TRADE AND INVESTMENT FRAMEWORK AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF MOZAMBIQUE CONCERNING THE DEVELOPMENT OF TRADE AND INVESTMENT RELATIONS

The Government of the United States of America and the Government of the Republic of Mozambique (individually a "Party" and collectively the "Parties"):

1. Desiring to enhance the bonds of friendship and spirit of cooperation between the two countries;

2. Desiring to promote further both countries' international trade and the economic interrelation between both countries;

3. Recognizing the importance of fostering an open and predictable environment for international trade and investment;

4. Recognizing the benefits to each Party resulting from increased international trade and investment, and that trade-distorting investment measures and protectionist trade barriers would deprive the Parties of such benefits;

5. Desiring to promote transparency and to eliminate bribery and corruption in international trade and investment;

6. Acknowledging the membership of the two countries in the World Trade Organization and noting that this Agreement is without prejudice to each Party's rights and obligations under the agreements, understandings, and other instruments related to or concluded under the auspices of the WTO;

7. Acknowledging the Treaty Between the Government of the United States of America and the Government of the Republic of Mozambique Concerning the Encouragement and Reciprocal Protection of Investment signed on December 1, 1998 (the "Bilateral Investment Treaty").

8. Noting that this Agreement is without prejudice to the rights and obligations of the Parties under the Bilateral Investment Treaty cited in the preceding paragraph;

9. Recognizing the essential role of private investment, both domestic and foreign, in furthering growth, creating jobs, expanding trade, improving technology, and enhancing economic development;

10. Recognizing that openness to foreign direct investment confers positive benefits on each Party;

11. Desiring to encourage and facilitate private sector contacts between the two countries;

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12. Recognizing the desirability of resolving trade and investment problems as expeditiously as possible;

13. Recognizing the increased importance of services in trade between their economies and in their bilateral relations;

14. Taking into account the need to eliminate non-tariff barriers in order to facilitate greater access to the markets of both countries and the mutual benefits thereof;

15. Recognizing the importance of providing adequate and effective protection and enforcement of intellectual property rights and of membership in and adherence to intellectual property rights conventions;

16. Recognizing the importance of providing adequate and effective protection and enforcement of worker rights in accordance with each nation=s own labor laws and of improving the observance of internationally recognized core labor standards;

17. Desiring to ensure that trade and environmental policies are mutually supportive;

18. Desiring that this Trade and Investment Framework Agreement (?Agreement?) reinforce the multilateral trading system by strengthening efforts to complete successfully the Doha Development Agenda;

19. Considering that it would be in their mutual interest to establish a bilateral mechanism between the Parties for encouraging the liberalization of trade and investment between them; and

20. Desiring further dialogue on ways that the Parties may expand and liberalize trade by exploring the potential for greater cooperation and more comprehensive agreements.

To this end, the Parties agree as follows:

Article One.

The Parties affirm their desire to promote an attractive investment climate and expand trade in products and services consistent with the terms of this Agreement. They shall take appropriate measures to encourage and facilitate the exchange of goods and services and to secure favorable conditions for long-term development and diversification of trade between the two countries.

Article Two.

The Parties shall establish a United States-Mozambique Council on Trade and Investment ("the Council"), which shall be composed of representatives of both Parties. The Mozambican side shall be chaired by the Minister of Industry and Commerce and the U.S. side shall be chaired by the Office of the U.S. Trade Representative ("USTR")[they are welcome to change theirs, but we don't commit the USTR the person]. Both Parties may be assisted by officials of other government entities as circumstances require. The Council shall meet at such times and in such places as agreed by the Parties. The Parties shall endeavor to meet no less than once every two years.

Article Three.

The objectives of the Council are as follows:

1. To monitor trade and investment relations, to identify opportunities for expanding trade and investment, and to identify issues relevant to trade or investment, such as intellectual property rights, labor or environmental issues, that may be appropriate for negotiation in an appropriate forum.

2. To hold consultations on specific trade matters, and those investment matters not arising under the Bilateral Investment Treaty, of interest to the Parties.

3. To identify and work toward the removal of impediments to trade and investment.

4. To seek the advice of the private sector and civil society, where appropriate, in their respective countries on matters related to the work of the Council.

Article Four.

Either Party may raise for consultation any trade matter, or investment issue not arising under the Bilateral Investment Agreement, between the Parties. Requests for consultation shall be accompanied by a written explanation of the subject to be discussed and consultations shall be held within 30 days of the request, unless the requesting Party agrees to a later date. Each Party shall endeavor to provide for an opportunity for consultations before taking actions that could adversely affect trade or investment interests of the other Party.

Article Five.

This Agreement shall be without prejudice to the domestic law of either Party or the rights and obligations of either Party under any other agreement to which it is a party.

Article Six.

This Agreement shall enter into force on the date of its signature by both Parties.

Article Seven.

This Agreement shall remain in force unless terminated by mutual consent of the Parties or by either Party upon six months written notice to the other Party.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective governments, have signed this Agreement, done in duplicate, each language being equally authentic in the English and Portuguese languages.

DONE at Washington, this 21th day of June 2005.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE REPUBLIC OF MOZAMBIQUE: