

## AFRICA RISK CONSULTING

### Mozambique Monthly Briefing December 2024

---

#### Mozambique Summary 10 December 2024

*Opposition supporters continue to protest the 9 October general election results as opposition leader Venancio Mondlane calls for a new wave of protests after mediation efforts fail to take place. Protestors target economic key points including two power plants leading to electricity outages in southern Mozambique. The Islamist insurgency is continuing in Cabo Delgado Province, illustrated by a recent deadly attack in Ancuabe district. The Banco de Moçambique (BoM) (central bank) cuts interest rates due to falling inflation.*

---

#### Post-election unrest continues as mediation efforts fail...

Opposition leader **Venancio Mondlane** on 2 December called for his supporters to stage a week-long wave of anti-government protests starting on 4 December and ending on 11 December.<sup>1</sup> This is the latest in a series of opposition protests since the disputed 9 October elections. These demonstrations have intensified ever since the interim election results which were released on 24 October (See *ARC Post-Election Brief Mozambique Oct 2024*).

This latest round of protests received strong support as opposition supporters have demonstrated in urban areas across **Mozambique**. Indicative of Mondlane's ability to mobilise his supporters, at least 17 separate anti-government demonstrations took place on 5 December alone.<sup>2</sup> The most intense unrest again took place in **Maputo** where opposition protests have been marked by repeated clashes with security forces.

Mondlane's capacity to mobilise his supporters is particularly impressive given that the opposition leader has not been in Mozambique since October.<sup>3</sup> He fled Mozambique for **South Africa** claiming that state security forces and the ruling party **Frelimo** were planning to kill him. He claimed on 4 November that he escaped an assassination attempt while in **Johannesburg** (South Africa).<sup>4</sup> 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 directing the protest campaign from an undisclosed location abroad – believed to be somewhere in **Europe** – primarily using online platforms such as **Facebook**. This has been effective despite the repeated internet shutdowns the government has ordered.

The fact that the post-election protest campaign has maintained momentum for almost two months can be credited to Mondlane's tactical ability, Mozambicans deep-seated frustration, and growing resentment of the country's security forces. Mondlane and the **Partido Otimista pelo Desenvolvimento de Moçambique (Podemos)** party that backs him have opted to call protests in a series of waves. This has enabled repeated surges in demonstrations rather than attempts to sustain continued daily protests, which would be more susceptible to flagging support.

Security forces' heavy-handed reaction has fuelled anger towards the state and hardened the resolve of the demonstrators. The exact number of fatalities is uncertain but the Mozambican anti-corruption watchdog, the **Centreo de Integridade (CIP)**, estimates that at least 103 people have been killed in

---

<sup>1</sup> AIM, 3 Dec 2024

<sup>2</sup> AIM, 6 Dec 2024

<sup>3</sup> News24, 25 Nov 2024

<sup>4</sup> BBC, 4 Nov 2024

the unrest since 21 October.<sup>5</sup> The majority of these were killed by security forces using live ammunition and, in at least one confirmed case, running over protesters with vehicles.<sup>6</sup>

The latest round of protests comes after efforts by President **Filipe Nyusi** (2014-present) to mediate talks on 26 November failed after Mondlane failed to attend.<sup>7</sup> Mondlane said he did not attend the talks because Nyusi did not reply to his proposed agenda items and conditions for dialogue. These included allowing him to attend remotely and the state dropping its criminal and civil cases against him. Mozambican authorities have filed criminal and civil charges against Mondlane over violence related to the post-election unrest. In addition, officials secured a court order freezing Mondlane's bank accounts in an effort to place financial pressure on the opposition leader and limit his ability to manoeuvre.<sup>8</sup>

Mondlane's insistence on having input on the dialogue agenda underscores the shift he has brought to opposition politics in Mozambique. The more established opposition leaders – **Ossufo Momade** of **Renamo** and **Lutero Simango** of the **Movimento Democrático de Moçambique (MDM)** – both indicated a willingness to engage in the talks on Nyusi's terms. Mondlane's refusal to attend unless concessions were made on the agenda is illustrative of his less comprising approach to engaging with the government. This approach has drawn strong levels of popular support.

As yet, there have been no viable efforts to restart the aborted dialogue. It appears as if most actors involved in Mozambique's political crisis are now waiting for the country's apex court, the **Conselho Constitucional**, to announce the final election results. The court has been assessing the interim results and adjudicating challenges and disputes to the **Comissão Nacional de Eleições (CNE)** (national electoral commission) final tally and is expected to announce its findings before the end of December.

The court is expected to generally uphold the CNE's interim results insofar as declaring Frelimo and Frelimo's presidential candidate **Daniel Chapo** the winners of the election. However, it is likely that the court will amend the results to measurably reduce Frelimo's majority in response to the widespread evidence of electoral malfeasance. Mondlane is unlikely to accept such a finding given his firm position that the election was stolen. However, a heavily amended outcome that increases opposition influence in the legislature and even allows for opposition control of a province could weaken the support for the protest campaign.

### ...causing power outages and economic disruptions amid weak police response

Mozambique needs to urgently end this ongoing political crisis as it is having a detrimental impact on the country's economy. This impact has been amplified by the fact that demonstrators have intentionally targeted key economic sites such as ports, border crossings, and power plants.

Illustrative of this, on 7 December, a group of protestors targeted the **Ressano Garcia (CTRG) and Gigawatt Thermoelectric Power Plants in Maputo Province** leading to major disruptions at these sites.<sup>9</sup> This resulted in a loss of 250MW of generated power which led to widespread power outages in southern Mozambique for two days.

Similarly, on 4 December, protestors shut down the road to the state-owned aluminium producer, **MOZAL** disrupting operations at the plant and preventing aluminium exports from reaching **Maputo Port**.<sup>10</sup> This strategy of targeting economic key points emerged after protestors witnessed the impact of earlier demonstrations targeting the border crossing into **South Africa**. Such targeted demonstrations are expected to continue to define the opposition protest campaign, especially those targeting border crossings during the current holiday season.

<sup>5</sup> Club of Mozambique, 9 Dec 2024

<sup>6</sup> RFI, 29 Nov 2024

<sup>7</sup> AIM, 26 Nov 2024

<sup>8</sup> AIM, 19 Nov 2024

<sup>9</sup> AIM, 7 Dec 2024

<sup>10</sup> AIM, 5 Dec 2024

This intentional targeting of economic key points by protestors has alarmed Mozambican authorities and has fuelled the conspiratorial mindset within Mozambique's security forces. On 6 December, police spokesperson **Orlando Mudumane** claimed that Podemos was planning to attack and destroy "strategic state assets" such as police stations and prisons in order to seize weapons and free prisoners.<sup>11</sup> It should be noted that such actions have not occurred, and it would mark a steep escalation in the ongoing protest campaign into an outright insurgency.

However, Mozambican authorities and security services have been growing increasingly paranoid over the sustained protests. Rather than acknowledge the deep-seated frustrations among Mozambicans and the role the heavy-handed police response has had in worsening the situation, much focus has been placed on seeking external enemies.

Earlier, on 1 December, police officials claimed that the protests were being financed by civil society organisations and foreign elements wanting to foment chaos in Mozambique.<sup>12</sup> This prompted a group of over 100 nongovernmental organisations to release a joint statement denying that they have had any role in financing the protests.

This conspiratorial rhetoric is intended to both absolve the state of its role in the unrest and to delegitimise protestors' grievances. Such rhetoric will also help the government justify further crackdowns on protestors by claiming that they are defending Mozambique's sovereignty.

### Cabo Delgado's insecurity persists

The ongoing unrest across the country has diverted both resources and attention away from the Islamist insurgency in **Cabo Delgado Province**, which has continued. The election unrest may have deprioritised the insurgency and Mozambique's security apparatus is focused on addressing the post-election unrest, but the **Alhu Sunnah wa Jama'ah (ASWJ)** is continuing to carry out attacks in Cabo Delgado. Illustrative of the group's continued capacity, ASWJ militants killed at least 18 people in an attack in Cabo Delgado's **Ancuabe** district on 17 November.<sup>13</sup>

Militants ambushed a group of local militia fighters (known as Naparamas) while the latter were participating in a traditional ceremony. The timing, execution, and number of fatalities involved in this attack underscore ASWJ's operation and intelligence-gathering capabilities.

ASWJ's continued operating capacity poses a long-term security concern in Cabo Delgado and a threat to Mozambique's gas industry. Yet, with Mozambican security and intelligence resources now being diverted to combatting civil unrest there are concerns that the ongoing counterinsurgency could be undermined.

Accordingly, Mozambique will now be even more dependent on the **Rwanda Defence Force (RDF)** troops deployed in Cabo Delgado. The RDF forces are better trained and impactful than their Mozambican counterparts. As such, Mozambican officials will be relieved by the fact that the **European Council** approved \$21.1m in financial support on 18 November to fund the RDF's continued deployment in Cabo Delgado.<sup>14</sup> This will be dispersed under the **European Union's (EU) European Peace Facility**.

### Central Bank cuts interest rates

On 27 November, **Banco de Moçambique (BoM)** (central bank) elected to cut Mozambique's main monetary policy interest rate by 75 basis points from 13.5% to 12.75%.<sup>15</sup> This is the sixth consecutive interest rate cut this year which has resulted in a total reduction of 450 basis points since December 2023 when the interest rate was at 17.25%.

<sup>11</sup> Club of Mozambique, 9 Dec 2024

<sup>12</sup> AIM, 1 Dec 2024

<sup>13</sup> AIM, 21 Nov 2024

<sup>14</sup> AIM, 20 Nov 2024

<sup>15</sup> AIM, 27 Nov 2024

These steep and repeated interest rate reductions were implemented in response to falling inflation. Consumer price inflation in Mozambique was measured at 2.68% in October down from 5.47% a year earlier and well below the three-year high of 12.1% measured in August 2022.<sup>16</sup>

Mozambique's falling interest rates are the result of the wider global decline in inflation and the BoM's aggressive monetary policy. However, interest rates are likely too high at present and are constraining consumer spending and investment, thus placing a drag on economic growth. As such, further interest rate cuts are expected in the coming months even in the face of an anticipated increase in inflation related to the economic disruptions caused by the post-election unrest.

### A look at 2025

Mozambique will continue to face many of the same challenges in 2025 as it did this year. The country's political crisis is expected to carry on into the new year, with protests expected to occur through January. Chapo will face the daunting task of easing political tensions in the country while simultaneously needing to establish his own control over Frelimo.

The ASWJ insurgency in Cabo Delgado will also persist throughout the coming year. The Islamist militant group is not expected to increase in strength or manage to hold territory, but Mozambican and Rwandan forces clearly lack the ability to decisively defeat the insurgency. However, 2025 is expected to be a significant year for Mozambique's gas sector. **French** energy giant, **TotalEnergies**, should announce the resumption of development at its \$20 billion onshore LNG project in Cabo Delgado's **Palma** district in the first half of 2025. Similarly, the consortium led by **Italy's ENI** is expected to take the final investment decision on its second floating LNG platform, the **Coral Norte**, in the first half of 2025. The consortium's current platform, **Coral Sul**, has been a marked success and is the largest active LNG project in Cabo Delgado. These developments will bolster Mozambique's economy and fuel increased investment in the hydrocarbons industry in 2025.

### Planner

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

2025 **Cabo Delgado (Mozambique)** Expected resumption of **France**-headquartered **TotalEnergies** LNG project

2025 **(Mozambique) Italy's ENI** expected to take the final investment decision on **Coral Norte** floating LNG platform

### Chronology

9 Dec 2024 **Maputo (Mozambique)** *360 Mozambique*. Mozambique's auction of its state-owned tuna boat fleet fails to attract a single bid;

7 Dec 2024 **Maputo (Mozambique)** *360 Mozambique*. **President Filipe Nyusi** announces plans to increase Mozambique's production of cooking gas by 60,000 tonnes in the coming three months;

6 Dec 2024 **Pretoria (South Africa)** *The Sowetan*. South African officials rescue 14 children being trafficked from **Mozambique** into South Africa;

6 Dec 2024 **Maputo (Mozambique)** *AIM*. Protestors invade a titanium minerals mining site operated by **Ireland's Kenmare Resources** to demand increased community benefits;

5 Dec 2024 **Maputo (Mozambique)** *Club of Mozambique*. The Mozambican government reassures travellers that tourist sites and destinations remain safe despite the ongoing protests in urban areas.

<sup>16</sup> Trading Economics, 10 Dec 2024

4 Dec 2024 **Maputo (Mozambique)** *Club of Mozambique*. **Banco de Moçambique (BoM)** (central bank) reveals that **India** was Mozambique's leading export destination in the first half of 2024 with \$763.2m in exports;

4 Dec 2024 **Maputo (Mozambique)** *Club of Mozambique*. **South Africa's Standard Bank** releases its latest **Mozambique Purchasing Managers Index (PMI)** which fell below 50 points in November for the first time since April due to the negative impact of the post-election unrest;

4 Dec 2024 **Maputo (Mozambique)** *AIM*. Anti-government protests spread to the town of **Marracuene (Maputo Province)**;

3 Dec 2024 **Maputo (Mozambique)** *AIM*. President **Filipe Nyusi** appoints **Américo Julião Letela** as Mozambique's new attorney-general;

29 Nov 2024 **Maputo (Mozambique)** *AIM*. The government announces that it has secured \$500m for digital transformation projects aimed at expanding internet access;

28 Nov 2024 **Maputo (Mozambique)** *AIM*. Opposition party **Renamo** announces that it will only hold its next national council meeting in 2025 during which it will discuss the party's disastrous election performance;

28 Nov 2024 **Maputo (Mozambique)** *AIM*. The opposition **Partido Otimista pelo Desenvolvimento de Moçambique (Podemos)** calls for Mozambique's security chiefs to be fired over the security forces heavy-handed response to protests;

27 Nov 2024 **Maputo (Mozambique)** *AIM*. Mozambican anti-corruption watchdog, the **Centro de Integridade (CIP)**, criticises Mozambique's sovereign wealth fund as being insufficiently transparent;

26 Nov 2024 **Maputo (Mozambique)** *AIM*. **Conselho Constitucional** (constitutional council) reports that its judges have received death threats as they adjudicate the general election results;

25 Nov 2024 **Maputo (Mozambique)** *Club of Mozambique*. Officials reveal that graphite production fell by 55% in the first nine months of 2024 compared with the same period in 2023 due to disruptions at major graphite projects;

25 Nov 2024 **Manica (Mozambique)** *AIM*. opposition **Partido Otimista pelo Desenvolvimento de Moçambique (Podemos)** **Manica** headquarters is burned down in a suspected case of arson;

21 Nov 2024 **Maputo (Mozambique)** *AIM*. Over 150 illegal miners invade the **Montepuez Ruby Mining (MRM)** project site in **Cabo Delgado Province** after a rumour spread that the mining firm was allowing artisanal miners access to the site;

20 Nov 2024 **Maputo (Mozambique)** *Anadolu Agency*. Opposition leader **Venancio Mondlane** declares three days of mourning to commemorate protesters who had been killed by police;

19 Nov 2024 **London (United Kingdom)** *News24*. **Britain's Royal Institute of International Affairs (Chatham House)** states that **Daniel Chapo** will be welcome to address it once his re-election has been formally validated;

18 Nov 2024 **Maputo (Mozambique)** *News24*. Opposition party **Renamo** calls for the 9 October election to be annulled.

### 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.

**ARC's** core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### About ARC Briefing:

**ARC Briefing** is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

**ARC Briefing** is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### Getting in touch

Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com)

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)

Africa Risk Consulting (ARC) Pty Ltd expressly forbids the collection of information and content from ARC Briefing as data to train generative artificial intelligence models.

© Africa Risk Consulting (ARC)