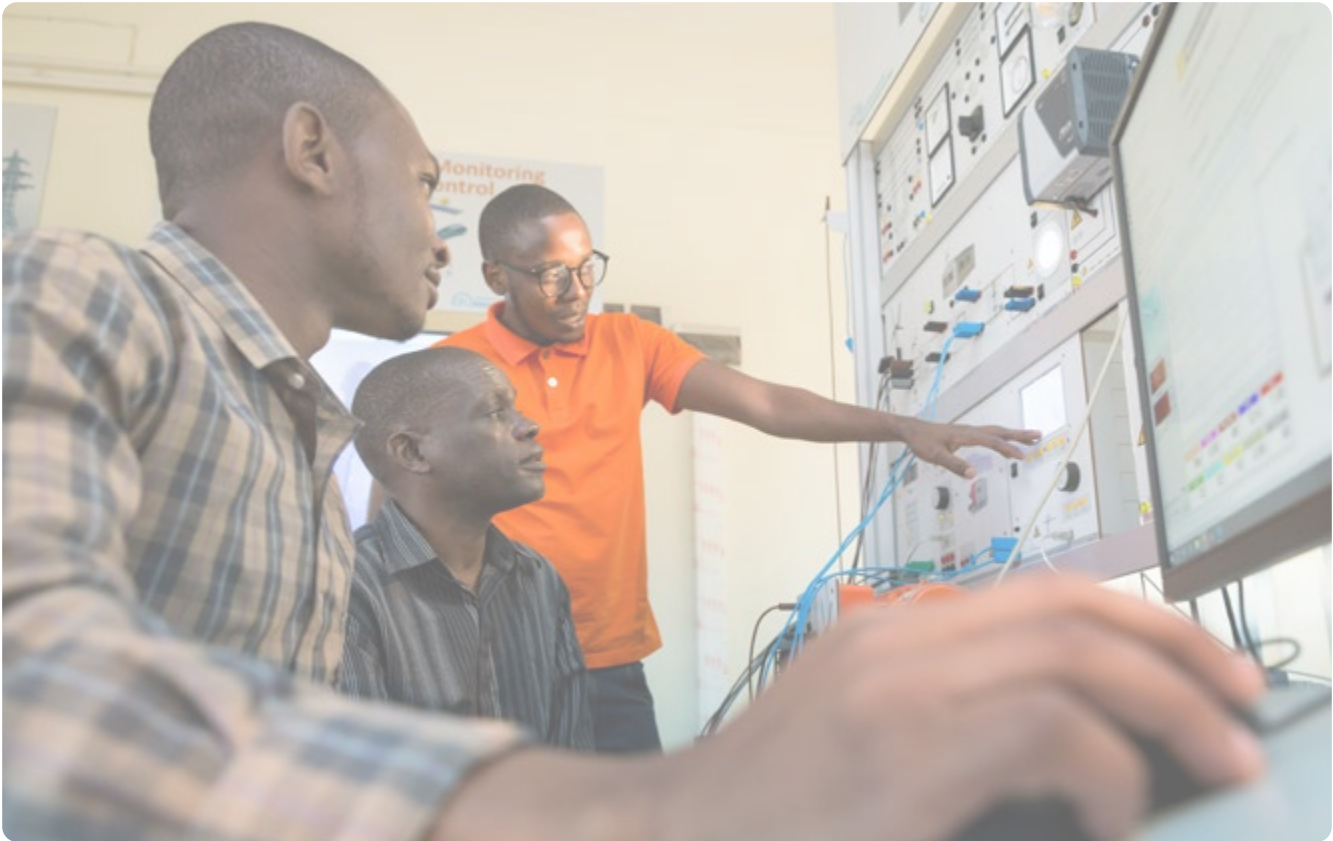
**Over the past few years, SADC member countries have implemented policies to improve their investment competitiveness.** For example, to facilitate investment, Botswana established an Investment Facilitation Centre that houses relevant government agencies to provide faster services to investors.<sup>38</sup> Similarly, in 2022, Mauritius launched the Financial Services Commission (FSC) Single Window. It is a one-stop-shop service to serve financial institutions, businesses, and potential investors.<sup>39</sup> Zimbabwe, Namibia and Madagascar have also recently undertaken reforms to improve their rules concerning FDI entry and operations. Specifically, Zimbabwe amended the Indigenization and Economic Empowerment Act (2008)

to remove the majority indigenization threshold. Namibia removed the requirement for companies seeking mining exploration licenses to be partly owned and managed by black Namibians. Madagascar also removed restrictions concerning the transfer of capital in and out of the country (foreign exchange), while also requiring a declaration of transfer to be submitted to the authorities or an authorized bank.

**As global competition for FDI intensifies, countries need to continuously monitor and adjust their investment policy frameworks to the changing global realities, as well as their own political economy and development considerations.** In reviewing their performance on the SADC Investment Climate Scorecard (the Country Profiles in Part 2 of this report) and determining their own reform options, SADC member states should take into consideration good practices in the 4 policy categories covered in the Scorecard, as well as recent global developments in investment policy. Key elements of a competitive FDI policy and institutional framework include, among others, an open FDI entry regime; a streamlined and transparent investment facilitation framework; targeted investment promotion; and overall, a predictable regulatory environment for investment. Of course, to determine reform priorities countries will also need to take into consideration their stage of development, as well as broader socioeconomic and sustainable development objectives.

38. These services include administrative procedures for company and business registration, trade and industrial license applications, entry visas, work and residence permits, work permit exemptions, the connection of utilities, income tax and value-added tax (VAT) registration, access to industrial and commercial land, and environmental impact assessment(s).

39. The Single Window provides relevant information related to licenses and professional permits and business registration. It helps investors in the sector submit information to fulfill regulatory requirements. It also provides access to three institutions, namely, the Financial Services Commission, the Corporate and Business Registration Department and the Economic Development Board.



**FDI entry restrictions can vary significantly by country and sector.** They can include: (i) equity ceilings; (ii) restrictions on the type of shares foreign investors can purchase; (iii) restrictions on the legal form (iv) quotas, (v) minimum investment or paid-up capital requirements; (vi) restrictions on the geographical location of an investment; (vii) mandatory local hiring requirements; (viii) expatriate restrictions (ix) mandatory research and development (R&D) requirements; (x) export requirements; (xi) FDI-specific licenses or approvals, screening or (xii) mandatory local sourcing (Kher and Eltgen 2021). The COVID-19 pandemic exacerbated a pre-existing trend toward increasing numbers of restrictive investment policy measures, especially in developed countries (UNCTAD 2022). Of the 79 new entry restrictions identified by the World Bank's FDI Entry and Screening Tracker since February 2020, more measures were aimed at restricting entry (62 percent) than at liberalizing/facilitating entry (38

percent). In the context of the pandemic, OECD countries have recently adopted measures that restrict FDI (in most cases motivated by national security concerns or desire to protect sensitive domestic businesses). Only 23 percent of these measures are timebound, thus not automatically removed or revisited at the end of the pandemic.

**However, developing countries, in particular middle-income countries<sup>40</sup>, have progressively been reforming their FDI policy frameworks, in particular, on the 4 policy categories covered by the SADC Investment Climate Scorecard.** Recent data shows, that overall investment policy measures (including those beyond entry) in 2022 that were favorable to investment, increased to pre-pandemic levels. In 2022, three quarters of the measures more favorable to investment were adopted by developing countries<sup>41</sup> (UNCTAD 2023).

40. For further details, see Kher, P., P. Kusek, and M. Eltgen. 2022. Investment Policy and Regulatory Review. Washington, DC: World Bank. Investment Policy and Regulatory Reviews - Brazil, China, India, Indonesia, Malaysia, Mexico, Nigeria, Thailand, Turkey, Vietnam are available at <https://openknowledge.worldbank.org/search?spc.page=1&query=2022%20investment%20policy%20and%20regulatory%20review&spc.sf=score&spc.sd=DESC>; Kher and Eltgen (2020).

41. The share of such measures in developed countries also grew for the first time since the pandemic.

## Foreign equity limits

**Recent reforms implemented by developing countries to create more open FDI frameworks have focused on foreign equity limits.** Countries have progressively removed or increased limits (a percentage amount), taking into consideration the maturity and capacity of their domestic industry, as well as overall political economy

factors. Countries need to take a strategic sector-specific approach, gradually liberalizing sectors where FDI will have the most positive impact and benefits for the local economy. Box 7 provides an illustrative list of recent reforms that have eased FDI equity limits.

### **BOX 7** Notable Recent Reforms Easing FDI Equity Restrictions

**India:** On October 7, 2021, the Government of India announced that it would allow 100 percent foreign participation in the telecommunications services industry, including all telecommunications services and infrastructure providers, through the Automatic Route. Until this recent announcement, FDI in telecommunications was capped at 49 percent via the automated route. Everything beyond that had to obtain approval on a case-by-case basis through the government channel.

**Maldives:** On June 13, 2021, the Maldives allowed 100 percent foreign-owned companies to: operate and manage airports (including terminal facilities such as an airway terminal); airport and air-traffic control activities; and ground service activities and airfields. Prior to this reform, companies with foreign ownership up to 75 percent were allowed to operate air transport services under a five-year operating period and with an investment of US\$5 million.

**Philippines:** On November 15, 2022, the Department of Energy revised the foreign investment negative list to open the renewable energy sector to full foreign ownership (currently subject to a 40 percent cap). The amendment enables foreign citizens or foreign-owned entities to engage in the exploration, development, and utilization of the country's renewable energy resources, such as solar, wind, biomass, ocean and/or tidal energy. Similarly, On December 15, 2021, the Philippines Senate passed Senate Bill 2094, which amends the Public Service Act by enabling 100 percent foreign ownership of public services, such as telecommunications, airlines, shipping, and railways.

**United Arab Emirates (UAE):** In November 2021, the UAE amended the Commercial Companies Law (coming into effect on January 2, 2022), to allow investors and entrepreneurs to establish 100 percent foreign-owned companies in almost all sectors, except for activities deemed to be "strategic". Historically, foreign ownership in UAE was capped at only 49 percent, with the remaining 51 percent mandatorily belonging to a UAE national.

**Vietnam:** On June 16, 2022, the Vietnam National Assembly promulgated the new Law on Insurance Business No. 08/2022/QH15, which went into effect on January 1, 2023. According to the new law, foreign investors are allowed to own 100 percent of the shares of an insurance company in Vietnam.

Source: UNCTAD Investment Policy Monitor, World Bank Group Investment Policy and Regulatory Reviews (2022).

## Investment approval or screening

The approach regarding the use of investment approval or screening has evolved, particularly in the context of the COVID-19 pandemic, when countries increased their scrutiny of foreign takeovers of strategic assets and technology companies (UNCTAD 2022). Screening processes can be a significant deterrent to FDI. This effect is especially strong for service sectors and for efficiency-seeking investment, which is more mobile than other types of FDI. Thus, investors can choose host countries with simpler and more favorable business environments (Mistura and Roulet 2019). Although, in principle, governments use screening mechanisms as legitimate tools for pursuing economic objectives, deficiencies in the design of these mechanisms may impose burdens on investors without advancing the intended objectives. Even if the mechanisms are well designed, their poor or discretionary administration may increase costs and uncertainty for investors. Depending on specific policy objectives, alternatives to screening can be explored, for example, through registration or notification requirements.

**Screening and approval mechanisms may be needed for narrow policy objectives, but they must be administered effectively and implemented in a transparent way<sup>42</sup>.**

Their use should be limited to a small number of sectors that can genuinely be considered “strategic” or “sensitive”, or alternatively to specific companies (“entity-specific” or “target-specific” screening). The different concepts (strategic, sensitive, and so on) should be defined in ways that are clear and differentiated and not too broad or all-encompassing. Further, objective criteria should be used to screen projects, and a recourse mechanism should be available to investors whose applications are denied. In addition, negative lists and standard operating procedures should be set for agencies conducting the screenings or reviews. Governments should focus on risk mitigation rather than risk elimination. The complete elimination of risk in FDI screening is unrealistic, if not impossible. Several risk-mitigation measures can be used and combined, including, but not limited to, targeted screening, clear definitions, and formulation of objective criteria for decision-making by screening authorities. Box 8 provides examples of screening and approval mechanisms introduced by the EU and the United States (US).

### **BOX 8** Examples of Recently Instituted FDI Screening Frameworks

#### **European Union: Implementing screening procedures on the grounds of security or public order only**

**General Characteristics:** The EU is committed to maintaining an open investment policy for foreign investments. However, to address threats from certain foreign investment in EU member countries, the EU Parliament drafted a new law for screening foreign investment. On September 13, 2017, the European Commission issued a proposed regulation to create a new framework for screening foreign direct investment into the European Union on the grounds of security or public order. The proposed regulation was adopted by the EU Council on March 5, 2019. Pursuant to Article 3 (1) (e) and article 207 (1) of the Treaty on the Functioning of the European Union (TFEU), FDI has become part of the common commercial policy (CCP).



42. See OECD guidelines - <https://www.oecd.org/investment/investment-policy/43384486.pdf>. Nimac and others. 2022. FDI Screening and National Security Review: International Trends and Lessons of Experience. Forthcoming.



**Main Principles:** The regulation aims at three specific goals:

1. Ensuring “harmonization” by providing first and foremost legal certainty for Member States that maintain a screening mechanism or wish to adopt one.
2. Creating a “cooperation mechanism” between the Member States and the European Commission to inform each other about foreign direct investments that may threaten the “security” or “public order”.
3. Enabling the Commission itself to screen foreign investments on grounds of security and public order in case they “may affect projects or programs of Union interest”.

The regulation does not require Member States to adopt or maintain screening mechanisms, but provides minimum requirements for such mechanisms, including judicial review of decisions, non-discrimination, timelines and transparency, as well as setting out a list of factors to be considered when screening investments (for example, the effect on critical infrastructure, technologies, inputs essential for the security or the maintenance of public order, and access to sensitive information).

It's early to assess the impact and practical implication of this regulation. However, the regulation has clarified the rationale behind the policy and tried to ensure that mechanisms at country-level are narrow in scope, and screening only applies to investments affecting security or public order.

### **United States: Limiting the scope of security screening of investments for national security considerations**

**General Characteristics:** Like most of its OECD peers, the US does not impose a general screening mechanism for foreign investments. The US framework for foreign investments is open, and most industries do not have restrictions. However, there are industry specific restrictions on foreign ownership. They include, for example, defense, civil aviation, shipping, communications, energy/natural resources, banking, advanced electronics, and biotech. Recently, there has been an increase in the scope of review conducted by the Committee on Foreign Investment of the United States (CFIUS) to ensure that certain foreign investments entering or exiting the country do not pose a threat to the national security by gaining access to critical technology or critical infrastructure.

**Main Principles:** The interagency Committee on Foreign Investment of the United States is authorized to review certain transactions involving foreign investment in the United States (covered transactions). This is done in order to determine the effect of the transactions on the national security of the United States under the Defense Production Act of 1950 (Section 721). Parties can file a voluntary notice to the CFIUS, or they are required by law to file if the transaction is covered by the requirements set in the Foreign Investment and National Security Act of 2007 (FINSA) and the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA). A pilot program, which went into effect in November 2018, requires mandatory declarations for certain transactions involving investments by foreign persons in certain U.S. businesses that produce, design, test, manufacture, fabricate, or develop one or more critical technologies. Transactions that do not fall within the scope of the pilot program are not required to file declarations at this time.

If the CFIUS finds that a covered transaction presents national security risks and that other provisions of law do not provide adequate authority to address the risks, then the CFIUS may enter into an agreement with, or impose conditions on, parties to mitigate such risks or may refer the case to the President for action (such as blocking the investment).

Source: <https://home.treasury.gov/>; <https://eur-lex.europa.eu/eli/reg/2019/452/oj>

## Employment of foreigners as key personnel and directors

**Countries strive to upgrade their human capital in a manner that locals can meet the employment skills needed. However, in the intervening period, employment of skilled expatriates should be facilitated to meet the demands for specialized labor.** The ease of hiring skilled expatriates is one of the factors that is taken into consideration in the location decision of multinational firms. Skilled expatriates may be necessary to establish new subsidiaries and train workers. In other cases, a company may need to deploy a skilled expatriate with specific expertise through an intra-firm transfer. Studies have consistently found that a high-skilled immigration

regime is conducive to attracting higher FDI (Grossmann 2021). A very restrictive immigration regime may lead to cumbersome and lengthy processing times, thereby impacting productivity, and leading to a loss of strategic advantages. In the case of mandatory quotas, it may even impact the viability of foreign affiliates (De Smet 2013).

**Although the benefits of employing skilled expatriates to host countries are well documented, there are also concerns about the risks of human capital flight, to the home countries of the expatriates.** Table 2 summarizes possible effects on the sending and receiving economies.

**TABLE 2** Possible Global and National Effects of High-skilled International Immigration

	Sending Economies	Receiving economies
<b>Possible Negatives</b>	<ul style="list-style-type: none"> <li>• “Brain drain”: lost productive capacity due to at least temporary absence or higher skilled workers and students</li> <li>• Less support for public funds for higher education</li> </ul>	<ul style="list-style-type: none"> <li>• Decreased incentive of natives to seek higher skills</li> <li>• May crowd out native students from best schools</li> <li>• Language and cultural barriers between native and immigrant high-skilled workers</li> <li>• Technology transfers to possibility hostile economies</li> </ul>
<b>Possible Positives</b>	<ul style="list-style-type: none"> <li>• Increased incentive for natives to seek higher skills</li> <li>• Possibility of exporting skills reduces risk/ raises expected return of personal education investments</li> <li>• May increase domestic economic return to skills</li> <li>• Knowledge flows and collaboration</li> <li>• Increased ties to foreign research institutions</li> <li>• Export opportunities for technology</li> <li>• Return of natives with foreign education and human capital</li> <li>• Remittances and other support from diaspora networks</li> </ul>	<ul style="list-style-type: none"> <li>• Increased R&amp;D and economic activity due to availability of additional high-skilled workers</li> <li>• Knowledge flows and collaboration</li> <li>• Increased ties to foreign research institutions</li> <li>• Export opportunities for technology</li> <li>• Increased enrollment in graduate programs/ keeping smaller programs alive</li> </ul>
<b>Possible global effects</b>	<ul style="list-style-type: none"> <li>• Better international flow of knowledge</li> <li>• Better job matches</li> <li>• Greater employment options for workers/researchers</li> <li>• Greater ability of employers to find rare/unique skills sets</li> <li>• Formation of international research/technology clusters (Silicon Valley, CERN)</li> <li>• International competition for scarce human capital may have net positive effect on incentives for individual human capital investments</li> </ul>	

Source: Regets 2001 (in De Smet 2013).



In evaluating existing employment restrictions on skilled expatriates, several policy aspects need to be considered. Approaches will vary by multiple and complex considerations, as well as by the type of restriction put in place. For example, different approaches may be needed for temporary entry of skilled expatriates who intend to seek permanent immigration and temporary entry of skilled expatriates who do not intend to seek permanent immigration. The main types of restrictions on hiring of expatriates that countries use are stipulations regarding the nationality and citizenship of managers or

board members, limits to temporary entry of expatriate personnel, and other nationality requirements for staff.

**A flexible and effective expatriate regime can facilitate the recruitment of skilled and specialized workers, which is crucial for the success of foreign investment projects.** A review of skilled expatriate frameworks across countries, indicates at least a few common good practices, namely, targeted and proportional restrictions, online processing, spousal work permit(s),<sup>43</sup> and so forth (Box 9).

43. De Smet (2013) notes the international survey conducted by Permits Foundation in April 2013 with regard to work permits and global mobility of expatriate spouses and partners. The survey examined the views of 3,300 expatriate spouses and partners of 120 nationalities, who were at the time accompanying international employees working in 117 host economies for over 200 employers in both the private and public sectors. The survey found that economies that enable spouses or partners to work are considered as attractive destinations by 96 percent of respondents. Economies with work permit restrictions are less attractive, and 58 percent of spouses or partners indicated that they would be unlikely to relocate to a country where it was difficult to obtain a work permit. Twenty-two percent of spouses or partners reported that the expatriate employee had turned down at least one assignment because of concerns about the accompanying spouse's or partner's career or employment, and 7 percent had terminated an assignment early for the same reason. For employers, these assignment refusals and early terminations imply lost potential and financial costs.

## **BOX 9** Good Practices for the Employment of Skilled Expatriates

### **1. Targeted and proportional**

Restrictions on expatriate employment should be targeted and proportional to the risks identified. For example, restrictions may be imposed on certain sectors that are deemed sensitive or strategic or where there is abundant access to local skilled resources. This determination requires careful consideration of the risks, benefits and least restrictive policy options.

*US's visa policy to attract foreign-born talent in the science, technology, engineering, and mathematics (STEM) fields*

In 1990, the Congress introduced the H-1B program to address the demands of the rapidly growing fields that demand specialized skills, such as research, engineering, and computer programming. The H-1B program applies to employers seeking to hire non-immigrant aliens as workers in specialty occupations of distinguished merit and ability. The intent of this visa program is to help employers who cannot otherwise obtain the required business skills and abilities from the U.S. workforce by authorizing the temporary employment of qualified individuals who are not otherwise authorized to work in the United States. Research shows that H-1B workers complement U.S. workers, fill employment gaps in many STEM occupations, and expand job opportunities for domestic workers (American Immigration Council 2021). Despite the positive effects, the government uses some targeted restrictions to address adverse effects. They include:

- The total duration of the H-1B program is only 6 years (the initial duration classification is three years, which may be extended for a maximum of six years).
- Employers must attest, on a labor condition application (LCA) certified by the Department of Labor, that employment of the H-1B worker will not adversely affect the wages and working conditions of similarly employed U.S. workers.
- Employers must also provide existing workers with notice of their intention to hire a H-1B worker.

### **2. Online processing of temporary work permits**

An effective online process requires that: (1) the application form(s) can be downloaded online; (2) documents can be submitted online; (3) confirmation documentation is received online; and (4) the progress of the application can be monitored online. In addition, when the work permit becomes available, (5) notification is received.

#### **Mauritius's open visa policy**

Mauritius supports its local business and improves competitiveness in services — from tourism to finance and investment — through its open visa policy. Since the late 1990s, the government's partnership with the private sector has supported growth in financial services by having a practical and fluid visa regime for investors to easily enter the country. When a financial institution sponsors a business contract, a simple letter facilitates entry. The country's financial sector is home to many international banks, which are part of a total of 23 banks on the island with combined assets of US\$ 38.5 billion in 2014. Mauritius also has an e-work permit portal, available at [https://workpermit.mu/eworkpermit\\_wkp/web/](https://workpermit.mu/eworkpermit_wkp/web/).

### **3. Fast track**

Companies that have identified the right candidate for their overseas subsidiary are eager to have their new hires start as soon as possible. As a result, companies may be willing to pay a premium for fast-tracking the work permit processes.

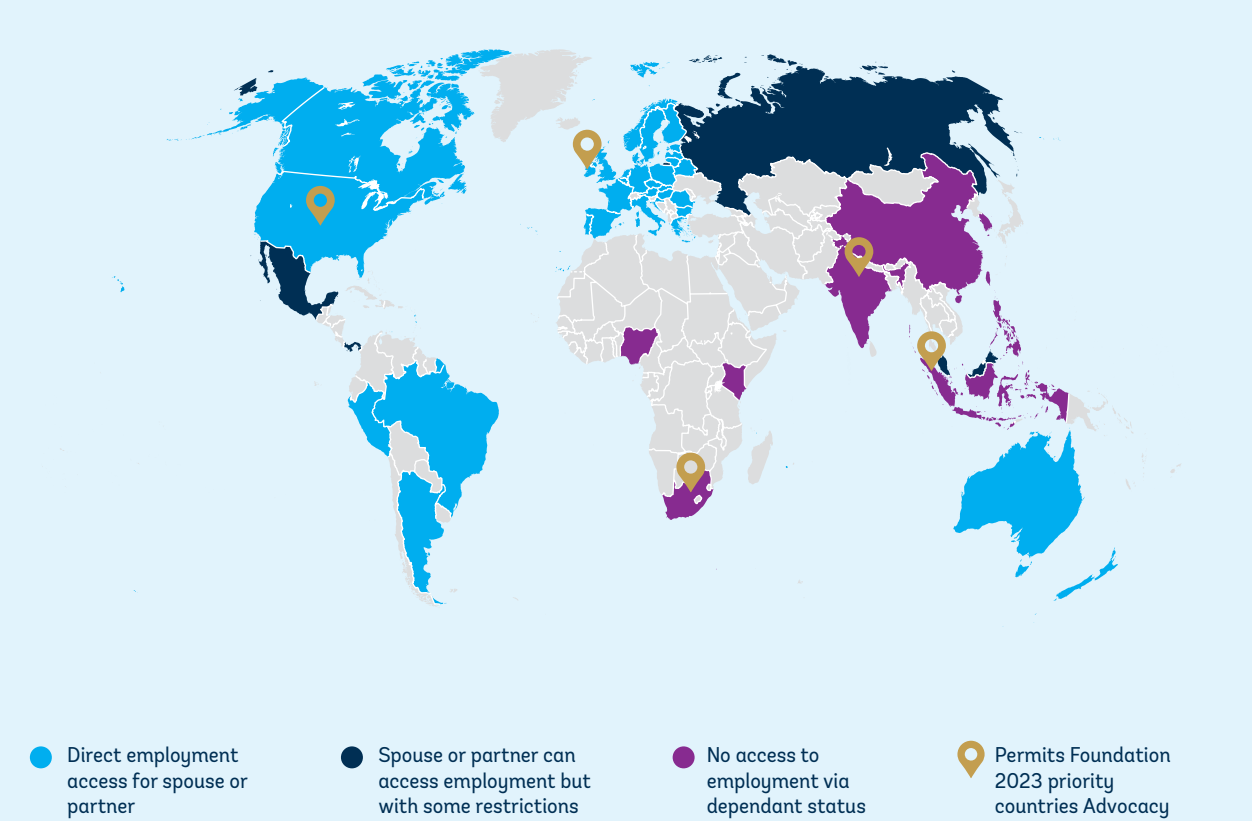


### Denmark's Fast Track Scheme

Denmark launched a new Fast-Track Scheme to make it easier for companies and universities in Denmark to attract highly qualified labor from countries outside the EU/ European Economic Area (EEA). The Fast-track Scheme enables certified companies to hire highly qualified foreign nationals on short notice without having to wait for an application to be processed by the Danish Agency for International Recruitment and Integration. At the same time, the scheme offers the foreign national the option of working in and outside Denmark. Foreign employees can obtain a temporary work permit and start work immediately while their application for a combined work-and-residence permit is pending. Employees can also apply for the residence permit in advance from their home countries. The certification process takes 30 days, and certification is valid for four years. It can be completed online.

### 4. Spousal work permit

When spouses accompany their partners on an overseas assignment, a majority want to carry on working so that they can continue to develop their skills and facilitate their re-entry to work when they return home. Yet, few of them manage to do so. Many economies require expatriate spouses or partners to have a separate work permit, even though they are legally residents. This is often difficult and time consuming. The figure below shows a big divide between the approach adopted by several developing or emerging economies and their high-income counterparts. Many developing countries tend to restrict access to employment for spouses through their dependent status.



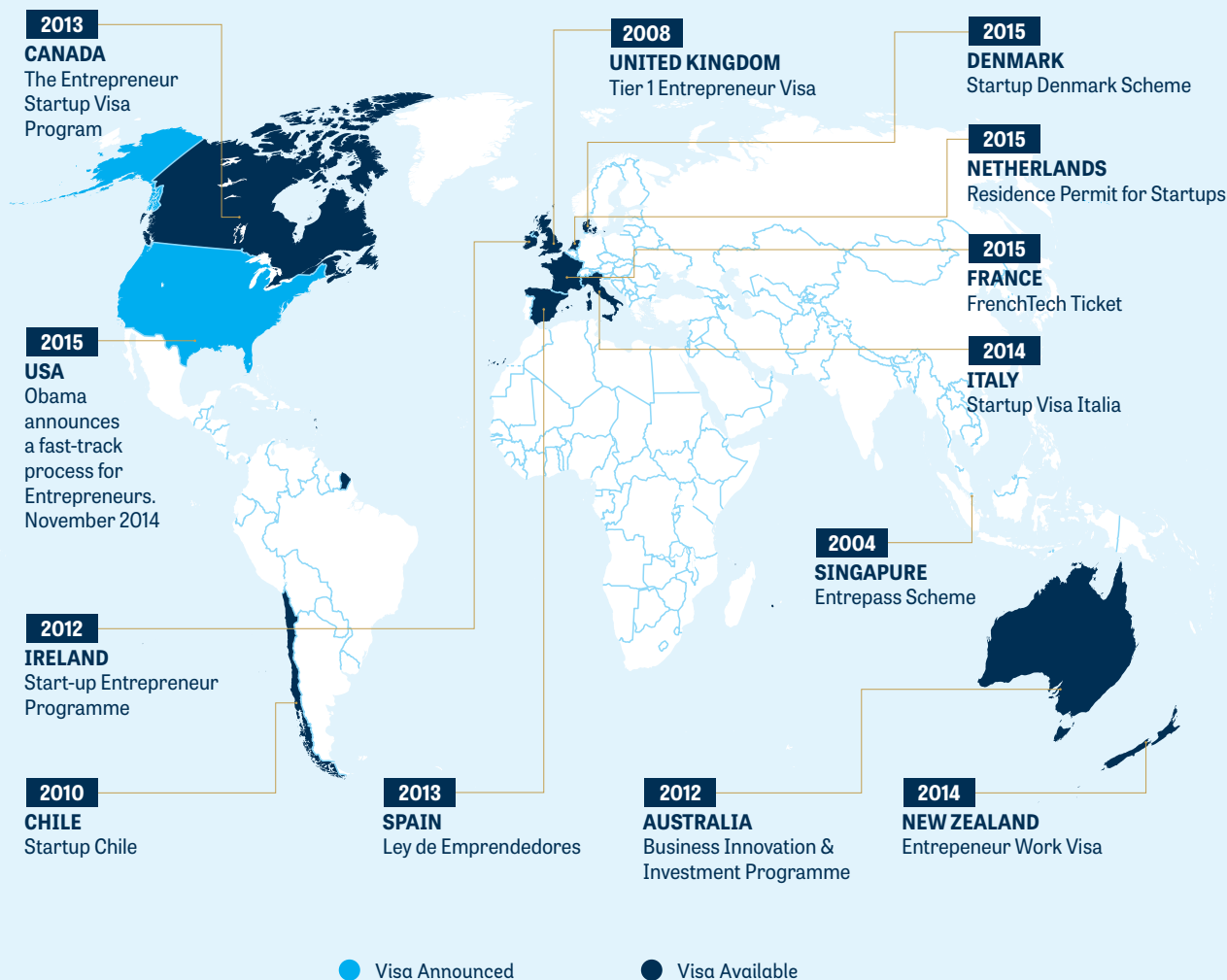
Source: Permits Foundation.



## 5. Investor Visa Programs

Since the early 1990s, governments around the world have offered investor visa programs to investors, which provide residence permits or citizenship benefits for a sizeable investment in their economies. The number of countries now offering these types of visa programs has increased dramatically (see figure below). For instance, at least half of European Union member countries offer a dedicated immigrant investor program. Australia, Hong Kong, New Zealand, Singapore, the United Kingdom, and the United States have their own versions of investment visa programs. However, all these countries have common goals for using this program, that is, the goal of attracting higher levels of investment capital from wealthy individuals and creating employment opportunities for the domestic workforce, among many others. Prospective investors obtain temporary permits, or residents are issued permits to stay and work in the country. In return, the government receives a minimum investment that potentially creates jobs and brings new business/technical expertise. According to a 2014 study by the Brookings-Rockefeller Institute, the American EB-5 investor visa program has spurred at least US\$5 billion in foreign direct investment (and quite possibly more), while also creating more than 85,000 jobs.

### Countries Providing Visa Programs to Encourage Entrepreneurs



Source: Migreat.

Note: This is not an exhaustive list. This list is intended to provide an example of the countries that provide investor visa programs that support entrepreneurs and business experts.

## Other restrictive measures

**Being able to access land, either through ownership or the long-term lease of land is critical for investors—especially in certain sectors.** Countries need to put in place frameworks to allow for such access, including transparent and coordinated procedures for title registration and transfer. Once an investor gains land access, they need to be confident that their land rights are properly recognized and protected (OECD PFI 2015). Box 10 provides examples of recent reforms in land ownership and leasing regimes.

### **BOX 10** Examples of Recent Reforms on Land Ownership or Lease Restrictions

**Argentina:** On June 29, 2016, Argentina enacted Decree 820/2016, easing certain restrictions imposed under existing laws concerning the acquisition and leasing of rural lands by foreign individuals and legal entities (Law No. 26,737 of 2011). The new Decree aims at facilitating and enabling foreign investments in Argentine rural lands by clarifying certain unregulated issues and removing certain problems in real estate practices that arose since the enactment of the Rural Land Law in 2011. The most significant changes relate to determining when the Rural Land Law applies. Further, the Decree defines a “Foreign Legal Entity”, modifies reporting requirements, and details the consequences for failing to comply with such requirements.

**Maldives:** On July 23, 2015, the President of Maldives approved a new law allowing foreign ownership of land in the country for the first time. Foreigners who invest more than US\$1 billion may own land in perpetuity, provided 70 percent of it is reclaimed from the sea. Previously, foreign companies were prohibited from ownership, and could only lease islands for a maximum of 99 years to run luxury resorts in the Maldives.

**United Arab Emirates:** On April 17, 2019, Abu Dhabi’s government made changes to real estate laws allowing foreigners to own freehold property in designated zones. This was done to increase foreign direct investment. Before the changes, the ownership of property was only allowed for UAE and Gulf Cooperation Council (GCC) nationals. The legal changes will also help to level the playing field between Abu Dhabi and Dubai, where foreigners are already allowed to buy freehold property in investment zones. Now, residential units in special designated investments zones, such as the one close to the international airport, will be registered under Abu Dhabi’s freehold law, with property ownership deeds issued to investors. Foreign investors in Abu Dhabi property were previously granted leasehold arrangements with a maximum 99-year time period.

Source: UNCTAD.

**The ability to obtain foreign exchange or local currency, and bring in or repatriate capital, are also fundamental considerations when investing in a country.** Investors require foreign currency to bring the initial capital into the country, repatriate profits or capital, pay dividends, service foreign loans, and/or conduct international trade. At the same time, public authorities in host countries are entitled to decide on and implement monetary and financial policy. However, they can also resort to emergency measures when the country’s balance of payments is threatened. Governments may have policy goals beyond attracting FDI that justify, in their view, certain restrictions on foreign exchange transactions. Therefore, there is a broader macroeconomic context and policy debate that needs to

be considered when evaluating restrictions on converting and transferring currency.

**At a global level, international capital flows are regulated by various legal instruments.** The key instruments include: the Articles of Agreement of the International Monetary Fund (IMF Articles); the OECD’s Codes on Capital Movements and on Current Invisible Operations (OECD Codes); the International Investment Agreements (IIAs); and the General Agreement on Trade in Services (GATS). The SADC member states have commitments under the IMF Articles, the GATS and now with the coming into effect, also the Investment Protocol of the AfCFTA. Table 3 summarizes the position under each of these agreements.

**TABLE 3** Member Countries' Obligations under Various International Legal Instruments

Provisions	IMF Articles	GATS	OECD Codes	AfCFTA Investment Protocol <sup>a</sup>
Not to restrict current account transfers	Yes	Yes (to the extent of commitments made)	Yes	Yes
Not to restrict capital transfers	No	Yes (to the extent of commitments made)	Yes	Yes
Exception for balance-of-payment situations	Yes	Yes	Yes	Yes
Allow for the inflow of initial equity	No. It can be restricted by the State.	Yes (to the extent of commitments made)	Yes	Yes
Allow the transfer of proceeds from a sale	No. It can be restricted by the State.	Yes (to the extent of commitments made)	Yes	Yes
Allow for the inflow of an initial loan	No. it can be restricted by the State.	Yes (to the extent of commitments made)	Yes	Yes
Allow for the transfer of a liquidation amount	No. It can be restricted by the State.	Yes (to the extent of commitments made)	Yes	Yes
Allow for the transfer of profits	Yes	Yes (to the extent of commitments made)	Yes	Yes
Allow for the transfer of interest amounts on a foreign loan	Yes	Yes (to the extent of commitments made)	Yes	Yes
Allow for the transfer of other payments (expenses, fees, wages, and salaries)	Yes	Yes (to the extent of commitments made)	Yes	Yes
Allow for the transfer of personal payments by individuals	Yes	Yes (to the extent of commitments made)	Yes	Yes
Allow for the transfer of royalties	Yes	Yes (to the extent of commitments made)	Yes	Yes
Allow for the transfer of capital gains	No. It can be restricted by the State.	Yes (to the extent of commitments made)	Yes	Yes

Source: Authors' analysis.

Note: a. All transfers shall be permitted in accordance with national laws and regulations and after payment of the respective taxes and duties.





**There is a general policy consensus that payments for 'current transactions' should be freely allowed** (Anderson 2013). These transactions include payments, such as for imported goods and services, and interest or dividend payments abroad. These are differentiated from capital transactions, such as investment flows. The number of governments committing to remove current account restrictions has steadily increased. Research has shown that some such restrictions, specifically restrictions on holding foreign exchange earned from exports, have increasingly served as a deterrent to inward FDI (Asiedu and Lien 2004). Johnson and others 1999 also find that restricting current transactions is an inefficient way to

achieve certain intended policy goals, such as to prevent current payments from being used to circumvent controls on cross-border capital flows. However, liberalization of the capital account is less straightforward (Anderson 2013). Following the global financial crisis of 2007, the IMF determined that full capital account liberalization is not an appropriate goal for all economies at all times (IMF 2012). Thus, it is important to identify circumstances in which temporary controls on some short-term capital flows may be appropriate and desirable (Johnson 2013; and Ostry and others). In this context, examples of recent reforms implemented by countries are provided in Box 11.

#### **BOX 11** Examples of Recent Reforms on Currency Convertibility and the Transfer of Funds

**Myanmar:** On April 20, 2022, the Central Bank of Myanmar (CBM) announced an exemption for certain foreign direct investment projects from their recently announced requirement to convert foreign currency balances to Myanmar kyat to boost international investment (CBM Notification No 12/2022). This measure applies to companies approved by the Myanmar Investment Commission and companies established in special economic zones (SEZs).

**Uzbekistan:** On September 1, 2020, the resolution of the Board of the Central Bank of Uzbekistan concerning foreign exchange transactions entered into force. It facilitates and simplifies transfer procedures and reduces certain obligations. Furthermore, the resolution sets one single procedure for foreign exchange transactions. It combines in one Act the relevant rules, while also abolishing the legal acts that used to govern the matter. The main amendments include: (1) the revocation of excessive documentation submission requirements by banks and customers; (2) the abolition of a requirement to reserve funds on a client's account for participation in foreign exchange trades; (3) the cancellation of registering and certifying foreign exchange points by the Central Bank; and (4) granting banks independence in determining foreign exchange (FOREX) transaction procedures, security requirements, and monitoring procedures.

Source: UNCTAD.

**Overall, the results of the SADC Investment Climate Scorecard offer actionable ideas for the SADC's reform-minded governments interested in continuing their ongoing reform efforts.** With the disproportionate prevalence of restrictions and their strong impact on the service sectors, those SADC member states keen to diversify their economies can especially benefit from the analysis. At the same time, governments need to determine what types of reforms are appropriate for their own development trajectory, political economy, and socioeconomic realities. For example, countries with limited land sources (including SADC's island economies), with large pools of local qualified labor, or with weaker regulatory monitoring frameworks, may need to approach FDI liberalization reforms in a gradual, measured and balanced way. In addition, while the SADC Investment Climate Scorecard offers a transparent, objective, and systematic stocktaking of legal measures limiting FDI, it does not intend to suggest that all identified measures constitute a reform priority in each member state. The Scorecard offers member states an opportunity to compare their legal regimes with one another, as well as with countries around the rest of the world, as policymakers in individual countries consider a calibrated reform path towards increased investment competitiveness.

**As countries consider reforms to align their domestic frameworks with the AfCFTA, the Scorecard serves as an analysis of the baseline. As such, it can help identify areas for further reforms towards greater alignment**

**with the AfCFTA Services and Investment Protocols.** The Services Protocol requires member states to make commitments in the 5 priority sectors<sup>44</sup>, including on Mode 3. In addition, with the recent ratification of the SADC's Protocol on Trade in Services, member states will also undertake commitments. As member states assess the gaps between these sets of commitments and their own domestic regulatory frameworks, the SADC Investment Climate Scorecard can be a tool to identify reforms to improve market access and alignment with commitments. Notably, the sectors with the most measures across the SADC member states include transport, financial services and tourism—all of which are AfCFTA priority sectors. With regard to the Investment Protocol of the AfCFTA, although it does not focus on market access or entry frameworks per se, the SADC Investment Scorecard can be leveraged to determine the gap between repatriation frameworks in member states and the Investment Protocol. Lastly, the WTO Investment Facilitation for Development Agreement (See Box 12 for details) will require member states to do their self-assessments concerning compliance with the agreement<sup>45</sup>. The agreement focuses on streamlining and making transparent business procedures, such as obtaining licenses, work permits, and visas. All of these are linked to the 4 policy categories covered in the SADC Investment Climate Scorecard. Thus, the Scorecard can serve as a resource for these self-assessments, particularly concerning the aspects of investment approval and screening as well as the employment of expatriates.

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44. These include: Business Services; Communication Services; Financial Services; Transport Services, and Tourism and Travel-related Services.

45. With its focus on helping WTO Members improve transparency, efficiency and the effectiveness of investment-related administrative procedures, the Investment Facilitation Agreement (IFA) promises to be particularly beneficial for low- and middle-income countries (Balistreri and Olekseyuk 2021) that tend to have the lowest levels of adoption of investment facilitation measures (Berger, Dadkhah and Olekseyuk 2021). Low- and middle-income countries (LMICs) have been identified as the main beneficiaries according to a recent study modelling the potential economic impact of the IFA (Balistreri and Olekseyuk 2021).

## **BOX 12** WTO Negotiations on an Investment Facilitation for Development Agreement: An Opportunity for Reforms

Since its inception in 2017, the initiative on Investment Facilitation for Development at the WTO has made steady progress. At the Eleventh WTO Ministerial Conference held in Buenos Aires, Argentina in December 2017 (MC11), 70 WTO members co-sponsored a [Joint Ministerial Statement](#) calling for the start of structured discussions, the aim of which was to develop a multilateral framework on investment facilitation. The purpose of such a framework is to help WTO Members — particularly developing and least-developed country (LDC) Members — to implement investment facilitation measures, promote good governance and boost sustainable investment flows. Since its inception in 2017, the initiative has made steady progress. In September 2020, participants moved formally to negotiations<sup>46</sup>. On July 6, 2023, the participants concluded the negotiations of the text of the IFA.

The main focus of the IFA is on improving transparency, efficiency, and the effectiveness of investment-related administrative procedures. Specifically, the main substantive sections of the text include: transparency of investment measures (Section 2); the streamlining and speeding up of investment-related administrative procedures (Section 3); focal points, domestic regulatory coherence and cross-border cooperation (Section 4); and sustainable investment (Section 5). Topics such as market access, investment protection and Investor-State Dispute Settlement (ISDS), are not included in the scope of the IFA.

When the agreement is in effect, countries will be required to notify the speed with which they can implement specific measures, as well as their needs for technical assistance and capacity building. The text provides for special and differential treatment for developing countries and LDCs. To be able to self-designate and notify their commitments, participating WTO Members will have to undertake dedicated needs assessments. This process will require detailed measure-by-measure benchmarking with the agreement obligations, with the aim of determining which obligations a country already complies with and which obligations it does not yet comply with.

Source: World Bank Group; [www.wto.org](http://www.wto.org)

**Lastly, implementation is key because even with good rules, the well-known challenges regarding effective enforcement persist.** Thus, legal rights must be complemented with effective mechanisms for

enforcement, including timely problem solving to help address investor issues as they enter and establish themselves in a country, as well as those resulting during operations<sup>47</sup>.

46. In December 2012, 112 WTO members co-sponsored another Joint Ministerial Statement. In that statement, the WTO members recognize the Consolidated Document by the Coordinator (so-called 'Easter Text (Revision 5)') as the basis for their ongoing negotiations and state their objective to conclude the text negotiations by the end of 2022.

47. This will help countries retain investment alongside preventing investor-State disputes (World Bank 2019, Kher, Obadia, Chun 2021, UNCITRAL-World Bank 2023).



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A blue-tinted photograph of three women in traditional African clothing, including headwraps and patterned dresses. They are looking towards the camera. The image is overlaid with a large, faint, light blue watermark that reads 'Part. 2 Country Profiles'.

Part. 2

**Country**

**Profiles**



# Introduction

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As discussed in Part 1 of this report, improvements in the quality of a country's legal and regulatory environment<sup>48</sup> are associated with higher FDI inflows (Akame, Ekwelle, and Njei 2016; Buchanan, Le, and Rishi 2012; Daude and Stein 2007; Gani 2007; Globerman and Shapiro 2002; Shepherd and others 2022; Vogiatzoglou 2016; Wei 2000; and Wernick, Haar, and Singh 2009). The impact of specific measures on FDI outcomes will vary by country context. However, the literature has generally found that measures covered under this scorecard impact the ability of countries to attract FDI. Mistura and Roulet (2019) find that liberalizing FDI restrictions by about 10 percent (as measured by the OECD FDI Regulatory Restrictiveness Index) can increase bilateral FDI in stocks by 2.1 percent on average. Borchert, Gootiiz and Mattoo (2012) find that foreign equity restrictions, FDI-specific rules in licensing, restrictions on the repatriation of earnings and lack of legal recourse all have a significant and sizable negative effect on foreign investment. Research also shows that high regulatory risk, that is, risk due to arbitrary government actions, and weak legal protection is associated with lower FDI (World Bank Group 2018; 2019; and 2020; Hebous, Kher and Tran 2020).

The four policy categories covered in this report may have varying impact(s) at a country level. For instance, restrictions on the amount of equity ownership can deter investors in some sectors from entering the market at all, especially in countries where there is little access to local partners with the requisite experience. However, a screening or approval requirement may not discourage investors from entering into some sectors (for example, retail or telecommunications), where the process is clearly articulated from the start, and where the market offers sizeable economic opportunities. For some sectors and activities requiring a particular technical expertise, access to a skilled expatriate workforce may be critical to entering and establishing a business in a market.

This part of the report lists the specific measures identified in each of the 15 covered member states. The impact of the measure and whether a reform is needed depends on the specific country context and political economy considerations. As discussed in Part 1 of this report, some of the identified measures may not need reform, whereas others may. If reform is needed, a member state should evaluate the measure, weighing the benefits and risks of keeping it, and then determine the process of pursuing that reform.

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48. See Kher and Eltgen 2020 for a literature review.



## Summary Highlights

FDI Performance	Angola			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>49</sup>	-4,099	-1,867	-4,150	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>50</sup>	-4.6%	-3.0%	-5.2%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>51</sup> (in US\$ millions)	2,193	3,406	640	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Angola	SADC Average	Global Average <sup>52</sup>
<b>Score under the SADC Scorecard</b> (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>53</sup>	0.09	0.19	0.10
<b>Total number of measures</b> <sup>54</sup>	23	25	Not applicable (NA.)
<b>Total number of measures by policy category</b>			
Foreign equity limits	15	11.9	NA.
Screening and approval	None	2.8	NA.
Restrictions on foreign personnel	2	2.6	NA.
Other restrictions	6	7.9	NA.
<b>Total number of sectors with measures</b> <sup>55</sup>	8	11.4	NA.

49. Source: UNCTAD STAT.

50. Id.

51. fDi Markets, from the Financial Times Ltd. (2022).

52. The calculation of a global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, SADC Member States are excluded from the calculation of the global average.

53. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector), and the lowest is 0 (meaning there are no regulatory impediments to FDI in the sector).

54. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Angola, the list of 23 identified measures is found in 25 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders, and official government policy).

55. The following sectors in Angola have covered measures: Transport – Surface (road transport and urban rail transport): passenger transport [domestic / international]; Transport – Water (sea and coastal transport): passenger transport [domestic / international]; Transport – Water (services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities); Media – Radio and TV Programming and Broadcasting (total); Media – Other Media (total); Financial Services – Insurance (life insurance/reinsurance, pension and related auxiliary services); Financial Services – Insurance (non-life insurance/reinsurance and related auxiliary services); Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities); Financial Services – Other Financial Services (trusts, funds and fund management activities); Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital); Professional Services – Legal Services (total); Professional Services – Audit and Accounting (total); Professional Services – Architectural Services (total); Real Estate Investment – Land, Fishing and Aquaculture – Fishing, Mining and Quarrying – Energy producing materials (that is, coal, crude petroleum and natural gas); and Mining and Quarrying – Except energy-producing materials and support service activities.

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	FDI-specific minimum capital requirement	Inter-company loans used to finance FDI operations in Angola cannot exceed 30 percent of the amount of investment made by the company, and they may not be repaid during the first three years from the date of being recorded as a liability in the borrowing company's accounts.	Law No. 10/18 of 26 June - Private Investment Law [Google translation]	<b>Law:</b> <a href="https://gazettes.africa/archive/ao/2018/ao-government-gazette-series-i-dated-2018-06-26-no-92.pdf">https://gazettes.africa/archive/ao/2018/ao-government-gazette-series-i-dated-2018-06-26-no-92.pdf</a>
2	Transport – Surface (road transport and urban rail transport): passenger transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent	Foreign shareholding in companies undertaking regular passenger transportation is limited to 49 Percent.	Presidential Decree No. 154/10 of 26 July: TRANSPORT REGULATION REGULAR PASSENGER HIGHWAYS [Google translation] Presidential Decree No. 128/10 of 6 July: REGULATION ON OCCASIONAL PASSENGER ROAD TRANSPORT [Google translation]	<b>Regulation:</b> <a href="https://www.dtser.pn.gov.ao/ddtser/comunicao_e_imagem/documentos/2020/Regulamento%20De%20Transporte%20Rodovi%C3%A1rio%20Regulares%20De%20Passageiros.pdf">https://www.dtser.pn.gov.ao/ddtser/comunicao_e_imagem/documentos/2020/Regulamento%20De%20Transporte%20Rodovi%C3%A1rio%20Regulares%20De%20Passageiros.pdf</a> <b>Regulation:</b> <a href="https://www.dtser.pn.gov.ao/ddtser/comunicao_e_imagem/documentos/2020/Regulamento%20de%20Transportes%20de%20Rodovi%C3%A1rio%20Ocasionais%20de%20Passageiros.pdf">https://www.dtser.pn.gov.ao/ddtser/comunicao_e_imagem/documentos/2020/Regulamento%20de%20Transportes%20de%20Rodovi%C3%A1rio%20Ocasionais%20de%20Passageiros.pdf</a>
3	Transport – Surface (road transport and urban rail transport): freight transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in road freight transportation companies is limited to 50 Percent.	Presidential Decree No. 160/10 of 30 July: REGULATION FOR ROAD TRANSPORT OF GOODS [Google translation]	<b>Regulation:</b> <a href="https://www.atroma.org/data/uploads/pdfs/Regulamento-Transporte-Rodoviario-Mercadorias.pdf">https://www.atroma.org/data/uploads/pdfs/Regulamento-Transporte-Rodoviario-Mercadorias.pdf</a>
4	Transport – Water (sea and coastal transport): passenger transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Maritime cabotage is reserved for Angolan citizens and companies wholly owned by Angolan citizens.	Presidential Decree No. 54/14: Approves the Regulation on Maritime Transport Activity [Google translation]	<b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/ang132013.pdf">http://extwpr-legs1.fao.org/docs/pdf/ang132013.pdf</a>
5	Transport – Water (sea and coastal transport): freight transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Maritime cabotage is reserved for Angolan citizens and companies wholly owned by Angolan citizens.	Presidential Decree No. 54/14: Approves the Regulation on Maritime Transport Activity [Google translation]	<b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/ang132013.pdf">http://extwpr-legs1.fao.org/docs/pdf/ang132013.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
6	Transport – Water (services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment in several services incidental to water transport, including cargo handling, among others, is prohibited.	Law on Merchant Marine, Ports and Related Activities - Law No. 27/12, of 28 August [Google translation]	<b>Act:</b> <a href="http://faolex.fao.org/docs/pdf/ang116896.pdf">http://faolex.fao.org/docs/pdf/ang116896.pdf</a>
7	Media – Radio & TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in radio and TV broadcasting and programming production companies, as well as in printed media companies is limited to 30 percent. It cannot, in any circumstance, be a majority.	Law No. 1/17 of 23 January: PRESS LAW [Google translation] Law No. 3/17 of 23 January: LAW ON THE EXERCISE OF TELEVISION ACTIVITY [Google translation]	<b>Laws:</b> <a href="https://minttics.gov.ao/fotos/frontend_10/gov_documentos/pacote_legislativo_da_comunicacao_social_1_2611596306012dd9a7771d.pdf">https://minttics.gov.ao/fotos/frontend_10/gov_documentos/pacote_legislativo_da_comunicacao_social_1_2611596306012dd9a7771d.pdf</a>
8	Media – Radio & TV Programming and Broadcasting (total)	III. Restrictions on key foreign personnel (that is, board of directors and top-level executives)	Foreign key personnel (that is, top-level executive positions) are not permitted <sup>1</sup>	The Chairman of the Board of Directors and/or General Manager of radio and TV and printed media companies must be of Angolan nationality. Information and programming directors, as well as the editors-in-chief, must also be Angolan nationals.	Law No. 1/17 of 23 January: PRESS LAW [Google translation] Law No. 3/17 of 23 January: LAW ON THE EXERCISE OF TELEVISION ACTIVITY [Google translation]	<b>Laws:</b> <a href="https://minttics.gov.ao/fotos/frontend_10/gov_documentos/pacote_legislativo_da_comunicacao_social_1_2611596306012dd9a7771d.pdf">https://minttics.gov.ao/fotos/frontend_10/gov_documentos/pacote_legislativo_da_comunicacao_social_1_2611596306012dd9a7771d.pdf</a>
9	Media – Other Media (total)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in radio and TV broadcasting and programming production companies, as well as in printed media companies, is limited to 30 percent. It cannot, in any circumstance, be a majority.	Law No. 1/17 of 23 January: PRESS LAW [Google translation]	<b>Law:</b> <a href="https://minttics.gov.ao/fotos/frontend_10/gov_documentos/pacote_legislativo_da_comunicacao_social_1_2611596306012dd9a7771d.pdf">https://minttics.gov.ao/fotos/frontend_10/gov_documentos/pacote_legislativo_da_comunicacao_social_1_2611596306012dd9a7771d.pdf</a>
10	Media – Other Media (total)	III. Restrictions on key foreign personnel (that is, the board of directors and top-level executives).	Foreign key personnel (that is, top-level executive positions) are not permitted <sup>1</sup>	The Chairman of the Board of Directors and/or General Manager of radio and TV and print media companies must be of Angolan nationality. Information and programming directors, as well as the editors-in-chief, must also be Angolan nationals.	Law No. 1/17 of 23 January: PRESS LAW [Google translation] Law No. 3/17 of 23 January: LAW ON THE EXERCISE OF TELEVISION ACTIVITY [Google translation]	<b>Laws:</b> <a href="https://minttics.gov.ao/fotos/frontend_10/gov_documentos/pacote_legislativo_da_comunicacao_social_1_2611596306012dd9a7771d.pdf">https://minttics.gov.ao/fotos/frontend_10/gov_documentos/pacote_legislativo_da_comunicacao_social_1_2611596306012dd9a7771d.pdf</a>
11	Financial Services – Insurance (life insurance/reinsurance, pension and related auxiliary services)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign investment in insurance companies is subject to FDI-specific screening procedures [where foreign shareholding exceeds 50 percent, it requires approval of the Council of Ministers as opposed to the Minister of Finance in the case of domestic investors]. Foreign shareholding is limited to 70 percent (the remaining 30 percent must be subscribed by national natural or legal persons [majority-owned by Angolan citizens]).	Law No. 1/00 of 3 February – Law on Insurance Activities [Google translation] EXECUTIVE DECREE No. 7/03 OF JANUARY 24 - Regulation on Insurance Mediation and Brokerage [Google translation]	<b>Law:</b> <a href="https://owa.arseg.ao/api/v1/public/download?f=QsGRL8h0i%2bmrHWkNXbMq8AA2FyOPPw6mbnncd1%2bJXogufCq0zwsjLEpXVS06g1C%2bUkIkj3tAC%2bAonq0210cwdA%3d%3d">https://owa.arseg.ao/api/v1/public/download?f=QsGRL8h0i%2bmrHWkNXbMq8AA2FyOPPw6mbnncd1%2bJXogufCq0zwsjLEpXVS06g1C%2bUkIkj3tAC%2bAonq0210cwdA%3d%3d</a> <b>Decree:</b> <a href="https://owa.arseg.ao/api/v1/public/download?f=QsGRL8h0i%2bmrHWkNXbMq8AA2FyOPPw6mbnncd1%2bJXojXDxm0EkEIJg%2f04J%2fvBuyWg6%2bh2oEYjcsOPtUu2KmYXYD7cy%2fAvIhhGFd3beT4Xw%3d">https://owa.arseg.ao/api/v1/public/download?f=QsGRL8h0i%2bmrHWkNXbMq8AA2FyOPPw6mbnncd1%2bJXojXDxm0EkEIJg%2f04J%2fvBuyWg6%2bh2oEYjcsOPtUu2KmYXYD7cy%2fAvIhhGFd3beT4Xw%3d</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
12	Financial Services – Insurance (non-life insurance/reinsurance and related auxiliary services)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but below 100 percent	Foreign investment in insurance companies is subject to FDI-specific screening procedures [where foreign shareholding exceeds 50 percent, it requires approval of the Council of Ministers as opposed to the Minister of Finance in the case of domestic investors]. Foreign shareholding is limited to 70 percent (the remaining 30 percent must be subscribed by national natural or legal persons [majority-owned by Angolan citizens]).	Law No. 1/00 of 3 February – Law on Insurance Activities [Google translation] EXECUTIVE DECREE No. 7/03 OF JANUARY 24 - Regulation on Insurance Mediation and Brokerage [Google translation]	<b>Law:</b> <a href="https://owa.arseg.ao/api/v1/public/download?f=QsGRL8h0i%2bmrHWkNXbMq8AA2FyOPPw6mbnncd1%2bJXogufCqOzw sjLEpXVS06g1C%2bUkIkj3tAC%2bAonq0210cwdA%3d%3d">https://owa.arseg.ao/api/v1/public/download?f=QsGRL8h0i%2bmrHWkNXbMq8AA2FyOPPw6mbnncd1%2bJXogufCqOzw sjLEpXVS06g1C%2bUkIkj3tAC%2bAonq0210cwdA%3d%3d</a> <b>Decree:</b> <a href="https://owa.arseg.ao/api/v1/public/download?f=QsGRL8h0i%2bmrHWkNXbMq8AA2FyOPPw6mbnncd1%2bJXojXDxm0EkEIJg%2f04J%2fvBuyWg6%2bh2oEYjcsOPtUu2KmYXYD7cy%2fAvIhhGFd3beT4Xw%3d">https://owa.arseg.ao/api/v1/public/download?f=QsGRL8h0i%2bmrHWkNXbMq8AA2FyOPPw6mbnncd1%2bJXojXDxm0EkEIJg%2f04J%2fvBuyWg6%2bh2oEYjcsOPtUu2KmYXYD7cy%2fAvIhhGFd3beT4Xw%3d</a>
13	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only)	Local incorporation is required for carrying out the activity of a security and derivative settlement institution.	Law No. 14/21 of 19 May 2021 – General Regime for Financial Institutions [Google translation] Law No. 22/15 of 31 August 2015 - Securities Code	<b>Law:</b> <a href="https://www.bna.ao/#/legislacao-e-normas/legislacao-financeira/lei-regime-geral-instituicoes-financeiras">https://www.bna.ao/#/legislacao-e-normas/legislacao-financeira/lei-regime-geral-instituicoes-financeiras</a>
14	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only)	Local incorporation is required for carrying out fund management and asset management activities.	Presidential Legislative Decree No. 2/17 of August 9 - LEGAL REGIME OF ASSET MANAGEMENT COMPANIES [Google translation] Presidential Legislative Decree No. 7/13 of October 11, 2013 - LEGAL REGIME OF COLLECTIVE INVESTMENT BODIES [Google translation]	
15	Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only)	Local incorporation is required for carrying out venture capital activities.	Presidential Legislative Decree No. 4/15 of 16 September - LEGAL REGIME FOR VENTURE CAPITAL INVESTMENT [Google translation]	<b>Decree:</b> <a href="https://www.bfa.ao/media/1372/05decreto-legislativo-presidencial-n%C2%BA-4-15-de-16-de-setembro-oic-capital-de-risco.pdf">https://www.bfa.ao/media/1372/05decreto-legislativo-presidencial-n%C2%BA-4-15-de-16-de-setembro-oic-capital-de-risco.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
16	Professional Services – Legal Services (total)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed	Only Angolan nationals and foreign law graduates from Angolan universities (subject to reciprocity) may register with the Angolan Bar Association and constitute or become partners in law firms or law associations in Angola. Correspondence and cooperation relations between lawyers registered with the Angolan Bar Association and foreign lawyers are permitted. However, intervention of the foreign correspondent is always secondary, and it may only intervene upon request and to complement the Angolan correspondent. Contact and assistance to local clients must necessarily go through lawyers authorized to practice law in Angolan territory, and foreign correspondents cannot establish any type of direct contact with Angolan institutions on Angolan territory.	Law No. 8/17 of March 13 - Law on the Legal Profession [Google translation] Law No. 16/16 of 30 September – Law on Law Firms and Associations [Google translation]	<b>Law:</b> <a href="http://www.oaang.org/content/lei-advocacia-1">http://www.oaang.org/content/lei-advocacia-1</a> <b>Law:</b> <a href="http://www.parlamento.ao/documentos/91849/136379/LEI+N.%C2%BA+16-16%2C+LEI+DAS+SOCIEDADES+E+ASSOCIA%C3%87%C3%95ES+DE+ADVOGADOS.pdf">http://www.parlamento.ao/documentos/91849/136379/LEI+N.%C2%BA+16-16%2C+LEI+DAS+SOCIEDADES+E+ASSOCIA%C3%87%C3%95ES+DE+ADVOGADOS.pdf</a>
17	Professional Services – Audit & Accounting (total)	IV. Other restrictions	Reciprocity requirement	Registration with the Board of Accountants and Expert Accountants [auditors] is required for practicing the profession and constituting or becoming partners in accounting and auditing companies. Foreigners who are resident in Angola may register with the Board subject to reciprocity conditions.	Law No. 3/01, of 23 March on the Exercise of Accounting and Auditing [Google translation] Presidential Decree No. 232/10 of October 11 - STATUTE OF THE BOARD OF ACCOUNTANTS AND ACCOUNTING EXPERTS [Google translation]	<b>Law:</b> <a href="https://www.ocpcangola.org/legislacao.aspx">https://www.ocpcangola.org/legislacao.aspx</a> <b>Decree:</b> <a href="https://gazettes.africa/archive/ao/2010/ao-government-gazette-dated-2010-10-11-no-193.pdf">https://gazettes.africa/archive/ao/2010/ao-government-gazette-dated-2010-10-11-no-193.pdf</a>
18	Professional Services – Architectural Services (total)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Only Angolan nationals and foreign graduates from Angolan universities (subject to reciprocity), as well as foreigners residing in the country for more than 15 years and who have previously been enrolled in the Provincial Governments, may register with the Angolan Order of Architects, and constitute or become partners in architecture companies in Angola.	Decree Law No. 54/04 of 17 August 2004 - Statute of the Association of Architects [Google translation]	<b>Law:</b> <a href="https://oarquitectos.ao/wp-content/uploads/2022/03/lei_n_54-04_de_17_de_agosto_estatutos_ordem_arquitectos_de_Angola_1.pdf">https://oarquitectos.ao/wp-content/uploads/2022/03/lei_n_54-04_de_17_de_agosto_estatutos_ordem_arquitectos_de_Angola_1.pdf</a>
19	Real Estate Investment – Land	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Only Angolan citizens can hold ownership title to urban land; both foreign and Angolan legal persons are not entitled to such right.	CONSTITUTION OF THE REPUBLIC OF ANGOLA, 2010 [Google translation] Law No. 9/04 of November 9 - Land Law [Google translation]	<b>Constitution:</b> <a href="https://governo.gov.ao/fotos/frontend_1/editor2/constituicao_da_republica_de_angola.pdf">https://governo.gov.ao/fotos/frontend_1/editor2/constituicao_da_republica_de_angola.pdf</a> <b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/ang49570.pdf">http://extwpr-legs1.fao.org/docs/pdf/ang49570.pdf</a>



N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
20	Fishing and Aquaculture – Fishing	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent	Commercial fishing in Angola's territorial sea and interior waters is reserved to Angolan citizens and companies (defined as companies wholly or majority-owned and controlled by Angolan citizens). Commercial fishing licenses for fishing in Angola's Exclusive Economic Zone can be granted to foreign and foreign majority-owned firms in association within Angolan companies.	Law No. 6-A/04 on Aquatic Biological Resources [Google translation]	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/ang50971.pdf">http://extwpr-legs1.fao.org/docs/pdf/ang50971.pdf</a>
21	Fishing and Aquaculture – Fishing	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent	Commercial fishing in Angola's territorial sea and continental waters is reserved for Angolan citizens and companies (defined as companies wholly or majority-owned and controlled by Angolan citizens). Commercial fishing licenses for fishing in Angola's Exclusive Economic Zone can be granted to foreign and foreign majority-owned firms in association within Angolan companies.	Law No. 6-A/04 on Aquatic Biological Resources [Google translation]	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/ang50971.pdf">http://extwpr-legs1.fao.org/docs/pdf/ang50971.pdf</a>
22	Mining & Quarrying – Energy producing materials (i.e. coal, crude petroleum and natural gas)	IV. Other restrictions	FDI-specific local content requirement	Petroleum licensee holders are required to procure certain goods and services, classified under the exclusivity regime, from “Angolan Commercial Companies” (in which 100 percent of the share capital is held by Angolan citizens or Angolan companies). It gives preference to goods and services of “Angolan Commercial Companies” and companies incorporated in Angola (“sociedades comerciais de direito angolano”), in that order, over imported goods and services.	Law No. 10/04 regulating Petroleum Activities Presidential Decree 271/20 of 20 Octobre - New Local Content Rules for the Oil Sector	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/ang81903E.pdf">http://extwpr-legs1.fao.org/docs/pdf/ang81903E.pdf</a> <b>Decree:</b> <a href="https://mirempet.gov.ao/fotos/frontend_11/gov_documentos/dp_271_20-regime_juridico_conteudo_local_6719699885ff5e777dacbc.pdf">https://mirempet.gov.ao/fotos/frontend_11/gov_documentos/dp_271_20-regime_juridico_conteudo_local_6719699885ff5e777dacbc.pdf</a> <b>Other:</b> <a href="https://cms.law/en/prt/publication/new-local-content-regime-for-the-oil-sector-in-angola">https://cms.law/en/prt/publication/new-local-content-regime-for-the-oil-sector-in-angola</a>
23	Mining & Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in mining companies holding licenses to prospect or exploit minerals for civil construction is limited to 1/3.	Law No. 31/11 approving the Mining Code [Google translation]	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/ang119489.pdf">http://extwpr-legs1.fao.org/docs/pdf/ang119489.pdf</a>



## Summary Highlights

FDI Performance	Botswana			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
FDI Inflow (in US\$ millions) <sup>56</sup>	94	32	55	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>57</sup>	0.5%	0.2%	0.3%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>58</sup> (in US\$ millions)	80	133	340	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Botswana	SADC Average	Global Average <sup>59</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>60</sup>	0.15	0.19	0.10
Total number of measures <sup>61</sup>	27	25	Not applicable (NA).
<b>Total number of measures by policy category</b>			
Foreign equity limits	16	11.9	NA.
Screening and approval	1	2.8	NA.
Restrictions on foreign personnel	None	2.6	NA.
Other restrictions	10	7.9	NA.
<b>Total number of sectors with measures<sup>62</sup></b>	<b>15</b>	<b>11.4</b>	<b>NA.</b>

56. Source: UNCTAD STAT.

57. Id.

58. fDi Markets, from the Financial Times Ltd. (2022).

59. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, the SADC Member States are excluded from the calculation of the global average.

60. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

61. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Botswana, the list of 27 identified measures is found in 32 legal instruments (legal instrument include laws, regulations, decrees, presidential orders, ministerial orders, and official government policy).

62. The following sectors in Botswana have covered measures: Agriculture, Distribution – Retail (specialized retail stores); Transport – Surface (road transport and urban rail transport); Hotels and Restaurants – Accommodation; Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities; Media – Radio and TV Programming and Broadcasting (total); Financial Services – Banking, Financial Services – Insurance, Forestry and Logging, Financial Services; Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities); Financial Services – Other Financial Services (trusts, funds and fund management activities); Professional Services – Legal Services (total); Real Estate Investment – Land, Fishing and Aquaculture – Fishing, Mining and Quarrying – Except energy-producing materials and support service activities; Manufacturing – Food and Others (food products, beverages and tobacco); Manufacturing – Food and Others (textiles, wearing apparel, leather and related products); Manufacturing – Food and Others (paper, wood, printing, furniture and other manufacturing); Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (chemical and pharmaceutical products); and Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (rubber and plastics products, and other non-metallic mineral products).

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Access to land/ real estate is subject to FDI-specific restriction (for example, prior approval, quantitative/size limits, tax, and so on).	The acquisition or lease of immovable property by a majority foreign-owned company is subject to FDI-specific transfer duty tax. In 2023, the Botswana's Unified Revenue Service issued the Transfer Duty Amendment Act 5 of 2023 ("Amendment Act"), which reduced the rate of transfer duty to non-citizens from 30 percent to 10 percent of the purchase price or value of property up to 2 million pula ("P") (around US\$ 146,000), and 15 percent of the purchase price or value of property in excess of P2 million.	Chapter 53:01 Transfer Duty Act of 1891.	<b>Act:</b> <a href="https://botswanalaws.com/alphabetical-list-of-statutes/transfer-duty">https://botswanalaws.com/alphabetical-list-of-statutes/transfer-duty</a>
2	Horizontal	IV. Other restrictions	Government procurement offers preference to locally-owned firms	Government tenders of goods and services of up to P10,000,000 (approximately US\$ 871,000) are reserved for citizen-owned enterprises.	Chapter 42:08 Public Procurement and Asset Disposal of 2001 Statutory Instrument No 23 of 2020, Public Procurement and Asset Disposal (Reservation of Government Tenders for Citizen-Owned Enterprises) Order, 2020.	<b>Act:</b> <a href="http://www.ppadb.co.bw/Manuals%20Acts/PPAD_Act_revised.pdf">http://www.ppadb.co.bw/Manuals%20Acts/PPAD_Act_revised.pdf</a> <b>Order:</b> <a href="http://www.ppadb.co.bw/Manuals%20Acts/Statutory%20Instrument%20No.%2023%20of%202020%20-%20Reservation%20of%20Government%20Tenders.pdf">http://www.ppadb.co.bw/Manuals%20Acts/Statutory%20Instrument%20No.%2023%20of%202020%20-%20Reservation%20of%20Government%20Tenders.pdf</a>
3	Agriculture	IV. Other restrictions	Access to land/ real estate is subject to FDI-specific restriction (for example, prior approval, quantitative/size limits, tax, and so on).	Foreign acquisition or lease of agricultural land or of a company owning agricultural land is subject to the Minister's approval and subject to FDI-specific transfer duty tax. In 2023, the Botswana's Unified Revenue Service issued the Transfer Duty Amendment Act 5 of 2023 ("Amendment Act"), which reduced the rate of transfer duty to non-citizens from 30 to 10 percent of the purchase price or value of property up to 2 million pula ("P") (around US\$146,000), and 15 percent of the purchase price or value of property in excess of P2 million.	Chapter 32:11 Land Control Act of 1975, as amended.  Chapter 53:01 Transfer Duty Act of 1891, as amended Tribal Land Act No. 1 of 2018.	<b>Act:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/bot39063.pdf">http://extwpr-legs1.fao.org/docs/pdf/bot39063.pdf</a> <b>Act:</b> <a href="https://static1.squarespace.com/static/5f4d03f526204108be03058b/t/604b7f4adbb94f7623d9562/1615560524283/Transfer+Duty+Act+ch53-01.pdf">https://static1.squarespace.com/static/5f4d03f526204108be03058b/t/604b7f4adbb94f7623d9562/1615560524283/Transfer+Duty+Act+ch53-01.pdf</a> <b>Act:</b> <a href="http://faolex.fao.org/docs/pdf/bot204211.pdf">http://faolex.fao.org/docs/pdf/bot204211.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
4	Distribution – Retail (specialized retail stores)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Several trading businesses, including those requiring a “fresh produce” and “general dealer” licenses (for example, markets and grocery shops), are reserved for citizens and companies wholly owned by citizens. Joint ventures with at least 51 percent citizen shareholding are possible when involving medium and large enterprises. Foreign shareholding above 49 percent can be (exceptionally) accepted, subject to approval by the Minister.	TRADE ACT No. 25 of 2019 TRADE REGULATIONS, 2020 (S.I. No. 82 Of 2020)	<b>Act:</b> <a href="https://botswanaalaws.com/Botswana2019Pdf/25of2019.pdf">https://botswanaalaws.com/Botswana2019Pdf/25of2019.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>
5	Distribution – Retail (specialized retail stores)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Several trading businesses, including those requiring a “fresh produce” and “general dealer” licenses (for example, markets and grocery shops), are reserved for citizens and companies wholly owned by citizens. Joint ventures with at least 51 percent citizen shareholding are possible when involving medium and large enterprises. Foreign shareholding above 49 percent can be exceptionally accepted, subject to approval by the Minister.	TRADE ACT No. 25 of 2019 TRADE REGULATIONS, 2020 (S.I. No. 82 Of 2020)	<b>Act:</b> <a href="https://botswanaalaws.com/Botswana2019Pdf/25of2019.pdf">https://botswanaalaws.com/Botswana2019Pdf/25of2019.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>
6	Transport – Surface (road transport and urban rail transport)	IV. Other restrictions	Reciprocity requirement	Reciprocity considerations apply for granting road transport permits to foreign-owned transport companies.	Chapter 69:03 Road Transport (Permits) Act Road Transport (Permits) Regulations, 1974, As Amended.	<b>Act:</b> <a href="http://www.botswana-tradeportal.org.bw/kcfinder/upload/files/Chapter%2069.03%20Road%20Transport%20Permits.pdf">http://www.botswana-tradeportal.org.bw/kcfinder/upload/files/Chapter%2069.03%20Road%20Transport%20Permits.pdf</a> <b>Regulation:</b> <a href="https://botswanaalaws.com/subsidiary-legislation/road-transport-permits-subsidiary-legislation#Chap.69:03_RoadTransport(Permits)Regulation">https://botswanaalaws.com/subsidiary-legislation/road-transport-permits-subsidiary-legislation#Chap.69:03_RoadTransport(Permits)Regulation</a>
7	Hotels and Restaurants – Accommodation	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign shareholding in small accommodation structures (for example, guest houses) is prohibited.	Tourism Act No. 16 of 2009 Tourism (Reservation of Tourist Enterprises for Citizens) Regulations, 2010 (S.I. No. 87 of 2010).	<b>Act:</b> <a href="https://botswanaalaws.com/StatutesActpdf/2009Actpdf/TOURISM%20ACT,%2016%20OF%202009.pdf">https://botswanaalaws.com/StatutesActpdf/2009Actpdf/TOURISM%20ACT,%2016%20OF%202009.pdf</a> <b>Regulation:</b> <a href="https://botswanaalaws.com/StatutesActpdf/2010Subsidiarypdf/TOURISM%20(RESERVATION%20OF%20TOURIST%20ENTERPRISES%20FOR%20CITIZENS)%20REGULATIONS,%20S.I.%20NO.%2087%20OF%202010.pdf">https://botswanaalaws.com/StatutesActpdf/2010Subsidiarypdf/TOURISM%20(RESERVATION%20OF%20TOURIST%20ENTERPRISES%20FOR%20CITIZENS)%20REGULATIONS,%20S.I.%20NO.%2087%20OF%202010.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
8	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign shareholding in bars (holding a bar liquor license to sell alcohol) and touristic transfer companies is prohibited.	Chapter 43:11 Liquor Act Liquor Regulations, 2008 (S.I No. 26 Of 2008) Tourism (Reservation of Tourist Enterprises for Citizens) Regulations, 2010 (S.I. No. 87 Of 2010).	<p><b>Act:</b> <a href="https://www.gov.bw/sites/default/files/2020-03/LI-QUOR%20ACT.pdf">https://www.gov.bw/sites/default/files/2020-03/LI-QUOR%20ACT.pdf</a></p> <p><b>Regulation:</b> <a href="https://botswanalaws.com/StatutesActpdf/2008Subsidiarypdf/LI-QUOR%20REGULATIONS,%20S.%20I.%20NO.%202026%20OF%202008.pdf">https://botswanalaws.com/StatutesActpdf/2008Subsidiarypdf/LI-QUOR%20REGULATIONS,%20S.%20I.%20NO.%202026%20OF%202008.pdf</a></p> <p><b>Regulation:</b> <a href="https://botswanalaws.com/StatutesActpdf/2010Subsidiarypdf/TOURISM%20(RESERVATION%20OF%20TOURIST%20ENTERPRISES%20FOR%20CITIZENS)%20REGULATIONS,%20S.%20I.%20NO.%2087%20OF%202010.pdf">https://botswanalaws.com/StatutesActpdf/2010Subsidiarypdf/TOURISM%20(RESERVATION%20OF%20TOURIST%20ENTERPRISES%20FOR%20CITIZENS)%20REGULATIONS,%20S.%20I.%20NO.%2087%20OF%202010.pdf</a></p>
9	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign investment in broadcasting activities is subject to joint-venture with citizens and citizen-owned companies in accordance with the licensing policy of the Botswana Communications Regulatory Authority (BOCRA).	Communications Regulatory Authority Act No. 19 of 2012 Broadcasting Licenses in Botswana: Application and Assessment Procedures for Commercial Broadcasting Services, April 2015.	<p><b>Ac:</b> <a href="https://www.bocra.org.bw/sites/default/files/documents/COMMUNICATIONS%20REGULATORY%20ACT%20C%202012.pdf">https://www.bocra.org.bw/sites/default/files/documents/COMMUNICATIONS%20REGULATORY%20ACT%20C%202012.pdf</a></p> <p><b>Pol:</b> <a href="https://www.bocra.org.bw/sites/default/files/documents/Broadcasting%20%20Licence%20Application%20and%20Assessment%20Procedures.pdf">https://www.bocra.org.bw/sites/default/files/documents/Broadcasting%20%20Licence%20Application%20and%20Assessment%20Procedures.pdf</a></p>
10	Financial Services – Banking	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Botswana's bank licensing policy seeks to promote/encourage local shareholding, but no statutory local shareholding limit has been officially stipulated.	Banking Act No.13 of 1995 Chapter 46:04 - Banking Regulations, 1995 The Licensing Policy Under the Banking Act (Cap. 46:04).	<p><b>Act:</b> <a href="https://www.bankofbotswana.bw/sites/default/files/Banking-Act-4.pdf">https://www.bankofbotswana.bw/sites/default/files/Banking-Act-4.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.bankofbotswana.bw/sites/default/files/Banking-Act-Regulations_0.pdf">https://www.bankofbotswana.bw/sites/default/files/Banking-Act-Regulations_0.pdf</a></p> <p><b>Policy:</b> <a href="https://www.bankofbotswana.bw/sites/default/files/licensing-policy.pdf">https://www.bankofbotswana.bw/sites/default/files/licensing-policy.pdf</a></p>
11	Financial Services – Banking	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Foreign bank branches are not allowed. Local incorporation is required for undertaking banking activities in Botswana.	Banking Act No.13 of 1995 Chapter 46:04 - Banking Regulations, 1995 The Licensing Policy Under the Banking Act (Cap. 46:04).	<p><b>Act:</b> <a href="https://www.bankofbotswana.bw/sites/default/files/Banking-Act-4.pdf">https://www.bankofbotswana.bw/sites/default/files/Banking-Act-4.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.bankofbotswana.bw/sites/default/files/Banking-Act-Regulations_0.pdf">https://www.bankofbotswana.bw/sites/default/files/Banking-Act-Regulations_0.pdf</a></p> <p><b>Policy:</b> <a href="https://www.bankofbotswana.bw/sites/default/files/licensing-policy.pdf">https://www.bankofbotswana.bw/sites/default/files/licensing-policy.pdf</a></p>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
12	Financial Services – Insurance	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Branches of foreign insurance companies, insurance agents and broker firms are not allowed. Local incorporation is required.	Insurance Industry Act No. 10 of 2015.	<b>Act:</b> <a href="https://www.nbfira.org.bw/sites/default/files/Insurance%20Industry%20Act%202015.pdf">https://www.nbfira.org.bw/sites/default/files/Insurance%20Industry%20Act%202015.pdf</a>
13	Forestry and Logging	IV. Other restrictions	Access to land/real estate is subject to FDI-specific restriction (for example, prior approval, quantitative/size limits, tax and so on).	Foreign acquisition or lease of agricultural land or of a company owning agricultural land is subject to the Minister's approval and subject to a FDI-specific transfer duty tax. In 2023, the Botswana's Unified Revenue Service issued the Transfer Duty Amendment Act 5 of 2023 ("Amendment Act"), which reduced the rate of transfer duty to non-citizens from 30 to 10 percent of the purchase price or value of property up to 2 million pula ("P") (US\$ 146,000), and 15 percent of the purchase price or value of property in excess over P2 million.	Chapter 32:11 Land Control Act of 1975, as amended Chapter 53:01 Transfer Duty Act of 1891, as amended Tribal Land Act No. 1 of 2019.	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot39063.pdf">http://extwprlegs1.fao.org/docs/pdf/bot39063.pdf</a> <b>Act:</b> <a href="https://static1.squarespace.com/static/5f4d03f526204108be03058b/t/604b7f4adbb94f7623d95262/1615560524283/Transfer+Duty+Act+ch53-01.pdf">https://static1.squarespace.com/static/5f4d03f526204108be03058b/t/604b7f4adbb94f7623d95262/1615560524283/Transfer+Duty+Act+ch53-01.pdf</a> <b>Act:</b> <a href="http://faolex.fao.org/docs/pdf/bot204211.pdf">http://faolex.fao.org/docs/pdf/bot204211.pdf</a>
14	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Branches are not allowed for "securities business" and "securities infrastructure business" entities. Local incorporation is required.	Securities Act No. 26 of 2014 Securities (Institutions Licensing) Regulations, 2017 (S. I. No. 31 of 2017) Securities (Persons Operating A Securities Infrastructure Business) Regulations, 2017 (S. I. No. 32 of 2017) Non-Bank Financial Institutions Regulatory Authority (Securities Business Corporate Governance) Rules 2012.	<b>Act:</b> <a href="http://www.nbfira.org.bw/sites/default/files/SECURITIES%20ACT.pdf">http://www.nbfira.org.bw/sites/default/files/SECURITIES%20ACT.pdf</a> <b>Regulation:</b> <a href="http://www.nbfira.org.bw/sites/default/files/Securities%20Institutions%20Licensing%20Regulations%202017.pdf">http://www.nbfira.org.bw/sites/default/files/Securities%20Institutions%20Licensing%20Regulations%202017.pdf</a> <b>Regulation:</b> <a href="http://www.nbfira.org.bw/sites/default/files/Securities%28Persons%20Operating%20A%20Securities%20Infrastructure%20Business%29%20Regulations%2C%202017.pdf">http://www.nbfira.org.bw/sites/default/files/Securities%28Persons%20Operating%20A%20Securities%20Infrastructure%20Business%29%20Regulations%2C%202017.pdf</a> <b>Rule:</b> <a href="http://www.nbfira.org.bw/sites/default/files/NBFIRA%20%28Securities%20Business%20Corporate%20Governance%29%20Rules%202012.pdf">http://www.nbfira.org.bw/sites/default/files/NBFIRA%20%28Securities%20Business%20Corporate%20Governance%29%20Rules%202012.pdf</a>
15	Financial Services – Other Financial Services (trusts, funds, and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for funds and fund management activities.	Chapter 56:09 Collective Investment Undertakings, 1999.	<b>Act:</b> <a href="https://www.finance.gov.bw/images/LawRegulations/Collective%20Investment%20Undertaking%20Act.pdf">https://www.finance.gov.bw/images/LawRegulations/Collective%20Investment%20Undertaking%20Act.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
16	Professional Services – Legal Services (total)	IV. Other restrictions	Reciprocity requirement	A foreigner can register, practice and be a partner in a law firm subject to reciprocal treatment accorded to Botswana's citizens by the foreigner's home state.	Chapter 61:01 Legal Practitioners Act.	<b>Act:</b> <a href="http://static1.1.sqspcdn.com/static/f/723732/25889608/1422112488603/ch61-01+LEGAL+PRACTITIONERS.pdf?token=B1RkLAaZ9oMtk44L8JZTXu5mdz8%3D">http://static1.1.sqspcdn.com/static/f/723732/25889608/1422112488603/ch61-01+LEGAL+PRACTITIONERS.pdf?token=B1RkLAaZ9oMtk44L8JZTXu5mdz8%3D</a>
17	Real Estate Investment – Land	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investors can lease state land for commercial and industrial use for up to 50 years, similarly to citizens and citizen-owned companies. However, foreign investors are not allowed to lease residential state land, whereas citizens can lease them for up to 99 years.	State Land Act (Chapter 32:01) of 1980, As Amended Botswana Land Policy, Government Paper No. 4 of 2015.	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot39081.pdf">http://extwprlegs1.fao.org/docs/pdf/bot39081.pdf</a> <b>Policy:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot196817.pdf">http://extwprlegs1.fao.org/docs/pdf/bot196817.pdf</a>
18	Fishing and Aquaculture – Fishing	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Commercial fishing is reserved to citizens only. There are no restrictions on foreign investment in aquaculture activities.	Fish Protection Regulations, 2016 (S.I. No. 16 of 2016).	<b>Regulation:</b> <a href="http://faolex.fao.org/docs/pdf/bot174293.pdf">http://faolex.fao.org/docs/pdf/bot174293.pdf</a>
19	Mining and Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment companies cannot hold a permit to exploit industrial minerals.	Mines and Minerals Act, 1999 (Chapter 66:01).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot50854.pdf">http://extwprlegs1.fao.org/docs/pdf/bot50854.pdf</a>
20	Manufacturing – Food and Others (food products, beverages and tobacco)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign shareholding in companies undertaking certain small-scale food and beverage activities (for example, bread, meat, milk, sorghum cereal, drinking water, and so on) is prohibited.	Industrial Development Act . 23 Of 2019 Industrial Development Regulations, 2020 (S.I. No 81 Of 2020).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf">http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>
21	Manufacturing – Food and Others (food products, beverages and tobacco)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in companies undertaking certain medium-/large-scale food and beverage activities (for example, bread, meat, milk, sorghum cereal, drinking water, and so on) is limited to 49 percent.	Industrial Development Act No. 23 of 2019 Industrial Development Regulations, 2020 (S.I. No 81 of 2020).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf">http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
22	Manufacturing – Food and Others (textiles, wearing apparel, leather and related products)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign shareholding in companies undertaking certain small-scale textile and leather activities (for example, protective clothing, school uniforms, traditional leather products, and so on) is prohibited.	Industrial Development Act No. 23 of 2019 Industrial Development Regulations, 2020 (S.I. No 81 of 2020).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf">http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>
23	Manufacturing – Food and Others (textiles, wearing apparel, leather and related products)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent	Foreign shareholding in companies undertaking certain medium-/large-scale textile and leather activities (for example, protective clothing, school uniforms, traditional leather products, and so on) is limited to 49 percent.	Industrial Development Act No. 23 of 2019 Industrial Development Regulations, 2020 (S.I. No 81 of 2020).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf">http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>
24	Manufacturing – Food and Others (paper, wood, printing, furniture and other manufacturing)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign shareholding in companies undertaking certain small-scale paper, wood, furniture activities (for example, packaging, burglar bars, gates and windows, fencing materials, school furniture, and so on) is prohibited.	Industrial Development Act No 23 of 2019 Industrial Development Regulations, 2020 (S.I. No 81 of 2020).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf">http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>
25	Manufacturing – Food and Others (paper, wood, printing, furniture and other manufacturing)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in companies undertaking certain medium-/large-scale paper, wood, furniture activities (for example, packaging, burglar bars, gates and windows, fencing materials, school furniture, and so on) is limited to 49 percent.	Industrial Development Act No 23 of 2019 Industrial Development Regulations, 2020 (S.I. No 81 of 2020).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf">http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>
26	Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (chemical and pharmaceutical products)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign shareholding in companies manufacturing some chemical products (for example, floor polish) is prohibited and in other activities is limited to 49 percent.	Industrial Development Act No 23 of 2019 Industrial Development Regulations, 2020 (S.I. No 81 of 2020).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf">http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>



N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
27	Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (rubber and plastics products, and other non-metallic mineral products)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign shareholding in companies manufacturing some non-metallic mineral products (for example, bricks, burglar bars, gates and windows, and so on) is prohibited and in other activities is limited to 49 percent.	Industrial Development Act No 23 of 2019 Industrial Development Regulations, 2020 (S.I. No 81 of 2020).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf">http://extwprlegs1.fao.org/docs/pdf/bot195231.pdf</a> <b>Regulation:</b> <a href="https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf">https://www.bocra.org.bw/sites/default/files/covid19-docs/Extraordinary%20Gazette%2020th%20May%202020%20copy.pdf</a>

# Democratic Republic of Congo



## Summary Highlights

FDI Performance	DRC			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>63</sup>	1,488	1,647	1,870	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>64</sup>	3.1%	3.6%	3.7%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>65</sup> (in US\$ millions)	570	1,135	184	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	DRC	SADC Average	Global Average <sup>66</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>67</sup>	0.21	0.19	0.10
Total number of measures <sup>68</sup>	25	25	Not applicable (NA.)
<b>Total number of measures by policy category</b>			
Foreign equity limits	11	11.9	NA.
Screening and approval	2	2.8	NA.
Restrictions on foreign personnel	1	2.6	NA.
Other restrictions	11	7.9	NA.
<b>Total number of sectors with measures<sup>69</sup></b>	<b>13</b>	<b>11.4</b>	<b>NA.</b>

63. Source: UNCTAD STAT.

64. Id.

65. fDi Markets, from the Financial Times Ltd. (2022).

66. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, the SADC Member States are excluded from the calculation of the global average.

67. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

68. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, and for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In the Democratic Republic of Congo, the list of 25 identified measures is found in 21 legal instruments (legal instruments include laws, regulations, decree, presidential orders, ministerial orders and official government policy).

69. The following sectors in DRC have covered measures: Agriculture – Crops, Distribution – Retail (specialized retail stores); Distribution – Wholesale; Transport – Water (total); Media – Radio and TV Programming and Broadcasting (total); Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals); Telecommunications, Financial Services; Banking, Financial Services – Insurance, Forestry and Logging, Professional Services; Legal Services (total); Professional Services – Audit and Accounting (total); Professional Services – Engineering Services (total); Professional Services – Architectural Services (total); Real Estate Investment; Real Estate Investment – Land, Mining and Quarrying – Except energy-producing materials and support service activities; Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (chemical and pharmaceutical products).

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	III. Restrictions on key foreign personnel (that is, the board of directors and top-level executives).	Foreign key personnel (that is, top-level executive positions) are not permitted. <sup>1</sup>	Foreigners cannot hold various top-level corporate positions across industries.	Departmental Ordinance 86/001 determining the list of jobs prohibited to foreigners. (JOZ, No. 7, April 1, 1987, p. 36) [Google translation].	<b>Ord:</b> <a href="https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/84839/94663/F17934817/Emplois%20interdits%20aux%20etrangers.pdf">https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/84839/94663/F17934817/Emplois%20interdits%20aux%20etrangers.pdf</a>
2	Horizontal	IV. Other restrictions	FDI-specific local content requirement.	Foreign investors are required to engage Congolese-owned sub-contractors, unless exceptionally when local expertise is unavailable or inaccessible. It is subject to government approval.	LAW No. 17/001 of February 08, 2017 fixing the rules applicable to subcontracting in the private sector [Google translation].	<b>Law:</b> <a href="https://www.leganet.cd/Legislation/Droit%20civil/Dobligations/Loi.17.001.08.02.2017.html">https://www.leganet.cd/Legislation/Droit%20civil/Dobligations/Loi.17.001.08.02.2017.html</a>
3	Horizontal	IV. Other restrictions	Government procurement offers preference to locally-owned firms.	Public procurement legislation provides for a preferential treatment for majority Congolese-owned small and medium-sized enterprises.	Law No. 10/010 of April 27, 2010 on Public Procurement, Art. 37.	<b>Law:</b> <a href="https://www.leganet.cd/Legislation/JO/2010/JOS.04.10.pdf">https://www.leganet.cd/Legislation/JO/2010/JOS.04.10.pdf</a>
4	Agriculture – Crops	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in enterprises holding a concession to exploit agricultural land is limited to 49 percent.	Law No. 11/022 of December 24, 2011 on fundamental principles relating to agriculture [Google translation].	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/cng109785.pdf">http://extwprlegs1.fao.org/docs/pdf/cng109785.pdf</a>
5	Distribution – Retail (specialized retail stores)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment in retail pharmaceutical products is reserved for Congolese pharmacists.	Ministerial Order No. 1250/CAB/MIN/SP/010/CPH/OMP/2015 of September 28, 2015 amending and supplementing Ministerial Order No. 1250/CAB/MIN/S/AJ/01 of March 14, 2000 on the conditions for granting authorizations to open and operate pharmaceutical establishments [Google translation].	<b>Order:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/Cng189566.pdf">http://extwprlegs1.fao.org/docs/pdf/Cng189566.pdf</a>
6	Distribution – Retail (specialized retail stores)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investment in retail trade is subject to express authorization by the President of the Republic, except for the following domains, where it has been authorized by Decree: gas stations; supermarkets, beverages, domestic appliances; luxury clothing; and new vehicle dealerships.	Law No. 73/009 of January 5, 1973 amended by Law No. 74-014 of July 10, 1974 on Trade [Google translation]	<b>Law:</b> <a href="http://www.droit-afrique.com/upload/doc/rdc/RDC-Loi-1973-09-portant-sur-le-commerce.pdf">http://www.droit-afrique.com/upload/doc/rdc/RDC-Loi-1973-09-portant-sur-le-commerce.pdf</a> <b>Decree:</b> <a href="https://www.droitcongolais.info/files/90.10.11-Decret-du-11-octobre-2011_petit-commerce_mesures-conservatoires.pdf">https://www.droitcongolais.info/files/90.10.11-Decret-du-11-octobre-2011_petit-commerce_mesures-conservatoires.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
7	Distribution – Wholesale	I. Foreign equity limits	Greenfield and acquisitions: More than 67percent, but below 100 percent.	Foreign investment in wholesale pharmaceutical products and pharmaceutical manufacturing laboratories requires an association with a Congolese pharmacist.	Ministerial Order No. 1250/CAB/MIN/SP/010/CPH/OMP/2015 of September 28, 2015 amending and supplementing Ministerial Order No. 1250/CAB/MIN/S/AJ/01 of March 14, 2000 on the conditions for granting authorizations to open and operate pharmaceutical establishments [Google translation]	<b>Order:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/Cng189566.pdf">http://extwpr-legs1.fao.org/docs/pdf/Cng189566.pdf</a>
8	Distribution – Wholesale	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates and consideration of economic interests.	Foreign investment in wholesale trade is subject to express authorization of the President of the Republic.	Law No. 73/009 of January 5, 1973 amended by Law No. 74-014 of July 10, 1974 on Trade [Google translation]  DECREE No. 011/37 laying down precautionary measures for the exercise of small businesses and retail businesses [Google translation].	<b>Law:</b> <a href="http://www.droit-afrique.com/upload/doc/rdc/RDC-Loi-1973-09-portant-sur-le-commerce.pdf">http://www.droit-afrique.com/upload/doc/rdc/RDC-Loi-1973-09-portant-sur-le-commerce.pdf</a>  <b>Decree:</b> <a href="https://www.droitcongolais.info/files/90.10.11-Decret-du-11-octobre-2011_petit-commerce_mesures-conservatoires.pdf">https://www.droitcongolais.info/files/90.10.11-Decret-du-11-octobre-2011_petit-commerce_mesures-conservatoires.pdf</a>
9	Transport – Water (total)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Maritime transport, unless as provided for under international maritime agreements, is reserved to vessels flying the national flag, which is granted to vessels in which foreign interests are not greater than 40 percent.	Ordinance-Law No. 66-98 – Maritime Navigation Code [Google translate].	<b>Ordinance:</b> <a href="https://www.ilo.org/dyn/natlex/docs/SERIAL/84877/95322/F1572507643/COD-84877.pdf">https://www.ilo.org/dyn/natlex/docs/SERIAL/84877/95322/F1572507643/COD-84877.pdf</a>
10	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in radio and TV broadcasting companies is limited to 49 percent.	Act No. 96- 002 of June 22, 1996, Fixing the terms and conditions for the exercise of press freedom [Google translation]	<b>Act:</b> <a href="https://jed-afrique.org/2000/08/10/loi-n96-002-du-22-juin-1996-fixant-les-modalites-de-lexercice-de-la-liberte-de-presse/">https://jed-afrique.org/2000/08/10/loi-n96-002-du-22-juin-1996-fixant-les-modalites-de-lexercice-de-la-liberte-de-presse/</a>
11	Media – Radio and TV Programming and Broadcasting (total)	IV. Other restrictions	Reciprocity requirement	Foreign investment in radio and TV broadcasting is subject to a reciprocity condition.	Act No. 96- 002 of June 22, 1996, Fixing the terms and conditions for the exercise of press freedom [Google translation].	<b>Act:</b> <a href="https://jed-afrique.org/2000/08/10/loi-n96-002-du-22-juin-1996-fixant-les-modalites-de-lexercice-de-la-liberte-de-presse/">https://jed-afrique.org/2000/08/10/loi-n96-002-du-22-juin-1996-fixant-les-modalites-de-lexercice-de-la-liberte-de-presse/</a>
12	Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in printed media companies is limited to 49 percent.	Act No. 96- 002 of June 22, 1996, Fixing the terms and conditions for the exercise of press freedom [Google translation].	<b>Act:</b> <a href="https://jed-afrique.org/2000/08/10/loi-n96-002-du-22-juin-1996-fixant-les-modalites-de-lexercice-de-la-liberte-de-presse/">https://jed-afrique.org/2000/08/10/loi-n96-002-du-22-juin-1996-fixant-les-modalites-de-lexercice-de-la-liberte-de-presse/</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
13	Telecommunications	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign shareholding in telecommunication companies is limited to 69 percent.	Law No. 20/017 of November 25, 2020 relating to telecommunications and information and communication technologies [Google translation].	<b>Law:</b> <a href="https://legalrdc.com/wp-content/uploads/2021/11/Loi-20017_Telecom-et-Tech.pdf">https://legalrdc.com/wp-content/uploads/2021/11/Loi-20017_Telecom-et-Tech.pdf</a>
14	Financial Services – Banking	IV. Other restrictions	FDI-specific local content requirement	Statutory auditors of banking institutions in the DRC must either be Congolese nationals or legal persons established under the law of the DRC — and with capital held in majority by Congolese nationals.	Law No. 003/2002 of 02/02/2002 relating to the activity and control of credit institutions [Google translation]	<b>Law:</b> <a href="https://www.leganet.cd/Legislation/Droit%20economique/Banques/loi.003.02.02.2002.pdf">https://www.leganet.cd/Legislation/Droit%20economique/Banques/loi.003.02.02.2002.pdf</a>
15	Financial Services – Banking	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only)	Local incorporation is required for investing in banking.	Law No. 003/2002 of 02/02/2002 relating to the activity and control of credit institutions [Google translation].	<b>Law:</b> <a href="https://www.leganet.cd/Legislation/Droit%20economique/Banques/loi.003.02.02.2002.pdf">https://www.leganet.cd/Legislation/Droit%20economique/Banques/loi.003.02.02.2002.pdf</a>
16	Financial Services – Insurance	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only)	Local incorporation is required for undertaking insurance and reinsurance activities.	Law No. 15/005 Of March 17, 2015 on the insurance code [Google translation]	<b>Law:</b> <a href="https://www.leganet.cd/Legislation/Droit%20economique/Ass/Loi%2015%20mars%202015.html">https://www.leganet.cd/Legislation/Droit%20economique/Ass/Loi%2015%20mars%202015.html</a>
17	Forestry and Logging	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent	Medium-sized artisanal forestry activities (of up to 500 hectares) are reserved to majority-owned Congolese enterprises.	Ministerial Order 84/CAB/MIN/ECN-DD/CJ/00/RBM/2016 of October 29, 2016 on the conditions and rules for the exploitation of timber [Google translation]	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/cng34383.pdf">http://extwpr-legs1.fao.org/docs/pdf/cng34383.pdf</a> <b>Ord:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/Cng174125.pdf">http://extwpr-legs1.fao.org/docs/pdf/Cng174125.pdf</a>
18	Professional Services – Legal Services (total)	IV. Other restrictions	Reciprocity requirement	Foreign lawyers may be admitted to practice in the DRC subject to a reciprocity condition. Only lawyers can constitute and hold equity interests in law firms and partnerships established in the DRC.	Ordinance-Law No. 79-028 of September 28, 1979 on the organization of the bar, the body of judicial defenders and the body of State agents [Google translation].	<b>Ordinance-Law:</b> <a href="https://www.leganet.cd/Legislation/Droit%20Judiciaire/OL79..28.28.09.79.htm">https://www.leganet.cd/Legislation/Droit%20Judiciaire/OL79..28.28.09.79.htm</a>
19	Professional Services – Audit and Accounting (total)	IV. Other restrictions	Reciprocity requirement	Foreign participation in auditing and accounting firms in the DRC is subject to a reciprocity condition.	Law No. 15/002 of February 12, 2015 on the creation and organization of the national order of experts-compatibles [Google translation].	<b>Law:</b> <a href="https://leganet.cd/Legislation/Droit%20economique/Professions/Loi.15.002.12.02.html#CIII">https://leganet.cd/Legislation/Droit%20economique/Professions/Loi.15.002.12.02.html#CIII</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
20	Professional Services – Engineering Services (total)	IV. Other restrictions	Reciprocity requirement	Foreign engineers can be admitted to the National Order of Engineers subject to a reciprocity requirement.	Law No. 18/033 of December 13, 2018 on the creation, organization and operation of the national order of civil engineers [Google translation].	<b>Law:</b> <a href="https://www.droitcongolais.info/files/713.12.18.1_loi-n-18_033-portant-creation-de-lOrdre-des-ingenieurs-civils.pdf">https://www.droitcongolais.info/files/713.12.18.1_loi-n-18_033-portant-creation-de-lOrdre-des-ingenieurs-civils.pdf</a>
21	Professional Services – Architectural Services (total)	IV. Other restrictions	Reciprocity requirement	Architectural firms can only be formed by architects who are members of the National Order of Architects. Foreign architects can be admitted to the Order subject to a reciprocity condition.	Law No. 18/034 on the creation, organization and functioning of the National Order of Architects [Google translation].	<b>Law:</b> <a href="https://www.droitcongolais.info/files/713.12.18-Loi-n-18_34-portant-creation-de-lordre-des-Architectes.pdf">https://www.droitcongolais.info/files/713.12.18-Loi-n-18_34-portant-creation-de-lordre-des-Architectes.pdf</a>
22	Real Estate Investment	IV. Other restrictions	Reciprocity requirement	Foreign investment in real estate services (agents and brokers) is subject to reciprocity.	Decree No. 13/032 of June 25, 2013 regulating the practice of the profession of real estate expert [Google translation].	<b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/cng140369.pdf">http://extwpr-legs1.fao.org/docs/pdf/cng140369.pdf</a>
23	Real Estate Investment – Land	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Only Congolese nationals are entitled to perpetual land concessions. Legal entities, both foreign- and Congolese-owned, are only entitled to limited-term concession modalities, such as land leases up to 25 years (and renewable).	Law No. 73-021 of July 20, 1973 on the general property regime, land and real estate regime and securities regime, as amended and supplemented by Law No. 80-008 of July 18, 1980 [Google translation].	<b>Law:</b> <a href="http://www.droit-afrique.com/upload/doc/rdc/RDC-Loi-1973-21-regime-foncier-et-suretes-MAJ-1980.pdf">http://www.droit-afrique.com/upload/doc/rdc/RDC-Loi-1973-21-regime-foncier-et-suretes-MAJ-1980.pdf</a>
24	Mining and Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign investment in mining and small-scale mining activities is subject to joint-venture requirements with Congolese investors.	Law No. 007/2002 Of July 11, 2002 on the Mining Code, as amended [Google translation]. Loi n°18/001 du 09 mars 2018 modifiant et complétant la Loi n° 007/2002 du 11 juillet 2002 portant Code minier [Google translation].	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/cng46321.pdf">http://extwpr-legs1.fao.org/docs/pdf/cng46321.pdf</a> <b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/cng197058.pdf">http://extwpr-legs1.fao.org/docs/pdf/cng197058.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
25	Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (chemical and pharmaceutical products)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign investment in wholesale pharmaceutical products and pharmaceutical manufacturing laboratories requires an association with a Congolese pharmacist.	Ministerial Order No. 1250/CAB/MIN/SP/010/CPH/OMP/2015 of September 28, 2015, amending and supplementing Ministerial Order No. 1250/CAB/MIN/S/AJ/01 of March 14, 2000 on the conditions for granting authorizations to open and operate pharmaceutical establishments [Google translation]	<b>Order:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/Cng189566.pdf">http://extwpr-legs1.fao.org/docs/pdf/Cng189566.pdf</a>



## Summary Highlights

FDI Performance	Eswatini			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
FDI Inflow (in US\$ millions) <sup>70</sup>	130	41	126	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>71</sup>	2.9%	1.1%	2.8%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>72</sup> (in US\$ millions)	48	10	115	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Eswatini	SADC Average	Global Average <sup>73</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>74</sup>	0.15	0.19	0.10
Total number of measures <sup>75</sup>	34	25	Not applicable (NA.)
<b>Total number of measures by policy category</b>			
Foreign equity limits	13	11.9	NA.
Screening and approval	12	2.8	NA.
Restrictions on foreign personnel	3	2.6	NA.
Other restrictions	6	7.9	NA.
<b>Total number of sectors with measures<sup>76</sup></b>	<b>17</b>	<b>11.4</b>	<b>NA.</b>

70. Source: UNCTAD STAT.

71. Id.

72. fDi Markets, from the Financial Times Ltd. (2022).

73. The calculation of the global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, the SADC Member States are excluded from the calculation of the global average.

74. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

75. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Eswatini, the list of 34 identified measures is found in 13 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

76. The following sectors in Eswatini have covered measures: Construction, Construction – Buildings and Other Specialized Activities; Construction – Civil Engineering; Distribution – Retail (non-specialized retail stores, including supermarket and department stores); Distribution – Retail (specialized retail stores); Distribution – Wholesale; Transport – Surface (road transport and urban rail transport); Transport – Air (air transport); Hotels and Restaurants – Accommodations; Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities; Media – Radio and TV Programming and Broadcasting (total); Telecommunications – Fixed (facilities and services-based wired telecommunication service services, including internet service providers); Telecommunications – Mobile (facilities and services-based mobile telecommunication services, including satellite telecommunication services and value-added services); Financial Services – Banking, Financial Services; Insurance, Financial Services – Insurance (life insurance/reinsurance, pensions and related auxiliary services); Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities); Financial Services – Other Financial Services (trusts, funds and fund management activities); Real Estate Investment – Land, Mining and Quarrying – Except energy-producing materials and support service activities; Mining and Quarrying – Except energy-producing materials and support service activities; Manufacturing – Food and Others; Manufacturing – Food and Others (food products, beverages and tobacco); Manufacturing – Food and Others (textiles, wearing apparel, leather and related products); Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products; Manufacturing – Basic Metals and Fabricated Metal Products, except Machinery and Equipment; Manufacturing – Machinery and Equipment, Manufacturing – Transport Equipment.



## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Land/real estate ownership is not permitted, but leases are possible for the long-term, that is, over 70 years.	Majority foreign-owned companies cannot own land in Eswatini even if for business purposes. However, long-term leases (99 years) are possible according to the authorities.	Constitution of the Kingdom of Swaziland Act, 2005  Concessions Partitions Act 1907 (No. 28 of 1907).  Transfer Duty Act,  Deed Registry Act.	<b>Constitution:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/swa132849.pdf">http://extwprlegs1.fao.org/docs/pdf/swa132849.pdf</a>
2	Construction	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100%	Foreign investment (including by locally-incorporated firms with 60 percent or more foreign shareholding) in construction activities is subject to a partnership requirement with local companies owned 60 percent or more by Eswatini citizens.  Foreign investment (including by locally-incorporated firms with 60 percent or more foreign shareholding) in construction activities is not permitted, where the Construction Industry Council (CIC) determines that the work can be undertaken by Eswatini citizens and/or local companies (owned 60 percent or more by Eswatini citizens). Where local expertise is in shortage, the CIC may authorize foreign investment subject to the investor partnering (establishing a joint venture) with a local company.	Construction Industry Council Act, 2013.	<b>Act:</b> <a href="https://gazettes.africa/archive/sz/2013/sz-government-gazette-supplement-dated-2013-08-09-no-103.pdf">https://gazettes.africa/archive/sz/2013/sz-government-gazette-supplement-dated-2013-08-09-no-103.pdf</a>
3	Construction –	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes)	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodations, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under the Swazi Nation Land.	Trading Licenses Order (Order No.20 of 1975)  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under section 20).	<a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
4	Distribution – Retail (non-specialized retail stores, including supermarket and department stores)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed	Trading license in some commercial activities, including manufacturing-related, wholesale and retail-related and food services-related activities among others [listed in Schedule 2 of the referenced Regulation], are reserved to Swazi citizens and companies wholly-owned by Swazi citizens.	Trading Licenses Order (Order No.20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a> <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a> <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
5	Distribution – Retail (non-specialized retail stores, including supermarket and department stores).	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates the consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodations, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land.	Trading Licenses Order (Order No.20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a> <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a> <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
6	Distribution – Retail (specialized retail stores)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodations, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land.	Trading Licenses Order (Order No.20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a> <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a> <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
7	Distribution – Wholesale	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Trading license in some commercial activities, including manufacturing-related, wholesale and retail-related and food services-related activities among others [listed in Schedule 2 of the referenced Regulation], are reserved to Swazi citizens and companies wholly owned by Swazi citizens.	Trading Licenses Order (Order No.20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
8	Distribution – Wholesale	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodation, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land.	Trading Licenses Order (Order No.20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
9	Transport – Surface (road transport and urban rail transport)	IV. Other restrictions	FDI-specific local content requirement.	Foreign trucking companies or their Swaziland subsidiaries are obliged to award a quota of not less than 20 percent of their transport requirements to the small local truckers.	THE ROAD TRANSPORTATION ACT No. 5 of 2007.	<b>Act:</b> <a href="https://gazettes.africa/archive/sz/2007/sz-government-gazette-dated-2007-09-20-no-98.pdf">https://gazettes.africa/archive/sz/2007/sz-government-gazette-dated-2007-09-20-no-98.pdf</a>
10	Transport – Air (air transport)	IV. Other restrictions	Reciprocity requirement.	Reciprocity is required for a foreign airline licensee to be allowed to establish offices in Swaziland for the promotion and sale of air transportation services.	Civil Aviation Authority Act No. 10 of 2009.	<b>Act:</b> <a href="https://www.esw-cao.co.sz/regulationand-compliance/documents/regulations/CIVIL-AVIATION-AUTHORITY-ACT-2009.pdf">https://www.esw-cao.co.sz/regulationand-compliance/documents/regulations/CIVIL-AVIATION-AUTHORITY-ACT-2009.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
11	Hotels and Restaurants – Accommodation	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodations, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land. According to the government, despite the screening, “Investment in this sector is open to all investors be it foreign or domestic.” Some foreign investors are present in the country.	Trading Licenses Order (Order No.20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
12	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Trading license in some commercial activities, including manufacturing-related, wholesale and retail-related and food services-related activities among others [listed in Schedule 2 of the referenced Regulation], are reserved to Swazi citizens and companies wholly owned by Swazi citizens.	Trading Licenses Order (Order No. 20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
13	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodations, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land.	Trading Licenses Order (Order No. 20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
14	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Listed companies only: Less than 33 percent.	Foreign shareholding in any radio and TV broadcasting company listed on the stock exchange is limited to 30 percent.	The Electronic Communications (Licensing) Regulations, 2016.	<b>Regulation:</b> <a href="https://www.esccom.org.sz/regulations/The-Electronic-CommunicationsLicensing-Regulations2016.pdf">https://www.esccom.org.sz/regulations/The-Electronic-CommunicationsLicensing-Regulations2016.pdf</a>
15	Telecommunications – Fixed (facilities and services-based wired telecommunication service services, including internet service providers)	I. Foreign equity limits	Listed companies only: Less than 33 percent.	Foreign shareholding in any radio and TV broadcasting company listed on the stock exchange is limited to 30 percent. However, according to the authorities, fixed line communication is only provided by public enterprises holding a de-facto monopoly of such services in the country.	The Electronic Communications (Licensing) Regulations, 2016.	<b>Regulation:</b> <a href="https://www.esccom.org.sz/regulations/The-Electronic-CommunicationsLicensing-Regulations2016.pdf">https://www.esccom.org.sz/regulations/The-Electronic-CommunicationsLicensing-Regulations2016.pdf</a>
16	Telecommunications – Mobile (facilities and services-based mobile telecommunication services, including satellite telecommunication services and value-added services)	I. Foreign equity limits	Listed companies only: Less than 33 percent.	Foreign shareholding in any radio and TV broadcasting company listed on the stock exchange is limited to 30 percent.	The Electronic Communications (Licensing) Regulations, 2016.	<b>Regulation:</b> <a href="https://www.esccom.org.sz/regulations/The-Electronic-CommunicationsLicensing-Regulations2016.pdf">https://www.esccom.org.sz/regulations/The-Electronic-CommunicationsLicensing-Regulations2016.pdf</a>
17	Financial Services – Banking	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Nationality requirements for the board of directors. The majority must be Swazi nationals.	The majority of the board of directors of a banking institution, as well as its Chairman and Principal Officer, must be citizens of Eswatini.	Financial Institutions Act No. 6 of 2005.	<b>Act:</b> <a href="https://www.central-bank.org.sz/wp-content/uploads/2021/03/FIA-2005-optimized.pdf">https://www.central-bank.org.sz/wp-content/uploads/2021/03/FIA-2005-optimized.pdf</a>
18	Financial Services – Banking	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	The majority of the board of directors of a banking institution, as well as its Chairman and Principal Officer, must be citizens of Eswatini.	Financial Institutions Act No. 6 of 2005.	<b>Act:</b> <a href="https://www.central-bank.org.sz/wp-content/uploads/2021/03/FIA-2005-optimized.pdf">https://www.central-bank.org.sz/wp-content/uploads/2021/03/FIA-2005-optimized.pdf</a>
19	Financial Services – Insurance	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign shareholding in an insurance company is restricted. At least 25 percent of the shares of an insurance company shall be held by citizens of Eswatini or other legal entities majority-owned (51 percent or more) owned by citizens of Eswatini.	Insurance Act, 2005.	<b>Act:</b> <a href="https://www.fsra.co.sz/legal/legislation/TheInsuranceAct2005.pdf">https://www.fsra.co.sz/legal/legislation/TheInsuranceAct2005.pdf</a>
20	Financial Services – Insurance	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Insurance brokers shall be wholly owned by citizens of Eswatini if it is a private company. If it is a public company, it shall be majority-owned by citizens of Eswatini.	Insurance Act, 2005.	<b>Act:</b> <a href="https://www.fsra.co.sz/legal/legislation/TheInsuranceAct2005.pdf">https://www.fsra.co.sz/legal/legislation/TheInsuranceAct2005.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
21	Financial Services – Insurance (life insurance/re-insurance, pension and related auxiliary services)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	The principal officer of a retirement fund must be a Swazi citizen.	Retirement Funds Act, 2005.	<b>Act:</b> <a href="https://www.fsra.co.sz/legal/legislation/The%20Retirement%20Funds%20Act%202005.pdf">https://www.fsra.co.sz/legal/legislation/The%20Retirement%20Funds%20Act%202005.pdf</a>
22	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	IV. Other restrictions.	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation for investing in several other financial services.	Securities Act No. 9 of 2010.	<b>Act:</b> <a href="https://www.fsra.co.sz/legal/legislation/TheSecuritiesAct2010.pdf">https://www.fsra.co.sz/legal/legislation/TheSecuritiesAct2010.pdf</a>
23	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation for investing in several other financial services.	Securities Act No. 9 of 2010.	<b>Act:</b> <a href="https://www.fsra.co.sz/legal/legislation/TheSecuritiesAct2010.pdf">https://www.fsra.co.sz/legal/legislation/TheSecuritiesAct2010.pdf</a>
24	Real Estate Investment	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodation, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land.	Trading Licenses Order (Order No. 20 of 1975).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a> <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a> <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>

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25	Real Estate Investment – Land	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Majority foreign-owned companies cannot own land in Eswatini, even if for business purposes. However, long-term leases (99 years) are possible according to the authorities. Foreign investors and foreign-owned companies are allowed to acquire condominium units without restrictions according to the Sectional Titles Act 2003 [according to the authorities].	Constitution of the Kingdom of Swaziland Act, 2005.  Concessions Partitions Act 1907 (No. 28 of 1907).	<b>Constitution:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/swa132849.pdf">http://extwprlegs1.fao.org/docs/pdf/swa132849.pdf</a>
26	Mining and Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Small-scale mining, such as quarrying and stone aggregates, is reserved for Eswatini nationals.	The Mines and Minerals Act of 2011.	<b>Act:</b> <a href="https://investeswazini.org.sz/wp-content/uploads/2019/05/Mines-Minerals-Act-No-4-of-2011.pdf">https://investeswazini.org.sz/wp-content/uploads/2019/05/Mines-Minerals-Act-No-4-of-2011.pdf</a>
27	Mining and Quarrying – Except energy-producing materials and support service activities	IV. Other restrictions	FDI-specific local content requirement.	Investors are required to comply with local procurement requirements giving preference to citizen-owned goods and services suppliers.	The Mines and Minerals Act of 2011.	<b>Act:</b> <a href="https://investeswazini.org.sz/wp-content/uploads/2019/05/Mines-Minerals-Act-No-4-of-2011.pdf">https://investeswazini.org.sz/wp-content/uploads/2019/05/Mines-Minerals-Act-No-4-of-2011.pdf</a>
28	Manufacturing – Food and Others	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes)	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodation, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land.	Trading Licenses Order (Order No. 20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>

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29	Manufacturing – Food and Others (food products, beverages and tobacco)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Trading license in some commercial activities, including manufacturing-related, wholesale and retail-related and food services-related activities among others [listed in Schedule 2 of the referenced Regulation], are reserved to Swazi citizens and companies wholly owned by Swazi citizens.	Trading Licenses Order (Order No. 20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a> <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a> <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
30	Manufacturing – Food and Others (textiles, wearing apparel, leather and related products)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Trading license in some commercial activities, including manufacturing-related, wholesale and retail-related and food services-related activities among others [listed in Schedule 2 of the referenced Regulation], are reserved to Swazi citizens and companies wholly owned by Swazi citizens.	Trading Licenses Order (Order No. 20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a> <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a> <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
31	Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes)	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodation, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land	Trading Licenses Order (Order No.20 of 1975)  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	Trading Licenses Order (Order No.20 of 1975)  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20). <b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a> <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a> <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>



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32	Manufacturing – Basic Metals and Fabricated Metal Products, except Machinery and Equipment	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodation, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land.	Trading Licenses Order (Order No. 20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
33	Manufacturing – Machinery and Equipment	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodation, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land.	Trading Licenses Order (Order No. 20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>
34	Manufacturing – Transport Equipment	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	A trading license in various commercial activities, including manufacturing, construction, wholesale and retail distribution, accommodations, food services and other touristic activities [listed in Schedule 1 of the referenced Regulation], shall only be granted to a non-Swazi citizen or company not wholly-owned by Swazi citizens where: (i) there are no available Swazi citizens to provide the service; or (ii) where Swazi citizens cannot meet the demand. In any case, a non-Swazi citizen shall not conduct any business or trade under Swazi Nation Land.	Trading Licenses Order (Order No. 20 of 1975).  The Reservation of Certain Trades or Businesses for Swazi Citizens, Regulations, 2017 (Under Section 20).	<b>Act:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Order-20-of-1975.pdf</a>  <b>Amendment:</b> <a href="http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf">http://www.osall.org.za/docs/2011/03/Swaziland-Trading-Licences-Amendment-Act-9-of-2011.pdf</a>  <b>Regulation:</b> <a href="https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc">https://www.gov.sz/images/MOCIT/%20LegalNotice-ReservationsRegulations-with-tracked-changes.doc</a>



## Summary Highlights

FDI Performance	Lesotho			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>77</sup>	36	30	27	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>78</sup>	1.5%	1.3%	1.0%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>79</sup> (in US\$ millions)	314	11	183	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Lesotho	SADC Average	Global Average <sup>80</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>81</sup>	0.40	0.20	0.10
Total number of measures <sup>82</sup>	19	25	Not applicable (NA.)
<b>Total number of measures by policy category</b>			
Foreign equity limits	11	11.9	NA.
Screening and approval	1	2.8	NA.
Restrictions on foreign personnel	Nil	2.6	NA.
Other restrictions	7	7.9	NA.
<b>Total number of sectors with measures<sup>83</sup></b>	<b>8</b>	<b>11.4</b>	<b>NA.</b>

77. Source: UNCTAD STAT.

78. Id.

79. fDi Markets, from the Financial Times Ltd. (2022).

80. The calculation of the global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, the SADC Member States are excluded from the calculation of the global average.

81. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

82. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, such as on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Lesotho, the list of 19 identified measures is found in 12 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

83. The following sectors in Lesotho have covered measures: Agriculture – Crops; Agriculture – Animal production, hunting and related service activities; Construction – Buildings and Other Specialized Activities, Distribution; Retail (non-specialized retail stores, including supermarket and department stores); Distribution – Wholesale, Transport – Surface (road transport and urban rail transport); passenger transport [domestic / international]; Transport – Surface (services incidental to rail and road transport, including rail and road infrastructure, stations, cargo handling and other support activities); Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment, and recreation activities; Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities); Financial Services – Other Financial Services (trusts, funds and fund management activities); Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital); and Real Estate Investment. Lesotho also maintains many horizontal level FDI restrictions.

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign-owned companies, in which foreigners hold more than 30 percent of the equity capital in the case of companies and 50 percent in the case of partnerships, are subject to screening involving the consideration of economic interests (for example, employment generation of not less than 6 employees who are residents or citizens of Lesotho; strategic nature of the business to the Lesotho economy; transfer of technology and business expertise; and advancement of business undertaking owned by citizens) in order to be granted a business permit and be allowed to engage in a business activity in Lesotho.	Business Licensing and Registration Act No. 3 of 2019.	<p><b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a></p> <p><b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a></p>
2	Horizontal	IV. Other restrictions	Access to land/real estate is subject to restriction (for example, prior approval, qualitative size limits, tax, and so on).	Only a foreign-owned enterprise in which at least 20 percent of the capital is held by Lesotho citizens are allowed to hold title to land. Provided land is needed for investment purposes and subject to the screening involving economic interests. Otherwise, foreign investors may lease land for business purposes.	Land Act No. 8 of 2010.	<b>Act:</b> <a href="https://lesotholii.org/ls/legislation/act/2010/8/land_act_2010_pdf_31029.pdf">https://lesotholii.org/ls/legislation/act/2010/8/land_act_2010_pdf_31029.pdf</a>
3	Horizontal	IV. Other restrictions	Land/real estate ownership not permitted, but leases are possible for the medium term (up to 70 years).	Only a foreign-owned enterprise in which at least 20 percent of the capital is held by Lesotho citizens are allowed to hold title to land, and provided the land is needed for investment purposes and subject to screening involving economic interests. Otherwise, foreign investors may sub-lease land for business purposes.	Land Act No. 8 of 2010.	<b>Act:</b> <a href="https://lesotholii.org/ls/legislation/act/2010/8/land_act_2010_pdf_31029.pdf">https://lesotholii.org/ls/legislation/act/2010/8/land_act_2010_pdf_31029.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
4	Horizontal	IV. Other restrictions	Minimum capital requirement.	<p>Foreign-owned companies, in which foreigners hold more than 30 percent of the equity capital in the case of companies and 50 percent in the case of partnerships, are subject to a minimum capital requirement of M2,000,000 (~US\$138,000) to be granted a business permit and be allowed to engage in a business activity in Lesotho.</p> <p>Foreign-owned companies are subject to a minimum capital requirement of US\$250,000 to be granted a business permit and be allowed to engage in industrial business activities in Lesotho.</p>	<p>Business Licensing and Registration Act No. 3 of 2019.</p> <p>Industrial Licensing Regulations, 2014.</p>	<p><b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a></p> <p><b>Regulation:</b> <a href="http://www.obfc.org.ls/legislation/Industrial%20Licensing%20Regulations,%20%202014%20and%20Liquor%20Licensing%20(Appointment%20of%20Members%20of%20the%20Board)%20Notice,%20%202014.pdf">http://www.obfc.org.ls/legislation/Industrial%20Licensing%20Regulations,%20%202014%20and%20Liquor%20Licensing%20(Appointment%20of%20Members%20of%20the%20Board)%20Notice,%20%202014.pdf</a></p>
5	Horizontal	IV. Other restrictions	Government procurement offers preference to locally-owned firms.	The Government gives preference to Lesotho national-owned businesses over foreign investors, including foreign-owned investors incorporated in Lesotho while still abiding by trade agreements. However, foreign companies are allowed to go into joint ventures with Lesotho national-owned businesses.	Public Procurement Regulations 2007 (Legal Notice No. 1 of 2007).	<b>Regulation:</b> <a href="https://lesotholii.org/legislation/sl/1-0">https://lesotholii.org/legislation/sl/1-0</a>
6	Agriculture – Crops	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in business activities related to growing fruits and vegetables is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships.	<p>Business Licensing and Registration Act No. 3 of 2019</p> <p>Business Licensing and Registration Regulations, 2020.</p>	<p><b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a></p> <p><b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a></p>
7	Agriculture – Animal production, hunting and related service activities	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in business activities related to several animal husbandry activities (for example, horses, sheep and goats, swine and pigs, poultry). The sale of livestock and livestock products is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships.	<p>Business Licensing and Registration Act No. 3 of 2019</p> <p>Business Licensing and Registration Regulations, 2020.</p>	<p><b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a></p> <p><b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a></p>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
8	Construction – Buildings and Other  Specialized Activities	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in certain specialized construction activities, notably electrical, plumbing, and other construction installation activities, is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships	Business Licensing and Registration Act No. 3 of 2019  Business Licensing and Registration Regulations, 2020.	<b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a>  <b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a>
9	Distribution – Retail (non-specialized retail stores, including supermarket and department stores)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in many retail business (for example, all retail in non-specialized stores, via internet or mail orders, as well as retail of certain goods in stalls and markets ( food, beverages, tobacco, textiles, clothing and footwear in stalls and markets) and in specialized stores (motor dealerships (including repair and maintenance services); household fuels, bottled gas and coal; cultural and recreation goods; business agents and brokers activities in specialized stores, including health-related products; animal feeds, including animal and crops medical goods and chemicals; bread and confectionary products; motor vehicle and motorcycle parts and accessories, including repair activities; alcoholic beverages; meat and meat products, including poultry; fruits and vegetables; prepared meat and meat dishes; hardware, paints and glass products; pharmaceuticals and medical products, including cosmetics and toilet products; health-related products) is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships.	Business Licensing and Registration Act No. 3 of 2019  Business Licensing and Registration Regulations, 2020.	<b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a>  <b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
10	Distribution – Retail (specialized retail stores)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent	Foreign shareholding in many retail business (for example, all retail in non-specialized stores, via internet or mail orders, as well as retail of certain goods in stalls and markets ( food, beverages, tobacco, textiles, clothing and footwear in stalls and markets) and in specialized stores (motor dealerships (including repair and maintenance services); household fuels, bottled gas and coal; cultural and recreation goods; business agents and brokers activities in specialized stores, including of health-related products; animal feeds, including animal and crops medical goods and chemicals; bread and confectionary products; motor vehicle and motor-cycle parts and accessories, including repair activities; alcoholic beverages; meat and meat products, including poultry; fruits and vegetables; prepared meat and meat dishes; hardware, paints and glass products; pharmaceuticals and medical products, including cosmetics and toilet products; health-related products) is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships.	<p>Business Licensing and Registration Act No. 3 of 2019</p> <p>Business Licensing and Registration Regulations, 2020.</p>	<p><b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a></p> <p><b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a></p>
11	Distribution – Wholesale	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in several wholesale businesses (for example, motor dealer, health-related products, alcoholic beverages, meat and meat products, including poultry, liquified petroleum gas and petroleum products, pharmaceutical and medical goods, including cosmetics and toilet products) is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships.	<p>Business Licensing and Registration Act No. 3 of 2019</p> <p>Business Licensing and Registration Regulations, 2020.</p>	<p><b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a></p> <p><b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a></p>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
12	Transport – Surface (road transport and urban rail transport): passenger transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in companies undertaking international road freight transport and logistics (including clearing agents and warehousing), as well as road transport and logistics [domestic, passenger and freight], is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships.	Business Licensing and Registration Act No. 3 of 2019  Business Licensing and Registration Regulations, 2020.	<b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a>  <b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a>
13	Transport – Surface (road transport and urban rail transport): freight transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in companies undertaking international road freight transport and logistics (including clearing agents and warehousing), as well as road transport and logistics [domestic, passenger and freight], is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships.	Business Licensing and Registration Act No. 3 of 2019.  Business Licensing and Registration Regulations, 2020.	<b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a>  <b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a>
14	Transport – Surface (services incidental to rail and road transport, including rail and road infrastructure, stations, cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in companies undertaking international road freight transport and logistics (including clearing agents and warehousing), as well as road transport and logistics [domestic, passenger and freight], is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships.	Business Licensing and Registration Act No. 3 of 2019.  Business Licensing and Registration Regulations, 2020.	<b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a>  <b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a>
15	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment, and recreation activities	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in fast food activities without full restaurant services, tour operators, mobile food services and other food services is limited to 30 percent in the case of a company and to 49 percent in the case of partnerships.	Business Licensing and Registration Act No. 3. of 2019.  Business Licensing and Registration Regulations, 2020.	<b>Act:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20and%20Registration%20Act%20-%20copie.pdf</a>  <b>Regulation:</b> <a href="https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf">https://lesotho.eregulations.org/media/Business%20Licensing%20Registration%20Regulations.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
16	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only)	Local incorporation required for investing in stock exchange, stock brokerage and investment advisory activities.	Central Bank (Capital Markets) Regulations, 2014 (Legal Notice No. 107 of 2014).	<p><b>Regulation:</b> <a href="https://www.centralbank.org.ls/images/Legislation/Financial_Markets/Central_Bank_Capital_Markets_Regulations_2014_Part_I.pdf">https://www.centralbank.org.ls/images/Legislation/Financial_Markets/Central_Bank_Capital_Markets_Regulations_2014_Part_I.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.centralbank.org.ls/images/Legislation/Financial_Markets/Central_Bank_Capital_Markets_Regulation_2014_Part_II.pdf">https://www.centralbank.org.ls/images/Legislation/Financial_Markets/Central_Bank_Capital_Markets_Regulation_2014_Part_II.pdf</a></p>
17	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/  local incorporation required (financial services and real estate investment only).	Local incorporation required for investing in several other financial services, including in relation to fund and fund management activities.	<p>Pension Fund Act, 2019.</p> <p>Central Bank of Lesotho (Collective Investment Schemes) Regulation, 2018.</p> <p>Insurance (Licensing of Insurance Intermediaries) Regulations 2016.</p> <p>Financial Institutions (Financial Lease) (Amendment) Regulations 2018.</p> <p>Credit only and deposit taking Micro-Finance Institutions Amendment Regulations, 2018.</p>	<p><b>Act:</b> <a href="https://www.centralbank.org.ls/images/Legislation/Supervision/Acts/Insurance/Pension_Fund_Act_2019.pdf">https://www.centralbank.org.ls/images/Legislation/Supervision/Acts/Insurance/Pension_Fund_Act_2019.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.centralbank.org.ls/images/Legislation/Supervision/Regulations/Insurance/CENTRAL_BANK_OF_LESOTHO_COLLECTIVE_INVESTMENT_SCHEMES_REGULATIONS_2018.pdf">https://www.centralbank.org.ls/images/Legislation/Supervision/Regulations/Insurance/CENTRAL_BANK_OF_LESOTHO_COLLECTIVE_INVESTMENT_SCHEMES_REGULATIONS_2018.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.centralbank.org.ls/images/Legislation/Supervision/Regulations/Insurance/Lesotho%20Government%20Gazette%20No.%2061.pdf">https://www.centralbank.org.ls/images/Legislation/Supervision/Regulations/Insurance/Lesotho%20Government%20Gazette%20No.%2061.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.centralbank.org.ls/images/Legislation/Supervision/Regulations/Non-Banks/Financial_Institutions_Financial_Lease_Amendment_Regulations_2018.pdf">https://www.centralbank.org.ls/images/Legislation/Supervision/Regulations/Non-Banks/Financial_Institutions_Financial_Lease_Amendment_Regulations_2018.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.centralbank.org.ls/images/Legislation/Supervision/Regulations/Non-Banks/FINANCIAL_INSTITUTIONS_CREDIT_ONLY_AND_DEPOSIT_TAKING_MICRO-FINANCEINSTITUTIONS_AMENDMENT_REGULATIONS_2018.pdf">https://www.centralbank.org.ls/images/Legislation/Supervision/Regulations/Non-Banks/FINANCIAL_INSTITUTIONS_CREDIT_ONLY_AND_DEPOSIT_TAKING_MICRO-FINANCEINSTITUTIONS_AMENDMENT_REGULATIONS_2018.pdf</a></p>



N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
18	Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital)	IV. Other restrictions	Establishment of branches not allowed/  local incorporation required (financial services and real estate investment only).	Local incorporation required for operating payment system services in Lesotho.	Payment Systems Act, 2014.	<b>Act:</b> <a href="https://www.centralbank.org.ls/images/Legislation/NPS/Payment-Systems-Act-2014.pdf">https://www.centralbank.org.ls/images/Legislation/NPS/Payment-Systems-Act-2014.pdf</a>
19	Real Estate Investment	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Only a foreign-owned enterprise in which at least 20 percent of the capital is held by Lesotho citizens are allowed to hold title to land, and provided the land is needed for investment purposes and subject to screening involving economic interests. Otherwise, foreign investors may lease land for business purposes.	Land Act No.. 8 of 2010.	<b>Act:</b> <a href="https://lesotholii.org/ls/legislation/act/2010/8/land_act_2010_pdf_31029.pdf">https://lesotholii.org/ls/legislation/act/2010/8/land_act_2010_pdf_31029.pdf</a>



## Summary Highlights

FDI Performance	Madagascar			SADC Average			Global Average		
Year	2019	2020	2021	2019	2020	2021	2019	2020	2021
FDI Inflow (in US\$ millions) <sup>84</sup>	474	359	300	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>85</sup>	3.4%	2.8%	2.1%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>86</sup> (in US\$ millions)	91	330	128	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Madagascar	SADC Average	Global Average <sup>87</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>88</sup>	0.17	0.19	0.10
Total number of measures <sup>89</sup>	29	25	Not applicable (NA.)
<b>Total number of measures by policy category</b>			
Foreign equity limits	5	11.9	NA.
Screening and approval	Nil	2.8	NA.
Restrictions on foreign personnel	7	2.6	NA.
Other restrictions	17	7.9	NA.
<b>Total number of sectors with measures<sup>90</sup></b>	<b>13</b>	<b>11.4</b>	<b>NA.</b>

84. Source: UNCTAD STAT.

85. Id.

86. fDi Markets, from the Financial Times Ltd. (2022).

87. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, the SADC Member States are excluded from the calculation of the global average.

88. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

89. The Scorecard focuses on identifying measures on the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, such as on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Madagascar, the list of 29 identified measures is found in 15 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

90. The following sectors in Madagascar have covered measures: Electricity – Generation (total); Electricity – Distribution (total); Distribution – Retail (non-specialized retail stores, including supermarket and department stores); Distribution – Retail (specialized retail stores); Distribution – Wholesale; Transport – Surface (services incidental to rail and road transport, including rail and road infrastructure, stations, cargo handling and other support activities); Transport – Water (sea and coastal transport); Transport – Water (inland water transport); Transport – Water (services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities); Transport – Air (air transport); Transport – Air (services incidental to air transport, including airports, ground service activities, related cargo handling and other support activities); Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities; Media – Radio and TV Programming and Broadcasting (TV programming and broadcasting activities); Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals); Financial Services – Banking, Financial Services; Insurance, Professional Services – Legal Services (total); Professional Services – Audit and Accounting (audit); Professional Services – Engineering Services (total); Professional Services – Architectural Services (total); Real Estate Investment; Fishing and Aquaculture – Fishing, Mining and Quarrying; Energy producing materials (that is, coal, crude petroleum and natural gas); Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (chemical and pharmaceutical products).

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Land/real estate ownership not permitted, but leases are possible over the long-term (over 70 years).	Foreign companies are prohibited from owning land and other real estate for business purposes in Madagascar. In practice, however, the decree that should implement the real estate acquisition authorization by foreign-owned companies incorporated in Madagascar has never been issued, rendering this possibility (real estate acquisition) obsolete and non-existent. As such, all foreign investors established in Madagascar (branches and subsidiaries inclusive) rely on leases for accessing land for business purposes. Real estate leases can be contracted freely and without prior authorization for a maximum period of ninety-nine years, renewable.	Law No. 2007-036 of January 14, 2008, on Investments in Madagascar [Google translation].	<b>Law:</b> <a href="https://www.assemblee-nationale.mg/wp-content/uploads/2020/11/Loi-n%C2%B0-2007-036-sur-les-Inv.%C3%A0-Mcar.pdf">https://www.assemblee-nationale.mg/wp-content/uploads/2020/11/Loi-n%C2%B0-2007-036-sur-les-Inv.%C3%A0-Mcar.pdf</a>
2	Electricity – Generation (total)	IV. Other restrictions	Government procurement offers preference to locally-owned firms.	When awarding a public-private partnership (PPP) contract, the government accords preference to bidders committing to entrust part of the execution of the PPP contract to companies that are majority-owned by Malagasy nationals. This contrasts to Madagascar's public procurement regime which only provides for preferential treatment to Malagasy nationals and companies incorporated in the country, regardless of the nationality of the owners. For the purpose of the OECD FDI RR, PPPs are assumed to affect only energy and transport infrastructure.	Law No. 2015-039 on Public-Private Partnership [Google translation].	<b>Law:</b> <a href="http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf">http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
3	Electricity – Distribution (total)	IV. Other restrictions	Government procurement offers a preference to locally-owned firms.	When awarding a PPP contract, the government accords preference to bidders committing to entrust part of the execution of the PPP contract to companies that are majority-owned by Malagasy nationals. This contrasts to Madagascar's general public procurement regime, which only provides for preferential treatment for Malagasy nationals and companies incorporated in the country, regardless of the nationality of the owners. For the purpose of the OECD FDI RR, PPPs are assumed to affect only energy and transport infrastructure.	Law No. 2015-039 on Public-Private Partnership [Google translation].	<b>Law:</b> <a href="http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf">http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf</a>
4	Distribution – Retail (non-specialized retail stores, including supermarket and department stores).	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	The director of a company/establishment selling alcoholic beverages for on-site consumption (for example, restaurants, bars) or take-away (for example, supermarkets, alcoholic beverages retail distributors) must be a Malagasy citizen.	General Tax Code, according to the 2021 Finance Law [Google translation].	<b>Code:</b> <a href="http://www.impots.mg/public/wysiwyg/upload/files/CGI%20LFI%202021%20%20-%20%20modif%20en%20rouge%20.pdf">http://www.impots.mg/public/wysiwyg/upload/files/CGI%20LFI%202021%20%20-%20%20modif%20en%20rouge%20.pdf</a>
5	Distribution – Retail (specialized retail stores)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	The director of a company/establishment selling alcoholic beverages for on-site consumption (for example, restaurants, bars) or take-away (for example, supermarkets, alcoholic beverages retail distributors) must be a Malagasy citizen.	General Tax Code, according to the 2021 Finance Law [Google translation].	<b>Code:</b> <a href="http://www.impots.mg/public/wysiwyg/upload/files/CGI%20LFI%202021%20%20-%20%20modif%20en%20rouge%20.pdf">http://www.impots.mg/public/wysiwyg/upload/files/CGI%20LFI%202021%20%20-%20%20modif%20en%20rouge%20.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
6	Distribution – Retail (specialized retail stores)	IV. Other restrictions	Reciprocity requirement.	Wholesale and retail distribution of pharmaceutical products can only be carried out by companies owned by pharmacists registered with the National Order of Pharmacists (owned in its entirety by pharmacists in the case of a retail company, and by at least 51 percent in the case of wholesale company). Only Malagasy nationals or nationals of a country with which a reciprocity agreement has been signed (and this, within the limit of a quota defined each year by order of the Minister in charge of Health) are entitled to register and practice the pharmacist profession. In practice, therefore, foreign investment/participation in pharmaceutical manufacturing is quite restrained by such a requirement, albeit not entirely precluded.	Law No. 2011-002 of July 15, 2011, on the Health Code [Google translation].	<b>Law:</b> <a href="http://www.sante.gov.mg/gestechu/textes.pdf">http://www.sante.gov.mg/gestechu/textes.pdf</a>
7	Distribution – Wholesale	IV. Other restrictions	Reciprocity requirement.	Wholesale and retail distribution of pharmaceutical products can only be carried out by companies owned by pharmacists registered with the National Order of Pharmacists (owned in its entirety by pharmacists in the case of a retail company, and by at least 51 percent in the case of wholesale company). Only Malagasy nationals or nationals of a country with which a reciprocity agreement has been signed (and this, within the limit of a quota defined each year by order of the Minister in charge of Health) are entitled to register and practice the pharmacist profession. In practice, therefore, foreign investment/participation in pharmaceutical manufacturing is quite restrained by such requirement, albeit not entirely precluded.	Law No. 2011-002 of July 15, 2011, on the Health Code [Google translation].	<b>Law:</b> <a href="http://www.sante.gov.mg/gestechu/textes.pdf">http://www.sante.gov.mg/gestechu/textes.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
8	Transport – Surface (services incidental to rail and road transport, including rail and road infrastructure, stations, cargo handling and other support activities)	IV. Other restrictions	Government procurement offers a preference to locally-owned firms.	When awarding a PPP contract, the government accords preference to bidders committing to entrust part of the execution of the PPP contract to companies that are majority-owned by Malagasy nationals. This contrasts to Madagascar's general public procurement regime which only provides for preferential treatment to Malagasy nationals and companies incorporated in the country, regardless of the nationality of the owners. For the purpose of the OECD FDI RR, the PPPs are assumed to affect only energy and transport infrastructure.	Law No. 2015-039 On Public-Private Partnership [Google translation].	<b>Law:</b> <a href="http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf">http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf</a>
9	Transport – Water (sea and coastal transport)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	National cabotage, demarcation and inland transport are reserved for vessels flying the Malagasy flag. The crew [including its captain] of a Malagasy vessel must be of Malagasy nationality.	Law No. 99-028 of February 3, 2000, revising the Maritime Code [Google translation].	<b>Law:</b> <a href="https://www.apmf.mg/sites/default/files/inline-files/Code%20maritime.pdf">https://www.apmf.mg/sites/default/files/inline-files/Code%20maritime.pdf</a>
10	Transport – Water (inland water transport)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	National cabotage, demarcation and inland transport are reserved for vessels flying the Malagasy flag. The crew [including its captain] of a Malagasy vessel must be of Malagasy nationality.	Law No. 99-028 of February 3, 2000, revising the Maritime Code [Google translation].	<b>Law:</b> <a href="https://www.apmf.mg/sites/default/files/inline-files/Code%20maritime.pdf">https://www.apmf.mg/sites/default/files/inline-files/Code%20maritime.pdf</a>
11	Transport – Water (services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities)	IV. Other restrictions	Government procurement offers a preference to locally-owned firms.	When awarding a PPP contract, the government accords preference to bidders committing to entrust part of the execution of the PPP contract to companies that are majority-owned by Malagasy nationals. This contrasts to Madagascar's general public procurement regime which only provides for preferential treatment to Malagasy nationals and companies incorporated in the country, regardless of the nationality of the owners. For the purpose of the OECD FDI RR, the PPPs are assumed to affect only energy and transport infrastructure.	Law No 2015-039 On Public-Private Partnership [Google translation].	<b>Law:</b> <a href="http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf">http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
12	Transport – Air (air transport)	IV. Other restrictions	Reciprocity requirement.	Reciprocity conditions apply for authorizing foreign air carriers to exploit the traffic rights [international routes] negotiated under bilateral or multilateral agreements between Madagascar and the carrier's home State.	Decree No. 2014-1106 on the economic regulation of the operation of air transport [Google translation].	<b>Decree:</b> <a href="https://cnlegis.gov.mg/page_acces_pdf/eoVdnWcmX4hrS">https://cnlegis.gov.mg/page_acces_pdf/eoVdnWcmX4hrS</a>
13	Transport – Air (services incidental to air transport, including airports, ground service activities, related cargo handling and other support activities)	IV. Other restrictions	Government procurement offers preference to locally-owned firms.	When awarding a PPP contract, the government accords preference to bidders committing to entrust part of the execution of the PPP contract to companies that are majority-owned by Malagasy nationals. This contrasts to Madagascar's general public procurement regime which only provides for preferential treatment to Malagasy nationals and companies incorporated in the country, regardless of the nationality of the owners. For the purpose of the OECD FDI RR, the PPPs are assumed to affect only energy and transport infrastructure.	Law No. 2015-039 on Public-Private Partnership [Google translation].	<b>Law:</b> <a href="http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf">http://www.ore.mg/TextesDoc/Loi-2015-039PPP.pdf</a>
14	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	The director of a company/ establishment selling alcoholic beverages for on-site consumption or take-away must be a Malagasy citizen.	General Tax Code, according to the 2021 Finance Law [Google translation].	<b>Code:</b> <a href="http://www.impots.mg/public/wysiwyg/upload/files/CGI%20LFI%202021%20%20-%20%20modif%20en%20rouge%20.pdf">http://www.impots.mg/public/wysiwyg/upload/files/CGI%20LFI%202021%20%20-%20%20modif%20en%20rouge%20.pdf</a>
15	Media – Radio and TV Programming and Broadcasting (radio broadcasting)	IV. Other restrictions	Reciprocity requirement.	Foreign communication and press agencies may establish themselves in Madagascar subject to reciprocity.	Law No. 2016-029 of 14/07/2016 on the mediated communication code [Google translation].	<b>Law:</b> <a href="http://www.justice.mg/wp-content/uploads/2019/02/L2016-029.pdf">http://www.justice.mg/wp-content/uploads/2019/02/L2016-029.pdf</a>
16	Media – Radio and TV Programming and Broadcasting (TV programming and broadcasting activities)	IV. Other restrictions	Reciprocity requirement.	Foreign communication and press agencies may establish themselves in Madagascar subject to reciprocity.	Law No. 2016-029 of 14/07/2016 on the mediated communication code [Google translation].	<b>Law:</b> <a href="http://www.justice.mg/wp-content/uploads/2019/02/L2016-029.pdf">http://www.justice.mg/wp-content/uploads/2019/02/L2016-029.pdf</a>
17	Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals)	IV. Other restrictions	Reciprocity requirement.	Foreign communication and press agencies may establish themselves in Madagascar subject to reciprocity.	Law No. 2016-029 of 14/07/2016 on the mediated communication code [Google translation].	<b>Law:</b> <a href="http://www.justice.mg/wp-content/uploads/2019/02/L2016-029.pdf">http://www.justice.mg/wp-content/uploads/2019/02/L2016-029.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
18	Financial Services – Banking	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investments only).	Local incorporation is required for carrying out banking activities. Foreign bank branches are not allowed.	Law No. 2020-011 on the banking law [Google translation].	<b>Law:</b> <a href="https://www.assemblee-nationale.mg/wp-content/uploads/2020/09/Loi-n%C2%B02020-011_loi-bancaire.pdf">https://www.assemblee-nationale.mg/wp-content/uploads/2020/09/Loi-n%C2%B02020-011_loi-bancaire.pdf</a>
19	19. Financial Services – Insurance	IV. Other restrictions	Reciprocity requirement.	Local incorporation is required for insurance companies and intermediaries. Only branches of reinsurance companies are authorized.	Law No. 2020-005 of June 2, 2020, on insurance [Google translation].	<b>Law:</b> <a href="https://www.assemblee-nationale.mg/wp-content/uploads/2020/09/Loi-n%C2%B02020-005_assurances.pdf">https://www.assemblee-nationale.mg/wp-content/uploads/2020/09/Loi-n%C2%B02020-005_assurances.pdf</a>
20	Professional Services – Legal Services (total)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Only lawyers registered with the Bar Association are entitled to the title of lawyer and are entitled to establish law societies. Admission to the Bar Association is reserved to Malagasy nationals or nationals from a State granting reciprocity to Malagasy nationals having completed training in Madagascar. Foreign lawyers [registered with a foreign bar association] may be admitted representing the parties and to plead in the courts. This is subject to reciprocity and with the authorization of the Minister of Justice after consulting the President of the Bar and the Attorney General at the Court of Justice. This authorization is not required if they are associated with a lawyer registered with the Bar Association of Madagascar.	Law No. 2001-006 organizing the profession of lawyer [Google translation].	<b>Law:</b> <a href="https://cnlegis.gov.mg/page_acces_pdf/dn-WgqTisR6eoV">https://cnlegis.gov.mg/page_acces_pdf/dn-WgqTisR6eoV</a>
21	Professional Services – Audit and Accounting (audit)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Qualified foreign nationals may register with the Order of Accountants upon meeting requirements and subject to reciprocity. Only foreigners who have resided in Madagascar for over 10 years and who meet the qualification requirements are entitled to register and practice as chartered accountants [auditors]. Only registered accountants and chartered accountants can be nominated for the positions of chairman, managing director and manager of accounting and auditing firms, as well as 3/4 of accounting and auditing firms, assuming a limited liability form. They must be owned by registered accountants and chartered accountants.	Ordinance No. 92-047 of November 5, 1992, relating to the organization of the professions of chartered accountant and finance and chartered accountant — and the restructuring of the Order, bringing together the members of these professions (JO No. of 14.12.92 p. 2790), supplemented by law No. 96-019 of 4 September 1996 (JO No. of 23.09.96 p. 2060 [Google translation].	<b>Order:</b> <a href="https://jwf-legal2.fr.gd/Ordonnance-14.htm">https://jwf-legal2.fr.gd/Ordonnance-14.htm</a>



N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
22	Professional Services – Audit and Accounting (audit)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	Qualified foreign nationals may register with the Order of Accountants upon meeting requirements and subject to reciprocity. Only foreigners who have resided in Madagascar for over 10 years and who meet qualification requirements are entitled to register and practice as chartered accountants [auditors]. Only registered accountants and chartered accountants can be nominated for the positions of chairman, managing director and manager of accounting and auditing firms, and 3/4 of accounting and auditing firms assuming a limited liability form must be owned by registered accountants and chartered accountants.	Ordinance No. 92-047 of November 5, 1992, relating to the organization of the professions of chartered accountant and finance and chartered accountant and the restructuring of the Order, bringing together the members of these professions (JO No. of 14.12.92 p. 2790) supplemented by law No. 96-019 of 4 September 1996 (JO No. of 23.09.96 p. 2060 [Google translation]).	<b>Order:</b> <a href="https://jwf-legal2.fr/gd/Ordonnance-14.htm">https://jwf-legal2.fr/gd/Ordonnance-14.htm</a>
23	Professional Services – Audit and Accounting (accounting and tax consultancy)	IV. Other restrictions	Reciprocity requirement.	Qualified foreign nationals may register with the Order of Accountants upon meeting requirements and subject to reciprocity. Only foreigners who have resided in Madagascar for over 10 years and who meet qualification requirements are entitled to register and practice as chartered accountants [auditors]. Only registered accountants and chartered accountants can be nominated for the positions of chairman, managing director and manager of accounting and auditing firms, and 3/4 of accounting and auditing firms assuming a limited liability form must be owned by registered accountants and chartered accountants.	Ordinance No. 92-047 of November 5, 1992, relating to the organization of the professions of chartered accountant and finance and chartered accountant and the restructuring of the Order bringing together the members of these professions (JO No. of 14.12.92 p. 2790), supplemented by law No. 96-019 of 4 September 1996 (JO No. of 23.09.96 p. 2060 [Google translation]).	<b>Order:</b> <a href="https://jwf-legal2.fr/gd/Ordonnance-14.htm">https://jwf-legal2.fr/gd/Ordonnance-14.htm</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
24	Professional Services – Engineering Services (total)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Engineers may set up engineering firms among themselves or with other natural persons. Qualified foreign engineers can register with the Order of Engineers, subject to reciprocity and residency in Madagascar for more than 2 years. Upon registration, foreign engineers can set up engineering companies at par conditions with Malagasy engineers. Foreign, non-registered engineers or non-engineers must associate with a person registered with the order whose limits of shares are not defined by law. Hence, in principle, foreigners not registered with the Order are entitled to hold up to 99 percent of the shares of an engineering company.	Law No. 95-024 of August 22, 1995, organizing the engineering profession and creating the Order of Malagasy Engineers [Google translation].	<b>Law:</b> <a href="http://www.ingenieurmadagascar.org/oim/?page_id=18">http://www.ingenieurmadagascar.org/oim/?page_id=18</a>
25	Professional Services – Architectural Services (total)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent	Architects may set up architecture firms among themselves or with other natural persons, but the majority of shares must be held by registered architects. Qualified foreign architects can register with the Order of Architects, subject to reciprocity and residency in Madagascar for more than 5 years. Upon registration, foreign architects can set up architecture firms at par conditions with Malagasy architects. Foreign, non-registered architects or non-architects can, therefore, associate themselves with registered architects, and are entitled to hold up to 49 percent of the shares of the company.	Ordinance No. 93018 of April 26, 1993, establishing the Order of Malagasy Architects and the regulation of the profession [Google translation].	<b>Order:</b> <a href="http://www.oam-madagascar.com/">http://www.oam-madagascar.com/</a>
26	Real Estate Investment	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity is allowed.	Foreign investment in land and other real estate assets is only permitted in tandem with the carrying out of another commercial/economic activity. Foreign investors, including foreign-owned companies incorporated in Madagascar, cannot undertake “pure” financial real estate investments.	Law No. 2007-036 of January 14, 2008, on Investments in Madagascar [Google translation].	<b>Law:</b> <a href="https://www.assemblee-nationale.mg/wp-content/uploads/2020/11/Loi-n%C2%B0-2007-036-sur-les-Inv.%C3%A0-Mcar.pdf">https://www.assemblee-nationale.mg/wp-content/uploads/2020/11/Loi-n%C2%B0-2007-036-sur-les-Inv.%C3%A0-Mcar.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
27	Fishing and Aquaculture – Fishing	III. Restrictions on key foreign personnel (board of directors and top-level executives)	Foreign key personnel (top-level executive positions) not permitted. <sup>1</sup>	The exercise of commercial fishing in Malagasy territorial waters is reserved for natural persons of Malagasy nationality or legal entities incorporated in Madagascar, using boats and vessels flying the Malagasy flag. The crew [including its captain] of a Malagasy vessel must be of Malagasy nationality.	Law No. 2015 – 053 on the Fisheries and Aquaculture Code [Google translation]. Madagascar - Law No. 99-028 of 3 February 2000 revising the Maritime Code* [Google translation].	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/Mad162704.pdf">http://extwpr-legs1.fao.org/docs/pdf/Mad162704.pdf</a> <b>Code:</b> <a href="https://www.apmf.mg/sites/default/files/inline-files/Code%20maritime.pdf">https://www.apmf.mg/sites/default/files/inline-files/Code%20maritime.pdf</a>
28	Mining and Quarrying – Energy-producing materials (that is, coal, crude petroleum and natural gas)	IV. Other restrictions	Access to local finance.	Upstream oil and gas activities are reserved for the National Oil Company. Private participation is possible only through a joint venture or production-sharing arrangement with the national oil company. However, foreign-owned companies, face restrictions in accessing local financing from banks, and so on, for financing their local operational needs. Since 2019, however, the Government has decided to suspend all oil promotion. To date, there has not been any official statement regarding new contracts or contract renewals.	Law No. 96-018 of September 23, 1996, bearing the Petroleum Code [Google translation]	<b>Law:</b> <a href="https://www.omnis.mg/images/documents/CodPetFr.pdf">https://www.omnis.mg/images/documents/CodPetFr.pdf</a>
29	Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (chemical and pharmaceutical products)	IV. Other restrictions	Reciprocity requirement.	Any pharmaceutical manufacturing or production establishment must be entirely or partly owned by a certified pharmacist. In the case of a public limited company, half of the members of the board of directors must be certified pharmacists. Only Malagasy nationals or nationals of a country with which a reciprocity agreement has been signed (and this, within the limit of a quota defined each year by order of the Minister in charge of Health) are entitled to register and practice the pharmacist profession. In practice, therefore, foreign investment/participation in pharmaceutical manufacturing is quite restrained by such requirement, albeit not entirely precluded.	Law No. 2011-002 of July 15, 2011, on the Health Code [Google translation].	<b>Law:</b> <a href="http://www.sante.gov.mg/gestechu/textes.pdf">http://www.sante.gov.mg/gestechu/textes.pdf</a>



## Summary Highlights

FDI Performance	Malawi			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
FDI Inflow (in US\$ millions) <sup>91</sup>	55	45	50	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>92</sup>	0.5%	0.4%	0.4%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>93</sup> (in US\$ millions)	359	43	41	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Malawi	SADC Average	Global Average <sup>94</sup>
<b>Score under the SADC Scorecard</b> (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>95</sup>	0.25	0.19	0.10
<b>Total number of measures</b> <sup>96</sup>	22	25	Not applicable (NA.)
<b>Total number of measures by policy category</b>			
Foreign equity limits	12	11.9	NA.
Screening and approval	Nil	2.8	NA.
Restrictions on foreign personnel	Nil	2.6	NA.
Other restrictions	10	7.9	NA.
<b>Total number of sectors with measures</b> <sup>97</sup>	12	11.4	NA.

91. Source: UNCTAD STAT.

92. Id.

93. fDi Markets, from the Financial Times Ltd. (2022).

94. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, the SADC Member States are excluded from the calculation of the global average.

95. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

96. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Malawi, the list of 22 identified measures is found in 27 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

97. The following sectors in Malawi have covered measures: Construction, Distribution – Retail; Distribution – Retail (specialized retail stores); Distribution – Wholesale; Transport – Water (inland water transport); Media – Radio and TV Programming and Broadcasting (total); Telecommunications; Financial Services – Banking; Financial Services – Insurance; Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities); Financial Services – Other Financial Services (trusts, funds and fund management activities); Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital); Professional Services – Legal Services (total); Professional Services – Audit and Accounting (audit); Real Estate Investment; Fishing and Aquaculture – Fishing, Mining and Quarrying – except energy-producing materials and support service activities.

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Land/real estate ownership not permitted, but leases possible for the medium term (up to 70 years)	Foreign investors, including majority foreign-owned companies in Malawi, are only allowed to lease land for business purposes for a period up to 50 years (exceptional extensions are possible), whereas citizens can hold land to up 99 years according to the Government.	Land Act No. 16 of 2016.	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/mlw170885.pdf">http://extwprlegs1.fao.org/docs/pdf/mlw170885.pdf</a>
2	Horizontal	IV. Other restrictions	Government procurement offers preference to locally-owned firms.	Locally-owned enterprises are given preference in public procurement.	Public Procurement and commencement Disposal of Public Assets Act No. 27 of 2016.	<b>Act:</b> <a href="https://www.mra.mw/assets/upload/downloads/Public_Procurement_and_Disposal_of_Assets_Act_2017.pdf">https://www.mra.mw/assets/upload/downloads/Public_Procurement_and_Disposal_of_Assets_Act_2017.pdf</a>
3	Construction	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	“Foreign firms”, including locally established firms whose control is held by a foreign investor, are required to enter into joint-venture agreements with local/Malawian construction firms for the purpose of carrying out construction activities in Malawi. According to the authorities — and in accordance with the Sub-contracting and Joint Ventures by Foreign and Malawian Construction Firms Order 2014 [not available online] and the Practice of Construction Consultancy Services by Foreign Consulting Firms Regulations 2004 [not available online] — any foreign firm intending to provide services in the construction industry in Malawi should provide those services through joint ventures or sub-contracting agreements with one or more Malawian firms, where the Malawian firms shall be responsible for 30 percent of the works by volume and value in the case of contractors and a minimum of 51 percent of the services assignment in the case of consultants.	National Construction Industry Act (Chapter 53:05), 1997, as amended National Construction Industry Council of Malawi (NCIC) (2015), Registration Procedures, Criteria and Schedules for Contractors, Consultants, Construction Material Manufacturers and Suppliers.	<b>Act:</b> <a href="https://malawilii.org/akn/mw/act/1996/19/eng@2014-12-31#part_VI">https://malawilii.org/akn/mw/act/1996/19/eng@2014-12-31#part_VI</a> <b>Guide:</b> <a href="https://ncic.mw/wp-content/uploads/2019/09/Registration-Procedures-Criteria-and-Schedules-for-Contractors-Consultants-Construction-Material-Manufacturers-and-Suppliers-1.pdf">https://ncic.mw/wp-content/uploads/2019/09/Registration-Procedures-Criteria-and-Schedules-for-Contractors-Consultants-Construction-Material-Manufacturers-and-Suppliers-1.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
4	Distribution – Retail	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	The Business Licensing Regulations (G.N. 45/2014) issued under the Business Licensing Act restricts the carrying on of retail business by non-Malawians to only the six urban areas (central business districts) of Blantyre, Kasungu, Lilongwe, Luchenza (Thyolo), Mzuzu and Zomba. The conducting of retail business by non-Malawians in the rural areas of Blantyre, Kasungu, Lilongwe, Thyolo, Mzuzu and Zomba as well as in the other 22 districts of Malawi, is prohibited.	Business Licensing Regulations, 2014 (G.N. 45 of 2014).	<b>Regulation:</b> <a href="https://www.businessmalawi.com/files/Malawi-Business-Licensing-Regulations.pdf">https://www.businessmalawi.com/files/Malawi-Business-Licensing-Regulations.pdf</a>
5	Distribution – Retail	IV. Other restrictions	FDI-specific minimum capital requirement.	Foreign investors are subject to a FDI-specific minimum capital requirement (US\$ 250,000).	Businesses Licensing Act [Chapter 46:01] of 2013.	<b>Act:</b> <a href="https://malawilii.org/akn/mw/act/2012/27/eng@2014-12-31">https://malawilii.org/akn/mw/act/2012/27/eng@2014-12-31</a>
6	Distribution – Retail (specialized retail stores)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in a wholesale or retail pharmacy business is limited to 49 percent.	Pharmacy and Medicines Regulatory Authority Act, 2019.	<b>Act:</b> <a href="https://pmra.mw/wp-content/uploads/2021/01/Pharmacy-and-Medicines-Regulatory-Authority-Act-No-9-of-2019.pdf">https://pmra.mw/wp-content/uploads/2021/01/Pharmacy-and-Medicines-Regulatory-Authority-Act-No-9-of-2019.pdf</a>
7	Distribution – Retail (specialized retail stores)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign ownership of fuel and gas retail outlets is prohibited for more than two retail outlets. Additional outlets must be franchised out to Malawians. Wholesalers of liquid fuels and gas — regardless if foreign- or domestically-owned — may own and run a maximum of two retail outlets as well; any additional retail outlet(s) must be franchised to Malawians.	Liquid Fuels and Gas (Production and Supply) Act (Chapter 50:03), 2007, as amended.	<b>Act:</b> <a href="https://malawilii.org/akn/mw/act/2004/23/eng@2014-12-31">https://malawilii.org/akn/mw/act/2004/23/eng@2014-12-31</a>
8	Distribution – Wholesale	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in a wholesale or retail pharmacy business is limited to 49 percent.	Pharmacy and Medicines Regulatory Authority Act, 2019.	<b>Act:</b> <a href="https://pmra.mw/wp-content/uploads/2021/01/Pharmacy-and-Medicines-Regulatory-Authority-Act-No-9-of-2019.pdf">https://pmra.mw/wp-content/uploads/2021/01/Pharmacy-and-Medicines-Regulatory-Authority-Act-No-9-of-2019.pdf</a>
9	Distribution – Wholesale	IV. Other restrictions	FDI-specific minimum capital requirement.	Foreign investors are subject to a FDI-specific minimum capital requirement (US\$ 250,000).	Businesses Licensing Act [Chapter 46:01] of 2013.	<b>Act:</b> <a href="https://malawilii.org/akn/mw/act/2012/27/eng@2014-12-31">https://malawilii.org/akn/mw/act/2012/27/eng@2014-12-31</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
10	Transport – Water (inland water transport)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Inland water transportation is reserved to locally registered vessels owned by: (i) a citizen of Malawi or (ii) a body corporate incorporated in Malawi, which is under the effective control of citizens of Malawi.	Inland Waters Shipping Act [Chapter 71:01] of 1996, as amended.	<b>Act:</b> <a href="https://mala-wilii.org/akn/mw/act/1995/12/eng@2014-12-31#part_IV">https://mala-wilii.org/akn/mw/act/1995/12/eng@2014-12-31#part_IV</a>
11	Telecommunications	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign shareholding is limited to up to 80 percent in telecommunications companies.	Communications Act, 2016.	<b>Act:</b> <a href="https://ma-cra.mw/wp-content/uploads/2021/04/COMMUNICATIONS-ACT-2016.pdf">https://ma-cra.mw/wp-content/uploads/2021/04/COMMUNICATIONS-ACT-2016.pdf</a>
12	Financial Services – Banking	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation required for conducting banking activities in Malawi.	Financial Services (Licensing of Banks) Directive, 2018 (G.N. No 22 of 2018).	<b>Regulation:</b> <a href="https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=27527">https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=27527</a>
13	Financial Services – Insurance	IV. Other restrictions.	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for undertaking of insurance/reinsurance and pension fund businesses.	Insurance Act (Chapter 47:01), 2010, as amended Financial Services (Licensing and Registration of Pension Entities) Directive, 2014.	<b>Act:</b> <a href="https://www.rbm.mw/Home/GetContentFile/?ContentID=3744">https://www.rbm.mw/Home/GetContentFile/?ContentID=3744</a> <b>Dir:</b> <a href="https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=4523">https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=4523</a>
14	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for operating stock exchanges and brokerage/dealer businesses	Financial Services (Licensing Requirements for a Stock Exchange) Directive 2015. Financial Services (Establishment and Operations of Brokers and Dealers) Directive, 2015. Financial Services (Licensing and Registration of Pension Entities) Directive, 2014. Financial Services (Establishment and Operations of Portfolio Managers) Directive, 2015.	<b>Dir:</b> <a href="https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29789">https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29789</a> <b>Dir:</b> <a href="https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29784">https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29784</a> <b>Dir:</b> <a href="https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=4523">https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=4523</a> <b>Dir:</b> <a href="https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29786">https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29786</a>
15	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation required to conduct portfolio management and the operation of collective investment schemes in Malawi.	Financial Services (Establishment and Operations of Portfolio Managers) Directive, 2015. Financial Services (Establishment and Operations of Collective Investment Schemes) Directive 2015.	<b>Dir:</b> <a href="https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29786">https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29786</a> <b>Dir:</b> <a href="https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29785">https://www.rbm.mw/FinancialSectorRegulation/GetContentFile/?ContentID=29785</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
16	Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for conducting microfinance activities in Malawi.	Microfinance Act (Chapter 46:08), 2010, as amended.  Credit Reference Bureau Act (Chapter 46:09), 2010, as amended.	<b>Act:</b> <a href="https://www.rbm.mw/Home/GetContentFile/?ContentID=3747">https://www.rbm.mw/Home/GetContentFile/?ContentID=3747</a>  <b>Act:</b> <a href="https://www.rbm.mw/Home/GetContentFile/?ContentID=3757">https://www.rbm.mw/Home/GetContentFile/?ContentID=3757</a>
17	Professional Services – Legal Services (total)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Only qualified citizens or permanent residents of Malawi may be admitted to practice as a legal practitioner and establish a legal firm in Malawi. Only foreigners who have lived for at least 5 years in Malawi may apply for a permanent residence permit.	Legal Education and Legal Practitioners Act 2017.  Department of Immigration and Citizenship Services, Republic of Malawi, website.	<b>Act:</b> <a href="http://www.reforms.gov.mw/psrmu/sites/default/files/Legal%20Education%20and%20Legal%20Practitioners%20Act%202017.pdf">http://www.reforms.gov.mw/psrmu/sites/default/files/Legal%20Education%20and%20Legal%20Practitioners%20Act%202017.pdf</a>  <b>Other:</b> <a href="https://www.immigration.gov.mw/permits/permanent-residence-permit/">https://www.immigration.gov.mw/permits/permanent-residence-permit/</a>
18	Professional Services – Audit & Accounting (audit)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	A foreign auditing company wishing to establish in Malawi is required to partner with a local firm in order to be allowed to register in Malawi.	Public Accountants and Auditors Act, 2014, as amended  Practicing Accountant and Audit Firms (Amendment) Regulations, 2021 (G.N. No 45 of 2021).	<b>Act:</b> <a href="https://www.malawilii.org/akn/mw/act/2013/5/eng%402014-12-31">https://www.malawilii.org/akn/mw/act/2013/5/eng%402014-12-31</a>  <b>Regulation:</b> <a href="https://www.icam.mw/wp-content/uploads/2021/11/Document-31-1.pdf">https://www.icam.mw/wp-content/uploads/2021/11/Document-31-1.pdf</a>
19	Real Estate Investment	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign investors, including majority foreign-owned companies in Malawi, are only allowed to lease land for business purposes for a period of up to 50 years (exceptional extensions are possible), whereas citizens can hold land to up to 99 years according to the Government.	Land Act No. 16 of 2016.	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/mlw170885.pdf">http://extwprlegs1.fao.org/docs/pdf/mlw170885.pdf</a>



N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
20	Fishing and Aquaculture – Fishing	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Commercial fishing is reserved to local fishing vessels: (a) wholly owned by one or more persons ordinarily resident in Malawi; or (b) wholly owned by a company society or association of persons incorporated in or established under the laws of Malawi and controlled by one or more persons ordinarily resident in Malawi. In accordance with the implementing regulation, a person is said to have control of a company if the person holds not less than 75 percent of its voting capital. Hence, non-resident foreign direct investors cannot hold more than 25 percent of the capital of a locally-established commercial fishing company. Foreign fishing vessels can exceptionally be granted a license for undertaking commercial fishing in Malawi's fishing waters in accordance with bilateral or multilateral international agreements.	Fisheries Conservation and Management Regulations, 2000 (Cap. 66:05).  Fisheries Conservation and Management Act [Chapter 66:05] of 1998, as amended.	<b>Act:</b> <a href="https://malawilii.org/akn/mw/act/1997/25/eng@2014-12-31#part_IV">https://malawilii.org/akn/mw/act/1997/25/eng@2014-12-31#part_IV</a>  <b>Regulation:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/mlw44463.pdf">http://extwprlegs1.fao.org/docs/pdf/mlw44463.pdf</a>
21	Mining and Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign shareholding is not permitted in mining companies holding the following licenses: non-exclusive prospecting license; a small-scale mining license; and an artisanal mining permit.	Mines and Minerals Act (No. 8 of 2019).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/mlw199882.pdf">http://extwprlegs1.fao.org/docs/pdf/mlw199882.pdf</a>
22	Mining and Quarrying – Except energy-producing materials and support service activities	IV. Other restrictions	FDI-specific local content requirement.	Investors in medium- and large-scale mining operations are required to give preference to Malawian-owned suppliers and contractors, as well as to Malawian citizens in their employment plans. However, they shall not be hindered from procuring goods and services outside of Malawi or from other foreign-owned firms, nor from employing foreigners, whenever procured goods, services and skills are deemed available only from specialized suppliers and contractors or professionals with specialized training or long experience, and which cannot be adequately sourced from Malawian providers and professionals.	Mines and Minerals Act (No. 8 of 2019).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/mlw199882.pdf">http://extwprlegs1.fao.org/docs/pdf/mlw199882.pdf</a>



## Summary Highlights

FDI Performance	Mauritius			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>98</sup>	444	225	253	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>99</sup>	3.2%	2.1%	2.3%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>100</sup> (in US\$ millions)	283	69	74	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Mauritius	SADC Average	Global Average <sup>101</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>102</sup>	0.09	0.19	0.10
Total number of measures <sup>103</sup>	17	25	Not applicable (NA).
<b>Total number of measures by policy category</b>			
Foreign equity limits	7	11.9	NA.
Screening and approval	4	2.8	NA.
Restrictions on foreign personnel	1	2.6	NA.
Other restrictions	5	7.9	NA.
<b>Total number of sectors with measures<sup>104</sup></b>	<b>7</b>	<b>11.4</b>	<b>NA.</b>

98. Source: UNCTAD STAT.

99. Id.

100. fDi Markets, from the Financial Times Ltd. (2022).

101. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, SADC Member States are excluded from the calculation of the global average.

102. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

103. The Scorecard focuses on identifying measures on the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Mauritius, the list of 17 identified measures is found in 8 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

104. The following sectors in Mauritius have covered measures: Agriculture, Construction – Buildings and Other Specialized Activities; Construction – Civil Engineering; Hotels and Restaurants – Accommodation; Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities; Media – Radio and TV Programming and Broadcasting (total); Forestry and Logging; Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities); Financial Services – Other Financial Services (trusts, funds and fund management activities); Professional Services – Legal Services (domestic law counselling and court representation); Professional Services – Engineering Services (total); Professional Services – Architectural Services (total); Real Estate Investment – Commercial Buildings and Units; Real Estate Investment – Residential buildings and units; Real Estate Investment – Land; Manufacturing – Food and Others (food products, beverages and tobacco).

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Access to land/ real estate is subject to FDI-specific restriction (for example, prior approval, quantitative/	<p>A non-citizen who wishes to hold, purchase or otherwise acquire immovable property in Mauritius, whether freehold or leasehold land, needs prior authorization either from the Prime Minister's Office or the Economic Development Board —unless in certain specified cases, for example: (i) Holding of immovable property for commercial purposes under a lease agreement not exceeding 20 years; (ii) Holding of shares in companies which do not own immoveable property; (iii) Holding of immovable property by inheritance or effect of marriage to a citizen under a legal regime of community ('régime legal de communauté'); (iv) Holding of shares in companies listed on the Stock Exchange of Mauritius; and (v) Holding through a unit trust scheme or any collective investment vehicle as defined in the Securities Act.</p> <p>There are also exceptions for non-citizens who wish to buy freehold land and property under specific investment schemes, namely the Invest Hotel Scheme; Smart City Scheme; Property Development Scheme, Integrated Resort Scheme, Real Estate Scheme, Local Apartments (in condominium developments of at least two levels above ground (G+2). These are typically subject to minimum investment amounts.</p>	Non-Citizens (Property Restriction) Act No. 22 of 12 July 1975 Amended 38/11; 26/12 (cio 22/12/12); 27/13 (cio 21/12/13); 9/15 (cio 14/5/15); 33/16 (cio 22/12/16); 10/17 (cio 24/7/17); 11/17 (P53/17 – cio 15/1/18); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 2/2021 (cio 29/4/2021).	<p><b>Act:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf">https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf</a></p> <p><b>PDS Regulation:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/economic-development-board-property-development-scheme-regulations-2015-rev-2019_0.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/economic-development-board-property-development-scheme-regulations-2015-rev-2019_0.pdf</a></p> <p><b>IHS Regulation:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/investment-promotion-invest-hotel-scheme-regulations-2015-v17.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/investment-promotion-invest-hotel-scheme-regulations-2015-v17.pdf</a></p> <p><b>IRS/RES/PDS Guidelines:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/guidelines-for-irs-res-pds-jul-20_3.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/guidelines-for-irs-res-pds-jul-20_3.pdf</a></p> <p><b>Guidelines:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-11/Guidelines%20acquisition%20of%20apartment%28s%29%20incl.residency.pdf">https://www.edbmauritius.org/sites/default/files/2021-11/Guidelines%20acquisition%20of%20apartment%28s%29%20incl.residency.pdf</a></p>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
2	Construction – Buildings and Other Specialized Activities	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign-owned construction consultants or contractors are not allowed to provide consultancy services or carry out construction works in Mauritius unless it is done in collaboration with a local consultant or local contractor. Foreign-owned consultants and contractors are exempted from the application of this rule in relation to a project under an agreement or arrangement between Mauritius and a foreign State, or a foreign financial or banking institution, or by an international financial organization. Consultants and contractors who have been operating in Mauritius during the 10 years and 20 years respectively, preceding the coming into operation of this subsection (1 March 2017) are also exempted.	<p>Construction Industry Development Board Act No 35 of 2008 – 1 February 2009 - Amended 38/11 (P13/12 – cio 2/4/12); 27/13 (cio 21/12/13); P 25/14 (cio 1/8/14– sections 18 to 25); 2/15 (cio 1/2/15, 26/3/15); 31/16 (P 15/17 – cio 1/3/17 except for s. 5); 31/16 – P 11/19 (s. 5(a) – cio 1/4/19); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 12/21 – P 9/21 (cio 1/10/21);</p> <p>Construction Industry Development Board (Collaboration between Foreign and Local Contractors) Regulations 2021, Government Notice No. 252 of 2021;</p> <p>NON-CITIZENS (PROPERTY RESTRICTION) ACT No 22 of 1975 – 12 July 1975 Amended 38/11; 26/12 (cio 22/12/12); 27/13 (cio 21/12/13); 9/15 (cio 14/5/15); 33/16 (cio 22/12/16); 10/17 (cio 24/7/17); 11/17 (P53/17 – cio 15/1/18); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 2/2021 (cio 29/4/2021).</p>	<p><b>Act:</b> <a href="https://www.cidb.mu/wp-content/uploads/2020/05/ConstructionIndustryDevelopmentBoardAct.pdf">https://www.cidb.mu/wp-content/uploads/2020/05/ConstructionIndustryDevelopmentBoardAct.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.cidb.mu/wp-content/uploads/2020/05/CIDB-Collaboration-between-Foreign-and-Local-Contractors-Regulations-2021.pdf">https://www.cidb.mu/wp-content/uploads/2020/05/CIDB-Collaboration-between-Foreign-and-Local-Contractors-Regulations-2021.pdf</a></p> <p><b>Act:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf">https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf</a></p>
3	Construction – Civil Engineering	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign-owned construction consultants or contractors are not allowed to provide consultancy services or carry out construction works in Mauritius unless in collaboration with a local consultant or local contractor. Foreign-owned consultants and contractors are exempted from the application of this rule in relation to a project under an agreement or arrangement between Mauritius and a foreign State, or a foreign financial or banking institution, or by an international financial organization. Consultants and contractors who have been operating in Mauritius during the 10 years and 20 years respectively, preceding the coming into operation of this subsection (1 March 2017) are also exempted.	<p>Construction Industry Development Board Act No 35 of 2008 – 1 February 2009 - Amended 38/11 (P13/12 – cio 2/4/12); 27/13 (cio 21/12/13); P 25/14 (cio 1/8/14– sections 18 to 25); 2/15 (cio 1/2/15, 26/3/15); 31/16 (P 15/17 – cio 1/3/17 except for s. 5); 31/16 – P 11/19 (s. 5(a) – cio 1/4/19); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 12/21 – P 9/21 (cio 1/10/21);</p> <p>Construction Industry Development Board (Collaboration between Foreign and Local Contractors) Regulations 2021, Government Notice No. 252 of 2021;</p> <p>NON-CITIZENS (PROPERTY RESTRICTION) ACT No 22 of 1975 – 12 July 1975 Amended 38/11; 26/12 (cio 22/12/12); 27/13 (cio 21/12/13); 9/15 (cio 14/5/15); 33/16 (cio 22/12/16); 10/17 (cio 24/7/17); 11/17 (P53/17 – cio 15/1/18); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 2/2021 (cio 29/4/2021).</p>	<p><b>Act:</b> <a href="https://www.cidb.mu/wp-content/uploads/2020/05/ConstructionIndustryDevelopmentBoardAct.pdf">https://www.cidb.mu/wp-content/uploads/2020/05/ConstructionIndustryDevelopmentBoardAct.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.cidb.mu/wp-content/uploads/2020/05/CIDB-Collaboration-between-Foreign-and-Local-Contractors-Regulations-2021.pdf">https://www.cidb.mu/wp-content/uploads/2020/05/CIDB-Collaboration-between-Foreign-and-Local-Contractors-Regulations-2021.pdf</a></p> <p><b>Act:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf">https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf</a></p>

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4	Construction – Civil Engineering	IV. Other restrictions	Government procurement offers preference to locally-owned firms.	Preferential treatment in public procurement of goods is accorded to locally-incorporated small and medium enterprises (SMEs) or companies; preferential treatment in public procurement of works with investment not exceeding 300 million rupees (around US\$6.7 million) is accorded [reserved] to 'local contractors', which excludes 'foreign contractors' as defined in the Construction Industry Development Board Act, and which comprises 'a firm, the control of which is vested in a person who is a non-citizen, that carries out construction works in the construction industry'. For other works, a margin of preference for procurement of works is accorded to local SME contractors [since 2008 and until July 2022. However, the application of margins of preference for Works in all Invitations for Bids has been temporarily suspended].	The Public Procurement Act 2006 No 33 - 2006 Proclaimed 17th January 2008; Public Procurement (Regulations 2008); Procurement Policy Office Circular No. 10 of 2009 Procurement Policy Office Circular No. 6 of 2021.	<b>Act:</b> <a href="https://ppo.govmu.org/Documents/PPA/PPA.pdf">https://ppo.govmu.org/Documents/PPA/PPA.pdf</a> <b>Regulation:</b> <a href="https://ppo.govmu.org/Documents/Regulations/Public%20Procurement%20%28Regulations%202008%29.pdf">https://ppo.govmu.org/Documents/Regulations/Public%20Procurement%20%28Regulations%202008%29.pdf</a> <b>Circ:</b> <a href="https://ppo.govmu.org/Documents/Circulars/circular1009.pdf">https://ppo.govmu.org/Documents/Circulars/circular1009.pdf</a> <b>Circ:</b> <a href="https://ppo.govmu.org/Documents/Circulars/Circular%202021/Circular%20No.6%20of%202021.pdf">https://ppo.govmu.org/Documents/Circulars/Circular%202021/Circular%20No.6%20of%202021.pdf</a>
5	Hotels and Restaurants – Accommodation	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Foreign key personnel (top-level executive positions) not permitted. <sup>1</sup>	Foreign investors in certain types of tourism accommodations, notably guesthouses and tourist residences, cannot nominate a foreigner for the position of Managing Director, except for the investor him/herself and subject to a proven track record in managing similar structures.	Application Guide, Issue of Letter of Approval by the Ministry of Tourism for projects with respect to the Accommodation Sector, 2017; Policy on Investment by a non-citizen in a NEW / EXISTING * and MANAGEMENT of a stand-alone (not within IRS/RES/PDS) Guesthouse/Tourist Residence, 2019.	<b>Guide:</b> <a href="http://www.tourismauthority.mu/userfiles/file/Application%20Guide%20for%20processing%20of%20projects%20approved%20by%20Minister%2012%20oct%202017%20MT%2040%20158%205%20V5.pdf">http://www.tourismauthority.mu/userfiles/file/Application%20Guide%20for%20processing%20of%20projects%20approved%20by%20Minister%2012%20oct%202017%20MT%2040%20158%205%20V5.pdf</a> <b>Pol:</b> <a href="http://www.tourismauthority.mu/userfiles/file/Final%20Policy%20Paper%20Investment%20by%20Non-Citizen.pdf">http://www.tourismauthority.mu/userfiles/file/Final%20Policy%20Paper%20Investment%20by%20Non-Citizen.pdf</a>
6	Hotels and Restaurants – Accommodation	IV. Other restrictions	FDI-specific minimum capital requirement.	Foreign investment in certain types of tourism accommodation, notably guesthouses and tourist residences, are subject to FDI-specific minimum capital/investment requirements.	Application Guide, Issue of Letter of Approval by the Ministry of Tourism for projects with respect to the Accommodation Sector, 2017; Policy on Investment by a non-citizen in a NEW / EXISTING * and MANAGEMENT of a stand-alone (not within IRS/RES/PDS) Guesthouse/Tourist Residence, 2019.	<b>Guide:</b> <a href="http://www.tourismauthority.mu/userfiles/file/Application%20Guide%20for%20processing%20of%20projects%20approved%20by%20Minister%2012%20oct%202017%20MT%2040%20158%205%20V5.pdf">http://www.tourismauthority.mu/userfiles/file/Application%20Guide%20for%20processing%20of%20projects%20approved%20by%20Minister%2012%20oct%202017%20MT%2040%20158%205%20V5.pdf</a> <b>Pol:</b> <a href="http://www.tourismauthority.mu/userfiles/file/Final%20Policy%20Paper%20Investment%20by%20Non-Citizen.pdf">http://www.tourismauthority.mu/userfiles/file/Final%20Policy%20Paper%20Investment%20by%20Non-Citizen.pdf</a>

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7	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investment in businesses requiring a Tourist Enterprise License, including bars, restaurants, travel agencies, tour operators, and so on, are subject to approval by the Ministry of Tourism.	Criteria for Investment by Non-Citizens in Tour Operator Activities; “Tourist Enterprise License”, Tourism Authority website; Checklist for new application for Tourist Enterprise License, Tourism Authority, 2021.	<b>Criteria:</b> <a href="http://www.tourismauthority.mu/userfiles/Annex%209-%20Criteria-Non%20Citizen-Tour%20Operator.pdf">http://www.tourismauthority.mu/userfiles/Annex%209-%20Criteria-Non%20Citizen-Tour%20Operator.pdf</a> <b>Criteria:</b> <a href="http://www.tourismauthority.mu/en/licence-categories-11/tourist-enterprise-licence-14.html">http://www.tourismauthority.mu/en/licence-categories-11/tourist-enterprise-licence-14.html</a> <b>Checklist:</b> <a href="http://www.tourismauthority.mu/userfiles/OCT%202021%20Checklist%20New%20applications%20TEL-TAC(2).pdf">http://www.tourismauthority.mu/userfiles/OCT%202021%20Checklist%20New%20applications%20TEL-TAC(2).pdf</a>
8	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign ownership is limited to 49.9 percent in radio and television broadcasting companies.	Independent Broadcasting Authority Act No 29 of 2000 – 1 January 2001 Amended 9/15 (cio 14/5/15); GN 153/16 (cio 1/5/16); 21/16 (P56/16 – cio 15/12/16); GN 87/18 (cio 1/10/10); 13/19 (cio 25/7/19); 18/21 (cio 1/1/21, P14/21 – cio 4/12/21).	<b>Act:</b> <a href="https://www.iba.mu/documents/iba_act(2021).pdf">https://www.iba.mu/documents/iba_act(2021).pdf</a>
9	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for securities exchanges.	Securities Act No 22 of 2005 – 28 September 2007 Amended 20/11 (cio 16/7/11); 38/11; 15/12 (cio 1/11/12); 27/12 (cio 22/12/12); 18/16 (cio 7/9/16); 10/17 (cio 24/7/17); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 9/2021 (cio 31/7/2021)  Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, as amended.	<b>Act:</b> <a href="https://www.fscmauritius.org/media/67412/securities-act-2005.pdf">https://www.fscmauritius.org/media/67412/securities-act-2005.pdf</a>  <b>pdf</b>
10	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for managing collective investment schemes	Securities Act No 22 of 2005 – 28 September 2007 Amended 20/11 (cio 16/7/11); 38/11; 15/12 (cio 1/11/12); 27/12 (cio 22/12/12); 18/16 (cio 7/9/16); 10/17 (cio 24/7/17); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 9/2021 (cio 31/7/2021)  Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008, as amended.	<b>Act:</b> <a href="https://www.fscmauritius.org/media/67412/securities-act-2005.pdf">https://www.fscmauritius.org/media/67412/securities-act-2005.pdf</a>  <b>pdf</b>  <b>Rule:</b> <a href="https://www.fscmauritius.org/media/2169/securities_collective_investment_schemes_and_closed-end_funds_regulations_2008.pdf">https://www.fscmauritius.org/media/2169/securities_collective_investment_schemes_and_closed-end_funds_regulations_2008.pdf</a>

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11	Professional Services – Legal Services (domestic law counselling and court representation)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign law firms can establish a local offices (branch offices) for the purposes of providing legal services related to foreign and international law, as well as establishing joint ventures with a locally-owned law firms in order to provide advice or legal services on, or in relation to, Mauritian law. Foreign law firms can also fully own an entity licensed as a Global Legal Advisory Services under Section 77A of the Financial Services Act 2007 to provide legal services in relation to laws pertaining to global business, international arbitration, corporate laws, taxation law and foreign and international law.	<p>Law Practitioners Act No 55 of 1984 – 1 April 1985 Amended 30/11 (P2/12 – cio 3/9/12); 18/16 (cio 7/9/16); 2416 (P 60/16 – 3/1/17)</p> <p>Financial Services Act No 14 of 2007 – 28 September 2007 Amended 38/11; 15/12 (P41/12 – cio 1/11/12); 27/12 (cio 22/12/12); 27/13 (cio 21/12/13); 9/15 (cio 14/5/15); 32/15 (cio 29/1/16); 18/16 (cio 7/9/16); GN 196/16 (cio 1/10/16); GN 241/16 (cio 15/11/16); 10/17 (cio 24/7/17); 11/17 – P53/17 (cio 15/1/18); 11/18 (cio 1/10/18, 1/1/19); GN 34/19 (cio 30/11/18); 9/19 (cio 29/5/19); 21/18 – P7/19 (cio 1/3/19); 13/19 (cio 25/7/19); GN 3/2020 (cio 27/12/19); GN 63 of 2020 (cio 5/3/2020); 1/20 (cio 23/3/2020); 5/20 (cio 9/7/2020); 7/2020 (cio 7/8/2020); 15/2021 (cio 5/8/2021).</p>	<p><b>Act:</b> <a href="https://www.law-society.mu/wp-content/uploads/2018/12/Law-Practitioners-ACT.pdf">https://www.law-society.mu/wp-content/uploads/2018/12/Law-Practitioners-ACT.pdf</a></p> <p><b>Act:</b> <a href="https://www.fscmauritius.org/media/84940/financial-services-act-2007pdf.pdf">https://www.fscmauritius.org/media/84940/financial-services-act-2007pdf.pdf</a></p>
12	Professional Services – Engineering Services (total)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100	Foreign-owned engineering/architecture consultant firms are not allowed to provide consultancy services in Mauritius, unless in collaboration with a local consultant or local contractor. In the case of foreign consultancy services, the local consultant's share of the consultancy fee shall not be less than 25 percent of the total consultancy fee. Foreign-owned engineering/architecture consultant firms are exempted from the application of this rule in relation to a project under an agreement or arrangement between Mauritius and a foreign State, or a foreign financial or banking institution, or by an international financial organization.	<p>Construction Industry Development Board Act No 35 of 2008 – 1 February 2009 - Amended 38/11 (P13/12 – cio 2/4/12); 27/13 (cio 21/12/13); P 25/14 (cio 1/8/14 – sections 18 to 25); 2/15 (cio 1/2/15, 26/3/15); 31/16 (P 15/17 – cio 1/3/17 except for s. 5); 31/16 – P 11/19 (s. 5(a) – cio 1/4/19); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 12/21 – P 9/21 (cio 1/10/21);</p> <p>Construction Industry Development Board (Collaboration between Foreign and Local Consultants) Regulations 2021, Government Notice No. 251 of 2021</p> <p>Non-Citizens (Property Restriction) Act No 22 of 1975 – 12 July 1975 Amended 38/11; 26/12 (cio 22/12/12); 27/13 (cio 21/12/13); 9/15 (cio 14/5/15); 33/16 (cio 22/12/16); 10/17 (cio 24/7/17); 11/17 (P53/17 – cio 15/1/18); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 2/2021 (cio 29/4/2021).</p>	<p><b>Act:</b> <a href="https://www.cidb.mu/wp-content/uploads/2020/05/ConstructionIndustryDevelopmentBoardAct.pdf">https://www.cidb.mu/wp-content/uploads/2020/05/ConstructionIndustryDevelopmentBoardAct.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.cidb.mu/wp-content/uploads/2020/05/CIDB-Collaboration-between-Foreign-and-Local-Consultants-Regulations-2021.pdf">https://www.cidb.mu/wp-content/uploads/2020/05/CIDB-Collaboration-between-Foreign-and-Local-Consultants-Regulations-2021.pdf</a></p> <p><b>Act:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf">https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf</a></p>

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13	Professional Services – Architectural Services (total)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign-owned engineering/architecture consultant firms are not allowed to provide consultancy services in Mauritius, unless in collaboration with a local consultant or local contractor. In the case of foreign consultancy services, the local consultant's share of the consultancy fee shall not be less than 25 percent of the total consultancy fee. Foreign-owned engineering/architecture consultant firms are exempted from the application of this rule in relation to a project under an agreement or arrangement between Mauritius and a foreign State, or a foreign financial or banking institution, or by an international financial organization.	<p>Construction Industry Development Board Act No 35 of 2008 – 1 February 2009 - Amended 38/11 (P13/12 – cio 2/4/12); 27/13 (cio 21/12/13); P 25/14 (cio 1/8/14– sections 18 to 25); 2/15 (cio 1/2/15, 26/3/15); 31/16 (P 15/17 – cio 1/3/17 except for s. 5); 31/16 – P 11/19 (s. 5(a) – cio 1/4/19); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 12/21 – P 9/21 (cio 1/10/21);</p> <p>Construction Industry Development Board (Collaboration between Foreign and Local Consultants) Regulations 2021, Government Notice No. 251 of 2021</p> <p>NON-CITIZENS (PROPERTY RESTRICTION) ACT No 22 of 1975 – 12 July 1975 Amended 38/11; 26/12 (cio 22/12/12); 27/13 (cio 21/12/13); 9/15 (cio 14/5/15); 33/16 (cio 22/12/16); 10/17 (cio 24/7/17); 11/17 (P53/17 – cio 15/1/18); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 2/2021 (cio 29/4/2021)</p> <p>THE PROFESSIONAL ARCHITECTS' COUNCIL ACT 2011 Act No. 7 of 2011.</p>	<p><b>Act:</b> <a href="https://www.cidb.mu/wp-content/uploads/2020/05/ConstructionIndustryDevelopmentBoardAct.pdf">https://www.cidb.mu/wp-content/uploads/2020/05/ConstructionIndustryDevelopmentBoardAct.pdf</a></p> <p><b>Regulation:</b> <a href="https://www.cidb.mu/wp-content/uploads/2020/05/CIDB-Collaboration-between-Foreign-and-Local-Consultants-Regulations-2021.pdf">https://www.cidb.mu/wp-content/uploads/2020/05/CIDB-Collaboration-between-Foreign-and-Local-Consultants-Regulations-2021.pdf</a></p> <p><b>Act:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.21.pdf">https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.21.pdf</a></p> <p><b>Act:</b> <a href="https://pac-mauritius.com/wp-content/uploads/2017/06/PAC-ACT-2011-proclaimed-on-01-March-2012-1.pdf">https://pac-mauritius.com/wp-content/uploads/2017/06/PAC-ACT-2011-proclaimed-on-01-March-2012-1.pdf</a></p>



N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
14	Real Estate Investment – Commercial Buildings and Units	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	<p>A non-citizen who wishes to hold, purchase or otherwise acquire immovable property in Mauritius, whether freehold or leasehold land, needs prior authorization from the Prime Minister's Office and Economic Development Board unless in certain specified cases, for example: (i) Holding of immovable property for commercial purposes under a lease agreement not exceeding 20 years; (ii) Holding of shares in companies which do not own immovable property; (iii) Holding of immovable property by inheritance or effect of marriage to a citizen under a legal regime of community ('régime legal de communauté'); (iv) Holding of shares in companies listed on the Stock Exchange of Mauritius; and (v) Holding through a unit trust scheme or any collective investment vehicle as defined in the Securities Act.</p> <p>There are also exceptions for non-citizens who wish to buy freehold land and property under specific investment schemes, namely the Invest Hotel Scheme; Smart City Scheme; Property Development Scheme, Integrated Resort Scheme, Real Estate Scheme, Local Apartments (in condominium developments of at least two levels above ground (G+2). These are typically subject to minimum investment amounts.</p>	Non-Citizens (Property Restriction) Act No. 22 of 12 July 1975 Amended 38/11; 26/12 (cio 22/12/12); 27/13 (cio 21/12/13); 9/15 (cio 14/5/15); 33/16 (cio 22/12/16); 10/17 (cio 24/7/17); 11/17 (P53/17 – cio 15/1/18); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 2/2021 (cio 29/4/2021).	<p><b>Act:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf">https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf</a></p> <p><b>PDS Regulation:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/economic-development-board-property-development-scheme-regulations-2015-rev-2019_0.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/economic-development-board-property-development-scheme-regulations-2015-rev-2019_0.pdf</a></p> <p><b>IHS Regulation:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/investment-promotion-invest-hotel-scheme-regulations-2015-v17.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/investment-promotion-invest-hotel-scheme-regulations-2015-v17.pdf</a></p> <p><b>IRS/RES/PDS Guidelines:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/guidelines-for-irs-res-pds-jul-20_3.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/guidelines-for-irs-res-pds-jul-20_3.pdf</a></p> <p><b>Guidelines:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-11/Guidelines%20acquisition%20of%20apartment%28s%29%20incl.residency.pdf">https://www.edbmauritius.org/sites/default/files/2021-11/Guidelines%20acquisition%20of%20apartment%28s%29%20incl.residency.pdf</a></p>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
15	Real Estate Investment – Residential buildings and units	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	<p>A non-citizen who wishes to hold, purchase or otherwise acquire immovable property in Mauritius, whether freehold or leasehold land, needs prior authorization from the Prime Minister's Office and Economic Development Board unless in certain specified cases, for example: (i) Holding of immovable property for commercial purposes under a lease agreement not exceeding 20 years; (ii) Holding of shares in companies which do not own immovable property; (iii) Holding of immovable property by inheritance or effect of marriage to a citizen under a legal regime of community ('régime legal de communauté'); (iv) Holding of shares in companies listed on the Stock Exchange of Mauritius; and (v) Holding through a unit trust scheme or any collective investment vehicle as defined in the Securities Act.</p> <p>There are also exceptions for non-citizens who wish to buy freehold land and property under specific investment schemes, namely the Invest Hotel Scheme; Smart City Scheme; Property Development Scheme, Integrated Resort Scheme, Real Estate Scheme, Local Apartments (in condominium developments of at least two levels above ground (G+2). These are typically subject to minimum investment amounts.</p>	Non-Citizens (Property Restriction) Act No. 22 of 12 July 1975 Amended 38/11; 26/12 (cio 22/12/12); 27/13 (cio 21/12/13); 9/15 (cio 14/5/15); 33/16 (cio 22/12/16); 10/17 (cio 24/7/17); 11/17 (P53/17 – cio 15/1/18); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 2/2021 (cio 29/4/2021)	<p><b>Act:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf">https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf</a></p> <p><b>PDS Regulation:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/economic-development-board-property-development-scheme-regulations-2015-rev-2019_0.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/economic-development-board-property-development-scheme-regulations-2015-rev-2019_0.pdf</a></p> <p><b>IHS Regulation:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/investment-promotion-invest-hotel-scheme-regulations-2015-v17.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/investment-promotion-invest-hotel-scheme-regulations-2015-v17.pdf</a></p> <p><b>IRS/RES/PDS Guidelines:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/guidelines-for-irs-res-pds-jul-20_3.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/guidelines-for-irs-res-pds-jul-20_3.pdf</a></p> <p><b>Guidelines:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-11/Guidelines%20acquisition%20of%20apartment%28s%29%20incl.residency.pdf">https://www.edbmauritius.org/sites/default/files/2021-11/Guidelines%20acquisition%20of%20apartment%28s%29%20incl.residency.pdf</a></p>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
16	Real Estate Investment – Land	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	<p>A non-citizen who wishes to hold, purchase or otherwise acquire immovable property in Mauritius, whether freehold or leasehold land, needs prior authorization from the Prime Minister's Office and Economic Development Board unless in certain specified cases, for example: (i) Holding of immovable property for commercial purposes under a lease agreement not exceeding 20 years; (ii) Holding of shares in companies which do not own immovable property; (iii) Holding of immovable property by inheritance or effect of marriage to a citizen under a legal regime of community ('régime legal de communauté'); (iv) Holding of shares in companies listed on the Stock Exchange of Mauritius; and (v) Holding through a unit trust scheme or any collective investment vehicle as defined in the Securities Act.</p> <p>There are also exceptions for non-citizens who wish to buy freehold land and property under specific investment schemes, namely the Invest Hotel Scheme; Smart City Scheme; Property Development Scheme, Integrated Resort Scheme, Real Estate Scheme, Local Apartments (in condominium developments of at least two levels above ground (G+2). These are typically subject to minimum investment amounts.</p>	Non-Citizens (Property Restriction) Act No. 22 of 12 July 1975 Amended 38/11; 26/12 (cio 22/12/12); 27/13 (cio 21/12/13); 9/15 (cio 14/5/15); 33/16 (cio 22/12/16); 10/17 (cio 24/7/17); 11/17 (P53/17 – cio 15/1/18); 11/18 (cio 9/8/18); 13/19 (cio 25/7/19); 7/2020 (cio 7/8/2020); 2/2021 (cio 29/4/2021)	<p><b>Act:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf">https://www.edbmauritius.org/sites/default/files/2021-05/Non%20-%20Citizen%20%28Property%20Restriction%29%20Act%20-%205.5.21.pdf</a></p> <p><b>PDS Regulation:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/economic-development-board-property-development-scheme-regulations-2015-rev-2019_0.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/economic-development-board-property-development-scheme-regulations-2015-rev-2019_0.pdf</a></p> <p><b>IHS Regulation:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/investment-promotion-invest-hotel-scheme-regulations-2015-v17.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/investment-promotion-invest-hotel-scheme-regulations-2015-v17.pdf</a></p> <p><b>IRS/RES/PDS Guidelines:</b> <a href="https://www.edbmauritius.org/sites/default/files/inline-files/guidelines-for-irs-res-pds-jul-20_3.pdf">https://www.edbmauritius.org/sites/default/files/inline-files/guidelines-for-irs-res-pds-jul-20_3.pdf</a></p> <p><b>Guidelines:</b> <a href="https://www.edbmauritius.org/sites/default/files/2021-11/Guidelines%20acquisition%20of%20apartment%28s%29%20incl.residency.pdf">https://www.edbmauritius.org/sites/default/files/2021-11/Guidelines%20acquisition%20of%20apartment%28s%29%20incl.residency.pdf</a></p>
17	Manufacturing – Food and Others (food products, beverages and tobacco)	I. Foreign equity limits	Listed companies only: Less than 33%	Foreign investment in a listed Mauritian Sugar Company is limited to 15 percent unless the foreign investor applies and obtains an exemption by the Financial Services Commission (FSC). Such an exemption can be granted to investors whose investment policy is to act as a passive investor and who do not exercise or seek to exercise control over any entity in which it invests. For the FDI RR Index, the exemption is assumed to mostly apply to financial (funds, and so on) investors; not FDI-types of investors who would normally seek control over the invested company.	Securities (Investment by Foreign Investors) Rules 2013.	Rule: <a href="https://www.fscmauritius.org/media/3421/securities-investment-by-foreign-investors-rules-2013.pdf">https://www.fscmauritius.org/media/3421/securities-investment-by-foreign-investors-rules-2013.pdf</a>



## Summary Highlights

FDI Performance	Mozambique			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
FDI Inflow (in US\$ millions) <sup>105</sup>	2,212	3,035	5,102	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>106</sup>	14.4%	21.6%	31.7%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>107</sup> (in US\$ millions)	842	672	2,457	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Mozambique	SADC Average	Global Average <sup>108</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>109</sup>	0.30	0.19	0.10
Total number of measures <sup>110</sup>	43	25	Not applicable (NA).
<b>Total number of measures by policy category</b>			
Foreign equity limits	19	11.9	NA.
Screening and approval	13	2.8	NA.
Restrictions on foreign personnel	4	2.6	NA.
Other restrictions	7	7.9	NA.
<b>Total number of sectors with measures<sup>111</sup></b>	<b>18</b>	<b>11.4</b>	<b>NA.</b>

105. Source: UNCTAD STAT.

106. Id.

107. fDi Markets, from the Financial Times Ltd. (2022).

108. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, SADC Member States are excluded from the calculation of the global average.

109. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

110. The Scorecard focuses on identifying measures on the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Mozambique, the list of 43 identified measures is found in 23 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

111. The following sectors in Mozambique have covered measures: Agriculture – Crops; Agriculture – Animal production, hunting and related service activities; Electricity, Construction – Buildings and Other Specialized Activities; Construction – Civil Engineering; Distribution – Retail (specialized retail stores); Distribution – Wholesale; Transport – Surface (services incidental to rail and road transport, including rail and road infrastructure, stations, cargo handling and other support activities); Transport – Water (sea and coastal transport); Transport – Water (services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities); Transport – Air (services incidental to air transport, including airports, ground service activities, related cargo handling and other support activities); Hotels and Restaurants – Accommodations; Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities; Media – Radio and TV Programming and Broadcasting (total); Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals); Telecommunications; Financial Services – Insurance (life insurance/reinsurance, pension and related auxiliary services); Forestry and Logging; Professional Services – Legal Services (total); Professional Services – Audit and Accounting (total); Professional Services – Engineering Services (total); Real Estate Investment – Commercial Buildings and Units; Real Estate Investment – Residential buildings and units; Real Estate Investment; Land, Fishing and Aquaculture – Fishing, Mining & Quarrying – Except energy-producing materials and support service activities; Mining and Quarrying – Support service activities; Manufacturing – Food and Others (textiles, wearing apparel, leather and related products); Manufacturing – Food and Others (paper, wood, printing, furniture and other manufacturing); Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (rubber and plastics products, and other non-metallic mineral products); and Manufacturing – Basic Metals and Fabricated Metal Products, except Machinery and Equipment (fabricated metal products, except machinery and equipment).

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Restrictions on (post-tax) profit/capital repatriation (for example, prior approval, and quantitative or time limits).	Only those foreign investors meeting minimum investment requirements (of MZN 2,500,000 [approximately US\$ 39,000] or meeting certain income, export and employment thresholds) are eligible to capital and profit repatriation guarantees.	Decree No. 43/2009 of 21 August on the Regulation of the Investment Law [Google translation] Decree 20/2021 of 13 April [amendment] Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Investment-Regulations-43-2009.pdf">http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Investment-Regulations-43-2009.pdf</a> <b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2021/mz-government-gazette-series-i-dated-2021-04-13-no-69.pdf">https://gazettes.africa/archive/mz/2021/mz-government-gazette-series-i-dated-2021-04-13-no-69.pdf</a> <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
2	Horizontal	IV. Other restrictions	Access to land/real estate is subject to FDI-specific restriction (for example, prior approval, quantitative/size limits, tax and so on).	Foreign investors, including foreign majority-owned firms established in Mozambique, are allowed to hold land use rights (Direito de Uso e Aproveitamento da Terra or DUAT) provided it is for business purposes and subject to approval by the administration. The DUAT concession comprises two phases: (i) a provisional phase; and (ii) a definitive phase. The interim phase is the phase during which the holder must start the development plan and eventually complete the development. With regard to concessions granted to foreign entities (citizens or foreign entities and/or entities mostly controlled by foreign entities), the duration of the provisional phase is 2 (two) years. In relation to national persons (national citizens or legal persons mostly controlled by foreign entities), the duration is extended to 5 (five) years.	Land Law No. 19/97 of 1st October 1997 [Google translation] Decree No. 66/98 of 8 December 1998 on Land Law Regulations. [Google translation].	<b>Law:</b> <a href="http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Land-Law-19-97.pdf">http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Land-Law-19-97.pdf</a> <b>Decree:</b> <a href="http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Land-Law-Regulation-66-98.pdf">http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Land-Law-Regulation-66-98.pdf</a> <b>Other:</b> <a href="http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Leis-e-Regulamentos-Relacionados-com-Investimento-Directo-Estrangeiro.pdf">http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Leis-e-Regulamentos-Relacionados-com-Investimento-Directo-Estrangeiro.pdf</a>
3	Horizontal	IV. Other restrictions	Government procurement offers preference to locally-owned firms.	Preference is accorded to Mozambican-owned persons or firms in public procurement of goods, services and public works.	Decree No. 5/2016 Approving the Regulation for Contracting Public Works Contracts, Supply of Goods and Provision of Services to the State and revokes Decree No. 15/2010, of 24 May. [Google translation].	<b>Decree:</b> <a href="http://www.ufsa.gov.mz/Docs/BR_28_I_SERIE_SUPLEMENTO_2016.pdf">http://www.ufsa.gov.mz/Docs/BR_28_I_SERIE_SUPLEMENTO_2016.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
4	Agriculture – Crops	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to specific screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
5	Agriculture – Animal production, hunting and related service activities	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to different screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
6	Electricity	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Investors in PPPs, large-scale projects and business concessions are required to: (i) sell between 5 and 20 percent of the equity capital to Mozambican investors within 5 years from the start of operations; and (ii) ensure the participation of Mozambican public or private legal entities in the capital of the venture/consortium, under the terms that the parties negotiate and agree on, without prejudice to the point (i).	Law No. 15/2011 establishing the guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions. [Google translation]  Decree No. 16/2012 approving the Regulation on guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions. [Google translation].	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf</a>  <b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
7	Construction – Buildings and Other Specialized Activities	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to specific screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>

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8	Construction – Civil Engineering	I. Foreign equity limits	Greenfield only: Between 33 and 50 percent.	Foreign and majority foreign-owned companies established in Mozambique cannot obtain public works and public consultancy services permits until after legally operating in Mozambican territory for more than ten years.	Decree 94/2013 of 31st December Approving the Regulation for the Activity of Contractor and Civil Construction Consultant [Google translate].	<b>Decree:</b> <a href="https://www.lexlink.eu/FileGet.aspx?FileId=38991">https://www.lexlink.eu/FileGet.aspx?FileId=38991</a>
9	Distribution – Retail (specialized retail stores)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to specific screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
10	Distribution – Wholesale	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Trading of mineral products (not by holders of mining rights) is reserved for companies that are majority owned by Mozambican citizens.	Mining Act No. 20/2014 [unofficial translation]  Decree No. 31/2015 approving the Mining Act Regulation [Google translation]  Decree No 63/2021 approving the Regulations on raw diamonds, precious metals and gemstones trading [Google translation].	<b>Act:</b> <a href="https://113dstor001.s3-eu-west-1.amazonaws.com/Community+Development+in+Mining/Mozambique/Mozambique_Mining_Law_Law_No._20_2014_English.pdf">https://113dstor001.s3-eu-west-1.amazonaws.com/Community+Development+in+Mining/Mozambique/Mozambique_Mining_Law_Law_No._20_2014_English.pdf</a>  <b>Decree:</b> <a href="https://inami.gov.mz/index.php/files/97/Legislacao%20Mineira/56/Regulamento%20da%20Lei%20de%20Minas.pdf">https://inami.gov.mz/index.php/files/97/Legislacao%20Mineira/56/Regulamento%20da%20Lei%20de%20Minas.pdf</a>  <b>Decree:</b> <a href="https://inami.gov.mz/images/Contratos/Decreton--63_2021_64_2021-regulamento-de-comercializacao-de-recursos-mineiras.pdf">https://inami.gov.mz/images/Contratos/Decreton--63_2021_64_2021-regulamento-de-comercializacao-de-recursos-mineiras.pdf</a>
11	Transport – Surface (services incidental to rail and road transport, including rail and road infrastructure, stations, cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Investors in PPPs, large-scale projects and business concessions are required to: (i) sell between 5 and 20 percent of the equity capital to Mozambican investors within 5 years from the start of operations; and (ii) ensure the participation of Mozambican public or private legal entities in the capital of the venture/consortium, under the terms that the parties negotiate and agree on, without prejudice to the point (i).	Law No. 15/2011 establishing the guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions. [Google translation]  Decree No. 16/2012 approving the Regulation on guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions. [Google translation]	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf</a>  <b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>

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12	Transport – Water (sea and coastal transport)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Cabotage is reserved for national companies, that is, companies in which foreign shareholding does not exceed 49 percent of the equity capital.	Decree No. 35/2007 of 14 August on the Regulation of Commercial Maritime Transport [Google translation].	<b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz111525.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz111525.pdf</a>
13	Transport – Water (services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but below 100 percent.	Investors in PPPs, large-scale projects and business concessions are required to: (i) sell between 5 and 20 percent of the equity capital to Mozambican investors within 5 years from the start of operations; and (ii) to ensure the participation of Mozambican public or private legal entities in the capital of the venture/consortium, under the terms that the parties negotiate and agree on, without prejudice to the point (i).	Law No. 15/2011 establishing the guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions. [Google translation] Decree No. 16/2012 approving the Regulation on guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions. [Google translation].	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf</a> <b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf</a> <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
14	Transport – Air (services incidental to air transport, including airports, ground service activities, related cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Investors in PPPs, large-scale projects and business concessions are required to: (i) sell between 5 and 20 percent of the equity capital to Mozambican investors within 5 years from the start of operations; and (ii) ensure the participation of Mozambican public or private legal entities in the capital of the venture/consortium, under the terms that the parties negotiate and agree on, without prejudice to the point (i).	Law No. 15/2011 establishing the guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions. [Google translation] Decree No. 16/2012 approving the Regulation on guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions. [Google translation].	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf</a> <b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf</a> <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
15	Hotels and Restaurants – Accommodation	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	The business of renting private accommodations, rooms and farms for tourists is reserved for Mozambican citizens and companies that are majority-owned by Mozambican citizens.	Decree 49/2016 of 1st November (Regulation for Tourism Establishments, Restaurants, Beverages and Dance Halls) [Google translation].	<b>Decree:</b> <a href="http://www.anac.gov.mz/wp-content/uploads/2017/08/Regulamento-de-Empresas-Turisticos-1.pdf">http://www.anac.gov.mz/wp-content/uploads/2017/08/Regulamento-de-Empresas-Turisticos-1.pdf</a>



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16	Hotels and Restaurants – Accommodation	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to specific screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
17	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent	Foreign shareholding in travel agencies and tour operators is limited to 49 percent.	Decree 53/2015 of 31st January approving the regulation of travel and tourism agencies and tourist information professionals.  [Google translate].	<b>Decree:</b> <a href="http://www.im-pacto.co.mz/wp-content/themes/Arpora2_1_0/pdf/AIA/RegulamentoAvaliacaoImpactoAmbiental.pdf">http://www.im-pacto.co.mz/wp-content/themes/Arpora2_1_0/pdf/AIA/RegulamentoAvaliacaoImpactoAmbiental.pdf</a>
18	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to the screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
19	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in TV/radio broadcasting and printed media companies is limited to 20 percent.	Press Law 18/91 of 10 August [Google translation]  Decree N° 9/93 of 22 June 1993, which provides for the participation of private and cooperative enterprises in the broadcasting sector [Google translation].	<b>Law:</b> <a href="http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf">http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf</a>  <b>Decree:</b> <a href="https://gazettes.africa/archive/mz/1993/mz-government-gazette-series-i-supplement-no-3-dated-1993-06-22-no-24.pdf">https://gazettes.africa/archive/mz/1993/mz-government-gazette-series-i-supplement-no-3-dated-1993-06-22-no-24.pdf</a>
20	Media – Radio and TV Programming and Broadcasting (total)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	Directors of TV/radio broadcasting and printed media companies must be of Mozambican nationality.	Press Law 18/91 of 10 August [Google translation]  Decree N° 9/93 of 22 June 1993, which provides for the participation of private and cooperative enterprises in the broadcasting sector [Google translation].	<b>Law:</b> <a href="http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf">http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf</a>  <b>Decree:</b> <a href="https://gazettes.africa/archive/mz/1993/mz-government-gazette-series-i-supplement-no-3-dated-1993-06-22-no-24.pdf">https://gazettes.africa/archive/mz/1993/mz-government-gazette-series-i-supplement-no-3-dated-1993-06-22-no-24.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
21	Media – Radio and TV Programming and Broadcasting (total)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Nationality requirements for board of directors. The majority must be Mozambican nationals.	Directors of TV/radio broadcasting and printed media companies must be of Mozambican nationality.	Press Law 18/91 of 10 August [Google translation]  Decree N° 9/93 of 22 June 1993, which provides for the participation of private and cooperative enterprises in the broadcasting sector [Google translation].	<b>Law:</b> <a href="http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf">http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf</a>  <b>Decree:</b> <a href="https://gazettes.africa/archive/mz/1993/mz-government-gazette-series-i-supplement-no-3-dated-1993-06-22-no-24.pdf">https://gazettes.africa/archive/mz/1993/mz-government-gazette-series-i-supplement-no-3-dated-1993-06-22-no-24.pdf</a>
22	Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals)	I. Foreign equity limits.	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in TV/radio broadcasting and printed media companies is limited to 20 percent.	Press Law 18/91 of 10 August [Google translation].	<b>Law:</b> <a href="http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf">http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf</a>
23	Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Nationality requirements for board of directors. The majority must be Mozambican nationals.	Directors of TV/radio broadcasting and printed media companies must be of Mozambican nationality.	Press Law 18/91 of 10 August [Google translation].	<b>Law:</b> <a href="http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf">http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf</a>
24	Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	Directors of TV/radio broadcasting and printed media companies must be of Mozambican nationality.	Press Law 18/91 of 10 August [Google translation].	<b>Law:</b> <a href="http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf">http://www.caicc.org.mz/images/stories/documentos/lei_de_imprensa.pdf</a>
25	Telecommunications	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Investors in PPPs, large-scale projects and business concessions are required to: (i) sell between 5 and 20 percent of the equity capital to Mozambican investors within 5 years from the start of operations; and (ii) ensure the participation of Mozambican public or private legal entities in the capital of the venture/consortium, under the terms that the parties negotiate and agree on, without prejudice to the point (i).	Law No. 15/2011 establishing the guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions. [Google translation]  Decree No. 16/2012 approving the Regulation on guidelines for the contracting, implementing and monitoring process of public-private partnerships, large-scale projects and business concessions.  [Google translation].	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165015.pdf</a>  <b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz165016.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
26	Financial Services – Insurance (life insurance/reinsurance, pension and related auxiliary services)	IV. Other restrictions	Reciprocity requirement	Local incorporation required for pension fund management, unless carried out by an authorized "life" insurance agency [branches of foreign insurance companies are permitted].	Decree No. 25/2009, of 17 August: Regulation on the Constitution and Management of Pension Funds in Scope of Complementary Social Security [Google translation].	<b>Decree:</b> <a href="https://issm.gov.mz/wp-content/uploads/2021/03/Decreto-n.-%c2%a6-25.2009-de-17-de-Agosto-1.pdf">https://issm.gov.mz/wp-content/uploads/2021/03/Decreto-n.-%c2%a6-25.2009-de-17-de-Agosto-1.pdf</a>

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27	Forestry and Logging	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	The exploitation of forest resources by way of a simple permit is subject to limited quantities and duration, and it is exercised exclusively by national operators. This simple permit regime is applied to contiguous area not exceeding 10,000 hectares.	Law No. 10/99 on Forest and Wildlife Act  Decree No. 30/2012 establishing forestry exploitation requirements with an ordinary license. [Google translation].	<b>Act:</b> <a href="http://faolex.fao.org/docs/pdf/20106E.pdf">http://faolex.fao.org/docs/pdf/20106E.pdf</a>
28	Professional Services	IV. Other restrictions	FDI-specific minimum capital requirement.	Foreign liberal professionals, such as architects, lawyers, economists, [accountants, auditors and engineers] must, in order to be granted the right to a permanent residence permit, generate an annual gross income from their work of not less than one million meticals (around US\$ 15,810). For the purposes of the OECD FDI RR Index, such a monetary threshold required for foreign professionals to be eligible for permanent residency in Mozambique are assumed equivalent to minimum capital/investment requirements.	Decree No. 43/2009 of 21 August on the Regulation of the Investment Law [Google translation].	<b>Decree:</b> <a href="http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Investment-Regulations-43-2009.pdf">http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Investment-Regulations-43-2009.pdf</a>
29	Professional Services – Legal Services (total)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only.)	Subject to reciprocity conditions, qualified foreign lawyers are eligible to enroll to the Mozambican Bar and, consequently, practice the legal profession and become partners in Mozambican law firms.	Law No. 28/2009 - Statute of the Bar Association [Google translation].	<b>Law:</b> <a href="https://www.sal-caldeira.com/index.php/en/publications/articles/doc_download/245-lei-n-28-2009-estatuto-da-ordem-dos-advogados">https://www.sal-caldeira.com/index.php/en/publications/articles/doc_download/245-lei-n-28-2009-estatuto-da-ordem-dos-advogados</a>
30	Professional Services – Audit and Accounting (total)	IV. Other restrictions	Reciprocity requirement.	Subject to reciprocity, foreign auditing/accounting firms and qualified foreign accountants/auditors can register with the Order of Accountants and Auditors of Mozambique ( <i>Ordem dos Contabilistas e Auditores de Moçambique</i> , OCAM) for the purpose of undertaking auditing and accounting activities in Mozambique.	Law no. 8/2012: Creates the Order of Accountants and Auditors of Mozambique and approves its Statute [Google translation].	<b>Law:</b> <a href="https://gazettes.africa/archive/mz/2012/mz-government-gazette-series-i-dated-2012-02-08-no-6.pdf">https://gazettes.africa/archive/mz/2012/mz-government-gazette-series-i-dated-2012-02-08-no-6.pdf</a>
31	Professional Services – Engineering Services (total)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to the screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
32	Real Estate Investment – Commercial Buildings and Units	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign ownership, including of foreign majority-owned firms established in Mozambique, of properties that have historically belonged to the State, or have been nationalized by the State at some point, is not allowed. Foreigners can only acquire real estate in Mozambique that has never belonged to or been nationalized by the state.	Decree No. 02/1991 - Determines the procedures concerning the sale of real estate in favor of tenants [Google translation]  Ministerial Order No. 81/2008 – Establishes the procedures for the sale of real estate intended for the exercise of commercial activity located in rural areas and defines the powers of the bodies involved in it [Google translation].  Ministerial Order 97/92 of 8 July (the sale of ruined buildings, unfinished buildings and dilapidated buildings [Google translation].	<b>Decree:</b> <a href="https://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/16-decreto-n-02-1991-determina-os-procedimentos-concernentes-a-alienacao-de-imoveis-a-favor-de-inquilinos">https://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/16-decreto-n-02-1991-determina-os-procedimentos-concernentes-a-alienacao-de-imoveis-a-favor-de-inquilinos</a> <b>Order:</b> <a href="https://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/23-diploma-ministral-n-81-2008-estabelece-os-procedimentos-para-alienacao-dos-imoveis-destinados-ao-exercicio-da-actividade-comercial-situados-nas-zonas-rurais-e-define-as-competencias-dos-orgaos-nele-intervenientes">https://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/23-diploma-ministral-n-81-2008-estabelece-os-procedimentos-para-alienacao-dos-imoveis-destinados-ao-exercicio-da-actividade-comercial-situados-nas-zonas-rurais-e-define-as-competencias-dos-orgaos-nele-intervenientes</a> <b>Order:</b> <a href="https://gazettes.africa/archive/mz/1992/mz-government-gazette-series-i-dated-1992-07-08-no-28.pdf">https://gazettes.africa/archive/mz/1992/mz-government-gazette-series-i-dated-1992-07-08-no-28.pdf</a> <b>Other:</b> <a href="https://www.salcaldeira.com/index.php/en/publications/articles/doc_download/343-a-proibicao-de-alienacao-de-imoveis-a-es-trangeiros">https://www.salcaldeira.com/index.php/en/publications/articles/doc_download/343-a-proibicao-de-alienacao-de-imoveis-a-es-trangeiros</a>
33	Real Estate Investment – Commercial Buildings and Units	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to the screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a> <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
34	Real Estate Investment – Residential buildings and units	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed,	Foreign ownership, including of foreign majority-owned firms established in Mozambique, of properties that have historically belonged to the State, or have been nationalized by the State at some point, is not allowed. Foreigners can only acquire real estate in Mozambique that has never belonged to or been nationalized by the state. However, according to the Mozambican authorities, despite the existence of such requirement, this is no longer applied in practice. For the purposes of the OECD FDI RRI, however, de jure restrictions are considered even though they might not be enforced anymore or might lack implementation rules for instance.	Decree No. 02/1991 - Determines the procedures concerning the sale of real estate in favor of tenants [Google translation].  Ministerial Order No. 81/2008 – Establishes the procedures for the sale of real estate intended for the exercise of commercial activity located in rural areas and defines the powers of the bodies involved in it [Google translation].  Ministerial Order 97/92 of 8 July (the sale of ruined buildings, unfinished buildings and dilapidated buildings [Google translation].	<b>Decree:</b> <a href="https://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/16-decreto-n-02-1991-determina-os-procedimentos-concernentes-a-alienacao-de-imoveis-a-favor-de-inquilinos">https://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/16-decreto-n-02-1991-determina-os-procedimentos-concernentes-a-alienacao-de-imoveis-a-favor-de-inquilinos</a>  <b>Order:</b> <a href="https://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/23-diploma-ministral-n-81-2008-estabelece-os-procedimentos-para-alienacao-dos-imoveis-destinados-ao-exercicio-da-actividade-comercial-situados-nas-zonas-rurais-e-define-as-competencias-dos-orgaos-nele-intervenientes">https://www.salcaldeira.com/index.php/pt/publicacoes/artigos/doc_download/23-diploma-ministral-n-81-2008-estabelece-os-procedimentos-para-alienacao-dos-imoveis-destinados-ao-exercicio-da-actividade-comercial-situados-nas-zonas-rurais-e-define-as-competencias-dos-orgaos-nele-intervenientes</a>  <b>Order:</b> <a href="https://gazettes.africa/archive/mz/1992/mz-government-gazette-series-i-dated-1992-07-08-no-28.pdf">https://gazettes.africa/archive/mz/1992/mz-government-gazette-series-i-dated-1992-07-08-no-28.pdf</a>  <b>Other:</b> <a href="https://www.salcaldeira.com/index.php/en/publications/articles/doc_download/343-a-proibicao-de-alienacao-de-imoveis-a-es-trangeiros">https://www.salcaldeira.com/index.php/en/publications/articles/doc_download/343-a-proibicao-de-alienacao-de-imoveis-a-es-trangeiros</a>
35	Real Estate Investment – Residential buildings and units	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to the screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate].  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
36	Real Estate Investment – Land	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign investors, including foreign majority-owned firms established in Mozambique, are allowed to hold land use rights (Direito de Uso e Aproveitamento da Terra or DUAT) provided it is for business purposes — and subject to approval by the administration.	Land Law No. 19/97 of 1st October 1997 [Google translation].	<b>Law:</b> <a href="http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Land-Law-19-97.pdf">http://invest.apiex.gov.mz/wp-content/uploads/sites/4/2019/08/Land-Law-19-97.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
37	Fishing and Aquaculture – Fishing	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Until 2018, foreign investors, including foreign majority-owned companies established in Mozambique, were not eligible for holding commercial fishing licenses. Since then, commercial fishing rights may be granted to a legal person whose share capital is mostly held by foreigners (under joint venture with Mozambican investor). Foreign-established companies may only be granted fishing rights via international agreements to which Mozambique is a party.	Fisheries Law No. 22/2013 [Google translation]. Decree No. 74/2017 approving the Regulation for the Concession of Fishing Rights and Fishing Licensing, as amended by Decree No 60/2018 [Google translation]. Decree 89/2020 of 8 October (Regulation on Maritime Fishing or REPMAR) [Google translation].	<b>Law:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz128917.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz128917.pdf</a> <b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz172331.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz172331.pdf</a> <b>Decree:</b> <a href="http://extwpr-legs1.fao.org/docs/pdf/moz198043.pdf">http://extwpr-legs1.fao.org/docs/pdf/moz198043.pdf</a>
38	Mining and Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Small-scale mining is reserved for companies that are majority-owned by Mozambican citizens.	Mining Act No. 20/2014 [unofficial translation]. Decree No. 31/2015 approving the Mining Act Regulation [Google translation]. Decree No 63/2021 approving the Regulations on raw diamonds, precious metals and gemstones trading [Google translation].	<b>Act:</b> <a href="https://113dstor001.s3-eu-west-1.amazonaws.com/Community+Development+in+Mining/Mozambique/Mozambique_Mining_Law_Law_No_20_2014_English.pdf">https://113dstor001.s3-eu-west-1.amazonaws.com/Community+Development+in+Mining/Mozambique/Mozambique_Mining_Law_Law_No_20_2014_English.pdf</a> <b>Decree:</b> <a href="https://inami.gov.mz/index.php/files/97/Legislacao%20Mineira/56/Regulamento%20da%20Lei%20de%20Minas.pdf">https://inami.gov.mz/index.php/files/97/Legislacao%20Mineira/56/Regulamento%20da%20Lei%20de%20Minas.pdf</a> <b>Decree:</b> <a href="https://inami.gov.mz/images/Contratos/Decreto-n-63_2021_64_2021-regulamento-de-comercializacao-de-recursos-mineras.pdf">https://inami.gov.mz/images/Contratos/Decreto-n-63_2021_64_2021-regulamento-de-comercializacao-de-recursos-mineras.pdf</a>
39	Mining and Quarrying – Support service activities	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign service providers to the petroleum operations must associate with Mozambican natural or juridic persons / majority-owned by Mozambican nationals. Similarly, foreign persons providing services to mining operations must associate themselves with Mozambican natural or legal persons [assuming majority-owned by Mozambican nationals according to the definition under the Law No. 21/2014 on Oil].	Law No. 21/2014 on Oil [unofficial translation].	<b>Law:</b> <a href="https://www.vda.pt/xms/files/v1/Newsletters/2014/Petroleum_Law_translation.pdf">https://www.vda.pt/xms/files/v1/Newsletters/2014/Petroleum_Law_translation.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
40	Manufacturing – Food and Others (textiles, wearing apparel, leather and related products)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to the screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
41	Manufacturing – Food and Others (paper, wood, printing, furniture and other manufacturing)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to the screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
42	Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (rubber and plastics products, and other non-metallic mineral products)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to the screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Mere Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment.	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>
43	Manufacturing – Basic Metals and Fabricated Metal Products, except Machinery and Equipment (fabricated metal products, except machinery and equipment)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investors (foreign legal persons and foreign majority-owned companies established in Mozambique) are not eligible for the prior notification or the simplified licensing regimes available to other Mozambican investors in many commercial and services activities, thus being subject to the screening procedures for investing in these same activities.	Decree No. 39/2017 of 28 July Approving the Simplified Legal Regime for Licensing for the Exercise of Economic Activities, which comprises the Simplified License and the Prior Communication Certificate [Google translate]  Law No. 3/93 of 24 June on Investment	<b>Decree:</b> <a href="https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf">https://gazettes.africa/archive/mz/2017/mz-government-gazette-series-i-dated-2017-07-28-no-118.pdf</a>  <b>Law:</b> <a href="https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law">https://investmentpolicy.unctad.org/investment-laws/laws/108/mozambique-investment-law</a>



## Summary Highlights

FDI Performance	Namibia			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>112</sup>	-179	-156	412	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>113</sup>	-1.4%	-1.5%	3.3%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>114</sup> (in US\$ millions)	751	149	4,594	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Namibia	SADC Average	Global Average <sup>115</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>116</sup>	0.14	0.19	0.10
Total number of measures <sup>117</sup>	24	25	Not applicable (NA).
<b>Total number of measures by policy category</b>			
Foreign equity limits	7	11.9	NA.
Screening and approval	1	2.8	NA.
Restrictions on foreign personnel	7	2.6	NA.
Other restrictions	9	7.9	NA.
<b>Total number of sectors with measures<sup>118</sup></b>	<b>10</b>	<b>11.4</b>	<b>NA.</b>

112. Source: UNCTAD STAT.

113. Id.

114. fDi Markets, from the Financial Times Ltd. (2022).

115. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, SADC Member States are excluded from the calculation of the global average.

116. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

117. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, such as on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Namibia, the list of 24 identified measures is found in 25 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

118. The following sectors in Namibia have covered measures: Agriculture, Distribution – Retail; Transport – Surface (road transport and urban rail transport); passenger transport [domestic / international]; Media – Radio and TV Programming and Broadcasting (total), Telecommunications; Financial Services – Insurance (life insurance/reinsurance, pension and related auxiliary services); Financial Services – Insurance (non-life insurance/reinsurance and related auxiliary services); Financial Services – Insurance (non-life insurance/reinsurance and related auxiliary services); Financial Services – Insurance (non-life insurance/reinsurance and related auxiliary services); Forestry and Logging; Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities); Financial Services – Other Financial Services (trusts, funds and fund management activities); Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital); Professional Services – Legal Services (total); Fishing and Aquaculture – Fishing, Fishing and Aquaculture – Aquaculture; Mining and Quarrying – Except energy-producing materials and support service activities.



## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Government procurement offers preference to locally-owned firms.	Public procurement rules concerning goods, works and services accord preferential treatment to enterprises that are majority-owned by Namibian citizens. In addition to margins of preference, public procurement of goods, works and services below the following thresholds established by the Minister of Finance are designated for Namibian majority-owned suppliers: Works: Not exceeding N\$30,000,000 (around US\$ 1.6 million); Consultancy Services: Not exceeding N\$10,000,000 (around US\$533,000); Goods: Not exceeding N\$10,000,000; Non-Consultant Services: Not exceeding N\$10,000,000.	Public Procurement Act No. 15 of 2015, as amended.	<b>Act:</b> <a href="https://mof.gov.na/documents/35641/36673/Public+Procurement+Act%2C+2015+%28Act+No.+15+of+2015%29.pdf/91fbdda7-9ecb-6596-11cb-36397949fa2e?version=1.0&amp;download=true">https://mof.gov.na/documents/35641/36673/Public+Procurement+Act%2C+2015+%28Act+No.+15+of+2015%29.pdf/91fbdda7-9ecb-6596-11cb-36397949fa2e?version=1.0&amp;download=true</a>
2	Horizontal	IV. Other restrictions	Access to local finance.	Companies in which foreign investors hold 75 percent or more of the capital are subject to local borrowing and other financial assistance limitations, except in relation to working capital finance.	Exchange Control Regulations, 1966 Bank of Namibia, Currency and Exchanges Guidelines for Business Entities, 2018.	<b>Regulation:</b> <a href="https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/ad/ad4875ef-3cfa-414b-8c15-ba575c6b5cd8.pdf">https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/ad/ad4875ef-3cfa-414b-8c15-ba575c6b5cd8.pdf</a> <b>Guideline:</b> <a href="https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/e2/e201f924-f0ee-4b17-bb0d-f285eb-d1b131.pdf">https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/e2/e201f924-f0ee-4b17-bb0d-f285eb-d1b131.pdf</a>
3	Agriculture	IV. Other restrictions	Access to land/ real estate is subject to FDI-specific restriction (for example, prior approval, quantitative/size limits, tax, and so on).	Foreign investors and foreign majority-owned companies in Namibia cannot acquire or lease agricultural land, as well as shares in companies owning agricultural land, without the prior written consent of the Minister.	Agricultural (Commercial) Land Reform Act 6 of 1995.	<b>Act:</b> <a href="https://www.lac.org.na/laws/annoSTAT/Agricultural%20(Commercial)%20Land%20Reform%20Act%206%20of%201995.pdf">https://www.lac.org.na/laws/annoSTAT/Agricultural%20(Commercial)%20Land%20Reform%20Act%206%20of%201995.pdf</a>
4	Transport – Surface (road transport and urban rail transport): passenger transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in taxi and inter-city shuttle services companies is limited to 49 percent.	Foreign Investment Act No. 27 of 1990, as amended Government Notice 75 (Government Gazette, 15 April, 2010, No. 4460)/	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1990-27-eng-1993-12-01.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1990-27-eng-1993-12-01.pdf</a> <b>Notice:</b> <a href="https://gazettes.africa/archive/na/2010/na-government-gazette-dated-2010-04-15-no-4460.pdf">https://gazettes.africa/archive/na/2010/na-government-gazette-dated-2010-04-15-no-4460.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
5	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent	Foreign shareholding in radio and TV broadcasting firms is limited to 49 percent of the voting capital.	Communications Act No. 8 of 2009.	<b>Act:</b> <a href="https://www.cran.na/ygllidy/2019/12/Communications_Act_8_of_2009.pdf">https://www.cran.na/ygllidy/2019/12/Communications_Act_8_of_2009.pdf</a>
6	Telecommunications	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in telecommunication firms is limited to 49 percent of the voting capital.	Communications Act No. 8 of 2009.	<b>Act:</b> <a href="https://www.cran.na/ygllidy/2019/12/Communications_Act_8_of_2009.pdf">https://www.cran.na/ygllidy/2019/12/Communications_Act_8_of_2009.pdf</a>
7	Financial Services – Insurance (life insurance/ reinsurance, pension and related auxiliary services)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	Foreign investment in life insurance is only allowed through the registration of a locally incorporated public company managed by a board of directors. The managing director and at least 50 percent of the other directors are required to be Namibian citizens. Unlisted investment managing companies administering unlisted investments on behalf of pension funds must equally be locally incorporated and have appointed a Namibian citizen to be its portfolio manager and Chief Executive Officer (CEO).	Long-term Insurance Act No 5 of 1998 Pension Fund Regulations: Pension Funds Act, 1956 (Government Notice No 211 of 2018).	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1998-5-eng-2016-11-28.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1998-5-eng-2016-11-28.pdf</a> <b>Regulation:</b> <a href="https://gazettes.africa/archive/na/2018/na-government-gazette-dated-2018-08-31-no-6697.pdf">https://gazettes.africa/archive/na/2018/na-government-gazette-dated-2018-08-31-no-6697.pdf</a>
8	Financial Services – Insurance (life insurance/ reinsurance, pension and related auxiliary services)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Nationality requirements for board of directors. The majority must be Namibian nationals.	Foreign investment in life insurance is only allowed through the registration of a locally incorporated public company managed by a board of directors. The managing director and at least 50 percent of the other directors are required to be Namibian citizens. Unlisted investment managing companies that administer unlisted investments on behalf of pension funds must equally be locally incorporated and have appointed a Namibian citizen to be its portfolio manager and Chief Executive Officer (CEO).	Long-term Insurance Act No. 5 of 1998 Pension Fund Regulations: Pension Funds Act, 1956 (Government Notice No 211 of 2018).	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1998-5-eng-2016-11-28.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1998-5-eng-2016-11-28.pdf</a> <b>Regulation:</b> <a href="https://gazettes.africa/archive/na/2018/na-government-gazette-dated-2018-08-31-no-6697.pdf">https://gazettes.africa/archive/na/2018/na-government-gazette-dated-2018-08-31-no-6697.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
9	Financial Services – Insurance (life insurance/reinsurance, pension and related auxiliary services)	IV. Other restrictions	The establishment of branches not allowed/local incorporation is required (financial services and real estate investment only).	Foreign investment in life insurance is only allowed through the registration of a locally incorporated public company managed by a board of directors. The managing director and at least 50 percent of the other directors are required to be Namibian citizens. Unlisted investment managing companies that administer unlisted investments on behalf of pension funds must equally be locally incorporated and have appointed a Namibian citizen to be its portfolio manager and Chief Executive Officer (CEO).	Long-term Insurance Act No. 5 of 1998.  Pension Funds Regulations: Pension Funds Act, 1956 (Government Notice No. 211 of 2018).	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1998-5-eng-2016-11-28.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1998-5-eng-2016-11-28.pdf</a>  <b>Regulation:</b> <a href="https://gazettes.africa/archive/na/2018/na-government-gazette-dated-2018-08-31-no-6697.pdf">https://gazettes.africa/archive/na/2018/na-government-gazette-dated-2018-08-31-no-6697.pdf</a>
10	Financial Services – Insurance (non-life insurance/reinsurance and related auxiliary services)	III. Restrictions on key foreign personnel (board of directors and top-level executives)	Nationality requirements for the board of directors. A majority must be nationals.	Foreign investment in non-life insurance is only allowed through the registration of a locally incorporated public company managed by a board of directors. The managing director and at least 50 percent of the other directors are required to be Namibian citizens.	Short-term Insurance Act No. 4 of 1998.	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1998-4-eng-2016-11-28.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1998-4-eng-2016-11-28.pdf</a>
11	Financial Services – Insurance (non-life insurance/reinsurance and related auxiliary services)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) are not permitted. <sup>1</sup>	Foreign investment in non-life insurance is only allowed through the registration of a locally incorporated public company managed by a board of directors. The managing director and at least 50 percent of the other directors are required to be Namibian citizens.	Short-term Insurance Act No. 4 of 1998.	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1998-4-eng-2016-11-28.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1998-4-eng-2016-11-28.pdf</a>
12	Financial Services – Insurance (non-life insurance/reinsurance and related auxiliary services)	IV. Other restrictions	The establishment of branches is not allowed/local incorporation is required (financial services and real estate investment only).	Foreign investment in non-life insurance is only allowed through the registration of a locally incorporated public company managed by a board of directors. The managing director and at least 50 percent of the other directors are required to be Namibian citizens.	Short-term Insurance Act No. 4 of 1998.	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1998-4-eng-2016-11-28.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1998-4-eng-2016-11-28.pdf</a>
13	Forestry and Logging	IV. Other restrictions	Access to land/real estate is subject to FDI-specific restrictions (for example, prior approval, quantitative/size limits, tax, and so on).	Foreign investors and foreign majority-owned companies in Namibia cannot acquire or lease agricultural land, as well as shares in companies owning agricultural land, without the prior written consent of the Minister.	Agricultural (Commercial) Land Reform Act 6 of 1995.	<b>Act:</b> <a href="https://www.lac.org.na/laws/annoSTAT/Agricultural%20(Commercial)%20Land%20Reform%20Act%206%20of%201995.pdf">https://www.lac.org.na/laws/annoSTAT/Agricultural%20(Commercial)%20Land%20Reform%20Act%206%20of%201995.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
14	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	III. Restrictions on key foreign personnel (board of directors and top-level executives)	Nationality requirements for the board of directors. A majority must be Namibian nationals.	The managing director and the majority of the board of directors of a stock exchange entity in Namibia must be composed of Namibian citizens.	Stock Exchanges Control Act, 1985, as amended.	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1985-1-eng-2001-05-14.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1985-1-eng-2001-05-14.pdf</a>
15	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	The managing director and the majority of the board of directors of a stock exchange entity in Namibia must be composed of Namibian citizens.	Stock Exchanges Control Act, 1985, as amended.	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1985-1-eng-2001-05-14.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1985-1-eng-2001-05-14.pdf</a>
16	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	The portfolio manager and compliance officer of an investment managing company in Namibia must be Namibian citizens.	NAMFISA (2019), “Requirements for Registration as an Investment Manager.” Stock Exchanges Control Act No 1 of 1985. Immigration Control Act No. 7 of 1993.	<b>Req:</b> <a href="https://www.namfisa.com.na/wp-content/uploads/2019/08/REQUIREMENTS-FOR-REGISTRATION-AS-AN-INVESTMENT-MANAGER-.pdf">https://www.namfisa.com.na/wp-content/uploads/2019/08/REQUIREMENTS-FOR-REGISTRATION-AS-AN-INVESTMENT-MANAGER-.pdf</a> <b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1985-1-eng-2001-05-14.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1985-1-eng-2001-05-14.pdf</a> <b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1993-7-eng-1993-08-19.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1993-7-eng-1993-08-19.pdf</a>
17	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Only incorporated local entities are eligible to administer and hold custody of investments in listed securities on behalf of other persons in Namibia.	NAMFISA (2019), “Requirements for Registration as an Investment Manager.” Stock Exchanges Control Act No. 1 of 1985. Immigration Control Act No. 7 of 1993.	<b>Req:</b> <a href="https://www.namfisa.com.na/wp-content/uploads/2019/08/REQUIREMENTS-FOR-REGISTRATION-AS-AN-INVESTMENT-MANAGER-.pdf">https://www.namfisa.com.na/wp-content/uploads/2019/08/REQUIREMENTS-FOR-REGISTRATION-AS-AN-INVESTMENT-MANAGER-.pdf</a> <b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1985-1-eng-2001-05-14.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1985-1-eng-2001-05-14.pdf</a> <b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1993-7-eng-1993-08-19.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1993-7-eng-1993-08-19.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
18	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Trustee and fund management companies must be locally incorporated in Namibia.	Unit Trusts Control Act, 1981 (Act 54 of 1981).	<b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1981-54-eng-2016-11-29.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1981-54-eng-2016-11-29.pdf</a>
19	Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent	Foreign shareholding in "microlender" organizations is limited to 49 percent of the voting capital.	Microlending Act 7 of 2018 Immigration. Control Act No. 7 of 1993.	<b>Act:</b> <a href="https://www.lac.org.na/laws/annoSTAT/Microlending%20Act%207%20of%202018.pdf">https://www.lac.org.na/laws/annoSTAT/Microlending%20Act%207%20of%202018.pdf</a> <b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1993-7-eng-1993-08-19.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1993-7-eng-1993-08-19.pdf</a>
20	Professional Services – Legal Services (total)	IV. Other restrictions	Reciprocity requirement.	Only Namibian citizens, persons lawfully admitted to Namibia for permanent residence and that ordinarily reside in Namibia; or holders of an employment permit for the purpose of employment in the service of the State are eligible to practice the legal profession and be partners in a law firm. Permanent residence permits can only be granted to foreign nationals who are a spouse, dependent, parent of a person permanently resident in Namibia who is able and undertakes in writing to maintain him or her. Foreign lawyers residing in a country declared as a reciprocating country may also be admitted by the Minister of Justice. The conditions subject to which such lawyers, once registered, may practice in Namibia have not yet been regulated. The Chief Justice or, in his or her absence, the Judge-President may grant, having regard to the complexity or special circumstances of a matter [exceptional basis], may grant a certificate authorizing a lawyer who has special expertise relating to the matter to practice in Namibia in relation to the matter for which the certificate was granted.  For the purpose of the OECD FDI RR Index, it is assumed that, subject to reciprocity, foreign lawyers may be admitted and practice at par conditions with locally registered lawyers.	Legal Practitioners Act No 15 of 1995, as amended Immigration Control Act No. 7 of 1993.	<b>Act:</b> <a href="https://namiblii.org/akn/na/act/1995/15/eng@2005-11-01">https://namiblii.org/akn/na/act/1995/15/eng@2005-11-01</a> <b>Act:</b> <a href="https://media.namiblii.org/files/legislation/akn-na-act-1993-7-eng-1993-08-19.pdf">https://media.namiblii.org/files/legislation/akn-na-act-1993-7-eng-1993-08-19.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
21	Fishing and Aquaculture – Fishing	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign investment in fishing activities is subject to a 49 percent foreign shareholding limit.	Marine Resources Act 27 of 2000  Policy Statement (Guidelines) for the Granting of Rights to Harvest Marine Resources, 2013  Foreign Investments Act 27 of 1990.	<b>Act:</b> <a href="https://www.lac.org.na/laws/annoSTAT/Marine%20Resources%20Act%2027%20of%202000.pdf">https://www.lac.org.na/laws/annoSTAT/Marine%20Resources%20Act%2027%20of%202000.pdf</a>  <b>Pol:</b> <a href="https://mfmr.gov.na/documents/411764/417987/POLICY+STATEMENT+%28GUIDELINES%29+FOR+THE+GRANTING+OF+RIGHTS+TO+HARVEST+MARINE+RESOURCES.pdf/427b96bf-6572-5df4-6cc5-d5d62d547480">https://mfmr.gov.na/documents/411764/417987/POLICY+STATEMENT+%28GUIDELINES%29+FOR+THE+GRANTING+OF+RIGHTS+TO+HARVEST+MARINE+RESOURCES.pdf/427b96bf-6572-5df4-6cc5-d5d62d547480</a>  <b>Act:</b> <a href="https://mit.gov.na/documents/41692/88494/1+Foreign+Investment+Act.pdf/45f765c6-7f31-edfa-3a6e-f8b411f6f25a?version=1.0&amp;t=1603782678048&amp;download=true">https://mit.gov.na/documents/41692/88494/1+Foreign+Investment+Act.pdf/45f765c6-7f31-edfa-3a6e-f8b411f6f25a?version=1.0&amp;t=1603782678048&amp;download=true</a>
22	Fishing and Aquaculture – Aquaculture	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	The aquaculture policy stipulates that preference is to be given to Namibian citizens and to ventures beneficially controlled by Namibian citizens to benefit from the utilization of Namibia's natural resources for aquaculture development. For the purposes of the OECD FDI RR Index, it is assumed that this takes place during the licensing process by the Minister since no differential treatment of foreign ownership is explicitly stipulated in the legislation.	Namibia's Aquaculture Policy, 2001  Aquaculture Act No.18, 2002.	<b>Pol:</b> <a href="https://mfmr.gov.na/documents/411764/436209/Aquaculture+Policy%2C+March+2001.pdf/c59fae1d-293d-44b7-702c-9ca5de9e0d85">https://mfmr.gov.na/documents/411764/436209/Aquaculture+Policy%2C+March+2001.pdf/c59fae1d-293d-44b7-702c-9ca5de9e0d85</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
23	Mining and Quarrying – Except energy- producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	<p>Mining operations may be conducted in terms of a mining claim or a mining license. Only the holder of a valid Non-Exclusive Prospecting License (NEPL) is allowed to peg a mining claim, which may not be bigger than three hundred meters by six hundred meters. Mining claims are granted to Namibian citizens older than 18 years, or to companies wholly owned by Namibian citizens. However, a mining claim holder may choose to contract with a foreigner, or a company owned by foreigners to prospect and mine.</p> <p>The holder of an Exclusive Prospecting License (EPL) may apply for a mining license over the prospecting area. There are no restrictions on foreign participation for holding an EPL or Mining License (ML).</p>	<p>Minerals (Prospecting and Mining) Act 33 of 1992.</p> <p>Licenses, Rights and Permits: Application Guidelines and Assessment Procedures, 2019.</p>	<p><b>Act:</b> <a href="https://www.lac.org.na/laws/annoSTAT/Minerals%20(Prospecting%20and%20Mining)%20Act%2033%20of%201992.pdf">https://www.lac.org.na/laws/annoSTAT/Minerals%20(Prospecting%20and%20Mining)%20Act%2033%20of%201992.pdf</a></p> <p><b>Guideline:</b> <a href="https://mme.gov.na/files/publications/e1c_MME_A5_FINAL_2019.pdf">https://mme.gov.na/files/publications/e1c_MME_A5_FINAL_2019.pdf</a></p> <p><b>Other:</b> <a href="https://www.lex-afrika.com/wp-content/uploads/2019/06/Guide-to-Mining-in-Namibia.pdf">https://www.lex-afrika.com/wp-content/uploads/2019/06/Guide-to-Mining-in-Namibia.pdf</a></p>
24	Mining and Quarrying – Except energy- producing materials and support service activities	I. Foreign equity limits	Acquisition only: More than 67 percent, but less than 100 percent.	Foreign investors can acquire only up to 85 percent of a mineral license held by a Namibian license holder.	<p>Minerals (Prospecting and Mining) ACT No. 33 of 1992, as amended</p> <p>Public Notice, Ministry of Mines and Energy, 2 March 2021.</p>	<p><b>Act:</b> <a href="https://namiblii.org/akn/na/act/1992/33/eng@2008-12-29#sec_47">https://namiblii.org/akn/na/act/1992/33/eng@2008-12-29#sec_47</a></p> <p><b>Notice:</b> <a href="https://www.mme.gov.na/files/publications/eb0_Public%20Notice_Effective%201%20April%202021.pdf">https://www.mme.gov.na/files/publications/eb0_Public%20Notice_Effective%201%20April%202021.pdf</a></p>



## Summary Highlights

FDI Performance	Seychelles			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>119</sup>	144	122	157	518	2,858	15,466	8,492	11,027	-156
FDI as a percentage of GDP <sup>120</sup>	9.1%	11.5%	12.6%	2.6%	4.3%	4.0%	4.3%	3.0%	-1.5%
Value of Greenfield Investments <sup>121</sup> (in US\$ millions)	39	357	105	875	1,243	6,419	4,384	6,067	149

SADC Scorecard Performance, 2021	Seychelles	SADC Average	Global Average <sup>122</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>123</sup>	0.24	0.19	0.10
Total number of measures <sup>124</sup>	25	25	Not applicable (NA).
<b>Total number of measures by policy category</b>			
Foreign equity limits	21	11.9	NA.
Screening and approval	1	2.8	NA.
Restrictions on foreign personnel	Nil	2.6	NA.
Other restrictions	3	7.9	NA.
<b>Total number of sectors with measures<sup>125</sup></b>	<b>10</b>	<b>11.4</b>	<b>NA.</b>

119. Source: UNCTAD STAT.

120. Id.

121. fDi Markets, from the Financial Times Ltd. (2022).

122. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, the SADC Member States are excluded from the calculation of the global average.

123. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

124. The Scorecard focuses on identifying measures on the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (e.g., such as on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Seychelles, the list of 25 identified measures is found in 11 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

125. The following sectors in Seychelles have covered measures: Agriculture – Crops; Agriculture – Animal production, hunting and related service activities; Construction – Buildings and Other Specialized Activities; Construction – Civil Engineering; Distribution – Retail (specialized retail stores); Transport – Surface (road transport and urban rail transport): passenger transport [domestic / international]; Transport – Surface (road transport and urban rail transport): freight transport [domestic / international]; Transport – Water (sea and coastal transport): passenger transport [domestic / international]; Transport – Water (services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities); Hotels and Restaurants – Accommodation; Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities; Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities); Financial Services – Other Financial Services (trusts, funds and fund management activities); Professional Services – Legal Services (domestic law counselling and court representation); Real Estate Investment; Fishing and Aquaculture– Fishing, Fishing and Aquaculture; Aquaculture, Manufacturing – Food and Others (food products, beverages and tobacco).



## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investment in activities not referenced in the First Schedule ("Economic Activities in Which Non-Seychellois May Invest") or in the Second Schedule [List of economic activities with a financial limit up to which a non-Seychellois may invest], the Reserved Economic Activity Policy or any other investment regulation shall be subjected to the Economic Needs Test.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022 <sup>126</sup> ).  Immovable Property (Transfer Restriction) Act, 1963 (Cap 95).	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Act:</b> <a href="https://greybook.seylii.org/w/se/CAP95">https://greybook.seylii.org/w/se/CAP95</a>  <b>Website:</b> <a href="https://investinseychelles.com/investors-guide/investor-resources/economic-needs-test">https://investinseychelles.com/investors-guide/investor-resources/economic-needs-test</a>
2	Horizontal	IV. Other restrictions	Access to land/real estate is subject to FDI-specific restriction (for example, prior approval, quantitative/size limits, tax, and so on).	Foreign-owned companies may acquire or lease private land or immovable property for business purposes, subject to government approval. They may also lease state-owned land for commercial purposes, but they cannot acquire state land, except in very specific cases. All leases of land or immovable property by foreign-owned investors for more than 2 years is subject to government approval.	Immovable Properties (Transfer Restriction) Act 1965, Cap 95 as amended  <b>Policy:</b> Alienation of Land and Management and Sale of State Land, Government of Seychelles.	<b>Act:</b> <a href="https://greybook.seylii.org/w/se/CAP95#!fragment/zoupio-_Toc384112366/BQCwhgziBcwMYgK4Ds-DWszIQewE4BUBTAD-wBdoAvbRABwEtsBaAf-X2zgGYAOAFgEY+AJg4A2EQEoANMmylCEAIqJCuAJ7QA5BskRCYXAiUr1WnXoMgAynlIAhdQCU-AogBknANQCCAOQDC-TyVIwACNoUnZxcSA">https://greybook.seylii.org/w/se/CAP95#!fragment/zoupio-_Toc384112366/BQCwhgziBcwMYgK4Ds-DWszIQewE4BUBTAD-wBdoAvbRABwEtsBaAf-X2zgGYAOAFgEY+AJg4A2EQEoANMmylCEAIqJCuAJ7QA5BskRCYXAiUr1WnXoMgAynlIAhdQCU-AogBknANQCCAOQDC-TyVIwACNoUnZxcSA</a>  <b>Policy:</b> <a href="http://www.luh.gov.sc/Files/Doc/Sanctions Docs 2020/Policy IPTR September 2017.pdf">http://www.luh.gov.sc/Files/Doc/Sanctions Docs 2020/Policy IPTR September 2017.pdf</a>
3	Agriculture – Crops	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in agricultural (crop production) activity.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>

126-. The text includes the updated legal authority/source. However, regulatory information reflected in the FDI Regulatory Restrictiveness Index should be in force as of end of December 2021.

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
4	Agriculture – Animal production, hunting and related service activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in animal or livestock keeping.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>
5	Construction – Buildings and Other Specialized Activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in certain construction buildings and works, notably those requiring contractor class ii, iii and iv licenses.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>
6	Construction – Civil Engineering	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in certain construction buildings and works, notably those requiring contractor class ii, iii and iv licenses.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>
7	Distribution – Retail (specialized retail stores)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in certain specific retail activities (for example, the distribution of pesticides, ship chandler services and fish mongering services).	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>

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8	Transport – Surface (road transport and urban rail transport): passenger transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in private omnibus transport services. Public transport services are a monopoly of the state-owned company Seychelles Public Transport Corporation (SPTC).	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022). Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a> <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>
9	Transport – Surface (road transport and urban rail transport): freight transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in truck hiring service services.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022). Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a> <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>
10	Transport – Water (sea and coastal transport): passenger transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in boat charter, ferry services and yacht charter companies with up to 3 yachts in its fleet.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022). Reserved Economic Activities Policy 2020. The Liveaboard and Yacht Charter Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a> <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>  Charter: <a href="http://tourism.gov.sc/wp-content/uploads/2020/09/yacht-charter-policy-updated-17-8-2020.pdf">http://tourism.gov.sc/wp-content/uploads/2020/09/yacht-charter-policy-updated-17-8-2020.pdf</a>
11	Transport – Water (sea and coastal transport): passenger transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in yacht charter companies with 4-5 yachts in its fleet is limited to 49 percent.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022). Reserved Economic Activities Policy 2020. The Liveaboard and Yacht Charter Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a> <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>  Charter: <a href="http://tourism.gov.sc/wp-content/uploads/2020/09/yacht-charter-policy-updated-17-8-2020.pdf">http://tourism.gov.sc/wp-content/uploads/2020/09/yacht-charter-policy-updated-17-8-2020.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
12	Transport – Water (services incidental to water transport, including Ports and terminal facilities, related cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in companies providing vessel salvage and refloating services is limited to 49 percent.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>
13	Transport – Water (services incidental to water transport, including Ports and terminal facilities, related cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in clearing and shipping agency services.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>
14	Hotels and Restaurants – Accommodation	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign shareholding in hotels other than lodging services with 16-24 rooms and located on Mahe, Praslin, La Digue, Silhouette, Cerf Island and Ste Anne Islands are limited to 80 percent.  *Anything above 24 rooms can be 100 percent foreign owned.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>
15	Hotels and Restaurants – Accommodation	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in accommodation services of up to 15 rooms.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
16	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in restaurants with fewer than 21 covers, as well as in tour operator services (excluding travel agents services) are limited to 49 percent.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>
17	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in catering, take-away and delivery food services.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>
18	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	IV. Other restrictions	Establishment of branches not allowed/ local incorporation required (financial services and real estate investment only).	Local incorporation required for obtaining a stock exchange license, clearing agency license, securities facility license, securities dealer license and investment advisor license.	Securities Act No. 8 of 2007.	<b>Act:</b> <a href="https://fsaseychelles.sc/component/edocman/consolidated-securities-act-2007-to-9th-april-2020/download?Itemid=0">https://fsaseychelles.sc/component/edocman/consolidated-securities-act-2007-to-9th-april-2020/download?Itemid=0</a>
19	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/ local incorporation required (financial services and real estate investment only).	Local incorporation not required for mutual fund and fund management companies. However, all licensees under the International Corporate Service Providers Act, 2003 (the regulatory legislation for the issuance of international corporate services, international trustee services and foundation services licenses) are required to be a company incorporated in Seychelles under the Companies Act, 1972.	The Mutual Fund and Hedge Fund Act No. 10 of 2008, as amended  International Corporate Service Providers Act No. 10 of 2003, as amended.	<b>Act:</b> <a href="https://fsaseychelles.sc/component/edocman/consolidated-mutual-fund-and-hedge-fund-act-2007-to-31st-january-2020/download?Itemid=0">https://fsaseychelles.sc/component/edocman/consolidated-mutual-fund-and-hedge-fund-act-2007-to-31st-january-2020/download?Itemid=0</a>  <b>Act:</b> <a href="https://fsaseychelles.sc/component/edocman/consolidated-international-corporate-service-providers-act-2003-to-6th-august-2021/download?Itemid=0">https://fsaseychelles.sc/component/edocman/consolidated-international-corporate-service-providers-act-2003-to-6th-august-2021/download?Itemid=0</a>

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20	Professional Services – Legal Services (domestic law counselling and court representation)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign lawyers are not free to register and practice in Seychelles, except to provide legal advice on foreign and international law. In principle, legal services in relation to the Laws of Seychelles, not being listed in the First or Second Schedule of the Investment Act, would be subject to screening by the authorities (based on an economic needs test assessment). However, the authorities have clarified during the data collection process for the OECD FDI RR Index that foreign investment is not permitted for the provision of legal services on domestic law matters.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Immovable Property (Transfer Restriction) Act, 1963 (Cap 95).	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Act:</b> <a href="https://greybook.seylii.org/w/se/CAP95">https://greybook.seylii.org/w/se/CAP95</a>  <b>Website:</b> <a href="https://investinseychelles.com/investors-guide/investor-resources/economic-needs-test">https://investinseychelles.com/investors-guide/investor-resources/economic-needs-test</a>
21	Real Estate Investment	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in real estate agency services.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>
22	Real Estate Investment	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investors are not allowed to acquire or lease private- and state-owned, unless for business purposes or own residential use.	Immovable Properties (Transfer Restriction) Act 1965, Cap 95 as amended  <b>Policy:</b> Alienation of Land and Management and Sale of State Land, Government of Seychelles.	<b>Act:</b> <a href="https://greybook.seylii.org/w/se/CAP95#!fragment/zoupio-_Toc384112366/BQCwhgziBcwMYgK4Ds-DWszlQewE4BUBTAD-wBdoAvbRABwEtsBaAf-X2zgGYAOfgEY+AJg4A2EQEoANMmyICEAIqJCuAJ7QA5BskRCYXAiUr1WnXoMgAynIIAhdQCU-AogBknANQCCAOQDC-TyVIwACNoUnZxcSA">https://greybook.seylii.org/w/se/CAP95#!fragment/zoupio-_Toc384112366/BQCwhgziBcwMYgK4Ds-DWszlQewE4BUBTAD-wBdoAvbRABwEtsBaAf-X2zgGYAOfgEY+AJg4A2EQEoANMmyICEAIqJCuAJ7QA5BskRCYXAiUr1WnXoMgAynIIAhdQCU-AogBknANQCCAOQDC-TyVIwACNoUnZxcSA</a>  <b>Policy:</b> <a href="http://www.luh.gov.sc/Files/Doc/Sanctions Docs 2020/Policy IPTR September 2017.pdf">http://www.luh.gov.sc/Files/Doc/Sanctions Docs 2020/Policy IPTR September 2017.pdf</a>

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23	Fishing and Aquaculture – Fishing	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign investment in fishing activities is restricted to joint-venture (minority foreign-owned) and Seychelles (fully foreign-owned) fishing vessels, which can only be registered and licensed for fishing tuna and tuna-like species, and other species as a condition of the license. Such conditions are not required for local (fully Seychellois-owned) fishing vessels.	Fisheries Act No. 20 Of 2014.	<b>Act:</b> <a href="https://seylli.org/sc/sc/legislation/Act%2020%20of%202014%20Fisheries%20Act%2C%202014.pdf">https://seylli.org/sc/sc/legislation/Act%2020%20of%202014%20Fisheries%20Act%2C%202014.pdf</a>
24	Fishing and Aquaculture – Aquaculture	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in companies undertaking aquaculture activities in the inshore zone is limited to 49 percent.	Fisheries (Aquaculture) Regulations, 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20160%202020%20-%20Fisheries%20%28Aquaculture%29%20Regulations%202020.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20160%202020%20-%20Fisheries%20%28Aquaculture%29%20Regulations%202020.pdf</a>
25	Manufacturing – Food and Others (food products, beverages and tobacco)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in bacca, lapire (sugar cane-based alcohol and juice) manufacturing and distribution, as well as in primary and secondary processing of all plant products.	Seychelles Investment (Economic Activities) Regulations, 2020 (but this act is currently replaced with the new law in 2022).  Reserved Economic Activities Policy 2020.	<b>Regulation:</b> <a href="https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf">https://www.gazette.sc/sites/default/files/2020-12/SI%20148%202020%20-%20Seychelles%20Investment%20%28Economic%20Activities%29%20Regulations.pdf</a>  <b>Policy:</b> <a href="https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download">https://investinseychelles.com/component/edocman/reserved-economic-activities-policy,-april-2020/download</a>



## Summary Highlights

FDI Performance	South Africa			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>127</sup>	5,125	3,062	40,889	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>128</sup>	1.5%	1.0%	10.9%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>129</sup> (in US\$ millions)	4,765	5,599	6,459	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	South Africa	SADC Average	Global Average <sup>130</sup>
<b>Score under the SADC Scorecard</b> (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>131</sup>	0.03	0.19	0.10
<b>Total number of measures</b> <sup>132</sup>	9	25	Not applicable (NA).
<b>Total number of measures by policy category</b>			
Foreign equity limits	4	11.9	NA.
Screening and approval	Nil	2.8	NA.
Restrictions on foreign personnel	1	2.6	NA.
Other restrictions	4	7.9	NA.
<b>Total number of sectors with measures</b> <sup>133</sup>	5	11.4	NA.

127. Source: UNCTAD STAT.

128. Id.

129. fDi Markets, from the Financial Times Ltd. (2022).

130. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, SADC Member States are excluded from the calculation of the global average.

131. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

132. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In South Africa, the list of 9 identified measures is found in 10 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

133. The following sectors in South Africa have covered measures: Media – Radio and TV Programming and Broadcasting (total); Financial Services – Insurance; Financial Services – Other Financial Services (trusts, funds and fund management activities), Fishing; and Aquaculture.



## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Access to local finance	Non-resident persons and companies in which non-residents have an interest of 75 percent or more face local borrowing restrictions regarding the acquisition of residential and/or commercial properties, as well as any other financial transaction, including, among other things, the purchase and sale of any securities (listed or unlisted), repurchase agreements and any derivative transactions on securities. Authorized borrowing amounts must comply with a 1:1 ratio, that is, for every R1 in cash or assets that a non-resident introduces or owns, such non-resident may borrow an equivalent amount on the local market. Local borrowing by companies in which non-residents have an interest of 75 percent or more is not restricted for the normal trade and working capital financing of operations.	Currency and Exchanges Manual for Authorised Dealers, 2022-04-25.	<b>Manual:</b> <a href="https://www.resbank.co.za/content/dam/sarb/what-we-do/financial-surveillance/financial-surveillance-documents/2020/Currency%20and%20Exchanges%20Manual%20for%20Authorised%20Dealers.pdf">https://www.resbank.co.za/content/dam/sarb/what-we-do/financial-surveillance/financial-surveillance-documents/2020/Currency%20and%20Exchanges%20Manual%20for%20Authorised%20Dealers.pdf</a>
2	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in radio and TV broadcasting companies is limited to 20 percent. And not more than 20 percent of directors of those firms may be foreigners.	Electronic Communications Act 36 of 2005, as amended.	<b>Act:</b> <a href="https://www.gov.za/documents/electronic-communications-act">https://www.gov.za/documents/electronic-communications-act</a>
3	Media – Radio and TV Programming and Broadcasting (total)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Nationality requirements for the board of directors. A majority must be South African nationals.	Foreign shareholding in radio and TV broadcasting companies is limited to 20 percent, and not more than 20 percent of directors of those firms may be foreigners.	Electronic Communications Act 36 of 2005, as amended.	<b>Act:</b> <a href="https://www.gov.za/documents/electronic-communications-act">https://www.gov.za/documents/electronic-communications-act</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
4	Media – Radio and TV Programming and Broadcasting (total)	IV. Other restrictions	FDI-specific local content requirement.	Commercial broadcasters are required to comply with local content requirements that are specific to foreign-owned production companies: (1) in respect of a sound broadcasting service, a broadcasting service licensee is required to broadcast a specified minimum percentage of musical works which qualify as South African music, that is, written or performed by South African citizens, and so on; (2) in respect of a television broadcasting service, a broadcasting service licensee is required to allocate a minimum percentage of its total broadcasting time to television programs that have local television content, that is, content produced by a television broadcasting service licensee or by South African citizens or companies that are majority owned by South African citizens.	Electronic Communications Act 36 of 2005, as amended.  Independent Communications Authority of South Africa (ICASA) Regulations on Local Television Content Notice of 346 of 2016, issued on 23 March 2016.  ICASA Regulations on South African Music Notice of 344 of 2016, issued on 23 March 2016.	<b>Act:</b> <a href="https://www.gov.za/documents/electronic-communications-act">https://www.gov.za/documents/electronic-communications-act</a>  <b>Notice:</b> <a href="https://www.gov.za/sites/default/files/gcis_document/201603/39844gon346_1.pdf">https://www.gov.za/sites/default/files/gcis_document/201603/39844gon346_1.pdf</a>  <b>Notice:</b> <a href="https://www.icasa.org.za/uploads/files/ICASA-Regulations-on-South-African-Music-Gazette-39844.pdf">https://www.icasa.org.za/uploads/files/ICASA-Regulations-on-South-African-Music-Gazette-39844.pdf</a>
5	Financial Services – Insurance	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for undertaking the insurance business. Foreign reinsurers, however, can operate through a branch.	Insurance Act No 18 of 2017, as amended	<b>Act:</b> <a href="https://www.resbank.co.za/en/home/publications/publication-detail-pages/prudential-authority/pa-post-insurance/act/2018/8571">https://www.resbank.co.za/en/home/publications/publication-detail-pages/prudential-authority/pa-post-insurance/act/2018/8571</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
6	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for trustees and custodians of collective investment schemes, unless they are registered as branches of foreign institutions in terms of the Banks Act.	Collective Investment Schemes Control Act 45 OF 2002, as amended Companies Act, 2008.	<b>Act:</b> <a href="https://discover.sabinet.co.za/discov/erdelivery/1/1/6/7/6/1/7_Oebad45b43966ba/1167617_alt_1228533_fc397b7c9639424.pdf?response-content-disposition=inline%3Bfilename%2A%3DU TF-8%27%27collective-investment-schemes-control-act-45-of-2002.pdf&amp;Expires=1651845290&amp;Signature=Zw5a824-dQBDOmhiOsvOu1CjTPHJjmkPmPHNixLCsBJtTYNUeb4iq4CxJWznAGebTv3Ghjo62AzMiooFUicTlnk0rrXsgj9CXlr2LTfejK LkF3as5p8G--5inzTeehjXebNBsHrs-v40M8ok2YwzjYPH1aOurMokUNdaNT-Y-BVTEy3QtTrsn3i6OGPh5ADYrELh5UPgyKrgidLp3jDcBov7T3YwQH6gZUAnn7UrxRxMmhi81fHECXOBXWreTKT16E3-4fmfqoAHBiwqm3ShdhIAzFnpq5DP0UKazWQmYT1Jf-iSKFEhk mx0aNgXMAFAtXxbJtk2B11FTSflieA_&amp;Key-Pair-Id=KZFRMYA8YVF29">https://discover.sabinet.co.za/discov/erdelivery/1/1/6/7/6/1/7_Oebad45b43966ba/1167617_alt_1228533_fc397b7c9639424.pdf?response-content-disposition=inline%3Bfilename%2A%3DU TF-8%27%27collective-investment-schemes-control-act-45-of-2002.pdf&amp;Expires=1651845290&amp;Signature=Zw5a824-dQBDOmhiOsvOu1CjTPHJjmkPmPHNixLCsBJtTYNUeb4iq4CxJWznAGebTv3Ghjo62AzMiooFUicTlnk0rrXsgj9CXlr2LTfejK LkF3as5p8G--5inzTeehjXebNBsHrs-v40M8ok2YwzjYPH1aOurMokUNdaNT-Y-BVTEy3QtTrsn3i6OGPh5ADYrELh5UPgyKrgidLp3jDcBov7T3YwQH6gZUAnn7UrxRxMmhi81fHECXOBXWreTKT16E3-4fmfqoAHBiwqm3ShdhIAzFnpq5DP0UKazWQmYT1Jf-iSKFEhk mx0aNgXMAFAtXxbJtk2B11FTSflieA_&amp;Key-Pair-Id=KZFRMYA8YVF29</a> <b>Act:</b> <a href="https://www.gov.za/sites/default/files/gcis_document/201409/321214210.pdf">https://www.gov.za/sites/default/files/gcis_document/201409/321214210.pdf</a>
7	Fishing and Aquaculture	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Fisheries and aquaculture rights are reserved to South African right holders (including South African citizens and legal entities in which the majority of shareholders are South African persons). They may then form charter agreements with foreign nationals.	Marine Living Resources Act, No. 18 of 1998, as amended.	<b>Act:</b> <a href="https://www.gov.za/documents/marine-living-resources-act-27-may-1998-0000">https://www.gov.za/documents/marine-living-resources-act-27-may-1998-0000</a>
8	Transport – Air (air transport)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in air carriers providing domestic service is limited to 25 percent of the voting capital and to 50 percent for South African air carriers entitled to international air transport services.	Air Services Licensing Act No. 115 of 1990, as amended International Air Services Act No. 60 of 1993, as amended.	<b>Acts:</b> <a href="https://caa.mylexisnexis.co.za/">https://caa.mylexisnexis.co.za/</a>
9	Transport – Air (air transport)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in air carriers providing domestic service is limited to 25 percent of the voting capital and to 50 percent in South African air carriers entitled to international air transport services.	Air Services Licensing Act No. 115 of 1990, as amended International Air Services Act No. 60 of 1993, as amended.	<b>Acts:</b> <a href="https://caa.mylexisnexis.co.za/">https://caa.mylexisnexis.co.za/</a>



## Summary Highlights

FDI Performance	Tanzania			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>134</sup>	1,217	685	922	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>135</sup>	1.9%	1.0%	1.3%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>136</sup> (in US\$ millions)	895	223	989	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Tanzania	SADC Average	Global Average <sup>137</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>138</sup>	0.32	0.19	0.10
Total number of measures <sup>139</sup>	35	25	Not applicable (NA).
<b>Total number of measures by policy category</b>			
Foreign equity limits	22	11.9	NA.
Screening and approval	1	2.8	NA.
Restrictions on foreign personnel	1	2.6	NA.
Other restrictions	11	7.9	NA.
<b>Total number of sectors with measures<sup>140</sup></b>	<b>14</b>	<b>11.4</b>	<b>NA.</b>

134. Source: UNCTAD STAT.

135. Id.

136. fDi Markets, from the Financial Times Ltd. (2022).

137. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, the SADC Member States are excluded from the calculation of the global average.

138. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

139. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation on an economy-wide basis, as well as for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Tanzania, the list of 35 identified measures is found in 34 legal instruments (legal instruments include laws, regulations, decree, presidential orders, ministerial orders, and official government policy).

140. The following sectors in Tanzania have covered measures: Agriculture – Animal production, hunting and related service activities; Construction; Distribution – Retail (specialized retail stores); Transport – Surface (services incidental to rail and road transport, including rail and road infrastructure, stations, cargo handling and other support activities); Transport – Water (inland water transport): passenger transport [domestic / international]; Transport – Water (services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities); Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities, Media – Radio and TV Programming and Broadcasting (total); Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals); Financial Services – Banking; Financial Services – Insurance, Financial Services. Other Financial Services (trusts, funds and fund management activities); Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital); Professional Services – Audit and Accounting (total); Professional Services – Engineering Services (total); Professional Services – Architectural Services (total); Real Estate Investment, Fishing and Aquaculture; Fishing, Mining and Quarrying – Energy producing materials (that is, coal, crude petroleum and natural gas); Mining and Quarrying – Except energy-producing materials and support service activities; Manufacturing – Chemical, Rubber, Plastics, Fuel Products; and Other Non-Metallic Mineral Products (coke and refined petroleum products).

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Restrictions on (post-tax) profit/capital repatriation (for example, prior approval, quantitative or time limits).	Only foreign investors meeting a minimum investment threshold (higher than required from domestic investors) have access to unconditional profit and capital repatriation.	Tanzania Investment Act, 1997.	<b>Act:</b> <a href="https://procedures.tic.go.tz/media/INVESTMENT%20ACT.pdf">https://procedures.tic.go.tz/media/INVESTMENT%20ACT.pdf</a>
2	Horizontal	IV. Other restrictions	Access to local finance.	Only foreign investors meeting a minimum investment threshold (higher than required from domestic investors) can be entitled to credit from domestic sources.	Tanzania Investment Act, 1997.	<b>Act:</b> <a href="https://procedures.tic.go.tz/media/INVESTMENT%20ACT.pdf">https://procedures.tic.go.tz/media/INVESTMENT%20ACT.pdf</a>
3	Horizontal	IV. Other restrictions	Government procurement offers preference to locally owned firms.	Government procurement legislation gives preference to firms that are majority-owned by Tanzanian citizens in respect of contracts for public works and consultancy services, and to joint ventures between foreign and local firms for all procurement, including of goods, under international and national competitive tendering.	Public Procurement Act, 2011, as amended.	<b>Act:</b> <a href="https://www.ppra.go.tz/phocadownload/attachments/Act/Public_Procurement_Act_2011.pdf">https://www.ppra.go.tz/phocadownload/attachments/Act/Public_Procurement_Act_2011.pdf</a> <b>Amendment:</b> <a href="https://www.ppra.go.tz/phocadownload/attachments/PPA_Ammendment_Act_2016.pdf">https://www.ppra.go.tz/phocadownload/attachments/PPA_Ammendment_Act_2016.pdf</a>
4	Agriculture – Animal production, hunting and related service activities	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding is limited to 49 percent in the business of selling meat from authorized hunted animals ("game meat").	The Wildlife Conservation (Game Meat Selling) Regulations, 2020.	<b>Regulation:</b> <a href="https://www.maliasili.go.tz/uploads/Game_Meat_Selling_Regulation.pdf">https://www.maliasili.go.tz/uploads/Game_Meat_Selling_Regulation.pdf</a>
5	Construction	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign (majority-owned) construction companies can only be temporarily registered for the purpose of carrying out specific construction contracts.	Contractors Registration Act of 1997, as amended Contractors Registration Bylaws, 1999, as amended	<b>Act:</b> <a href="https://crb.go.tz/download/alllegislations/The%20Contractors%20Registration%20Act%20of%201997.pdf">https://crb.go.tz/download/alllegislations/The%20Contractors%20Registration%20Act%20of%201997.pdf</a> <b>Regulation:</b> <a href="https://crb.go.tz/Legislation">https://crb.go.tz/Legislation</a>
6	Distribution – Retail (specialized retail stores)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Only Tanzanian nationals can own pharmacy retail outlets in rural and peri-urban zones.	Pharmacy (Accredited Drugs Dispensing Outlets) (Standards and Ethics for Dispensation of Medicines) Regulations, 2019.	<b>Regulation:</b> <a href="https://media.tanzlii.org/files/legislation/tz-act-gn-2019-185-publication-document.pdf">https://media.tanzlii.org/files/legislation/tz-act-gn-2019-185-publication-document.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
7	Transport – Surface (services incidental to rail and road transport, including Rail and road infrastructure, stations, cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign investment in dry ports is allowed subject to partnership with Tanzanian nationals holding at least 10 percent interest in the business.	The Tanzanian Shipping Agencies (Dry Port) Regulations, G. N. No 341 of 2018.	<b>Regulation:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1537429064-DRY%20PORT%20REGULATIONS-2018_GN.NO%20341.pdf">https://www.tasac.go.tz/uploads/publications/sw1537429064-DRY%20PORT%20REGULATIONS-2018_GN.NO%20341.pdf</a>
8	Transport – Water (inland water transport): passenger transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Only Tanzanian ships may be engaged in local trade (passenger and cargo cabotage); registration of a Tanzanian ship is reserved to Tanzanian nationals, individuals or corporations owning ships hired out on bareboat charters to nationals of Tanzania, as well as individuals or corporations in bona-fide joint venture shipping enterprise relationships with nationals of Tanzania.	Merchant Shipping Act, 2003 Merchant Shipping (Registration of Ships and Licensing of Vessels) Regulations, 2005.	<b>Act:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1542642572-Merchant_Shipping_Act_21-2003.pdf">https://www.tasac.go.tz/uploads/publications/sw1542642572-Merchant_Shipping_Act_21-2003.pdf</a> <b>Regulation:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1627210182-Merchant%20Shipping%20of%20Ships%20Regulations,%202005.pdf">https://www.tasac.go.tz/uploads/publications/sw1627210182-Merchant%20Shipping%20of%20Ships%20Regulations,%202005.pdf</a>
9	Transport – Water (inland water transport): freight transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Only Tanzanian ships may be engaged in local trade (passenger and cargo cabotage); registration of a Tanzanian ship is reserved to Tanzanian nationals, individuals or corporations owning ships hired out on bareboat charters to nationals of Tanzania, as well as individuals or corporations in bona-fide joint venture shipping enterprise relationships with nationals of Tanzania.	Merchant Shipping Act, 2003 Merchant Shipping (Registration of Ships and Licensing of Vessels) Regulations, 2005.	<b>Act:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1542642572-Merchant_Shipping_Act_21-2003.pdf">https://www.tasac.go.tz/uploads/publications/sw1542642572-Merchant_Shipping_Act_21-2003.pdf</a> <b>Regulation:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1627210182-Merchant%20Shipping%20of%20Ships%20Regulations,%202005.pdf">https://www.tasac.go.tz/uploads/publications/sw1627210182-Merchant%20Shipping%20of%20Ships%20Regulations,%202005.pdf</a>
10	Transport – Water (services incidental to water transport, including Ports and terminal facilities, related cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in private shipping agencies is limited to 40 percent.	Tanzania Shipping Agencies Act 2017.	<b>Act:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1626341817-THE%20TANZANIA%20SHIPPING%20AGENCIES%20ACT,%20CAP.%20415.pdf">https://www.tasac.go.tz/uploads/publications/sw1626341817-THE%20TANZANIA%20SHIPPING%20AGENCIES%20ACT,%20CAP.%20415.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
11	Transport – Water (services incidental to water transport, including Ports and terminal facilities, related cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign investment in port terminal operations and in some miscellaneous port services is allowed, subject to partnership with Tanzanian nationals holding at least 10 percent of the share capital in the port operating company or 25 percent in the port services company.	Tanzania Shipping Agencies (Port Terminal Operators) Regulations, 2020  Miscellaneous Ports Services Regulations – 2018 GN No. 343.	<b>Regulation:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1590584749-(PORT%20TERMINAL%20OPERATORS)%20REGULATIONS,%202020%20(1)GN%20NO%208%2010%20JANUARY%202020%20THE%20TANZANIA%20SHIPPING%20AGENCIES.pdf">https://www.tasac.go.tz/uploads/publications/sw1590584749-(PORT%20TERMINAL%20OPERATORS)%20REGULATIONS,%202020%20(1)GN%20NO%208%2010%20JANUARY%202020%20THE%20TANZANIA%20SHIPPING%20AGENCIES.pdf</a>  <b>Regulation:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1537429376-MISCELLANEOUS%20PORT%20SERVICES%20REGULATIONS-2018_GN.NO%20343.pdf">https://www.tasac.go.tz/uploads/publications/sw1537429376-MISCELLANEOUS%20PORT%20SERVICES%20REGULATIONS-2018_GN.NO%20343.pdf</a>
12	Transport – Water (services incidental to water transport, including Ports and terminal facilities, related cargo handling and other support activities)	I. Foreign equity limits	Acquisition only: Between 33 and 50 percent.	Foreign shareholding in a shipping agent company is limited to 40 percent.	Tanzania Shipping Agencies (Shipping Agents) Regulations, 2018.	<b>Regulation:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1538385594-SHIPPING%20AGENTS%20REGULATIONS-2018_GN.NO.339%20(1).pdf">https://www.tasac.go.tz/uploads/publications/sw1538385594-SHIPPING%20AGENTS%20REGULATIONS-2018_GN.NO.339%20(1).pdf</a>
13	Transport – Water (services incidental to water transport, including Ports and terminal facilities, related cargo handling and other support activities)	IV. Other restrictions	FDI-specific minimum capital requirement.	Foreign shareholding in a shipping agent company is limited to 40 percent.	Tanzania Shipping Agencies (Shipping Agents) Regulations, 2018.	<b>Regulation:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1538385594-SHIPPING%20AGENTS%20REGULATIONS-2018_GN.NO.339%20(1).pdf">https://www.tasac.go.tz/uploads/publications/sw1538385594-SHIPPING%20AGENTS%20REGULATIONS-2018_GN.NO.339%20(1).pdf</a>
14	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment in travel agencies, tour operators, car rentals and mountain climbing and trekking tour operators is prohibited.	The Tourism Act, 2008  Tourism Agents (Registration and Licensing) Regulations, 2015.	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/tan85329.pdf">http://extwprlegs1.fao.org/docs/pdf/tan85329.pdf</a>  <b>Regulation:</b> <a href="https://www.maliasili.go.tz/uploads/TOURISM_AGENTS_%28Registration_and_Licensing%290001.pdf">https://www.maliasili.go.tz/uploads/TOURISM_AGENTS_%28Registration_and_Licensing%290001.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
15	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in companies holding a content services license (that is, radio and TV broadcasting license) is limited to 49 percent.	The Electronic and Postal Communications (Licensing) Regulations, 2018.	<b>Regulation:</b> <a href="https://tadio.co.tz/wp-content/uploads/2019/08/6_GN_57_Electronic_and_Postal_Communications_Licensing_Regulations_2018-3.pdf">https://tadio.co.tz/wp-content/uploads/2019/08/6_GN_57_Electronic_and_Postal_Communications_Licensing_Regulations_2018-3.pdf</a>
16	Media – Radio and TV Programming and Broadcasting (total)	IV. Other restrictions	FDI-specific local content requirement.	Radio and TV broadcasting companies face local content obligations that discriminate against locally established, foreign-owned audiovisual producers.	The Electronic and Postal Communications (Radio and Television Broadcasting Content) Regulations, 2018.	<b>Regulation:</b> <a href="https://tadio.co.tz/wp-content/uploads/2019/08/SUPP_GN_NO_134_16_03_2018_EPOCA_RADIO_AND_TELEVISION_BROADCASTING_CONTENT_REGULATIONS_2018-1.pdf">https://tadio.co.tz/wp-content/uploads/2019/08/SUPP_GN_NO_134_16_03_2018_EPOCA_RADIO_AND_TELEVISION_BROADCASTING_CONTENT_REGULATIONS_2018-1.pdf</a>
17	Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in printed media companies is limited to 49 percent, and any change to the shareholding structure of a foreign-owned media company requires the approval of the Director of Information Services Department.	The Media Services Regulations, 2017.	<b>Regulation:</b> <a href="http://www.maelezo.go.tz/storage/app/uploads/public/58d25221058d25221067f10187506655.pdf">http://www.maelezo.go.tz/storage/app/uploads/public/58d25221058d25221067f10187506655.pdf</a>
18	Media – Other Media (publishing of books, periodicals and other publishing activities, and web-based media portals)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign shareholding in printed media companies is limited to 49 percent, and any change to the shareholding structure of a foreign-owned media company requires the approval of the Director of Information Services Department.	The Media Services Regulations, 2017.	<b>Regulation:</b> <a href="http://www.maelezo.go.tz/storage/app/uploads/public/58d25221058d25221067f10187506655.pdf">http://www.maelezo.go.tz/storage/app/uploads/public/58d25221058d25221067f10187506655.pdf</a>
19	Financial Services – Banking	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for undertaking banking activities. Foreign bank branches are not allowed.	The Banking and Financial Institutions (Licensing) Regulations, 2014.	<b>Regulation:</b> <a href="https://www.bot.go.tz/Publications/Acts,%20Regulations,%20Circulars,%20Guidelines/Regulations/en/2020021122491016565.pdf">https://www.bot.go.tz/Publications/Acts,%20Regulations,%20Circulars,%20Guidelines/Regulations/en/2020021122491016565.pdf</a>
20	Financial Services – Insurance	I. Foreign equity limits	Greenfield and acquisitions: More than 50 percent up to 67 percent	Foreign shareholding in insurance companies is limited to 67 percent.	The Insurance Act, 2009.	<b>Act:</b> <a href="https://www.tira.go.tz/sites/default/files/Insurance%20Act%20No%2010%20of%202009.pdf">https://www.tira.go.tz/sites/default/files/Insurance%20Act%20No%2010%20of%202009.pdf</a>
21	Financial Services – Insurance	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Nationality requirements for board of directors. At least one member must be a Tanzanian national.	At least one-third of the members of the board of an insurance company must be citizens of Tanzania.	The Insurance Act, 2009.	<b>Act:</b> <a href="https://www.tira.go.tz/sites/default/files/Insurance%20Act%20No%2010%20of%202009.pdf">https://www.tira.go.tz/sites/default/files/Insurance%20Act%20No%2010%20of%202009.pdf</a>



N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
22	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation required for establishing and managing collective investment schemes in Tanzania.	Capital Markets and Securities Act, Chapter 79 R.E. 2002, as amended.	<b>Act:</b> <a href="https://www.cmsa.go.tz/uploads/publications/en-1576056621-THE%20CAPITAL%20MARKETS%20AND%20SECURITIES%20ACT.pdf">https://www.cmsa.go.tz/uploads/publications/en-1576056621-THE%20CAPITAL%20MARKETS%20AND%20SECURITIES%20ACT.pdf</a>
23	Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Local incorporation is required for undertaking financial leasing, microfinance, and mortgage financing activities.	The Banking and Financial Institutions (Financial Leasing) Regulations, 2011. The Microfinance (Non-Deposit Taking Microfinance Service Providers) Regulations, 2019. The Banking and Financial Institutions (Mortgage Finance) Regulations, 2015.	<b>Regulation:</b> <a href="https://www.bot.go.tz/Publications/Acts,%20Regulations,%20Circulars,%20Guidelines/Regulations/en/2020031803224012.pdf">https://www.bot.go.tz/Publications/Acts,%20Regulations,%20Circulars,%20Guidelines/Regulations/en/2020031803224012.pdf</a> <b>Regulation:</b> <a href="https://www.bot.go.tz/Publications/Acts,%20Regulations,%20Circulars,%20Guidelines/Regulations/en/2020021122490967551.pdf">https://www.bot.go.tz/Publications/Acts,%20Regulations,%20Circulars,%20Guidelines/Regulations/en/2020021122490967551.pdf</a> <b>Regulation:</b> <a href="https://www.bot.go.tz/Publications/Acts,%20Regulations,%20Circulars,%20Guidelines/Regulations/en/2020021122490980555.pdf">https://www.bot.go.tz/Publications/Acts,%20Regulations,%20Circulars,%20Guidelines/Regulations/en/2020021122490980555.pdf</a>
24	Professional Services – Audit and Accounting (total)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in accounting and auditing firms is limited to 49 percent.	The Accountants and Auditors (Practicing) By-Laws, 2017 The Accountants and Auditors (Registration) By-Laws, 2017.	<b>Regulation:</b> <a href="https://www.nbaa.go.tz/uploads/publications/sw1599740610-PRACTICING%20BY%20LAWS%202017.pdf">https://www.nbaa.go.tz/uploads/publications/sw1599740610-PRACTICING%20BY%20LAWS%202017.pdf</a> <b>Regulation:</b> <a href="https://www.nbaa.go.tz/uploads/publications/sw1533895182-REGISTRATION%20BYLAW.pdf">https://www.nbaa.go.tz/uploads/publications/sw1533895182-REGISTRATION%20BYLAW.pdf</a>
25	Professional Services – Engineering Services (total)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign participation in engineering companies is limited to minority shareholding.	Engineers Registration ACT, 1997, as amended.	<b>Act:</b> <a href="https://erb.go.tz/index.php/the-act-of-1997-and-amendment">https://erb.go.tz/index.php/the-act-of-1997-and-amendment</a>
26	Professional Services – Architectural Services (total)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign participation in architectural service companies is limited to minority shareholding.	Architects And Quantity Surveyors (Registration) Act, 2010.	<b>Act:</b> <a href="https://www.aqrb.go.tz/uploads/publications/en-1604923201-Act_no_4_of_2010.pdf">https://www.aqrb.go.tz/uploads/publications/en-1604923201-Act_no_4_of_2010.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
27	Real Estate Investment	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign majority investment in land and real estate units is prohibited, unless for the purposes of carrying out commercial activities in Tanzania.	Land Act (Chapter 113), 2001.	<b>Act:</b> <a href="https://tanzlii.org/akn/tz/act/1999/4/eng@2019-11-30">https://tanzlii.org/akn/tz/act/1999/4/eng@2019-11-30</a>
28	Fishing and Aquaculture – Fishing	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Only Tanzanian vessels may be engaged in fishing activities in Tanzania's territorial waters and in its Exclusive Economic Zone, unless exceptionally authorized by the Minister; registration of a Tanzanian fishing vessel is reserved for Tanzanian nationals, individuals or corporations owning ships hired out on bareboat charters to nationals of Tanzania, and individuals or corporations in bona-fide joint venture shipping enterprise relationships with nationals of Tanzania.	Fisheries Act, 2003 Deep Sea Fisheries Management and Development Act, 2020. Merchant Shipping (Registration of Ships and Licensing of Vessels) Regulations, 2005.	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/tan53024.pdf">http://extwprlegs1.fao.org/docs/pdf/tan53024.pdf</a> <b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/tan199110.pdf">http://extwprlegs1.fao.org/docs/pdf/tan199110.pdf</a> <b>Regulation:</b> <a href="https://www.tasac.go.tz/uploads/publications/sw1627210182-Merchant%20Shipping%20(Registration%20of%20Ships)%20Regulations,%202005.pdf">https://www.tasac.go.tz/uploads/publications/sw1627210182-Merchant%20Shipping%20(Registration%20of%20Ships)%20Regulations,%202005.pdf</a>
29	Fishing and Aquaculture – Fishing	IV. Other restrictions	Access to local finance.	Foreign-owned investors are not entitled to receive investment incentives available to citizen-owned companies conducting fishing activities in the Exclusive Economic Zone.	Deep Sea Fisheries Management and Development Act, 2020.	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/tan199110.pdf">http://extwprlegs1.fao.org/docs/pdf/tan199110.pdf</a>
30	Mining and Quarrying – Energy producing materials (that is, coal, crude petroleum and natural gas)	IV. Other restrictions	FDI-specific local content requirement.	Investors in oil and gas activities are required to source goods and services from Tanzanian-owned firms.	The Petroleum Act, 2015.	<b>Act:</b> <a href="https://www.tanzania.go.tz/egov_uploads/documents/THE_PETROLEUM_ACT_2015_No_sw.pdf">https://www.tanzania.go.tz/egov_uploads/documents/THE_PETROLEUM_ACT_2015_No_sw.pdf</a>
31	Mining and Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment in companies holding a "primary mining license" (that is, a small-scale mining) is prohibited.	Mining Act (Chapter 123), 2010, as amended.	<b>Act:</b> <a href="https://tanzlii.org/akn/tz/act/2010/14/eng@2019-11-30">https://tanzlii.org/akn/tz/act/2010/14/eng@2019-11-30</a>
32	Mining and Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment in mining of gemstones is prohibited.	Mining Act (Chapter 123), 2010, as amended.	<b>Act:</b> <a href="https://tanzlii.org/akn/tz/act/2010/14/eng@2019-11-30">https://tanzlii.org/akn/tz/act/2010/14/eng@2019-11-30</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
33	Mining and Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign investment in mining activities is subject to partnership with indigenous Tanzanian companies.	The Mining (Local Content) Regulations, 2018.	<b>Regulation:</b> <a href="https://tanzlii.org/akn/tz/act/gn/2018/3/eng@2018-01-10">https://tanzlii.org/akn/tz/act/gn/2018/3/eng@2018-01-10</a>
34	Mining and Quarrying – Except energy-producing materials and support service activities	IV. Other restrictions	FDI-specific local content requirement.	Mineral rights holders shall give preference to goods and services produced or rendered by Tanzanian citizens and or local companies fully or partly owned by Tanzanian citizens.	Mining Act (Chapter 123), 2010, as amended.	<b>Act:</b> <a href="https://tanzlii.org/akn/tz/act/2010/14/eng@2019-11-30">https://tanzlii.org/akn/tz/act/2010/14/eng@2019-11-30</a>
35	Manufacturing – Chemical, Rubber, Plastics, Fuel Products and Other Non-Metallic Mineral Products (coke and refined petroleum products)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign investment in midstream and downstream oil and gas activities is subject to partnership with Tanzanian-owned local companies holding not less than 25 percent of the interests in the business.	The Petroleum Act, 2015.	<b>Act:</b> <a href="https://www.tanzania.go.tz/egov_uploads/documents/THE_PETROLEUM_ACT_2015_No_sw.pdf">https://www.tanzania.go.tz/egov_uploads/documents/THE_PETROLEUM_ACT_2015_No_sw.pdf</a>



## Summary Highlights

FDI Performance	Zambia			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>141</sup>	860	-173	-457	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>142</sup>	3.7%	-1%	-2.3%	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>143</sup> (in US\$ millions)	683	881	786	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Zambia	SADC Average	Global Average <sup>144</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>145</sup>	0.19	0.19	0.10
Total number of measures <sup>146</sup>	24	25	Not applicable (NA).
<b>Total number of measures by policy category</b>			
Foreign equity limits	14	11.9	NA.
Screening and approval	Nil	2.8	NA.
Restrictions on foreign personnel	2	2.6	NA.
Other restrictions	8	7.9	NA.
<b>Total number of sectors with measures<sup>147</sup></b>	<b>9</b>	<b>11.4</b>	<b>NA.</b>

141. Source: UNCTAD STAT.

142. Id.

143. fDi Markets, from the Financial Times Ltd. (2022).

144. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, SADC Member States are excluded from the calculation of the global average.

145. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

146. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation economy-wide and for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, such as on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Zambia, the list of 24 identified measures is found in 21 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders and official government policy).

147. The following sectors in Zambia have covered measures: Construction – Buildings and Other Specialized Activities; Construction – Civil Engineering; Transport – Surface (interurban railways); freight transport [domestic / international]; Transport – Surface (road transport and urban rail transport); Transport – Air (air transport); Transport – Air (services incidental to air transport, including airports, ground service activities, related cargo handling and other support activities); Media – Radio and TV Programming and Broadcasting; Financial Services – Banking; Financial Services – Insurance; Forestry and Logging; Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities); Real Estate Investment – Land, Mining and Quarrying – Energy-producing materials (that is, coal, crude petroleum and natural gas); Mining and Quarrying – Except energy-producing materials and support service activities.

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	IV. Other restrictions	Government procurement offers preference to locally-owned firms.	Foreign-owned companies face different rules vis-à-vis citizen-owned companies in public procurement.	Citizens Economic Empowerment Act, 2006 (No. 9 of 2006). Citizens Economic Empowerment (Preferential Procurement) Regulations, 2011. The Public Procurement Act, 2020.	<b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf">https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf</a> <b>Regulation:</b> <a href="https://old.zambialii.org/node/12168">https://old.zambialii.org/node/12168</a> <b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2020/no8-2020/public-procurement-act-no-8-2020.pdf">https://old.zambialii.org/zm/legislation/act/2020/no8-2020/public-procurement-act-no-8-2020.pdf</a>
2	Horizontal	IV. Other restrictions	FDI-specific minimum capital requirement.	Although not a prerequisite for investing in Zambia, foreign investors are subject to higher minimum capital requirements for accessing available tax incentives.	Zambia Development Agency (ZDA) Act No. 11 of 2006 [repealed by ZDA Act No. 17 of 2022].	<b>Act:</b> <a href="https://www.zda.org.zm/wp-content/uploads/2020/12/ZDA-Act-2006-1.pdf">https://www.zda.org.zm/wp-content/uploads/2020/12/ZDA-Act-2006-1.pdf</a> <b>Amendment:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/ACT%20No.%2048%20OF%202021%2C%20THE%20ZAMBIA%20DEVELOPMENT%20AGENCY%28AMENDMENT%29%20BILL.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/ACT%20No.%2048%20OF%202021%2C%20THE%20ZAMBIA%20DEVELOPMENT%20AGENCY%28AMENDMENT%29%20BILL.pdf</a>
3	Construction – Buildings and Other Specialized activities	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Procurement of civil and road works not exceeding 30 billion Kwacha (US\$ 1.4 billion) and public building construction works not exceeding 20 billion Kwacha (over US\$ 1.1 billion) are reserved for citizen-influenced, citizen-empowered or citizen-owned companies.	Citizens Economic Empowerment Act, 2006 (No. 9 of 2006). Citizens Economic Empowerment (Preferential Procurement) Regulations, 2011. The Public Procurement Act, 2020.	<b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf">https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf</a> <b>Regulation:</b> <a href="https://old.zambialii.org/node/12168">https://old.zambialii.org/node/12168</a> <b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2020/no8-2020/public-procurement-act-no-8-2020.pdf">https://old.zambialii.org/zm/legislation/act/2020/no8-2020/public-procurement-act-no-8-2020.pdf</a>
4	Construction – Civil Engineering	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Procurement of civil and road works not exceeding 30 billion Kwacha (around US\$ 1.4 billion) and public building construction works not exceeding 20 billion Kwacha (over US\$ 1.1 billion) are reserved for citizen-influenced, citizen-empowered or citizen-owned companies.	Citizens Economic Empowerment Act, 2006 (No. 9 of 2006). Citizens Economic Empowerment (Preferential Procurement) Regulations, 2011. The Public Procurement Act, 2020.	<b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf">https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf</a> <b>Regulation:</b> <a href="https://old.zambialii.org/node/12168">https://old.zambialii.org/node/12168</a> <b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2020/no8-2020/public-procurement-act-no-8-2020.pdf">https://old.zambialii.org/zm/legislation/act/2020/no8-2020/public-procurement-act-no-8-2020.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
5	Transport – Surface (interurban railways): freight transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Investment in certain sectors/activities (for example, poultry and domestic haulage sectors, commercial cleaning services and transportation of heavy and bulk commodities by road) are reserved for citizens and citizen-influenced, citizen-empowered, or citizen-owned companies in accordance with the Citizens Economic Empowerment Act and its implementing regulations.	<p>Citizens Economic Empowerment Act, 2006 (No. 9 of 2006).</p> <p>Citizens Economic Empowerment (Reservation Scheme) Regulations, 2017.</p> <p>Citizens Economic Empowerment (Reservation Scheme) Regulations, 2019.</p> <p>Citizens Economic Empowerment. (Transportation of Heavy and Bulk Commodities by Road) (Reservation) Regulations, 2021.</p>	<p><b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf">https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf</a></p> <p><b>Regulation:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/zam172589.pdf">http://extwprlegs1.fao.org/docs/pdf/zam172589.pdf</a></p> <p><b>Regulation:</b> <a href="https://old.zambialii.org/node/14097">https://old.zambialii.org/node/14097</a></p> <p><b>Regulation:</b> <a href="https://old.zambialii.org/zm/legislation/statutory-instrument/2021/no35-2021">https://old.zambialii.org/zm/legislation/statutory-instrument/2021/no35-2021</a></p>
6	Transport – Surface (road transport and urban rail transport)	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Road service licenses (allowing transportation holders to carry goods and passengers) are granted to companies in which not less than 25 percent of membership and all Directors are Zambian citizens, and which are not controlled by persons who are not Zambian citizens. Nonetheless, the relevant authority may [exceptionally] grant a road service license to a person who does not meet such requirements, but who is a holder of an investment license issued in terms of the ZDA Act.	Road Traffic Act, 2002.	<b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2002/11/road-traffic-act-no-11-2002.pdf">https://old.zambialii.org/zm/legislation/act/2002/11/road-traffic-act-no-11-2002.pdf</a>
7	Transport – Surface (road transport and urban rail transport)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Nationality requirements for board of directors. A majority must be Zambian nationals.	Road service licenses (allowing transportation holders to carry goods and passengers) are granted to companies in which not less than 25 percent of membership and all Directors are Zambian citizens, and which are not controlled by persons who are not Zambian citizens. Notwithstanding this, the relevant authority may [exceptionally] grant a road service license to a person who does not meet such requirements, but who is a holder of an investment license issued in terms of the ZDA Act.	Road Traffic Act, 2002.	<b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2002/11/road-traffic-act-no-11-2002.pdf">https://old.zambialii.org/zm/legislation/act/2002/11/road-traffic-act-no-11-2002.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
8	Transport – Surface (road transport and urban rail transport)	III. Restrictions on key foreign personnel (board of directors and top-level executives),	Key foreign personnel ( top-level executive positions) not permitted, <sup>1</sup>	Road service licenses (allowing transportation holders to carry goods and passengers) are granted to companies in which not less than 25 percent of membership and all Directors are Zambian citizens, and which are not controlled by persons who are not Zambian citizens. Notwithstanding this, the relevant authority may [exceptionally] grant a road service license to a person who does not meet such requirements, but who is a holder of an investment license issued in terms of the ZDA Act.	Road Traffic Act, 2002.	<b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2002/11/road-traffic-act-no-11-2002.pdf">https://old.zambialii.org/zm/legislation/act/2002/11/road-traffic-act-no-11-2002.pdf</a>
9	Transport – Surface (road transport and urban rail transport): freight transport [domestic / international]	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Investment in certain sectors/activities (for example, poultry and domestic haulage sectors, commercial cleaning services and transportation of heavy and bulk commodities by road) are reserved for and targeted to citizens and citizen-influenced, citizen-empowered, or citizen-owned companies in accordance with the Citizens Economic Empowerment Act and its implementing regulations.	Citizens Economic Empowerment Act, 2006 (No. 9 of 2006). Citizens Economic Empowerment (Reservation Scheme) Regulations, 2017. Citizens Economic Empowerment (Reservation Scheme) Regulations, 2019. Citizens Economic Empowerment (Transportation of Heavy and Bulk Commodities by Road) (Reservation) Regulations, 2021.	<b>Act:</b> <a href="https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf">https://old.zambialii.org/zm/legislation/act/2006/9/cea2006284.pdf</a> <b>Regulation:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/zam172589.pdf">http://extwprlegs1.fao.org/docs/pdf/zam172589.pdf</a> <b>Regulation:</b> <a href="https://old.zambialii.org/node/14097">https://old.zambialii.org/node/14097</a> <b>Regulation:</b> <a href="https://old.zambialii.org/zm/legislation/statutory-instrument/2021/no35-2021">https://old.zambialii.org/zm/legislation/statutory-instrument/2021/no35-2021</a>
10	Transport – Air (air transport)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Domestic air transport operations are reserved to citizen-owned, citizen-empowered companies or citizen-influenced companies. However, foreign air operators can be authorized by the Minister to perform international air transport services.	Civil Aviation Act, 2016 Civil Aviation Authority Act, 2012.	<b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Civil%20Aviation%20Act,%202016.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Civil%20Aviation%20Act,%202016.pdf</a> <b>Act:</b> <a href="http://www.caa.co.zm/ajax/viewfile.php?id=121">http://www.caa.co.zm/ajax/viewfile.php?id=121</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
11	Transport – Air (services incidental to air transport, including airports, ground service activities, related cargo handling and other support activities)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	At least 10 percent of the shares of an airport service company must be owned by citizens and citizen-owned companies.	Civil Aviation Act, 2016.	<b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Civil%20Aviation%20Act,%202016.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Civil%20Aviation%20Act,%202016.pdf</a>
12	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Foreign shareholding in radio and TV broadcasting companies is limited to 25 percent.	The Independent Broadcasting Authority Act, 2002.	<b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/Independent%20Broadcasting%20Authority%2C%202002.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/Independent%20Broadcasting%20Authority%2C%202002.pdf</a>
13	Financial Services – Banking	IV. Other restrictions	Establish-ment of branches not allowed/local incorporation required (financial services and real estate investment only).	Branches of foreign banks/ financial institutions are not allowed. Local incorporation is required for undertaking banking activities and various other financial services.	The Banking and Financial Services Act, 2017. Companies Act, 2017.	<b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Banking%20and%20Finance%20Act%20No.%207%20of%202017.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Banking%20and%20Finance%20Act%20No.%207%20of%202017.pdf</a> <b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/Companies%20Act%2C%202017.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/Companies%20Act%2C%202017.pdf</a>
14	Financial Services – Insurance	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Foreign shareholding in an insurance/reinsurance company is limited to 69 percent. .	The Insurance Act, 2021.	<b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/Act%20No.%2038%20of%202021%2C%20THE%20INSURANCE%20ACTpdf_0.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/Act%20No.%2038%20of%202021%2C%20THE%20INSURANCE%20ACTpdf_0.pdf</a>
15	Financial Services – Insurance	I. Foreign equity limits	Acquisition only: Between 33 and 50 percent.	Foreign shareholding in an insurance brokerage firm is limited to 49 percent.	The Insurance Act, 2021.	<b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/Act%20No.%2038%20of%202021%2C%20THE%20INSURANCE%20ACTpdf_0.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/Act%20No.%2038%20of%202021%2C%20THE%20INSURANCE%20ACTpdf_0.pdf</a>
16	Forestry and Logging	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign investment is not allowed in timber production from a specified forest area. However, timber processing is authorized upon obtaining a sawmill license to process timber using a sawmill or any other wood processing equipment for a period not exceeding five years.	The Forests Act, 2015.	<b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Forest%20Act%202015.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Forest%20Act%202015.pdf</a>



N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
17	Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges securities and commodity brokerage investment advisory services and related activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Investment advisor and securities brokerage firms are required to be locally incorporated in Zambia. Branches of foreign companies are not allowed.	Securities (Collective Investment Schemes) Rules, S. I 1631 of 1993.	<b>Rule:</b> <a href="http://www.seczambia.org.zm/wp-content/uploads/2017/06/THE-SECURITIES-COLLECTIVE-INVESTMENT-SCHEMES-RULES.pdf">http://www.seczambia.org.zm/wp-content/uploads/2017/06/THE-SECURITIES-COLLECTIVE-INVESTMENT-SCHEMES-RULES.pdf</a>
18	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Trusts/custodians and fund management companies are required to be locally incorporated in Zambia. Branches of foreign companies are not allowed.	Securities (Collective Investment Schemes) Rules, S. I 1631 of 1993.	<b>Rule:</b> <a href="http://www.seczambia.org.zm/wp-content/uploads/2017/06/THE-SECURITIES-COLLECTIVE-INVESTMENT-SCHEMES-RULES.pdf">http://www.seczambia.org.zm/wp-content/uploads/2017/06/THE-SECURITIES-COLLECTIVE-INVESTMENT-SCHEMES-RULES.pdf</a>
19	Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital)	IV. Other restrictions	Establishment of branches not allowed/local incorporation required (financial services and real estate investment only).	Branches of foreign banks/ financial institutions are not allowed. Local incorporation is required for undertaking banking activities and various other financial services.	The Banking and Financial Services Act, 2017. Companies Act, 2017.	<b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Banking%20and%20Finance%20Act%20No.%207%20of%202017.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Banking%20and%20Finance%20Act%20No.%207%20of%202017.pdf</a> <b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/Companies%20Act%2C%202017.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/Companies%20Act%2C%202017.pdf</a>
20	Real Estate Investment – Land	I. Foreign equity limits	Greenfield and acquisitions: Less than 33 percent.	Land that is not for business purposes can be alienated to foreign nationals having permanent resident in the Republic of Zambia, as well as foreign-owned companies, in which less than 25 percent of the issued shares are owned by non-Zambians, commercial banks and some other non-Zambian persons. However, foreign-owned companies, in which foreigners hold more than 25 percent of the issue shares, are not entitled to hold alienated land, unless in terms of short-term (not exceeding five years) leases or tenancy agreement.	Lands Act (Chapter 184) of 1995. Zambia Development Agency Act No. 11 of 2006 [repealed by ZDA Act No. 17 of 2022]. Immigration and Deportation Act No. 18 of 2010.	<b>Act:</b> <a href="https://zambialii.org/akn/zm/act/1995/29/eng@1996-12-31">https://zambialii.org/akn/zm/act/1995/29/eng@1996-12-31</a> <b>Act:</b> <a href="https://www.zda.org.zm/wp-content/uploads/2020/12/ZDA-Act-2006-1.pdf">https://www.zda.org.zm/wp-content/uploads/2020/12/ZDA-Act-2006-1.pdf</a> <b>Act:</b> <a href="https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Immigration%20and%20Deportation%20%20Act.pdf">https://www.parliament.gov.zm/sites/default/files/documents/acts/The%20Immigration%20and%20Deportation%20%20Act.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
21	Mining and Quarrying – Energy producing materials (that is, coal, crude petroleum and natural gas)	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Small-scale mining and mineral trading activities (excluding holders of mining licenses) can only be undertaken by a citizen-owned, citizen-influenced or citizen-empowered company.	Mines and Minerals Development Act, 2015. Citizens Economic Empowerment Act, 2006 (No. 9 Of 2006).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/zam191114.pdf">http://extwprlegs1.fao.org/docs/pdf/zam191114.pdf</a> <b>Act:</b> <a href="https://old.zambiaii.org/zm/legislation/act/2006/9/cea2006284.pdf">https://old.zambiaii.org/zm/legislation/act/2006/9/cea2006284.pdf</a>
22	Mining and Quarrying – Energy producing materials (that is, coal, crude petroleum and natural gas)	IV. Other restrictions	FDI-specific local content requirement.	Oil companies are required to comply with differential local content requirements with regard to service agencies. Coal mining companies are equally required to meet local content requirements [see entry on Mining - except energy-producing materials].	The Petroleum (Exploration and Production) Act, 2008.	<b>Act:</b> <a href="https://old.zambiaii.org/zm/legislation/act/2008/10/peapa2008416.pdf">https://old.zambiaii.org/zm/legislation/act/2008/10/peapa2008416.pdf</a>
23	Mining and Quarrying – Except energy-producing materials and support service activities	I. Foreign equity limits	Greenfield and acquisitions: More than 67 percent, but less than 100 percent.	Small-scale mining and mineral trading activities (excluding holders of mining licenses) can only be undertaken by a citizen-owned, citizen-influenced or citizen-empowered company.	Mines and Minerals Development Act, 2015. Citizens Economic Empowerment Act, 2006 (No. 9 Of 2006).	<b>Act:</b> <a href="http://extwprlegs1.fao.org/docs/pdf/zam191114.pdf">http://extwprlegs1.fao.org/docs/pdf/zam191114.pdf</a> <b>Act:</b> <a href="https://old.zambiaii.org/zm/legislation/act/2006/9/cea2006284.pdf">https://old.zambiaii.org/zm/legislation/act/2006/9/cea2006284.pdf</a>
24	Mining and Quarrying – Except energy-producing materials and support service activities	IV. Other restrictions	FDI-specific local content requirement.	Mining companies, including coal mining are required to give preference to contractors, suppliers and service agencies located in Zambia and owned by citizens or citizen-owned companies.	The Petroleum (Exploration and Production) Act, 2008.	<b>Act:</b> <a href="https://old.zambiaii.org/zm/legislation/act/2008/10/peapa2008416.pdf">https://old.zambiaii.org/zm/legislation/act/2008/10/peapa2008416.pdf</a>



## Summary Highlights

FDI Performance	Zimbabwe			SADC Average			Global Average		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Year									
FDI Inflow (in US\$ millions) <sup>148</sup>	280	194	166	518	455	2,858	15,466	8,492	11,027
FDI as a percentage of GDP <sup>149</sup>	1.3%	0.9%	-	2.6%	2.7%	4.3%	4.0%	4.3%	3.0%
Value of Greenfield Investments <sup>150</sup> (in US\$ millions)	1,209	206	1,548	875	882	1,243	6,419	4,384	6,067

SADC Scorecard Performance, 2021	Zimbabwe	SADC Average	Global Average <sup>151</sup>
Score under the SADC Scorecard (0-1, with 0 = no restrictions, and 1= most restrictive) <sup>152</sup>	0.10	0.19	0.10
Total number of measures <sup>153</sup>	22	25	Not applicable (NA).
<b>Total number of measures by policy category</b>			
Foreign equity limits	2	11.9	NA.
Screening and approval	6	2.8	NA.
Restrictions on foreign personnel	10	2.6	NA.
Other restrictions	4	7.9	NA.
<b>Total number of sectors with measures<sup>154</sup></b>	<b>12</b>	<b>11.4</b>	<b>NA.</b>

148. Source: UNCTAD STAT.

149. Id.

150. fDi Markets, from the Financial Times Ltd. (2022).

151. The calculation of global average is based on all countries in the OECD FDI Regulatory Restrictiveness Index for which data were available as of April 14, 2023. This includes 38 OECD countries and 26 non-OECD economies. To avoid double-counting, SADC Member States are excluded from the calculation of the global average.

152. The highest score for any measure in any sector is 1 (the measure fully restricts foreign investment in the sector) and the lowest is 0 (there are no regulatory impediments to FDI in the sector).

153. The Scorecard focuses on identifying measures concerning the entry of foreign direct investment (FDI) in 15 of the Southern African Development Community (SADC) member economies. Specifically, for each country, the Scorecard examined the investment legislation economy-wide and for 22 economic sectors. The following statutory measures on FDI are covered: (1) Limits of foreign equity ownership, (2) FDI screening and approval processes, (3) Employment of foreigners as key personnel and directors, and (4) Operational restrictions (for example, on capital repatriation or land ownership) (cumulatively referred to as 'covered measures'). In Zimbabwe, the list of 22 identified measures is found in 12 legal instruments (legal instruments include laws, regulations, decrees, presidential orders, ministerial orders, and official government policy).

154. The following sectors in Zimbabwe have covered measures: Agriculture, Distribution – Retail; Distribution – Retail (specialized retail stores); Distribution – Wholesale; Transport – Surface (road transport and urban rail transport): passenger transport [domestic / international]; Transport – Water (inland water transport); Hotels and Restaurants – Accommodations, Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities; Media – Radio and TV Programming and Broadcasting (total); Telecommunications; Forestry and Logging; Financial Services – Other Financial Services (trusts, funds and fund management activities); Fishing and Aquaculture – Aquaculture; Mining and Quarrying – Except energy-producing materials and support service activities; Manufacturing – Food and other products (food products, beverages and tobacco).

## List of Measures

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
1	Horizontal	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes)	Screening policy mandates consideration of economic interests.	The establishment of a branch of a foreign company is subject to approval by the Minister, provided he/she does not deem it contrary to the public interest. 'Public interest' is not defined in the legislation.	Companies and Other Business Entities Act [Chapter 24:31], 2019. Zimbabwe Investment and Development Agency Act [Chapter 14:37], 2019.	<b>Act:</b> <a href="https://www.dpcorp.co.zw/assets/companies-and-other-business-entities-act.pdf">https://www.dpcorp.co.zw/assets/companies-and-other-business-entities-act.pdf</a> <b>Act:</b> <a href="https://zimlil.org/akn/zw/act/2019/10/eng@2020-02-07">https://zimlil.org/akn/zw/act/2019/10/eng@2020-02-07</a>
2	Agriculture	IV. Other restrictions	Land/real estate ownership not permitted, but leases are possible for the long-term, that is, over 70 years.	The right to own agricultural land is reserved for Zimbabwean citizens. Foreign investors and foreign-owned companies are entitled to lease agricultural land for up to 99 years.	Land Commission Act [Chapter 20:29], 2008. Constitution of Zimbabwe Amendment (No. 20) Act, 2013.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/2017/12/eng@2018-02-26">https://zimlil.org/akn/zw/act/2017/12/eng@2018-02-26</a> <b>Constitution:</b> <a href="https://old.zimlil.org/zw/legislation/num-act/2013/Amendment%20No.%2020%20of%20The%20Constitution%20of%20Zimbabwe/Constitution%20of%20Zimbabwe%20-%2020th%20Amendment%2022%20May%202013.pdf">https://old.zimlil.org/zw/legislation/num-act/2013/Amendment%20No.%2020%20of%20The%20Constitution%20of%20Zimbabwe/Constitution%20of%20Zimbabwe%20-%2020th%20Amendment%2022%20May%202013.pdf</a>
3	Distribution – Retail	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investment in a “reserved sector of the economy” (including distribution, artisanal mining, road passenger transportation, among others) is allowed subject to approval by the Minister.	Indigenization and Economic Empowerment Act (Chapter 14:33) of 2008, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/2007/14/eng@2018-03-14">https://zimlil.org/akn/zw/act/2007/14/eng@2018-03-14</a> <b>Amendment:</b> <a href="https://zimlil.org/akn/zw/act/2020/10/eng@2020-12-31">https://zimlil.org/akn/zw/act/2020/10/eng@2020-12-31</a>
4	Distribution – Retail (specialized retail stores)	III. Restrictions on foreign key personnel (board of directors and top-level executives).	Nationality requirements for board of directors. A majority must be nationals.	Unless upon (exceptional) approval by the Minister, a company in which the majority of directors are not citizens of Zimbabwe cannot be granted a liquor license. This applies to restaurants, bars, retail and wholesale outlets, hotels, and so on.	Liquor Act (Chapter 14:12) 1965, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1">https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1</a>
5	Distribution – Retail (specialized retail stores)	III. Restrictions on foreign key personnel (board of directors and top-level executives)	Foreign key personnel (top-level executive positions) not permitted. <sup>1</sup>	Unless upon (exceptional) approval by the Minister, a foreigner cannot be the manager of a company holding a liquor license. This applies to restaurants, bars, retail and wholesale outlets, hotels, and so on.	Liquor Act (Chapter 14:12) 1965, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1">https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1</a>
6	Distribution – Wholesale	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes)	Screening policy mandates consideration of economic interests.	Foreign investment in a “reserved sector of the economy” (including distribution, artisanal mining, road passenger transportation, among others) is allowed, subject to approval by the Minister.	Indigenization and Economic Empowerment Act (Chapter 14:33) of 2008, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/2007/14/eng@2018-03-14">https://zimlil.org/akn/zw/act/2007/14/eng@2018-03-14</a> <b>Amendment:</b> <a href="https://zimlil.org/akn/zw/act/2020/10/eng@2020-12-31">https://zimlil.org/akn/zw/act/2020/10/eng@2020-12-31</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
7	Distribution – Wholesale	III. Restrictions on key foreign personnel (board of directors and top-level executives)	Nationality requirements for board of directors. A majority must be nationals.	Unless upon (exceptional) approval by the Minister, a company in which the majority of directors are not citizens of Zimbabwe cannot be granted a liquor license. This applies to restaurants, bars, retail and wholesale outlets, hotels, and so on.	Liquor Act (Chapter 14:12) 1965, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1">https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1</a>
8	Distribution – Wholesale	III. Restrictions on key foreign personnel (board of directors and top-level executives)	Key foreign personnel ( top-level executive positions) not permitted. <sup>1</sup>	Unless upon (exceptional) approval by the Minister, a foreigner cannot be the manager of a company holding a liquor license. This applies to restaurants, bars, retail and wholesale outlets, hotels, and so on.	Liquor Act (Chapter 14:12) 1965, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1">https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1</a>
9	Transport – Surface (road transport and urban rail transport): passenger transport [domestic / international]	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investment in a “reserved sector of the economy” (including distribution, artisanal mining, road passenger transportation, among others) is allowed subject to approval by the Minister.	Indigenization and Economic Empowerment Act (Chapter 14:33) of 2008, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/2007/14/eng@2018-03-14">https://zimlil.org/akn/zw/act/2007/14/eng@2018-03-14</a> Amendment: <a href="https://zimlil.org/akn/zw/act/2020/10/eng@2020-12-31">https://zimlil.org/akn/zw/act/2020/10/eng@2020-12-31</a>
10	Transport – Water (inland water transport)	III. Restrictions on key foreign personnel (board of directors and top-level executives)	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	According to the Ministry of Transport and Infrastructure Development, captains of vessels must be Zimbabwean nationals because there are adequate personnel in the market. This is applied according to the relevant provisions in the Immigration Act and its implementing rules. [The OECD, however, could not identify any specific subsidiary regulation on this specific matter, that is, nationality of masters of vessels].	Immigration Regulations, 1998, as amended.	<b>Regulation:</b> <a href="http://www.zimimmigration.gov.zw/index.php/typography/immigration-regulations">http://www.zimimmigration.gov.zw/index.php/typography/immigration-regulations</a>
11	Hotels and Restaurants – Accommodation	III. Restrictions on key foreign personnel (board of directors and top-level executives)	Nationality requirements for board of directors. A majority must be nationals.	Unless upon (exceptional) approval by the Minister, a company in which the majority of directors are not citizens of Zimbabwe cannot be granted a liquor license. This applies to restaurants, bars, retail and wholesale outlets, hotels, and so on.	Liquor Act (Chapter 14:12) 1965, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1">https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1</a>
12	Hotels and Restaurants – Accommodation	III. Restrictions on key foreign personnel (board of directors and top-level executives)	Key foreign personnel ( top-level executive positions) not permitted. <sup>1</sup>	Unless upon (exceptional) approval by the Minister, a foreigner cannot be the manager of a company holding a liquor license. This applies to restaurants, bars, retail and wholesale outlets, hotels, and so on.	Liquor Act (Chapter 14:12) 1965, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1">https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
13	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Nationality requirements for board of directors. A majority must be nationals.	Unless upon (exceptional) approval by the Minister, a company in which the majority of directors are not citizens of Zimbabwe cannot be granted a liquor license. This applies to restaurants, bars, retail and wholesale outlets, hotels, and so on.	Liquor Act (Chapter 14:12) 1965, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1">https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1</a>
14	Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, entertainment and recreation activities	III. Restrictions on key foreign personnel (board of directors and top-level executives)	Key foreign personnel ( top-level executive positions) not permitted. <sup>1</sup>	Unless upon (exceptional) approval by the Minister, a foreigner cannot be the manager of a company holding a liquor license. This applies to restaurants, bars, retail and wholesale outlets, hotels, and so on.	Liquor Act (Chapter 14:12) 1965, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1">https://zimlil.org/akn/zw/act/1984/9/eng@2016-12-31#att_1</a>
15	Media – Radio and TV Programming and Broadcasting (total)	I. Foreign equity limits	Greenfield and acquisitions: No foreign equity allowed.	Foreign shareholding in radio and television broadcasting companies is typically prohibited. Notwithstanding, the Minister may, at his or her absolute discretion, grant exemptions from those provisions and permit the Authority to issue any broadcasting license to an individual or body corporate approved by the Minister in which the controlling interest or any portion thereof is held by persons who are not citizens of Zimbabwe. According to the OECD FDI RRI methodology, such a measure is recorded as a 'foreign equity restriction' instead of 'foreign investment screening' due to its exceptional character, that is, only under exceptional circumstances may the Minister approve foreign shareholding in broadcasting companies.	Broadcasting Services Act (Chapter 12:06) of 2001, as amended Postal and Telecommunications Act (Chapter 12:05) of 2001, as amended.	<b>Act:</b> <a href="http://www.jsc.org.zw/jscbackend/upload/Acts/2014/1206updated.pdf">http://www.jsc.org.zw/jscbackend/upload/Acts/2014/1206updated.pdf</a> <b>Act:</b> <a href="http://www.jsc.org.zw/jscbackend/upload/Acts/2014/1205updated.pdf">http://www.jsc.org.zw/jscbackend/upload/Acts/2014/1205updated.pdf</a>
16	Media – Radio and TV Programming and Broadcasting (total)	III. Restrictions on key foreign personnel (board of directors and top-level executives).	Key foreign personnel (top-level executive positions) not permitted. <sup>1</sup>	Directors of a radio and TV broadcasting company must be Zimbabwean citizens.	Broadcasting Services Act (Chapter 12:06), 2001.	<b>Act:</b> <a href="http://www.jsc.org.zw/jscbackend/upload/Acts/2014/1206updated.pdf">http://www.jsc.org.zw/jscbackend/upload/Acts/2014/1206updated.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
17	Telecommunications	I. Foreign equity limits	Greenfield and acquisitions: Between 33 and 50 percent.	Foreign shareholding in a telecommunications company is limited to 49 percent.	Postal and Telecommunications Act, [Chapter 12:05] of 2001, as amended.	<b>Act:</b> <a href="http://www.jsc.org.zw/jscbackend/upload/Acts/2014/1205updated.pdf">http://www.jsc.org.zw/jscbackend/upload/Acts/2014/1205updated.pdf</a>
18	Forestry and Logging	IV. Other restrictions	Land/real estate ownership not permitted, but leases are possible for the long-term, that is, over 70 years.	The right to own agricultural land is reserved to Zimbabwean citizens. Foreign investors and foreign-owned companies are entitled to lease agricultural land for up to 99 years.	Land Commission Act [Chapter 20:29], 2008. Constitution of Zimbabwe Amendment (No. 20) Act, 2013.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/2017/12/eng@2018-02-26">https://zimlil.org/akn/zw/act/2017/12/eng@2018-02-26</a> <b>Constitution:</b> <a href="https://old.zimlil.org/zw/legislation/num-act/2013/Amendment%20No.%2020%20of%20The%20Constitution%20of%20Zimbabwe/Constitution%20of%20Zimbabwe%20-%2020th%20Amendment%2022%20May%202013.pdf">https://old.zimlil.org/zw/legislation/num-act/2013/Amendment%20No.%2020%20of%20The%20Constitution%20of%20Zimbabwe/Constitution%20of%20Zimbabwe%20-%2020th%20Amendment%2022%20May%202013.pdf</a>
19	Financial Services – Other Financial Services (trusts, funds and fund management activities)	IV. Other restrictions	Restrictions on (post-tax) profit/capital repatriation (for example, prior approval, quantitative or time limits).	Foreign investment in asset management is allowed, subject to local incorporation. Managers and trustees of 'internal' (domestic) collective investment must be locally incorporated.	Asset Management Act (Chapter 24:26) of 2004, as amended. Collective Investment Schemes Act (Chapter 24:19) of 1998, as amended.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/2004/15/eng@2016-12-31">https://zimlil.org/akn/zw/act/2004/15/eng@2016-12-31</a> <b>Act:</b> <a href="https://zimlil.org/akn/zw/act/1997/25/eng@2016-12-31">https://zimlil.org/akn/zw/act/1997/25/eng@2016-12-31</a>
20	Fishing and Aquaculture – Aquaculture	IV. Other restrictions	Land/real estate ownership not permitted, but leases are possible for the long-term, that is, over 70 years.	The right to own agricultural land is reserved to Zimbabwean citizens. Foreign investors and foreign-owned companies are entitled to lease agricultural land for up to 99 years.	Land Commission Act [Chapter 20:29], 2008. Constitution of Zimbabwe Amendment (No. 20) Act, 2013.	<b>Act:</b> <a href="https://zimlil.org/akn/zw/act/2017/12/eng@2018-02-26">https://zimlil.org/akn/zw/act/2017/12/eng@2018-02-26</a> <b>Constitution:</b> <a href="https://old.zimlil.org/zw/legislation/num-act/2013/Amendment%20No.%2020%20of%20The%20Constitution%20of%20Zimbabwe/Constitution%20of%20Zimbabwe%20-%2020th%20Amendment%2022%20May%202013.pdf">https://old.zimlil.org/zw/legislation/num-act/2013/Amendment%20No.%2020%20of%20The%20Constitution%20of%20Zimbabwe/Constitution%20of%20Zimbabwe%20-%2020th%20Amendment%2022%20May%202013.pdf</a>

N°	Sub-sector	Policy Measure	Details	Legal Authority / Official Source	Links to Sources	Links to Sources
21	Mining and Quarrying – Except energy-producing materials and support service activities	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investment in a “reserved sector of the economy” (including distribution, artisanal mining, road passenger transportation, among others) is allowed, subject to approval by the Minister. In addition, the State shall also secure that at least 51 percent of the share capital of every designated extractive business, that is, a company, entity or business involved in the extraction of such minerals as may be prescribed by the Minister (in consultation with the Minister responsible for Mines and the Minister responsible for Finance) shall be owned through an appropriate designated entity (that is, the Zimbabwe Mining Development Corporation, the Zimbabwe Consolidated Diamond Company or the National Indigenization and Economic Empowerment Fund) with or without the participation of a community share ownership scheme or employee share ownership scheme or trust, or both. The latter restriction is not specific for foreign-owned investors and, thus, not considered a restriction under the OECD FDI RRI.	Indigenization and Economic Empowerment Act. (Chapter 14:33) of 2008, as amended  Finance (No. 2) Act, 2020 (Act 10 of 2020).	<b>Act:</b> <a href="https://zimlilii.org/akn/zw/act/2007/14/eng@2018-03-14">https://zimlilii.org/akn/zw/act/2007/14/eng@2018-03-14</a>  <b>Act:</b> <a href="https://zimlilii.org/akn/zw/act/2020/10/eng@2020-12-31">https://zimlilii.org/akn/zw/act/2020/10/eng@2020-12-31</a>
22	Manufacturing – Food and Others (food products, beverages and tobacco)	II. Screening and approval <sup>1</sup> (excludes approvals for the acquisition of land/real estate for business purposes).	Screening policy mandates consideration of economic interests.	Foreign investment in a “reserved sector of the economy” (including distribution, artisanal mining, road passenger transportation, among others) is allowed subject to approval by the Minister.	Indigenization and Economic Empowerment Act (Chapter 14:33) of 2008, as amended.	<b>Act:</b> <a href="https://zimlilii.org/akn/zw/act/2007/14/eng@2018-03-14">https://zimlilii.org/akn/zw/act/2007/14/eng@2018-03-14</a>  <b>Amendment:</b> <a href="https://zimlilii.org/akn/zw/act/2020/10/eng@2020-12-31">https://zimlilii.org/akn/zw/act/2020/10/eng@2020-12-31</a>





# Annexes

# Annexes

# Annex 1: Questionnaire, Data Collection Process and Project Timelines

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The questionnaire for the SADC Investment Climate Scorecard is based on the following OECD FDI Regulatory Restrictiveness Index questionnaire.

## Questionnaire

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### A. Introduction

The OECD FDI Regulatory Restrictiveness Index is a de jure policy indicator reflective of market access barriers to FDI and exceptions to national treatment. Non-discrimination is a central tenet of an attractive investment climate. The non-discrimination principle provides that all investors in like circumstances are treated equally, irrespective of their ownership. One of the concepts derived from the principle of non-discrimination in the context of foreign investment is that of national treatment, which requires that a government treat foreign-owned or -controlled enterprises no less favourably than domestic enterprises in like situations.

No government applies national treatment across the board, even in OECD Member countries where restrictions on foreign investment tend, on average, to be lower than in other parts of the world. If other attributes of the investment climate are favourable, investors may still come even if they face some operational restrictions once established, but restrictions specific to foreign direct investment (FDI) have been found to result in less FDI overall.

Beyond the impact on FDI, any policy that favours some firms over others involves a cost, notably less competition and hence lower firm-level efficiency. For this reason, exceptions to non-discrimination need to be regularly evaluated with a view to determining whether the original motivation behind an exception (for example, safeguarding essential security-interests, protection based on the infant industry argument) remains valid, supported by an evaluation of the costs and benefits, including an assessment of the proportionality of the measure. Broad consideration of the costs and benefits is especially important in the service sectors that support a wide range of economic activities across the economy.



## B. Assessment framework

The OECD FDI Regulatory Restrictiveness Index assessment is based on a review of the relevant sector-specific and horizontal legislation for the purposes of identifying all market access barriers to FDI and exceptions to national treatment. The collection of such information is supported by the questions below, which provide guidance on the key relevant issues to look for when reviewing the legislation.

For the completeness of the assessment, please answer the horizontal and sector-specific-related questions for each of the sectors:

## Part A: Horizontal measures

(that is, measures that apply to all sectors of the economy)

[In addition to your explanatory comments, please provide the actual legal text and/or make explicit reference to the relevant provision in the legislation, as well as indicate the link for accessing the legislation online if available].

Question	Response	Law / Regulation
Please provide the <u>definition of foreign investor</u> applied in your jurisdiction and its legal authority.		
Does your country adopt a <u>negative list approach</u> , whereby foreign investments are allowed in all sectors without discrimination unless otherwise specified in the laws and regulations of the country and in international treaties to which the country is a party? If so, have these discriminatory measures been compiled into a <u>negative list</u> of sectors fully or partially restricted to foreign investors? Please provide a copy of the list. If not, has the government undertaken a stocktaking exercise of existing restrictions to foreign investment? Please share the document.		

Question	Response	Law / Regulation
<p>Please provide information on any measure applying horizontally <u>across economic sectors</u> on the following issues:</p> <p><b>1) Foreign shareholding limitations or joint-venture requirements</b> (either on greenfield investments or acquisitions of domestic companies by foreign-owned investors, including listed companies).</p> <p><b>2) Screening or prior approval mechanisms</b> applying exclusively, or in a different manner, to investments by foreign-owned enterprises (either greenfield investments or acquisitions of domestic companies). If the case, please explain its scope and rationale:</p> <ul style="list-style-type: none"> <li>• Is it a screening and approval requirement for the entry of the investment or only for obtaining any incentive provided in the law?</li> <li>• What are the criteria for approval (for example, national security; economic needs test, and so on)?</li> <li>• Are the criteria for approval transparently and clearly established in the law and regulations?</li> <li>• Do decisions have to be rendered within a specified time? Are the reasons for rejecting a project published?</li> <li>• Can the investor appeal the decision?</li> <li>• Is there a system for monitoring commitments by the investor once established?</li> <li>• Are screening policies subject to a periodic review of their effectiveness and necessity?</li> </ul> <p><b>3) Restrictions on key foreign personnel</b> (for example, nationality requirements for companies' board of directors members; government approval, nationality requirement, quotas and labour markets tests applicable to top-level management positions, such as chairman, CEO/president and directors).</p> <p><b>4) Restrictions on land acquisition</b> applying exclusively, or in a different manner, to foreign-owned investors (both acquisition of land and other real estate assets needed for business operations). If land acquisition is not allowed, please describe the applicable leasing terms and possible extension periods.</p> <p><b>5) Other operational restrictions</b> affecting investments by foreign-owned enterprises (for example, local incorporation requirement, reciprocity requirement, preference for domestically-owned companies in government procurement, different minimum capital requirements than required for domestically-owned investments, local content requirements, restrictions on profit/capital repatriation, and so on).</p>		

## Part B: Sector-specific measures for 22 sectors

For each of the 22 specific sectors, information was collected based on the following questions:

<b>Sector and definition</b> [In responding to the questions, in addition to any explanatory comments, please provide the actual legal text and/or make explicit reference to the relevant provision in the legislation, as well as indicate the link for accessing the legislation online if available].		
Question	Response	Law / Regulation
Any activity or sub(activity) in the sector which is <u>closed to private investment (domestic or foreign)</u> , that is, where a state-owned enterprise holds a de jure monopoly over the activity. Please describe if foreign equity in the referred company is allowed.		
Any <u>foreign equity limitation or joint-venture requirement</u> applying to real estate investments by foreign investors, including if any limit applies to the aggregate foreign participation (for example, limitations on the share of condominium units in a building that may be owned by foreign investors). Please indicate any limit to foreign ownership of land and real estate assets (commercial and residential units) not used for business purposes, that is, not directly associated with a company's business activity.		
Any <u>screening or prior approval mechanism</u> applying only, or in a different manner, to foreign investments/acquisition of real estate not used for business purposes, that is, not directly associated with a company's business activity. Please indicate if any threshold conditions apply ( for example, applies only to investment above a certain amount or only to investments where the share of foreign participation is greater than a certain percentage). Please explain the criteria and procedures for approval.		
Any restrictions on the <u>employment of key foreign personnel</u> (board of directors, chairman, CEO/president and directors), such as nationality requirements for members of companies' board of directors, nationality requirement, quotas and labour markets tests applicable to top-level management positions).		
Any <u>other operational restriction</u> affecting investments by foreign-owned enterprises (e.g., local incorporation requirement, reciprocity requirement, preference for domestically-owned companies in government procurement, different minimum capital requirements than required for domestically-owned investments, local content requirements, restrictions on profit/capital repatriation, and so on).		

### Sector list and definitions:

1. Agriculture (includes crops, animal production, hunting and related service activities).
2. Forestry.
3. Fishery (includes fishing, aquaculture, FDI limits applied to the ownership or registration of vessels).
4. Mining and quarrying (includes oil extraction, coal, crude petroleum and natural gas, and related support service activities).
5. Manufacturing – Food and others (includes food products, beverages, textiles, apparel, leather products, paper, wood and furniture, printing, and other related products).

6. Manufacturing – Oil refining and chemicals (includes manufacturing of refined petroleum, chemicals, rubber, plastics and pharmaceuticals, and other related products).
7. Manufacturing – Metals, machinery and other minerals; (includes manufacturing of basic metals and fabricated metal products, except machinery and equipment (see next section)).
8. Manufacturing – Electrical, electronics and other instruments; (includes manufacturing of computer, electronic and optical products, electrical equipment, and machinery and equipment).
9. Manufacturing – Transport equipment (includes manufacturing of motor vehicles / cars, trailers, semi-trailers, and other transport equipment).
10. Electricity - Generation and distribution (includes energy generation (and distribution) from renewable and non-renewable sources, including hydroelectric, biomass, solar, other renewable-energy technologies power plants, coal, gas, oil, and nuclear power plants).
11. Construction (includes construction of buildings and other specialized activities, as well as civil engineering).
12. Distribution – Retail (includes specialized and non-specialized retail stores, including supermarket and department store).
13. Distribution – Wholesale.
14. Transport – Surface (includes road and railway transport (domestic and international passenger and freight transport), and services incidental to rail and road transport, including rail and road infrastructure, stations, cargo handling and other support activities).
- 14b. Transport – Water transport (includes inland, sea/maritime and coastal transport, including domestic and international, passenger and freight. It also includes ownership or registration of vessels, and services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities).
- 14c. Transport – Air transport (includes passenger and freight, domestic and international air transport, including services incidental to air transport, including airports, ground service activities, related cargo handling and other support activities).
15. Hotels and Restaurants (includes accommodation, travel agencies and tour operators, restaurants/bars, arts, entertainment and recreation activities).
16. Media - Radio and TV broadcasting, and other media, including radio and TV broadcasting, printed media (publishing of books, periodicals), and web-based media portals. It also includes music, motion picture, video and TV production and related activities, including recording, post-production, distribution and projection).
17. Communications - Fixed and mobile telecommunications, includes fixed telecommunications (facilities and services-based wired telecommunication services, including internet service providers) and mobile telecommunications facilities and services-based mobile telecommunication services, including satellite telecommunications services and value-added services).
18. Financial Services – Banking
19. Financial Services – Insurance (includes life and non-life insurance/reinsurance, pension and related auxiliary services).
20. Financial Services – Other finance (includes securities and commodity exchanges and brokerage services, investment advisory services and related activities; trusts, funds and fund management activities, venture capital; and other financial services: financial leasing, factoring, and so on).
21. Business services (legal, accounting and audit, architectural and engineering services). This includes legal services (domestic law counselling and court representation, foreign and international law counselling); audit, accounting and tax consultancy services; engineering services; and architectural services. Please include any limits to foreigners holding some sort of ownership or becoming partners of companies in business services sectors. This applies to the ownership and not to the ability to practice the profession (that is, foreigners could potentially be allowed to invest in such business even if foreign natural persons may not be allowed to practice the activity or join the local professional association, for example, foreign lawyers may not be allowed to represent clients in the courts.)
22. Real estate investment (includes real estate investment in commercial and residential buildings and units, and in land). Please include any limit to foreign ownership of real estate investment (both land and property) not for business purposes, that is, not directly associated with a company's business activity.)

## Sector structure and correspondence to International Standard Industrial Classification (ISIC), 4<sup>th</sup> revision (ISIC rev. 4)

Sector and subsectors	Further Activity Breakdowns	ISIC Rev. 4
<b>1. Agriculture (Total)</b>		<b>A01</b>
Agriculture – Crops		A011-3; 0161, 0163-4
Agriculture – Animal production, hunting and related service activities		A014-5; 0162, 017
<b>2. Forestry and Logging (Total)</b>		<b>A02</b>
<b>3. Fishing and aquaculture (Total)</b>		<b>A03</b>
Fishing and aquaculture – Fishing		A031
Fishing and aquaculture – Aquaculture		A032
<b>4. Mining and Quarrying (Total)</b>		<b>B05-09</b>
Mining and Quarrying – energy-producing materials (that is, coal, crude petroleum and natural gas)		B05-06
Mining and Quarrying – except energy-producing materials and support service activities		B07-08
Mining and Quarrying – support service activities		B09
<b>5. Manufacturing – Food and others (Total)</b>		<b>C10</b>
Manufacturing – Food and others (food products, beverages and tobacco)		C10-12
Manufacturing – Food and others (textiles, wearing apparel, leather and related products)		C13-15
Manufacturing – Food and others (paper, wood, printing, furniture and other manufacturing)		C16-18, 31-32
<b>6. Manufacturing – Chemical, rubber, plastics, fuel products and other non-metallic mineral products (Total)</b>		<b>C19-23</b>
Manufacturing – Oil refining and Chemicals (Coke and refined petroleum products)		C19
Manufacturing – Oil refining and Chemicals (Chemical and pharmaceutical products)		C20-21
Manufacturing – Oil refining and Chemicals (rubber and plastics products, and other non-metallic mineral products)		C22-23
<b>7. Manufacturing – Basic metals and fabricated metal products, except machinery and equipment (Total)</b>		<b>C24-25</b>
Manufacturing – Metals, Machinery and other Minerals (basic metals)		C24
Manufacturing – Metals, Machinery and other Minerals (fabricated metal products, except machinery and equipment)		C25, 28, 33

<b>8. Manufacturing – Machinery and equipment (Total)</b>	<b>C26-27</b>	
Manufacturing – Machinery and equipment (computer, electronic and optical products)	C26	
Manufacturing – Machinery and equipment (electrical equipment)	C27	
Manufacturing – Machinery and equipment (machinery and equipment n.e.c.)	C28	
<b>9. Manufacturing – Transport Equipment (Total)</b>	<b>C29-30</b>	
Manufacturing – Transport Equipment (motor vehicles, trailers and semi-trailers)	C29	
Manufacturing – Transport Equipment (other transport equipment)	C30	
<b>10. Electricity (Total)</b>	<b>D3510</b>	
Electricity – Generation (Total)	D3510	
Electricity – Generation (renewable energy, for example, hydroelectric, biomass, solar and other renewable-energy technologies power plants)	D3510	
Electricity – Generation (non-renewable energy, for example, coal, gas, oil and nuclear power plants)	D3510	
Electricity – Distribution (Total)	D3510	
<b>11. Construction (Total)</b>	<b>F41-43</b>	
Construction – buildings and other specialized activities	F41, 43	
Construction – civil engineering	F42	
<b>12. Distribution – Retail (Total)</b>	<b>G45, 47</b>	
Distribution – Retail (non-specialized retail stores, including supermarket and department stores)	G471, 478-9	
Distribution – Retail (specialized retail stores)	G45, 472-77	
<b>13. Distribution – Wholesale (Total)</b>	<b>G45-46</b>	
<b>14. Transport (Total)</b>	<b>H49-52</b>	
Transport – Surface, excluding pipelines (Total)	H491-2, 5210, 5221, 5224	
Transport – Surface (interurban railways)	H491	
	Passenger transport [domestic / international]	H4911
	Freight transport [domestic / international]	H4912
Transport – Surface (road transport and urban rail transport)	H492	
	Passenger transport [domestic / international]	H4921-2



	Freight transport [domestic / international]	H4923
Transport – Surface (services incidental to rail and road transport, including rail and road infrastructure, stations, cargo handling and other support activities)		Rail/road-related: 5210, 5222, 5224-9
Transport – Water (Total)		H50, 5210, 5222, 5224-9
Transport – Water (sea and coastal transport)		H501
	Passenger transport [domestic / international]	H5011
	Freight transport [domestic / international]	H5012
Transport – Water (inland water transport)		H502
	Passenger transport [domestic / international]	H5021
	Freight transport [domestic / international]	H5022
Transport – Water (services incidental to water transport, including ports and terminal facilities, related cargo handling and other support activities)		Maritime/ IWT-related: 5210, 5222, 5224-9
Transport – Air (Total)		H51, 5210, 5223-9
	Passenger air transport [domestic / international]	H511
	Freight air transport [domestic / international]	H512
Transport – Air (services incidental to air transport, including airports, ground service activities, related cargo handling and other support activities)		H5210, 5223-9

<b>15. Accommodation, Food Services, Arts, Entertainment and Recreation – Total</b>	<b>I55-6, N79, R90-93</b>
Hotels and Restaurants – Accommodation	I55
Hotels and Restaurants – Food and beverage service activities, other touristic services and arts, and entertainment and recreation activities	I56, N79, R90-93
<b>16. Media (Total)</b>	<b>J58-9, 60, 63</b>
Media – Radio and TV Programming and broadcasting activities (Total)	J60
Media – Radio and TV broadcasting (radio broadcasting)	J601
Media – Radio and TV broadcasting (TV programming and broadcasting activities)	J602
Media – Other media (Total)	J58-9, 63
Media – Other media (publishing of books, periodicals and other publishing activities, and web-based media portals)	J58, 63
Media – Other media (Motion picture, video and television programme production, sound recording and music publishing activities)	J59
<b>17. Telecommunications (Total)</b>	
Telecommunications – Fixed (facilities and services-based wired telecommunication service services, including internet services providers)	J611
Telecommunications – Mobile (facilities and services-based mobile telecommunication services, including satellite telecommunications services and value-added services)	J612-9
<b>18. Financial Services – Banking (Total)</b>	<b>K6419</b>
<b>19. Financial Services – Insurance (Total)</b>	<b>K65, 662</b>
Financial Services – Insurance (life insurance/reinsurance, pension and related auxiliary services)	K6511, 652-53, 662
Financial Services – Insurance (non-life insurance/reinsurance and related auxiliary services)	K6512, 652, 662
<b>20. Financial Services – Other Financial Services (Total)</b>	<b>K643-9, 661, 663</b>
Financial Services – Other Financial Services (auxiliary to financial markets: securities and commodity exchanges, securities and commodity brokerage, investment advisory services and related activities)	K661
Financial Services – Other Financial Services (trusts, funds and fund management activities)	K643, 663
Financial Services – Other Financial Services (other financial activities: financial leasing, other credit activities, factoring, venture capital)	K649

<b>21. Professional Services (Total)</b>	<b>M691-2, 702, 71, 721, 74</b>
Professional Services – Legal Services (Total)	M691
Professional Services – Legal Services (domestic law counselling and court representation)	M691
Professional Services – Legal Services (foreign and international law counselling)	M691
Professional Services – Audit and Accounting (Total)	M692
Professional Services – Audit and Accounting (audit)	M692
Professional Services – Audit and Accounting (accounting and tax consultancy)	M692
Professional Services – Engineering Services (Total)	M711, 721
Professional Services – Architectural Services (Total)	M711, 741
<b>22. Real Estate Investment – Total</b>	<b>L68</b>
Real Estate Investment – commercial buildings and units	L68
Real Estate Investment – residential buildings and units	L68
Real Estate Investment – land	L68

## Data Collection Process

The questionnaires were completed in late 2021 and throughout 2022 by independent legal experts for each country. Designated government focal points oversaw the project in each of the SADC member states. Their key tasks were:

- Completing questionnaires for each of the SADC member states.
- Providing ongoing support to SADC Secretariat and member States toward the governments' own efforts in contributing to the project objectives.
- Reviewing the completed questionnaires to ensure quality and to fill any gaps.

The legal experts and government focal points met every two weeks for virtual implementation and capacity-building workshops with the World Bank and the OECD. The objectives of these workshops were to review progress

in completing the questionnaires, provide guidance in compiling relevant laws and regulations, and respond to any technical questions and queries of the meeting participants. The workshops also allowed for information sharing and exchanging lessons from experience of individual member states. Regularly (biweekly) updated progress sheets tracked individual countries' progress on key performance indicators, including the number of completed questionnaire sections, the number of identified laws and regulations, and the number of consulted and contributing government entities. All collected information was stored on a shared drive to allow for easy access by all project participants, as well as to enable informal peer reviews. This created a fully transparent, yet competitive environment, thus allowing the country teams to work faster and to learn from each other.

## Project Timelines

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The project followed the following timeline:

- Project preparation (March-September 2021)
  - » Initial project coordination by World Bank, the OECD and SADC Secretariat.
  - » Project launch webinar in September 2021.
- Implementation (October 2021-November 2022)
  - » Phase 1: Questionnaire distribution, completion, and submission (October 2021 – April 2022)
- Distribution of project questionnaires to the SADC member states .
- Governments complete the questionnaires, aided by the complementary legal research by the contracted law firm as needed.
- Submission of the completed questionnaires.
  - » Phase 2: Analysis (May 2022 – November 2022)
- Iterations with the World Bank / OECD to ensure completeness and accuracy of the questionnaire information.
- Construction of the SADC Investment Climate Scorecard data for all countries.
- Validation (December 2022 – February 2023)
  - » Workshop to present draft scorecard data.
  - » Validation by member states .
- Launch and delivery (March-October (planned date) 2023)
  - » Launch workshop and dissemination.
  - » Discussion of reform options, priorities, and next steps.

## Annex 2: General List of Government Bodies and Public Agencies Contributing to the Project

Governments and public agencies are the respondents to the project questionnaire. However, because the questionnaire covers 22 sectors of the economy, experience from other countries has shown that inter-ministerial and inter-agency coordination and collaboration are needed to successfully complete the questionnaire in most economies. The following is a general list of government bodies and public agencies that are usually best placed to provide accurate questionnaire responses based on the laws and regulations affecting FDI in the economy overall and in each of the sectors.

Questionnaire Section	Suggested Government Respondent
Overall and Economy-Wide Section	<ul style="list-style-type: none"> <li>Investment policy body in the government (for example, a department in the Ministry of Economy, Ministry of Trade, and so on)</li> <li>Trade negotiators</li> <li>Investment promotion agency/Economic development board</li> <li>Ministry of Justice (legal department)</li> <li>Ministry of Foreign Affairs (international economic diplomacy department, legal department)</li> <li>Other</li> </ul>
1. Agriculture	<ul style="list-style-type: none"> <li>Ministry of Agriculture or equivalent</li> </ul>
2. Forestry	<ul style="list-style-type: none"> <li>Ministry of Natural Resources or equivalent</li> </ul>
3. Fishery	<ul style="list-style-type: none"> <li>Ministry of Natural Resources or equivalent</li> </ul>
4. Mining and quarrying (including oil extraction)	<ul style="list-style-type: none"> <li>Ministry of Natural Resources or equivalent</li> </ul>
5. Manufacturing – Food and others	<ul style="list-style-type: none"> <li>Ministry of Economy, Ministry of Industry, or equivalent</li> </ul>
6. Manufacturing – Oil refining and Chemicals	<ul style="list-style-type: none"> <li>Ministry of Economy, Ministry of Industry, or equivalent</li> </ul>
7. Manufacturing – Metals, Machinery and Other Minerals	<ul style="list-style-type: none"> <li>Ministry of Economy, Ministry of Industry, or equivalent</li> <li>Ministry of Natural Resources or equivalent</li> </ul>

Questionnaire Section	Suggested Government Respondent
8. Manufacturing – Electrical, Electronics and Other Instruments	<ul style="list-style-type: none"> <li>Ministry of Economy, Ministry of Industry, or equivalent</li> </ul>
9. Manufacturing – Transport Equipment	<ul style="list-style-type: none"> <li>Ministry of Economy, Ministry of Industry, or equivalent</li> <li>Ministry of Transportation</li> </ul>
10. Electricity (generation and distribution)	<ul style="list-style-type: none"> <li>Ministry of Natural Resources</li> <li>Ministry of Economy, Ministry of Industry, or equivalent</li> <li>Electricity regulatory agency</li> </ul>
11. Construction	<ul style="list-style-type: none"> <li>Ministry of Development</li> </ul>
12. Distribution – Retail	<ul style="list-style-type: none"> <li>Ministry of Economy</li> </ul>
13. Distribution – Wholesale	<ul style="list-style-type: none"> <li>Ministry of Economy</li> </ul>
14. Transport (surface, air and water/maritime)	<ul style="list-style-type: none"> <li>Ministry of Transportation</li> </ul>
15. Hotels and Restaurants	<ul style="list-style-type: none"> <li>Ministry of Tourism</li> </ul>
16. Media (Radio and TV broadcasting, and other media)	<ul style="list-style-type: none"> <li>Ministry of Culture</li> </ul>
17. Communications (fixed and mobile telecommunications)	<ul style="list-style-type: none"> <li>Ministry of Telecommunications</li> </ul>
18. Financial Services – Banking	<ul style="list-style-type: none"> <li>Ministry of Finance</li> <li>Central Bank</li> <li>Regulatory agency for banking</li> </ul>
19. Financial Services – Insurance	<ul style="list-style-type: none"> <li>Ministry of Finance</li> <li>Central Bank</li> <li>Regulatory agency for insurance</li> </ul>
20. Financial Services – Other Finance	<ul style="list-style-type: none"> <li>Ministry of Finance</li> <li>Central Bank</li> <li>Regulatory agency for finance</li> </ul>
21. Business Services (Legal, Accounting and Audit, Architectural and Engineering Services)	<ul style="list-style-type: none"> <li>Ministry of Economy or equivalent</li> <li>Licensing body for business services</li> </ul>
22. Real Estate Investment	<ul style="list-style-type: none"> <li>Ministry of Development or equivalent</li> </ul>

Source: World Bank, OECD, SADC Secretariat

# Annex 3: Indicative List of Laws and Regulations used for Completing the Questionnaire

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## Part 1: Horizontal / Economy-wide laws and regulations

- National FDI Policy
- Investment Law and related regulations (or similar instruments)
- Companies Act and related regulations (or similar instruments)
- Constitution
- Foreign exchange-related laws and regulations
- Land Act and related regulations (or similar instruments)
- Law on Public Procurement
- Employment/Manpower Act and related regulations (or similar instruments)
- Immigration Law

## Part 2: Sectoral laws and regulations – 22 sectors

- Examples:
- Agriculture: Law on Agriculture / Agricultural land Law / Natural Resources Law
- Forestry: Forestry Act / Natural Resources Law
- Fisheries: Law on Fisheries / Law on Aquaculture / Merchant Shipping Law / Natural Resources Law
- Mining and quarrying (including Oil and Gas): Mining Law / Petroleum Law / Natural Resources Law
- Electricity: Law on Electricity / Renewable Energy
- Construction: Construction Services Law / Concessions Law / Public Procurement Law
- Manufacturing: Sector-specific regulations
- Distribution: Trade law / Shopping centers / department stores regulations
- Hotels and restaurants: Law on Tourism / Law on Travel and Tour Services / Food Establishment Licensing Regulations
- Transport: Road transportation law / Law on Railway Transportation / Law on Maritime Transport / Merchant Shipping Legislation / Air Transportation Law / Concessions Law / PPP Law
- Media: Broadcasting Laws / Printed Media Laws / Law on Audio-visual Production
- Telecommunications: Law on Telecommunications / Telecommunication Licensing Regulations
- Financial services: Banking Law / Law on Insurance, Pension / Law on Securities / Law on Financial Markets, and so on.
- Professional services: Law on Accounting and Auditing / Law on Lawyers/Legal Services / Law on Bar Association / Law on Architects/Engineers
- Real Estate investment: Condominium Law / Law on Real Estate / Land Law

Source: World Bank Group, OECD

## Annex 4: Revised Scoring Framework: All Measures

I. Foreign equity limits	Scores
Greenfield and acquisitions	
No foreign equity allowed	1.00
Foreign equity < 33% of total equity	0.80
Foreign equity <= 50% of total equity	0.60
Foreign equity > 50% but <= 67% of total equity	0.40
Foreign equity > 67% but <100% of total equity	0.20
Acquisitions only / divestment obligations / equity limits apply, but branches allowed (financial services only)	
No foreign equity allowed	0.50
Foreign equity < 33% of total equity	0.40
Foreign equity <= 50% of total equity	0.30
Foreign equity > 50% but <= 67% of total equity	0.20
Foreign equity > 67% but <100% of total equity	0.10
Greenfield only / listed companies only / privatized companies	
No foreign equity allowed	0.25
Foreign equity < 33% of total equity	0.20
Foreign equity <= 50% of total equity	0.15
Foreign equity > 50% but <= 67% of total equity	0.10
Foreign equity > 67% but <100% of total equity	0.05



<b>II. Screening and Approval</b>	<b>Scores</b>
Screening policy mandates consideration of economic interests <sup>1</sup>	0.1
[Memo item] Other discriminatory screening mechanism (for example, for essential security interests and public order)	Not scored
<b>III. Restrictions on key foreign personnel/directors</b>	<b>Scores</b>
Foreign key personnel (that is, top-level executive positions) not permitted <sup>2</sup>	0.0500
Nationality requirements for board of directors	
Majority must be nationals	0.0500
At least one must be national	0.0250
<b>IV. Other restrictions</b>	<b>Scores</b>
Reciprocity requirement	0.1000
Restrictions on (post tax) profit/capital repatriation (for example, prior approval, quantitative or time limits)	0.0500
Establishment of branches not allowed/local incorporation required (financial services and real estate investments only)	0.0500
Access to local finance	0.0500
Discriminatory minimum capital requirement	0.0500
Discriminatory local content requirement	0.0500
Government procurement offers preference to locally-owned firms	0.0500
Access to land/real estate is subject to discriminatory restriction (for example, prior approval, quantitative/size limits, tax etc.)	0.0500
Land/real estate ownership not permitted but leases possible – short-term: less than 30 years <sup>3</sup>	0.0500
Land/real estate ownership not permitted but leases possible – medium-term: up to 70 years <sup>3</sup>	0.0250
Land/real estate ownership not permitted but leases possible – long-term: over 70 years <sup>3</sup>	0.0125

Note: <sup>(1)</sup> Excludes investments by foreign state-owned enterprises (SOEs) and land/real estate for business purposes [the latter is recorded under “IV. Other restrictions”]; <sup>(2)</sup> This also includes high-ranking seafarer’s professions in the case of fisheries and water transport, such as captain/master of a merchant vessel; <sup>(3)</sup> Score scaled by a factor of 5 for agriculture and forestry and not scored in relation to land in border and coastal areas.

## Data Collection Process

Answers		Answer code	Scores
Fully applied	<b>Fully applied:</b> The measure is assumed to apply to almost the entire universe of activities within the respective sector or sub-sector breakdown (90% or more)	STF1	1
Largely applied	<b>Largely applied:</b> The measure is assumed to affect a highly significant share of activities within the respective sector or sub-sector breakdown (between 50% and 90%)	STF2	0.75
Fairly applied	<b>Fairly applied:</b> The measure is assumed to affect an important but not overwhelming share of activities within the respective sector or sub-sector breakdown (between 30% and 50%)	STF3	0.5
Moderately applied	<b>Moderately applied:</b> The measure is assumed to affect a small share of activities within the respective sector or sub-sector breakdown (between 10% and 30%)	STF4	0.25
Marginally applied	<b>Marginally applied:</b> The measure is assumed to affect only a rather limited number of minor activities within the respective sector or sub-sector breakdown (between 5% and 10%)	STF5	0.1
Residually applied	<b>Residually applied:</b> The measure is assumed to affect only a few residual market segments within the respective sector or sub-sector breakdown (less than 5%)	STF6	0.05

Note: Categorization is based on the OECD Secretariat's assessment of a measure's scope at the time of its inclusion in the database. Such an assessment is intended to be as standardized as possible across countries; hence it is not necessarily reflective of the relevance of the measure in each country (for example, in terms of market size). The adjustment factor will be revised over time, subsequent to material reforms, thus justifying a change in the adjustment factor or following changes in the Secretariat's understanding of the scope of the measure. Where relevant, any modification will be also reflected retroactively.

# Annex 5: Services Trade Restrictiveness Index- Sector and Topic Coverage

## Classification of Measures in the Services Trade Policy Database (STPD)

### A. Conditions on market entry

- A1. Forms of entry (including foreign equity limits)
- A2. Quantitative measures (for firms and natural persons)
- A3. Conditions on licensing/investment screening/qualifications relating to market entry
- A4. Other conditions of market entry

### B. Conditions on Operations

- B1. Conditions on supply of services
- B2. Conditions on service suppliers
- B3. Conditions on government procurement
- B4. Other conditions on operations

### C. Measures affecting Competition

- C1. Conditions on conduct of firms
- C2. Governmental rights/prerogatives (including public ownership)
- C3. Other measures affecting competition

### D. Administrative Procedures and Regulatory Transparency

- D1. Administrative procedures
- D2. Regulatory transparency (including licensing)
- D3. Nature of regulatory authority (measures related to nature of regulator)
- D4. International standards
- D5. Other regulatory environment and administrative procedures

### E. Miscellaneous

Source: World Bank Group-WTO

Sector	Subsector
Distribution services	Retailing services
Distribution services	Wholesale trade services
Financial services	Life insurance
Financial services	Non-life insurance
Financial services	Reinsurance and retrocession
Financial services	Commercial banking
Professional services	Accounting services
Professional services	Auditing services
Professional services	Legal services: Host country advisory services
Professional services	Legal services: Host country representation services
Professional services	Legal services: Home country law and/or third country law (advisory/representation)
Professional services	Architectural services
Professional services	Engineering services
Computer services	
Communication services	Postal and courier services
Communication services	Fixed-line telecommunication services
Communication services	Mobile telecommunication services
Communication services	Internet services
Communication services	Audiovisual - Television services
Communication services	Audiovisual - Motion picture services
Communication services	Audiovisual - Sound recording services
Construction services	
Transport services	Maritime: Freight transport
Transport services	Maritime cargo-handling, storage, warehousing and container station depot services
Transport services	Maritime intermediation auxiliary services
Transport services	Road: Freight transportation
Transport services	Rail: Freight transportation
Transport services	Air freight domestic
Transport services	Air freight international
Transport services	Air passenger international
Transport services	Air passenger domestic
Tourism services	Hotel services
Tourism services	Travel agencies and tour operators
Tourism services	Tourist guide services
Health services	

Source: World Bank Group-WTO



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