

AFRICA RISK CONSULTING

Mozambique Monthly Briefing November 2024

Mozambique Summary 15 November 2024

The anti-government unrest following the 9 October general election continues to dominate developments. Opposition leader Venancio Mondlane calls for a fourth round of protests which successfully draws strong support across urban areas. The Frelimo-led government is growing increasingly unnerved by the popular unrest and orders that the military be deployed to support police in managing the demonstrations. The Conselho Constitucional (constitutional council) is reviewing the interim election results and allegations of widespread electoral fraud. The ongoing protests are causing significant economic damage, especially given the disruptions to ports and border crossings. In a positive development, Mozambique's sovereign wealth fund reports strong earnings in the first nine months of the year.

Post-election unrest intensifies

Anti-government demonstrations protesting the handling of the 9 October general election have continued across Mozambique's major urban centres, with the **Centro de Integridade Pública (CIP)** (public integrity centre) estimating that at least 50 protestors have been killed in clashes with Mozambican security forces since 21 October.¹

The protests are primarily being led by opposition leader **Venancio Mondlane** and the **Podemos** opposition party. Mondlane claims that the ruling party, **Frelimo**, and the **Comissão Nacional de Eleições (CNE)** (national electoral commission) rigged the general election and that he and not Frelimo's presidential candidate, **Inhambane** provincial governor **Daniel Chapo**, won the presidential election.

It should be stated that it is unlikely that Mondlane actually won the presidential election nor is it likely that Podemos won the legislative election. Frelimo's dominance in Mozambican politics and its countrywide party infrastructure likely secured it the majority of electoral support. However, there is evidence of malfeasance in the election process, including reported instances of intimidation, observers and party agents being denied access to polling stations and vote-counting centres, and allegations of ballot stuffing.² Most notably, the **European Union Election Observation Mission (EU EOM)** confirmed that CNE officials made unjustified alterations to the tabulated election results at both a polling station and district level.³

It is highly unlikely that Frelimo secured the dominant majority reflected in the interim election results which were released on 24 October (*see ARC Post Election Briefing Mozambique Oct 2024*). The perception that the government may have rigged the elections has inflamed deep-seated frustrations with the government among the Mozambican public, especially urban and young voters who are believed to have largely voted for Mondlane and Podemos.

Mondlane has also been effective at guiding this anger and directing these protests. The opposition leader has sought to maintain this momentum by calling for protests in a series of waves. This is more effective at maintaining support than simply calling for sustained unrest. Most recently, on 11 November, Mondlane called on opposition supporters to stage a fourth wave of protests beginning on 13 November until 15 November.⁴ This fourth round of demonstrations was similarly well attended

¹ Club of Mozambique, 14 Nov 2024

² Club of Mozambique, 14 Oct 2024

³ AIM, 22 Oct 2024

⁴ Club of Mozambique, 13 Nov 2024

with protests and shutdown strikes recorded in most of Mozambique's major urban areas including **Maputo, Nampula (Nampula Province), Beira (Sofala Province), and Quelimane (Zambezia Province)**.

Notably, Mondlane also called on demonstrators to stage protests in all provincial capitals near Mozambique's major points of entry, especially the country's ports and its border crossings with neighbouring **South Africa**. These border crossings have repeatedly been closed due to concerns over unrest in Mozambique over the past three weeks.⁵ The **Lebombo** and **Ressano Garcia** have been the worst affected severely disrupting cross-border trade.

Mondlane's call for protests in these locations underscores the tactical thinking behind this protest campaign. The opposition is hoping to apply pressure to the government by disrupting key economic points which will also draw increased international attention and scrutiny.

It should be noted that Mondlane is currently directing these protests from abroad. The opposition leader fled to South Africa in late October citing security concerns.⁶ He has since claimed on 4 November that he escaped an assassination attempt while in **Johannesburg** (South Africa).⁷ These claims have not been independently verified but are granted some credence given the fact that Mondlane's lawyer and ally, **Elvino Dias**, was killed in a suspected hit in Maputo on 18 October. Mondlane is now in hiding and directing the protests via online platforms. This use of the internet to organise and direct protests is among the main motivators behind the government's repeated internet blackouts in urban areas, particularly Maputo.

The sustained scale and the intensity of these opposition-led protests have alarmed Frelimo. The ruling party has accused Mondlane and Podemos of fuelling an insurrection and plotting to stage a coup d'état.⁸ Highlighting the extent to which the Frelimo-led government views the ongoing unrest as a national security concern, the government deployed soldiers to protest hotspots on 7 November to provide support to the Mozambican police.⁹ Such a development is concerning as it has escalated tensions on the ground and increased the likelihood of fatal clashes.

Military forces are not trained in effective crowd control methods and are more likely to use fatal measures to disperse demonstrations. Furthermore, the Mozambican military has a poor record of engaging with civilians and has repeatedly been accused of committing crimes including extrajudicial executions.

Frelimo retains a powerful grip on the Mozambican state and will not surrender this control willingly. As such, if the opposition-led protests continue the government crackdown is expected to intensify and higher casualty rates are expected.

The constitutional council faces scrutiny

This widespread unrest and corresponding violent crackdown have increased the scrutiny of the **Conselho Constitucional** (constitutional council) – Mozambique's highest court – which is adjudicating election disputes and assessing the CNE's interim results. The court has demanded additional information from the CNE, including the unedited polling station minutes and results sheets and demanded that the commission explain vote discrepancies.¹⁰ This suggests that the court is investigating the allegations that these sheets were unjustifiably edited by election officials.

The court appears to be cognisant of the intense domestic and international scrutiny that it is under. This was illustrated by its decision to postpone ruling in the allegations of major electoral fraud until it validates the general election results.¹¹ It was possible that this decision was taken in an effort to

⁵ AIM, 14 Nov 2024

⁶ 360 October, 29 Oct 2024

⁷ BBC, 4 Nov 2024

⁸ Bloomberg, 7 Nov 2024

⁹ News24, 7 Nov 2024

¹⁰ AIM, 31 Oct 2024

¹¹ Club of Mozambique, 13 Nov 2024

prevent inflaming the situation in Mozambique until it is ready to rule on matters in their entirety. At present, the constitutional council is not expected to pronounce the final election results or rule on whether any fraud took place until December. This means that political tensions will remain volatile, and Mozambique's security situation will be unstable for the foreseeable future. It also will test Mondlane and Podemos' ability to continue to mobilise opposition supporters.

Unrest causes economic damage

While the constitutional council reviews the CNE's interim election results and investigates opposition claims of electoral fraud, Mozambique will continue to incur the economic damage caused by the unrest.

Confederação das Associações Económicas de Moçambique (CTA) (Mozambican confederation of business associations) chairperson **Agostinho Vuma** claimed on 12 November that the post-election unrest has cost the Mozambican economy over \$388m.¹² This is due to the combined effect of the disruption to cross-border trade, the country's port activity, and normal commercial operations in economic centres such as Maputo and Nampula.

It is likely that Vuma has underestimated the true costs of this unrest, especially given the long-term knock-on effects of the intermittent border and port disruptions. This not only includes the lost revenue from these operations but also the lost economic activity resulting from the inability to import key goods into the country. Highlighting the severity of the disruptions, South African logistics company **Grindrod**, announced on 7 November that it had suspended its port and terminal operations in Mozambique due to disruptions Mozambique-South Africa border.¹³

The economic impact of the unrest is expected to worsen in the coming weeks after Mondlane specifically called for ports and border crossings to be targeted. This will enable the opposition to ensure that the protests remain impactful even if overall support declines in the coming weeks. It should be noted that Mozambique is entering one of its peak consumer seasons ahead of the Christmas and summer holidays. This typically results in an increase in consumer activity and a higher demand for imported goods. If these intermittent disruptions to Mozambique's trade and logistics routes continue, as well as shutdown strikes affecting retail centres, the country will experience a sharp decline in economic and consumer activity during the fourth quarter of 2024.

Positive indicators in the gas sector

Mozambique's sovereign fund, the **Fundo Soberano de Moçambique (FSM)**, revealed on 12 November that it had collected \$134.6m in the first nine months of 2024.¹⁴ The FSM was established to manage the financial windfall related to the country's natural gas reserves and the overwhelming majority of this revenue came from the **Coral Sul FLNG Platform** in the **Rovuma Basin** off the coast of **Cabo Delgado Province**. This project is managed by a consortium led by **Italy's Eni**.

The FSM's strong performance is particularly promising given that the Eni-led consortium is planning on developing a second FLNG platform called **Coral Norte** which will be deployed alongside the Coral Sul platform. In addition, the **United States (US)** energy giant **ExxonMobil** revealed on 6 November that it expects to make the final investment decision on its major LNG project in Cabo Delgado in early 2026.¹⁵ Admittedly, this is later than the initial forecast date of the end of 2025 but it does affirm ExxonMobil's commitment to its Mozambican operations which it expects to begin producing LNG in 2030.

Similarly, **France's TotalEnergies** is expected to announce the resumption of its project in Cabo Delgado. The French company declared force majeure and suspended operations at its \$20 billion project in the province's **Palma** district in 2021 following the insurgent attack on the town of Palma in

¹² AIM, 13 Nov 2024

¹³ Club of Mozambique, 7 Nov 2024

¹⁴ Club of Mozambique, 12 Nov 2024

¹⁵ 360 Mozambique, 7 Nov 2024

late March and early April of that year. The company was believed to be waiting until after the election concluded to make this announcement and is now likely waiting until the final results are declared and the ongoing unrest has calmed.¹⁶ Regardless, Mozambique's important LNG industry is showing positive developments which will encourage the government and investors.

Planner

Dec 2024 **Maputo (Mozambique) Conselho Constitucional** (constitutional council) to release the final election results;

Chronology

13 Nov 2024 **Maputo (Mozambique) Club of Mozambique**. The **African Union (AU)** approves \$5.5m in funding to support efforts to mitigate the effects of the **El Nino** weather oscillation in Mozambique;

11 Nov 2024 **Maputo (Mozambique) 360 Mozambique**. **Australian** mining firm **Syrah** reveals that its **Balama** graphite mine in **Cabo Delgado Province** is being disrupted by protests by local farmers;

10 Nov 2024 **New Delhi (India) AIM**. The **Indian** government commits to providing two fast interceptor vessels to Mozambique's military to help bolster the country's maritime security;

8 Nov 2024 **Maputo (Mozambique) AIM**. The **Southern African Development Community (SADC)** calls an emergency meeting of its **Political, Defence and Security Organ** to discuss Mozambique's post-election crisis;

8 Nov 2024 **Maputo (Mozambique) AIM**. The Mozambican chapter of the **Media Institute of Southern Africa (MISA)** press freedom organisation expresses concern over the Mozambican government's decision to expel two **Portuguese** journalists who were in Mozambique to cover the election unrest;

8 Nov 2024 **Maputo (Mozambique) AIM**. Opposition **Movimento Democrático de Moçambique (MDM)** leader **Lutero Simango** calls for fresh elections to be held to resolve the current political crisis;

5 Nov 2024 **Johannesburg (South Africa) News24**. South Africa's largest party, the **African National Congress (ANC)**, calls for calm in **Mozambique** but faces criticism for its perceived bias towards **Frelimo**;

5 Nov 2024 **Maputo (Mozambique) AIM**. Authorities confirm the discovery of a new large natural gas reserve in **Inhambane Province**;

5 Nov 2024 **Maputo (Mozambique) AIM**. Officials indicate that the government is hopeful that Mozambique will be removed from the **Financial Action Task Force (FATF)** grey list in the first half of 2025;

5 Nov 2024 **Maputo (Mozambique) AIM**. **Rwanda** denies allegations by opposition leader **Venancio Mondlane** that it has deployed troops to Maputo to support Mozambique security forces in dispersing opposition protests;

4 Nov 2024 **Maputo (Mozambique) 360 Mozambique**. **Kuwaiti** logistics firm, **Agility**, reveals plans to double its warehouse space in Maputo due to anticipated increased demand due to Mozambique's projected positive economic growth;

4 Nov 2024 **Maputo (Mozambique) AIM**. **Islamic Council of Mozambique** expresses its willingness to mediate talks between the government and the **Alhu Sunnah wa Jama'ah (ASWJ)** militant group in **Cabo Delgado Province**;

¹⁶ Club of Mozambique 25 Sep 2024

4 Nov 2024 **Maputo (Mozambique) AIM**. Italian energy giant, **Eni**, reaffirms its intention to move forward with its second floating liquified natural gas (FLNG) at its **Area 4** LNG site in Mozambique's **Rovuma Basin**;

3 Nov 2024 **Maputo (South Africa) AIM**. The **Serviço Nacional de Investigação Criminal (SERNIC)** (national criminal investigation service) seizes 573kg of cocaine hidden on a ship that had arrived from India;

2 Nov 2024 **Maputo (Mozambique) AIM**. **Australia's Syrah**, confirms that it has secured a \$150m loan from the **United States (US) International Development Finance Corporation** to fund further development of its graphite project in **Cabo Delgado Province**;

2 Nov 2024 **Maputo (Mozambique) AIM**. The **United Nations (UN) Food and Agriculture Organization** and **World Food Programme (WFP)** warn that over 773,000 Mozambicans could face food insecurity in the next five months;

1 Nov 2024 **Maputo (Mozambique) AIM**. The **International Islamic Conference** is held in Maputo;

30 Oct 2024 **Maputo (Mozambique) 360 Mozambique**. The **World Bank** disburses \$5.3m to strengthen Mozambique's private sector;

29 Oct 2024 **Maputo (Mozambique) AIM**. Unknown assailants kidnap a **Portuguese** national in Maputo;

29 Oct 2024 **Namigure (Mozambique) AIM**. A group of insurgents attack the village of Namigure in **Cabo Delgado Province's Macomia** district looting homes and businesses;

29 Oct 2024 **Maputo (Mozambique) AIM**. **Ossufo Momade**, leader of the **Renamo** opposition party, offers to resign as party leader following Renamo's poor electoral performance;

26 Oct 2024 **Maputo (Mozambique) AIM**. The ruling **Frelimo** postpones its planned election victory march due to the ongoing opposition protest campaign;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

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