

AFRICA RISK CONSULTING

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Mozambique Summary 8 August 2025

Attorney general's office charges opposition leader Venancio Mondlane over his role in leading the post-election unrest. Mondlane faces numerous charges, including incitement to collective disobedience, the public instigation of a crime, instigation of terrorism, and incitement to terrorism. United States-headquartered Fitch Ratings affirms its 'CCC' rating for Mozambique but notes numerous challenges faced by the country, including its heavy debt burden. Banco de Moçambique (BdM) (central bank) cuts the main monetary policy rate by 75 basis points from 11% to 10.25%. Ahlu Sunnah wa Jama'ah (ASJW) insurgents displace nearly 60,000 people in Cabo Delgado Province in two weeks, with the Chiure and Ancuabe districts the worst affected.

Opposition leader criminally charged

Mozambique's attorney-general's office on 22 July [charged](#) opposition leader **Venancio Mondlane** over his role in leading the post-election unrest. Mondlane faces numerous charges, including incitement to collective disobedience, the public instigation of a crime, instigation of terrorism, and incitement to terrorism. If he is convicted of these charges, Mondlane could face a prolonged prison sentence.

Mondlane was arguably the main figure driving the post-election protests. He was the leading opposition presidential candidate and called on his supporters to demonstrate after the election, claiming that the vote had been rigged. Mozambican prosecutors have been seeking to press charges against Mondlane for his role in driving the unrest, but such a move had been considered to be too politically destabilising.

It is evident that the attorney general's office no longer believes that charging Mondlane would trigger mass protests, as it would have if they had managed to arrest him during the peak of the post-election unrest. However, Mondlane still has the capacity to mobilise a large number of his supporters, as was evident by the [large crowd](#) that gathered outside the attorney general's office building on 21 July after it was revealed that Mondlane would once again be summoned for questioning. Police forcibly dispersed these demonstrators.

Notably, authorities have not yet arrested Mondlane despite levelling these charges against him. This is likely a strategic decision to avoid triggering protests by opposition supporters. However, if prosecutors are intent on pursuing these charges, they will eventually need to arrest him. This will likely lead to numerous opposition protests and could even risk President **Daniel Chapo's** (2025-present) planned national dialogue. Such a development would undermine the fragile political stability that has been achieved in recent months.

Any renewed widespread civil unrest would cause substantial economic damage to Mozambique, even if it did not reach the same levels as the post-election protests. The surge in political instability would lead to increased investor caution and reverse the ongoing economic recovery.

Fitch maintains Mozambique's credit rating

Any renewed political instability or unrest would also affect Mozambique's credit ratings. Indicative of this, **United States (US)**-headquartered ratings agency, **Fitch Ratings**, [cited](#) Mozambique's easing political instability over the first half of 2025 as a key factor in its decision to maintain Mozambique's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'CCC'. A 'CCC' rating indicates that the

agency considers the country's debt [instruments](#) to have a "very low margin for safety" and that a "default is a real possibility". Among the downside risks justifying this current rating are Mozambique's widening fiscal deficit, which reached 4.9% of GDP in 2024 from 2.1% in 2023, largely due to the impact of the post-election unrest. However, this is expected to narrow to 3.4% in 2025.

In addition, Mozambique's high debt burden remains a serious concern. The country's debt-to-GDP ratio is currently around 91% of GDP, down from 97.7% in 2023. This decline is largely due to the out-of-court settlements that the government reached with the banks involved in its secret debt scandal and the beneficial court ruling in its dispute with the Emirati shipbuilder [Privinvest](#). As such, Mozambique does not have a plan to meaningfully reduce its debt burden and, in fact, the country's debt is expected to only [stabilise](#) at around 92% of GDP in 2026 and 2027.

Fitch Ratings also noted with concern that Mozambique's real GDP growth declined to 2.2% in 2024 due to the cost of the general election and the subsequent unrest. The agency expects real GDP growth to increase marginally to 2.5% in 2025 before strengthening to 3.4% in 2026 and 4% in 2027 due to increased activity in the energy sector. This is in line with the **International Monetary Fund's (IMF) [economic forecast](#)**, which predicts economic growth of 2.5%, 3.5%, and 4.3% in 2025, 2026, and 2027, respectively.

Mozambique is in the midst of an economic recovery, albeit one that is dependent on improved political stability. The country remains vulnerable to external shocks and dependent on the planned resumption of major energy sector projects. Any deterioration in Mozambique's economic and political stability could endanger this ongoing recovery.

Central bank cuts interest rates

Mozambique's economic activity will be boosted by the **Banco de Moçambique's (BdM)** (central bank) 31 July [decision](#) to cut the main monetary policy rate by 75 basis points from 11% to 10.25%. This was the [tenth](#) interest cut implemented by the central bank since January 2024, meaning that the interest rates have fallen by 700 basis points from 17.25% to 10.25% during this period.

The BdM implemented this steep interest rate cut in response to continued low levels of inflation; Mozambique's annual consumer price inflation was 4.15% in June, which is well [below](#) the three-year high of 12.1% recorded in August 2022. The BdM is also confident that the current favourable trend in international commodity prices will help bolster the local currency, the meticaís, and help mitigate inflationary pressure related to currency depreciation.

The lower interest rates should help increase credit in Mozambique's economy, which should stimulate consumer spending and investment. The lower interest rate will also provide some debt relief in the country, as loan interest repayments will decline. Lower interest rates and an easier debt burden will facilitate the ongoing post-unrest recovery.

Insurgent attacks displace thousands in southern Cabo Delgado

The **United Nations (UN)** International Organisation for Migration (IOM) [reported](#) on 6 August that nearly 60,000 people have been displaced by insurgent attacks in **Cabo Delgado Province** since 20 July. This population displacement is a consequence of the **Islamic State-aligned Ahlu Sunnah wa Jama'ah (ASWJ)** militant group launching a campaign in Cabo Delgado's southern districts. ASWJ fighters first carried out attacks in the **Ancuabe** district, carrying out attacks on the villages of **Chiote** and **Metoro**, as well as Ancuabe town, as they moved southwards.

The militants then entered the **Chiure** district, where they have carried out numerous attacks, including on the towns of **Nantova**, **Micolene**, **Ntonhani**, and **Chiure Velho**, killing dozens of people. The single deadliest incident occurred on 28 July when ASWJ militants [ambushed](#) a group of local self-defence militia fighters outside the village of **Melija** (Chiure district), killing 18 people. The insurgents appeared to have realised that they were being pursued by the militia fighters and set up the ambush in response.

According to the [IOM](#), approximately 52,000 people were displaced by these insurgents in Chiure district alone over two weeks, while 2,765 were displaced in Ancuabe district. A further 2,310 people were displaced by a separate series of attacks launched in **Muidumbe** district.

These high rates of displacement are an intentional part of ASWJ's strategy. When the group attacks villages, its militants frequently destroy homes and other buildings in an effort to forcibly drive communities out of the villages. This exacerbates the existing displacement crisis in Cabo Delgado and places significant strain on Mozambique's state resources and the capacity of aid organisations that are active in the province. ASWJ's intentional targeting of civilians and history of attacking isolated rural villages also means that news that the militants are active in an area will lead communities to flee and seek refuge in larger towns with a better security force presence, even before their villages have been attacked.

ASWJ's capacity to carry out this series of attacks largely unchallenged in the Ancuabe and Chiure districts should be a matter of serious concern for Mozambican security officials. It confirms the group's capacity to carry out attacks throughout the province and easily bypasses the military's efforts to contain the group to its strongholds in northeastern Cabo Delgado. The group's presence in Chiure is further alarming given the district's proximity to the provincial capital, **Pemba**, and **Nampula Province**. This series of attacks across Chiure and Ancube appears to have been intended as a show of strength by the group. This was indicated by the speed at which the Islamic State [claimed](#) responsibility for the attacks. ASWJ is often referred to by IS as the **Islamic State – Mozambique**.

It should be noted that these attacks are indicative of the security environment in Cabo Delgado; the Mozambican military and its **Rwandan Defence Force (RDF)** allies lack the capacity to decisively defeat the group. In addition, ASWJ successfully evolved as an insurgent group focused on operating as small units targeting isolated villages. However, Mozambique's counterinsurgency efforts are sufficient to prevent ASWJ from regaining the strength it enjoyed in 2020 and 2021 when it controlled large swathes of territory in the province.

Mozambique's security forces have also mostly secured the **Palma** district from ASWJ. As such, it is unlikely that this recent surge in insurgent activity in Chiure and Ancuabe will have any impact on the ongoing negotiations around restarting **France**-headquartered **TotalEnergies** \$20 billion liquified natural gas (LNG) development in the Palma district. However, ASWJ's clear willingness to conduct operations in central and southern Cabo Delgado should be of concern to mining firms which maintain graphite and gem mining operations in districts in these areas.

Planner

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

8-9 Dec 2025 **Lisbon (Portugal)** Mozambique-Portugal Summit

2025 **(Mozambique)** Renamo to hold its **National Council** meeting (date to be confirmed)

Chronology

4 Aug 2025 **Maputo (Mozambique)** *Club of Mozambique*. President **Daniel Chapo** hosts **Eswatini's King Mswati III** for an official visit and oversees the signing of bilateral agreements on energy and transport;

4 Aug 2025 **Maputo (Mozambique)** *Club of Mozambique*. Police arrest two people in possession of human bones in the **Maniamba (Niassa Province)**, highlighting the illegal trade in human body parts in Mozambique;

31 Jul 2025 **Maputo (Mozambique)** *Club of Mozambique*. President **Daniel Chapo** launches the government's new **Local Economic Development Fund**, which is intended to finance development projects in districts and municipalities;

30 Jul 2025 **Maputo (Mozambique) Club of Mozambique**. Academics at the **Eduardo Mondlane University (UEM)** in Maputo warn that Mozambique is at risk of being banned from the international trade in rare and valuable timber for failing to comply with the **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)** regulations;

29 Jul 2025 **Maputo (Mozambique) Club of Mozambique**. President **Daniel Chapo** swears in Lieutenant General **Messias André Niposso** as the new deputy chief of staff of the national armed forces, **Forças Armadas de Defesa de Moçambique (FADM)**;

29 Jul 2025 **Maputo (Mozambique) Club of Mozambique**. State-owned fuel distribution firm, **Petromoc**, reveals that its profits declined by 90% in 2024 due to numerous challenges, including currency depreciation, global fuel prices, and the post-election unrest;

29 Jul 2025 **Maputo (Mozambique) Club of Mozambique**. Officials announce increased health security measures at the country's borders in response to rising mpox infections;

28 Jul 2025 **Maputo (Mozambique) Club of Mozambique**. Attorney general reports that it recorded five cases of domestic human trafficking in the first half of 2025;

28 Jul 2025 **Maputo (Mozambique) Club of Mozambique**. Mozambique and **Italy** sign a EUR 30m (\$34.88m) financing agreement to support entrepreneurship and youth employment in Mozambique;

28 Jul 2025 **Maputo (Mozambique) AIM**. President **Daniel Chapo** appoints several new senior officers in the national armed forces, **Forças Armadas de Defesa de Moçambique (FADM)**, and the police;

27 Jul 2025 **Maputo (Mozambique) AIM**. The government announces plans to build 13 new penitentiaries to address overcrowding in Mozambique's correctional facilities;

23 Jul 2025 **Maputo (Mozambique) Bloomberg**. **Australian** miner, **Syrah Resources**, resumes graphite shipments from its Mozambique project after suspending operations during the post-election unrest

22 Jul 2025 **Maputo (Mozambique) AIM**. Officials reveal that only 584 of the 1,534 prisoners who escaped from **Maputo Central Prison** during the post-election unrest last December have been recaptured;

20 Jul 2025 **Maputo (Mozambique) AIM**. **World Bank** president, **Ajay Banga**, conducts a two-day visit to Mozambique during which he affirms the World Bank's support for the planned **Mphanda Nkuwe** hydropower dam;

19 Jul 2025 **Maputo (Mozambique) Club of Mozambique**. President **Daniel Chapo** says that he expects the government to soon conclude talks with **French** energy giant **TotalEnergies** about resuming development on its \$20 billion LNG project in **Cabo Delgado Province**;

18 Jul 2025 **Maputo (Mozambique) Club of Mozambique**. France's ambassador to Mozambique, **Yann Pradeau**, announces that **France** will provide EUR 114m (\$132.7m) in financing to double the capacity of the **Ressano Garcia** railway line connecting Maputo to the **South African** border;

18 Jul 2025 **Maputo (Mozambique) AIM**. The **African Development Bank (AfDB)** approves a \$17m grant to support recovery and resilience programmes for areas of **Cabo Delgado Province** that have been impacted by terrorist attacks;

16 Jul 2025 **Maputo (Mozambique) AA**. The international aid organisation **Médecins Sans Frontières (MSF)** calls on Mozambique's government to better protect aid workers in **Cabo Delgado Province**;

15 Jul 2025 **Washington D.C. (United States)** *360Mozambique*. France-headquartered NGO **Friends of the Earth** and **Mozambique's Justica Ambiental** file a lawsuit against the **United States (US) Export-Import (EXIM) Bank** to void the export credit agency's funding for France-headquartered **TotalEnergies'** LNG project in **Cabo Delgado Province**;

8 Jul 2025 **Maputo (Mozambique)** *AIM*. Officials claim that the state-owned airline, **Linhas Aéreas de Moçambique (LAM)**, has settled its outstanding arrears with the **International Air Transport Association (IATA)**;

7 Jul 2025 **Seoul (South Korea)** *Club of Mozambique*. South Korean shipbuilder, **Samsung Heavy Industries**, confirms it secured the \$637m contract to build the **Coral Norte** floating LNG platform intended to be deployed off the coast of **Cabo Delgado Province**.

About Africa Risk Consulting:

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