92

IPRIS Viewpoints

APRIL 2012

Portugal and Mozambique: Emulating the "Angolan Model"?

PEDRO SEABRA
Portuguese Institute of International Relations and Security (IPRIS)

In recent years, Portugal's relations with its former African colonies have received increased international focus and media interest for its burgeoning potential as the country tries to overcome its ongoing financial woes. Expanding new markets, searching for new business opportunities and building upon previous cultural-historical connections have become a key strategy for Portuguese foreign policy through the Lusophone world. Growing ties with Angola have been a case in point until now given the visible economic interconnections and strong political backing from official authorities.[1] However, a new example may already be in the works, this time concerning Mozambique. Indeed, such a relationship has been slowly gaining speed, and may be entering a new phase after the two-day visit by Portuguese Prime Minister Pedro Passos Coelho to Maputo on April 10-11.

Unsurprisingly, the central issue in the bilateral agenda was once again the fate of the remaining Portuguese shares in the Cahora Bassa dam in Mozambique. Although a tentative agreement had already been previously reached for a final transfer to Mozambican control, final questions over price and other technical issues still persisted. In fact, these were also the primary reasons why the first Portuguese-Mozambican bilateral summit, held just a few months prior in November 2011, did not meet its overall expectations.[2]

In essence, the Cahora Bassa dam represented Portugal's last colonial legacy in Africa. As such, its symbolical character is easily understood. For Mozambicans, it is first and foremost a matter of achieving full sovereignty over an extremely important electric-industrial infrastructure that holds significant potential for the country's development plans. But it is also a way of putting to rest an issue that still incites memories of Portuguese colonialism. For example, President Armando Guebuza's remarks back in October 2006 when he signed the transition plan with former Prime Minister José Sócrates – including the notorious "Cahora Bassa is ours" tirade as well as the comparison with a "second independency" moment[3] – perfectly illustrates the emotional charge frequently attached to the successful resolution of this issue.

With that sore spot out of the way, it's no surprise that both countries are now paying more attention to the untapped potential of the bilateral partnership. As such, it is not too farfetched to assume that Portugal would like to replicate with Mozambique its current model of intense

1 See Pedro Seabra and Paulo Gorjão, "Intertwined Paths: Portugal and Rising Angola" (*South African Institute of International Affairs*, Occasional Paper No. 89, August 2011).

2 "Portugal e Moçambique não chegam a acordo sobre venda de 15% de Cahora Bassa" (*Lusa*, 29 November 2011).

3 "Cahora Bassa já é nossa" (*Jornal de Negócios*, 31 October 2006).

relations with Angola. What's more, first indications already allow for a measured degree of cautious optimism over such a goal. For example, the establishment of regular bilateral summits between the two countries in 2011 provides a high-level framework for greater political contacts with the expectation that consecutive visits of government official will inevitably intensify. "Cooperation at an excellency level"[4] was how the Mozambican press regarded this latest summit and that is how both governments would like to continue, especially considering the multiple cross-sector cooperation programs underway that are backed by a €62 million Indicative Cooperation Program (PIC) for the next three years.
From an economic perspective, bilateral trade has also picked up. Although the amounts are still not enough to make Mozambique one of Portugal's top trade partners, from 2007 to 2011 Portuguese exports and imports to Mozambique rose 25,9% and 17,6%, respectively.[5] More importantly, Passos Coelho himself recognized that "the progression margin is still considerable" and he publicly invited further Portuguese companies to further internationalize their operations and invest in this particular market.[6] The Mozambican energy sector will certainly attract the biggest interest given that the recent Cahora Bassa agreement also presupposes the active participation of Portuguese electric transportation company REN in new local energy grid projects.[7] Likewise, massive investments in offshore natural gas exploration by Portuguese Galp Energia are also to be expected in years to come.
Meanwhile, flows of Portuguese emigrants to Mozambique are on their way to replicate similar migration patterns with Angola. Recent estimates point to nearly 25,000 Portuguese citizens living and working in Mozambique, and requests for new visas are increasing by the week.[8] Curiously enough, much like Angola, problems surrounding the issue of visas to Portuguese migrants have already begun making news headlines.[9]
Overall, the growing similarities between Portugal's relationship with Angola and Mozambique are undeniable. Still, whereas one is currently at the top of the priority destinations for Portuguese investments and exports, the other is still very much at an early stage. To put it differently, there is still much work ahead if Lisbon is to develop the kind of political and economic relations with Maputo that it currently enjoys with Luanda. But the lack of more 'pebbles in the shoe' like the Cahora Bassa dam issue surely provides confidence that the favorable political context triggered by the latest summit will be capitalized in terms of closer bilateral contacts and multiple business opportunities on the short and medium term. As such, constant attempts to reproduce the "Angolan model" in other African Lusophone destinations might just end up comprising an interesting sub-vector for Portuguese foreign policy in the continent in the coming years.

4 "Imprensa moçambicana elogia Passos Coelho" (*Lusa*, 11 April 2012).

5 "Relações Económicas Bilaterais com Moçambique 2007-2012 (Janeiro)" (*AICEP*, 22 March 2012).

6 "Pedro Passos Coelho desafia empresas portuguesas à internacionalização" (*AIM*, 10 April 2012).

7 "Cahora Bassa: REN fica com 7,5% da hidroelétrica" (*Lusa*, 9 April 2012).

8 Gouveia de Albuquerque, "Moçambique a crescer mais de 7% ao ano atrai investimento português" (*Dinheiro Vivo*, 7 April 2012).

9 "Governo moçambicano aperta na política de concessão de vistos" (*O País*, 19 March 2012).

EDITOR | Paulo Gorjão
ASSISTANT EDITORS | Kai Thaler • Sean Goforth
DESIGN | Atelier Teresa Cardoso Bastos

Portuguese Institute of International Relations and Security (IPRIS)
Rua Vitorino Nemésio, 5 - 1750-306 Lisboa
PORTUGAL

http://www.ipris.org
email: ipris@ipris.org

IPRIS Viewpoints is a publication of IPRIS.
The opinions expressed are solely those of the authors and do not necessarily reflect the views of IPRIS.