

AFRICA RISK CONSULTING

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Mozambique Summary 9 April 2025

President Daniel Chapo (2025-present) meets with opposition leader Venancio Mondlane, leading Mondlane to call on his supporters to cease protesting, marking a turning point in Mozambique's post-election crisis. Mondlane also announces the formation of his new political party, Aliança Nacional para um Moçambique Livre e Autónomo (Anamalala), which is expected to emerge as a major force in Mozambican opposition politics. United States (US) Export-Import Bank (US Exim Bank) approves \$4.7 billion in financing for France-headquartered TotalEnergies' onshore LNG project. However, in a less positive development, US President Donald Trump (2025-present) imposes trade tariffs on Mozambique. Alhu Sunnah wa Jama'ah (ASWJ) continues to carry out attacks in Cabo Delgado Province, highlighting its severity as a security concern.

President and opposition leader finally meet

President **Daniel Chapo** (2025-present) met with opposition leader **Venancio Mondlane** on 23 March at the **Joaquim Chissano International Conference Centre** in **Maputo**, the first time the two men have met face-to-face since the disputed 9 October 2024 general election.¹ Statements from both parties note the meeting went well, and the two leaders committed to work towards peace in **Mozambique**. Notably, Mondlane's statement following the meeting referred to Chapo as the "Head of State" marking the first time that the opposition leader acknowledged Chapo as president.² Mondlane had refused to recognise the election results and reiterate his claims that the election was stolen but has since clarified his position and now recognises Chapo as president since the **Conselho Constitucional** (constitutional council) declared him the election victor.

As such, the opposition leader has stressed that his meeting with Chapo did not equate to an acceptance of the election result and that he still intended to fight for his supporters. Regardless, Mondlane has clearly shifted his position and is now more interested in engaging in the political dialogue process, likely because there was little chance of the election results being overturned and support for opposition protests was waning. Illustrative of this latter point, the national strike called by Mondlane on 18 March received middling support.³ Scores of Mondlane's supporters did attend demonstrations and numerous transport, and commercial operators suspended their activities out of auction; but the strike did not translate into a countrywide shutdown. This was the latest indicator that Mondlane was no longer able to rely on the mass turnout for anti-government demonstrations.

Following his meeting with Chapo, Mondlane released a statement on 26 March in which he called on his supporters to stop protesting and condemned any acts of violence aimed at Mozambican security forces.⁴ His supporters received this statement well as there have not been any major incidents of opposition-led unrest since the 23 March meeting. This comparative peace underscores the significance of including Mondlane in any political process. Mondlane remains the dominant opposition leader in Mozambique - the official opposition **Podemos** only enjoyed such a strong electoral showing because it was allied with Mondlane during the general election. Podemos has since lost most of its influence after Mondlane and the party broke ties in February.

¹ AIM, 24 Mar 2025

² AIM, 24 Mar 2025

³ AIM, 18 Mar 2025

⁴ AIM, 26 Mar 2025

Mondlane is now expected to take part in the ongoing planned national dialogue which will focus on political and electoral reforms in the country. Mondlane's inclusion will grant these talks increased legitimacy. Yet, this dialogue will likely be a source of political tension; Mondlane is less likely to capitulate to the government's position than other opposition leaders which will lead to heated disagreements with Chapo and the ruling party, **Frelimo**. Regardless, his inclusion in the dialogue will mark the beginning of the end of Mozambique's post-election political crisis which private sector operators and international partners have welcomed.

Mondlane has also realised that his influence is limited if he remains a standalone political figure. To pursue his agenda and take advantage of the momentum generated during and after the 2024 general election he would need to find his own political organisation. On 4 April, Mondlane announced the creation of his new party **Aliança Nacional para um Moçambique Livre e Autónomo (Anamalala)**.⁵ Anamalala is also a word in the Northern Mozambican **Makua** language that roughly translates as 'it's over', or 'it's going to finish'.⁶

Mondlane's close advisor **Dinis Tivane** confirmed that the necessary applications have been filed with Mozambican authorities, and they hope to formally launch the party before mid-June. Officials have between 30 and 60 days to approve a party application.⁷

The anticipated launch of the party and the resulting membership signups will provide insight into Mondlane's overall popularity as a political leader. Anamalala is expected to emerge as the dominant force in Mozambique's opposition politics and will have three years to develop its structures across Mozambique before the October 2028 local government elections which will be the first major test of Anamalala's viability.

United States bank approves funding for LNG project

In a particularly important development related to **Cabo Delgado Province's** liquified natural gas (LNG) sector, the state-owned **United States (US) Export-Import Bank (US Exim Bank)** approved \$4.7 billion in financing for **France's TotalEnergies** onshore LNG project in Cabo Delgado on 13 March.⁸ It should be noted that the US Exim Bank actually re-authorized the funding after the previous funding agreement lapsed due to TotalEnergies' decision to declare force majeure at the project after the March 2021 **Alhu Sunnah wa Jama'ah (ASWJ)** attack on **Palma**.

This line of funding is an essential step for TotalEnergies to resume the development of its \$20 billion LNG project on the **Afungi** peninsula. This is the largest LNG project approved in Cabo Delgado and is expected to be a major driver of the industry in the province as a whole. The scale of the project means that it will anchor other industry players and suppliers which will reduce the friction for other operators wishing to invest in Mozambique's LNG sector.

TotalEnergies is awaiting similar loan re-approvals from the **United Kingdom's (UK) UK Export Finance (UKEF)** and the **Netherlands' Atradius DSB**, both of which had previously pledged over \$1 billion each to the project. However, both UKEF and Atradius DSB are considering not renewing the funding agreement due to concerns about investing in fossil fuel industries. This wavering will not be a major concern for TotalEnergies which should easily be able to replace the funding commitments now that the US Exim Bank re-authorized credit to the project.

US imposes steep tariffs on Mozambican goods

In a less positive development related to the US, US President **Donald Trump** (2025-present) announced on 2 April that the US would impose a 16% tariff on all imports from Mozambique as part

⁵ Carta Mocambique, 4 Apr 2025

⁶ AIM, 5 Apr 2025

⁷ Carta Mocambique, 4 Apr 2025

⁸ Reuters, 13 Mar 2025

of his global tariff strategy which is seeking to use tariffs to eliminate any bilateral trade deficit that the US may have.⁹

Mozambique has been subjected to such a steep tariff rate due to its large trade surplus with the US. Mozambique exported \$216.1m worth of goods to the US in 2024 and imported \$149.7m resulting in a trade surplus of \$66.4m. The US has calculated these new tariffs by dividing the value of the trade surplus by the value of US imports from that country and then dividing that answer by two and rounding up. In his announcement, Trump claimed that his tariffs were in response to tariffs imposed on the country and that Mozambique had a 31% tariff on the US. In reality, the 31% figure was achieved by dividing the US-Mozambique trade deficit by Mozambican exports to the US.

Although there is no serious economic thought behind the US tariff calculation, the 16% tariffs will hurt Mozambique's economy. These tariffs will eliminate most of the competitive advantage Mozambique receives under the **African Growth and Opportunity Act (AGOA)**, impacting Mozambique's agricultural and textile exports to the US. However, Mozambique's precious stones, titanium minerals, and tobacco producers will be the hardest hit as these are Mozambique's largest exports to the US. Furthermore, this development will undermine Mozambique's competitiveness as a potential gas supplier to US markets.

The US government's bizarre approach to imposing tariffs means that there is little Mozambique can do to rectify the situation. Mozambique operates this trade deficit because it exports high-value items such as precious stones and minerals to the US while its own population cannot afford most US products. Mozambique will need to weather this economic hit as it continues adapting to the US's decision to drastically reduce aid funding to the country. In the short term, Mozambique's economy will suffer and over the long term, the country will need to seek alternative trade partners.

Terrorism threat persists in Cabo Delgado

The anticipated decline in civil unrest following Chapo and Mondlane's meeting will enable Mozambique's security officials to once again prioritise the ongoing Islamist insurgency in Cabo Delgado. ASWJ remains Mozambique's most significant security concern as was illustrated by the recent increase in attacks by the group.

In particular, the insurgents appear to be increasing their activity along the key **N380 North-South** roadway. On 22 March, the militants attacked a freight truck travelling on the N380 in **Macomia** district, killing one person.¹⁰ ASWJ has also begun setting up roadblocks on the N380 and its feeder roads to extort payments from road users and carry out attacks.¹¹ The increased militant presence in the N380 will increase pressure on the state to reinstate military convoys to protect the roadway.

ASWJ also appears to have increased the number of kidnappings that it is orchestrating. On 23 March, a group of insurgents captured multiple people in a raid on the village of **Chai** in Macomia district.¹² A **Rwandan Defence Force (RDF)** unit that intercepted the militants eventually freed these victims. However, such incidents are increasingly common and typically target isolated villages and local fishermen. Previously, ASWJ relied on kidnapping to secure slaves and recruits, but recent reports suggest that the group has begun viewing kidnapping as a potential source of revenue. Such a pivot is potentially concerning and would increase the threat of kidnapping in Cabo Delgado at a time when foreign nationals are expected to return to the province ahead of the increased activity in the oil and gas sector.

Planner

7 Apr 2025 **Nangade (Mozambique) Flame of National Unity** procession to commence;

⁹ Club of Mozambique, 3 Apr 2025

¹⁰ AIM, 24 Mar 2025

¹¹ AIM, 6 Apr 2025

¹² AIM, 26 Mar 2025

22-25 Sep 2025 **Maputo (Mozambique) Mozambique Gas and Power Summit and Exhibition**

2025 **(Mozambique) Renamo** to hold its national council meeting;

Chronology

6 Apr 2025 **Pemba (Mozambique) 360 Mozambique**. The **Coral Sul Floating Liquefied Natural Gas (FLNG)** project in the **Rovuma Basin** off **Cabo Delgado Province** marks its 100th LNG shipment since it began commercial operations in November 2022;

5 Apr 2025 **Maputo (Mozambique) AIM**. The ruling **Frelimo** central committee elects four new members to sit on the party's powerful governing Secretariate;

5 Apr 2025 **Maputo (Mozambique) AIM**. President **Daniel Chapo** tells the **Frelimo** central committee that the post-election unrest was intentionally planned to destabilise Mozambique and strangle the country's economy;

3 Apr 2025 **Maputo (Mozambique) 360 Mozambique**. The central bank, **Banco de Moçambique (BdM)**, reveals that foreign direct investment (FDI) increased by 41.5% to \$3.5 billion compared with \$2.5 billion in 2023;

3 Apr 2025 **Maputo (Mozambique) 360 Mozambique**. **India's Oil and Natural Gas Corporation (ONGC)** approves \$180m for increased oil and gas exploration in northern Mozambique;

2 Apr 2025 **Maputo (Mozambique) Club of Mozambique**. The **Swedish** government commits \$13m to assist the ongoing Disarmament, Demobilisation and Reintegration process for former **Renamo** militants;

2 Apr 2025 **Maputo (Mozambique) Club of Mozambique**. The **Instituto Nacional de Gestão e Redução do Risco de Desastres (INGD)** (national institute for disaster risk management) reveals that it needs over \$700m to assist internally displaced persons in Mozambique;

1 Apr 2025 **Maputo (Mozambique) AIM**. British high commissioner to Mozambique, **Helen Lewis**, claims that bilateral trade between the **United Kingdom (UK)** and Mozambique increased by 115% between 2022 and 2023;

30 Mar 2025 **Maputo (Mozambique) Club of Mozambique**. State-owned airline, **LAM**, suspends direct flights between Maputo and **Cape Town (South Africa)** in order to reduce operational costs;

29 Mar 2025 **Maputo (Mozambique) AIM**. **Botswana's** President **Duma Boko** visits Maputo and expresses interest in increasing bilateral cooperation in the energy sector;

29 Mar 2025 **Maputo (Mozambique) Club of Mozambique**. **Portugal's Galp** completes the sale of its upstream assets in **Cabo Delgado Province** to the **Abu Dhabi National Oil Company (ADNOC)**;

28 Mar 2025 **Maputo (Mozambique) Club of Mozambique**. The **German** government commits EUR 500,000 (\$546,000) to conduct a green hydrogen study in Mozambique;

28 Mar 2025 **Maputo (Mozambique) Club of Mozambique**. The **United States**-headquartered global rating agency, **Moody's**, downgrades Mozambique's local currency long-term issuer rating from Caa2 to Caa3;

27 Mar 2025 **Maputo (Mozambique) AIM**. **Banco de Moçambique (BdM)** (central bank) cuts its benchmark interest rate from 12.25% to 11.75%;

24 Mar 2025 **Maputo (Mozambique)** *Club of Mozambique*. Council of ministers approves the creation of the **National Centre for Preventing and Combating Terrorism and Violent Extremism**;

22 Mar 2025 **Maputo (Mozambique)** *Club of Mozambique*. **United States**-headquartered ratings agency **S&P Global** downgrades Mozambique's long-term local currency sovereign credit rating on Mozambique to 'SD' from 'CCC-';

21 Mar 2025 **Maputo (Mozambique)** *AIM*. The **United Nations (UN) Office for the Coordination of Humanitarian Affairs (OCHA)** reveals that over one million Mozambicans face high levels of food insecurity;

21 Mar 2025 **Maputo (Mozambique)** *AIM*. Mozambique's state-owned fuel company, **Petromoc**, raises concerns about foreign exchange shortfalls in Mozambique;

21 Mar 2025 **Maputo (Mozambique)** *EEAS*. The Mozambican military takes receipt of the final batch of non-lethal equipment under the **European Union (EU) European Peace Facility**;

16 Mar 2025 **Maputo (Mozambique)** *AIM*. **Instituto Nacional de Estatística (INE)** (national statistics institute) reveals that consumer price inflation increased to 4.74% in February;

15 Mar 2025 **Maputo (Mozambique)** *AIM*. An opposition supporter is killed in **Inhambane Province's Zavala** district in a suspected political murder;

15 Mar 2025 **Paris (France)** *EWN*. French prosecutors confirm that they have begun investigating allegations of manslaughter against French energy giant **TotalEnergies** over the way the company handled the 2021 militant attack on **Palma (Cabo Delgado Province)**;

14 Mar 2025 **Maputo (Mozambique)** *AIM*. **European Union (EU)** ambassador to Mozambique, **Antonino Maggiore**, affirms the EU's support for Mozambique's economic and governance reform agenda;

13 Mar 2025 **Harare (Zimbabwe)** *AIM*. President **Daniel Chapo** attends the **Southern African Development Community (SADC) Heads of State and Government Summit**;

13 Mar 2025 **Maputo (Mozambique)** *AIM*. Opposition leader **Venancio Mondlane** accuses the ruling party **Frelimo** of attempting to assassinate him referring to the police's use of live ammunition to disperse a demonstration Mondlane led on 5 March;

11 Mar 2025 **Maputo (Mozambique)** *AIM*. The council of ministers approves the government's Five-Year Programme 2025-2029 which forecasts average economic growth of 4.6% of GDP over this period;

10 Mar 2025 **Maputo (Mozambique)** *AIM*. **Tropical Storm Jude** makes landfall in **Nampula Province** leading to 16 fatalities across Nampula, **Zambezia**, and **Niassa** provinces;

9 Mar 2025 **Maputo (Mozambique)** *AIM*. Police arrest 14 people on charges of rioting and disrupting schools in **Nampula City** and **Namialo (Nampula Province)**.

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