

## AFRICA RISK CONSULTING

### Mozambique Monthly Briefing February 2024

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#### Mozambique Summary 9 February 2024

*Islamist insurgents capture the town of Mucojo (Cabo Delgado province) on 21 January. The capture is a stark contrast to the government's various claims that the insurgency was essentially defeated and is part of a wider spike in insurgent activity. This spike in militant activity is particularly concerning as the Southern African Development Community (SADC) Mission in Mozambique (SAMIM) confirmed on 28 January it intends to withdraw from Mozambique by mid-July. Maputo Port Development Company (MDPC) on 5 February announces an ambitious new port expansion plan aimed at increasing Maputo Port's capacity and regional competitiveness. Preparations begin ahead of the 9 October general election; however, all major parties are yet to confirm their presidential candidates.*

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#### Insurgents capture town amid resurgent activity

**Ahlu Sunnah wa Jama'ah (ASWJ)** militants seized control of the town of **Mucojo** in **Cabo Delgado** province's **Macomia** district on 21 January, marking the first significant territorial capture by the Islamist insurgent group since the arrival of the regional counterinsurgent forces in mid-2021.<sup>1</sup> ASWJ managed to capture the town after threatening Mozambican security forces stationed at the local outpost forcing these troops to retreat.<sup>2</sup> The capture of Mucojo is both a symbolic and strategic victory for ASWJ -the town is located along Macomia's coastal road allowing ASWJ access to other potential targets along the district's coastline as well as the group's remaining strongholds in the **Catupa** forest. Symbolically, the capture of the town is a strong rejection of Mozambique army commander Major-General **Tiago Alberto Nampole's** 19 December claim that the ASWJ insurgency had been defeated.<sup>3</sup>

The capture of the town also potentially indicates yet another shift in the group's strategy back towards attempting to capture and control territory in Cabo Delgado. This marks a reversal of the group's shift towards a decentralised insurgency; a tactic which it adopted in the face of the series of defeats inflicted on its forces since 2021. The group's willingness to capture and hold onto Mucojo indicates growing confidence within the group and comes amid a wider surge in ASWJ attacks in the province.

ASWJ has also staged several deadly attacks in Cabo Delgado since the start of 2024. This surge in activity is believed to be related to the **Islamic State's (IS)** 3 January declaration of a new global campaign.<sup>4</sup> The transnational Islamist extremist organisation has carried out several high-profile attacks since this declaration, most notably, the twin bomb attacks in the **Iranian** city of **Kerman** in which at least 95 people were killed.<sup>5</sup> ASWJ is an affiliate of IS having sworn allegiance to the group in 2019 and IS is believed to have increased its influence over ASWJ ever since the ASWJ's leader **Bonomade Machude Omar** was killed by Mozambican security forces last August.<sup>6</sup>

Illustrative of ASWJ's increased activity, the group carried out a series of attacks between 4 and 6 January targeting the towns of **Malinde**, **Chinde** and **Chimbanga** – all of which are located in

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<sup>1</sup> Club of Mozambique, 24 Jan 2024

<sup>2</sup> Zitamar, 25 Jan 2024

<sup>3</sup> City Press, 21 Dec 2023

<sup>4</sup> Zitamar, 6 Jan 2024

<sup>5</sup> AP, 4 Jan 2024

<sup>6</sup> Reuters, 25 Aug 2023

**Mocimboa da Praia** district.<sup>7</sup> Then on 30 January, insurgents ambushed patrolling Mozambican security forces in the village of **Nahavara** in **Mecufi** district, killing two soldiers.<sup>8</sup> This attack is particularly noteworthy as Nahavara is located approximately 20 kilometres (km) from Cabo Delgado's capital, **Pemba**. This is among the closest attacks to Pemba ASWJ has ever carried out and again suggests growing confidence in the group.

This surge in militant activity will concern Mozambican authorities as it comes shortly after **President Filipe Nyusi** (2014 - present) revealed on 21 December that his government expects **French** energy giant, **TotalEnergies**, to resume development of its \$20 billion onshore liquified natural gas (LNG) project in the first quarter (Q1) of 2024 (see *ARC Mozambique Briefing Jan 2024*).<sup>9</sup> TotalEnergies suspended the development of the project in April 2021 following the 24 March attack by ASWJ on the nearby town of **Palma**. The French company only agreed to resume the development of its project as it believed that security conditions had been met. A notable surge in insurgent activity could lead TotalEnergies to delay this planned return to Cabo Delgado.

### ...which occurs as regional forces plan withdrawal

ASWJ's resurgent activity will be particularly concerning for Mozambique given that the **Southern African Development Community (SADC) Mission in Mozambique (SAMIM)** confirmed on 28 January that it is planning on withdrawing from Cabo Delgado by 15 July 2024 which translates to a 3,000-person reduction in counterinsurgency forces in the province.<sup>10</sup> The SADC member countries which are contributing forces to SAMIM appear to have little appetite to extend the mission further. Importantly, **South Africa** – which contributes the bulk of the troops and resources to the deployment – has already committed to SADC's new deployment in the eastern **Democratic Republic of Congo (DRC)** and does not have the resources to support both of these missions.

SAMIM has already begun to gradually withdraw its forces from Cabo Delgado and hand over its responsibilities to Mozambique's military. This handover will be a severe test of the Mozambican military's capabilities and how successful the **United States (US)** and **European Union (EU)**-backed capacity building programmes have been. However, the fact that ASWJ has been able to carry out additional attacks and capture Mucojo does not bode well for Mozambique's capacity to assume SAMIM's responsibilities. As such, Mozambique will likely need to rely on Rwanda for additional support – the **Rwanda Defence Force (RDF)** deployment has not yet indicated any intent to withdraw from Cabo Delgado as yet.

### Port infrastructure promoted

Mozambique's goal to become a major regional trade hub has received a boost following the announcement of an ambitious expansion at **Maputo Port**. The **Maputo Port Development Company (MPDC)** announced on 5 February that it was planning on investing \$600m in expanding the port's infrastructure over the next three years.<sup>11</sup> MPDC executive director **Osorio Lucas** confirmed this investment will increase Maputo Port's container terminal capacity from 170,000 to 530,000 containers and the nearby **Matola Coal Terminal's** capacity from 7 million tonnes per year to 12 million tonnes per year while the port's general cargo capacity will increase to 13 million tonnes from 10 million tonnes.

This plan forms part of the government's larger \$2 billion port expansion plan which aims to increase the port's capacity to 54 million tonnes per year by 2058 up from its current 37 million tonnes. Further, the Matola Coal Terminal is intended to reach 18 million tonnes by 2058. Funding for this expansion is expected to be provided by the MPDC's shareholders which comprise the Mozambican state-owned ports and railways company **Caminhos de Ferro de Moçambique (CFM)**, **Emirati** port

<sup>7</sup> Club of Mozambique, 8 Jan 2024

<sup>8</sup> Zitamar, 1 Feb 2024

<sup>9</sup> 360 Mozambique, 24 Dec 2023

<sup>10</sup> SADC, 28 Jan 2024

<sup>11</sup> 360 Mozambique, 6 Feb 2024

management firm **DP World**, South African cargo handling firm **Grindrod**, and local Mozambican investor **Mozambique Gestores**.<sup>12</sup>

MPDC has embarked on this ambitious expansion plan as it sees a unique opportunity to take advantage of the decline in performance at major ports in neighbouring South Africa. South Africa's state-owned ports and railway company **Transnet** has been beset with challenges for several years resulting in a steep decline in performance at its ports. This has led to widespread frustration among regional exporters which have historically been dependent on South African ports. Maputo Port's improved competitiveness in the face of Transnet's decline is partially responsible for the MPDC's record results in 2023. Maputo Port handed 31.2 million tonnes of cargo in 2023, an increase of 16% on its 2022 performance.<sup>13</sup>

In an effort to further enhance regional trade through Maputo Port, government is improving the capacity of the **Ressano Garcia** railway line that connects Maputo Port to the Mozambique-South African border.<sup>14</sup> This project was boosted by the 5 February announcement that the **African Development Bank (AfDB)** would provide a \$40m loan to Mozambique to purchase rolling stock to operate on this line. This will improve Mozambique's capacity to transport metals and minerals mined in South Africa's northern provinces to Maputo Port and increase the port's competitiveness with South Africa's main **Durban Port**.

### Election preparations underway

Authorities have begun preparing for Mozambique's 9 October general election with the country's electoral commission, **Comissão Nacional de Eleições (CNE)**, announcing the electoral calendar on 9 January.<sup>15</sup> CNE has said political parties need to submit their presidential candidates before the end of April after which the **Constitutional Council** has until 30 June to vet these candidates. Similarly, the window for provincial and national assembly candidate applications will take place between 13 May and 10 June.

The CNE further revealed that the official electoral campaign period will run from 24 August to 6 October with the election itself held on 9 October. Authorities then expect the provisional results to be announced by 24 October.

The upcoming election is expected to be among the most competitive in recent Mozambican history. However, it is significant that none of the three major parties have currently settled on a presidential candidate. Nyusi is constitutionally prohibited from contesting a third term in office and currently has no clear successor but ruling **Frelimo** officials have indicated that the party will decide on its candidate before 31 March.<sup>16</sup>

Opposition **Renamo** leader **Ossufo Momade**, by contrast, can contest the upcoming election but internal dissatisfaction with his leadership has resulted in Momade facing a serious leadership challenge. Renamo will hold its electoral conference in April during which its leader and presidential candidate will be confirmed.<sup>17</sup> This will not leave the party much time to ensure that its candidate is registered.

Finally, Mozambique's third largest party, **Movimento Democrático de Moçambique (MDM)**, announced on 5 February that it would select its presidential candidate for the 9 October election before the end of the month.<sup>18</sup> This was necessitated after the MDM's founder, leader, and long-time presidential candidate **Daviz Simango** died in February 2021.<sup>19</sup> The party has been led by Simango's

<sup>12</sup> MPDC, 7 Dec 2024

<sup>13</sup> Club of Mozambique, 16 Jan 2024

<sup>14</sup> 360 Mozambique, 5 Feb 2024

<sup>15</sup> Carta Mozambique, 9 Jan 2024

<sup>16</sup> Integrity Magazine, 29 Dec 2023

<sup>17</sup> Club of Mozambique, 25 Jan 2024

<sup>18</sup> Integrity Magazine, 5 Feb 2024

<sup>19</sup> Africa News, 22 Feb 2021

brother, **Lutero**, since August 2021 who will most likely be selected as the party's presidential candidate.

## Planner

24 Aug – 6 Oct 2024 (**Mozambique**) Election campaigning  
 9 Oct 2024 (**Mozambique**) National general election  
 24 Oct 2024 (**Mozambique**) Provisional election results expected

## Chronology

6 Feb 2024 **Maputo (Mozambique)** *360 Mozambique*. State-owned electricity utility **Electricidade de Mocambique (EDM)** reveals that the **World Bank** would provide \$35m to boost electrification in the cities of **Nampula, Nacala Port, and Angoche** in **Nampula** province;

5 Feb 2024 **Maputo (Mozambique)** *Integrity Magazine*. Mozambique's second-largest opposition party **Movimento Democrático de Moçambique (MDM)**, reveals that the party will select its presidential candidate for the 9 October election before the end of February;

5 Feb 2024 **Maputo (Mozambique)** *Club of Mozambique*. President **Filipe Nyusi** reveals that 38 people were arrested on charges of kidnapping in 2023;

5 Feb 2024 **Maputo (Mozambique)** *Club of Mozambique*. President **Filipe Nyusi** officially swears in new Maputo governor **Manuel Tule** into office;

3 Feb 2024 **Maputo (Mozambique)** *Integrity Magazine*. **Russian** ambassador to Mozambique **Alexandre Surikov** announces that **Russia** is willing to provide Mozambique with military cooperation and assistance if it was asked;

3 Feb 2024 **Maputo (Mozambique)** *Integrity Magazine*. A new policy document reveals that the government is planning to not renew its electricity supply agreement to **South Africa** when it expires in 2023 and, instead, opt to use this electricity domestically;

2 Feb 2024 **Maputo (Mozambique)** *360 Mozambique*. The central bank, **Banco de Mocambique (BdM)**, reveals that Mozambique's international reserves increased by 11% in December to \$3.4 billion;

1 Feb 2024 **Maputo (Mozambique)** *360 Mozambique*. The governments of Mozambique and **South Africa** sign a joint agreement to modernise the border between the two countries;

31 Jan 2024 **Maputo (Mozambique)** *360 Mozambique*. **India's** state-owned **Bharat Petroleum Corporation (BPCL)** agrees to purchase one million tonnes of liquified natural gas (LNG) from the **TotalEnergies**-led \$20 billion LNG project on **Cabo Delgado** province's **Afungi Peninsula** in which BPCL owns an indirect 10% stake;

31 Jan 2024 **Maputo (Mozambique)** *360 Mozambique*. The central bank, **Banco de Mocambique (BdM)**, cuts the main monetary interest rate from 17.25% to 16.50% marking the first interest rate cut in over three years;

28 Jan 2024 **Maputo (Mozambique)** *Club of Mozambique*. President **Filipe Nyusi** asks **Portuguese** president **Marcelo Rebelo de Sousa** for continued support in combatting insurgents in **Cabo Delgado** province;

25 Jan 2024 **Maputo (Mozambique)** *Club of Mozambique*. The **United Nations (UN) High Commission for Refugees (UNHCR)** releases a report detailing that there are currently over 850,000 internally displaced persons (IDPs) in Mozambique;

25 Jan 2024 **Maputo (Mozambique)** *Club of Mozambique*. Mozambique's largest opposition party, **Renamo**, confirms that it will not announce its presidential election candidate until April;

24 Jan 2024 **Maputo (Mozambique)** *Club of Mozambique*. Education officials announce that over 80 schools which were impacted by the insurgency in **Cabo Delgado** will reopen in February;

19 Jan 2024 **Maputo (Mozambique)** *AIM*. The **International Monetary Fund (IMF)** reveals that it expects **France**-headquartered **TotalEnergies** \$20 billion LNG project in **Cabo Delgado** province to resume development in the early months of 2024;

18 Jan 2024 **Pretoria (South Africa)** *Mail & Guardian*. South African state-owned electricity utility, **Eskom**, reveals it rejected **Mozambique's** offer to sell it 100MW of electricity claiming that **Electricidade de Mocambique (EDM)** asked prohibitively high rates for the power exports;

18 Jan 2024 **Maputo (Mozambique)** *360 Mozambique*. Mozambique pays \$142m to third-party creditors under its debt settlement agreement with **Credit Suisse**;

16 Jan 2024 **Maputo (Mozambique)** *360 Mozambique*. Outgoing **Japanese** ambassador **Kimura Hajime** reveals that the Japanese government is considering resuming budgetary support to Mozambique;

13 Jan 2024 **Maputo (Mozambique)** *360 Mozambique*. The central bank, **Banco de Mocambique (BdM)**, reveals that Mozambique's trade deficit fell by 86.7% to \$634.4m between 1 January and 30 September 2023;

11 Jan 2024 **Maputo (Mozambique)** *360 Mozambique*. Mozambique's national statistics agency, **Instituto Nacional de Estatística (INE)**, reports that consumer price inflation increased to 5.3% in December measured year-on-year;

9 Jan 2024 **Maputo (Mozambique)** *Reuters*. The **International Monetary Fund (IMF)** approves a \$60.7m tranche payment under its **Extended Credit Facility (ECF)** arrangement with Mozambique.

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Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com) or call + 44 (0) 20 7078 4080

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