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AFRICA RISK CONSULTING

Mozambique Monthly Briefing March 2026

Mozambique Summary 12 March 2026

The war in the Persian Gulf is expected to bring both economic harm and opportunities to Mozambique. The country will benefit from higher liquefied natural gas (LNG) prices and increased port traffic but will suffer from rising petroleum prices and the threat of shortages. The International Monetary Fund (IMF) concludes its regular assessment of Mozambique's economy, but makes no indication that it is ready to resume funding support to the country. In contrast, the World Bank announces a $10 billion five-year funding plan to support both the public and private sectors. Health officials warn that the country is facing a cholera epidemic.

Iran war to bring Mozambique both profit and pain

The war on **Iran** the **United States (US)** and **Israel** launched on 28 February, and Iran's subsequent retaliation by targeting oil-producing states in the **Persian Gulf**, has had ramifications for nearly every economy in the world, including **Mozambique**. Iran has struck oil and gas infrastructure across the region and sought to prevent all maritime traffic through the **Strait of Hormuz**, disrupting production and exports from **Saudi Arabia**, **Qatar**, the **United Arab Emirates (UAE)**, **Iraq**, and **Oman**. Consequently, global oil and gas prices have sharply increased; brent crude oil spiked from around $72 a barrel on 26 February to a high of over $116 on 9 March before easing to around $95 as of 12 March. This easing is largely due to the **International Energy Agency**'s **(IEA)** decision to release 400 million barrels of oil from strategic stockpiles into the global market. Liquefied natural gas (LNG) prices have similarly surged; the **European Union (EU)** benchmark LNG price has increased by over 70% since the start of March, while the LNG spot price in **Asia** has more than doubled. The surge in LNG prices is largely due to Qatar suspending all LNG production and exports after its production facilities were struck. Qatar produces approximately 20% of global LNG.

The increase in global LNG prices will benefit Mozambique as the country will generate more revenue from both LNG taxes and dividends state-owned hydrocarbons firm **Empresa Nacional de Hidrocarbonetos (ENH)** earns, which holds stakes in LNG projects in the country. As such, Mozambique should bring in higher volumes of foreign exchange this year, and its sovereign wealth fund should exceed expectations. Another round of conflict and instability in the **Middle East** will also make Mozambique more attractive as an investment destination for oil and gas majors as well as draw increased attention from economies seeking to diversify LNG supplies.

Maputo Port is also expected to benefit from this conflict. Major shipping firms have responded to the outbreak of the war in the Gulf by diverting traffic away from the region, including the wider **Red Sea** area, around the **Cape of Good Hope**. This will increase the demand for bunkering services from Southern African ports. Maputo Port launched a new bunkering service in 2022, which improved the port's offering including adding Very Low Sulphur Fuel Oil (VLSFO) grade marine fuel. The increased traffic via the port will boost the port's revenue and present an opportunity for Maputo Port to establish itself as a regional player that can effectively compete with other regional seaports, including those in **South Africa** and **Namibia**.

However, these benefits will be mitigated by the negative externalities caused by the war in the **Persian Gulf**. Mozambique is not an oil-producing state and does not have any domestic refining capabilities. The country imports all its refined petroleum products and is highly exposed to any external shocks to global fuel prices. Mozambique is set to face a surge in its fuel import costs, which will have ramifications throughout the economy and exacerbate the country's foreign exchange shortages. Furthermore, Mozambique is facing potential fuel shortages in the coming weeks. The country imports the majority of its refined petroleum products from **India**, **China**, the UAE, Qatar, and **Malaysia**.

Imports from the UAE and Qatar have effectively halted due to the conflict. Meanwhile, on 11 March, China implemented an immediate ban on fuel exports, meaning any products set to be exported to Mozambique will not be delivered. Mozambique will now need to urgently seek alternative fuel supplies to compensate for lost imports from China, the UAE, and Qatar. The country will appeal to India and Malaysia for support, but will need to compete with other countries that are also desperately seeking new supplies of refined fuel. Mozambique will struggle to compete financially for these remaining supplies. Fuel shortages will include diesel, petroleum, and jet fuel, and negative impacts can be expected across every economic sector, ranging from transport and logistics, mining, manufacturing, construction and aviation.

Mozambique is still recovering from the economic harm caused by the 2024/25 civil unrest and this year's flooding and is ill-prepared to navigate another negative economic shock. Fuel price increases and shortages will undermine economic growth and place inflationary pressure on consumer prices. Rising costs and fuel shortages have historically led to protests in Mozambique, and as such, the risk of civil unrest will increase as the situation worsens.

IMF concludes review, but no new funding agreement reached

The **International Monetary Fund (IMF)** executive board concluded its **Article IV** consultation with Mozambique on 17 February, noting that the country continues to face a complex macroeconomic environment marked by subdued growth, fiscal and debt vulnerabilities, and declining foreign aid, while balancing pressing development needs, capacity constraints, and frequent natural disasters. The IMF further noted that the government is facing financing difficulties and assessed that the reduction in the fiscal deficit from 6.2% in 2024 to 4.5% in 2025 is more due to reduced spending on goods, services, and capital projects rather than intentional fiscal consolidation measures by the state.

The IMF did note that Mozambique recorded some positive gains in the past year, most notably, the country exited the **France**-headquartered **Financial Action Task Force**'s **(FATF)** grey list, France-headquartered **TotalEnergies** resumed construction of its major LNG project in **Cabo Delgado Province**, lower levels of inflation, and adequate foreign reserves. However, the negative impact of the war in Iran will likely undermine Mozambique's gains in lowering inflation and building its foreign exchange reserves (even with the increased foreign exchange from higher LNG earnings).

In its assessment, the IMF board called on Mozambique to implement an *"ambitious and credible fiscal consolidation to help reduce financing needs and restore debt sustainability, and to create fiscal space to finance vital social and development needs*." The board further underscored the need for stronger structural reforms focused on strengthening governance, transparency and accountability and creating a more welcoming environment for private sector development.

It was likely this need for increased fiscal consolidation and structural reforms that motivated the most glaring omission from the review, an indication that the IMF is open to a new **Extended Credit Facility (ECF)** funding arrangement. Mozambique and the IMF ended the last ECF arrangement in April 2025 due to a disagreement over fiscal consolidation *(see ARC Briefing Mozambique May 2025)*. Mozambique had reversed some of its fiscal consolidation and revenue mobilisation in response to the effects of the 2024/25 civil unrest. The loss of the IMF funding did undermine Mozambique's ability to effectively finance its budget and manage its balance of payments. The absence of this funding will be particularly hard felt when the effects of the Iran war begin to impact the economy.

In a contrasting development, finance minister **Carla Louveira** announced on 23 February that the **World Bank** had committed to disburse $10 billion in support to Mozambique over the next five years. Louveira revealed this following a meeting between President **Daniel Chapo** (2025-present) and World Bank divisional director **Fily Sissoko**. The $10 billion in funding will comprise $6 billion in public investment and $4 billion to support Mozambique's private sector.

Louveria also announced that the World Bank would provide a $450m credit line to support economic resilience initiatives and $20m in **Regional Emergency Preparedness and Access to Inclusive Recovery Programme (REPAIR)** funding to finance emergency, relief, and health projects. This support from the World Bank will be welcomed by the government, given its dependence on external funding to drive its development agenda.

Health officials declare cholera epidemic

Underscoring Mozambique's need for external funding and aid, the national director of public health, **Quinhas Fernandes**, announced on 19 February that the health ministry currently considers the ongoing cholera outbreak in the country to be an epidemic. A week later, on 27 February, health authorities updated its infection figures revealing that at least 6,300 cases of cholera had been confirmed since September 2025, of which 70 were fatal. It was particularly concerning that over 200 new cases were confirmed in that week alone, suggesting that the outbreak is accelerating and is likely more widespread that initially believed.

The worst-affected regions are **Nampula Province** (2,764 infections, 32 deaths), **Tete Province** (2,336 cases, 28 deaths) and Cabo Delgado (958 cases, eight deaths). Active infections have also been confirmed in the provinces of **Zambezia**, **Manica**, **Sofala**, **Maputo** and **Gaza**. As such, eight of Mozambique's ten provinces are experiencing cholera outbreaks.

Cholera is caused by consuming contaminated food or water and can be fatal. The disease is waterborne; as such, the heavy rains and flooding over the past few months has aggravated the outbreak. Mozambique has limited public health capabilities and poor water and sanitation infrastructure, and as such, is struggling to contain this outbreak.

Planner

Mar 2026 **Maputo (Mozambique) Renamo** national council conference

31 Aug 2026 – 6 Sep 2026 **Maputo (Mozambique) Feira Internacional de Maputo (Maputo International Fair) (FACIM 2026)**;

Chronology

11 Mar 2026 **Maputo (Mozambique)** *AIM*. Prime minister **Benvinda Levi** reveals that the government now estimates that over 270 people were killed in the flooding that impacted the country in January and February;

10 Mar 2026 **Maputo (Mozambique)** *AIM*. The **Conselho de Ministros** (council of ministers) approves the government's new strategy to combat money laundering and terrorist financing;

10 Mar 2026 **Maputo (Mozambique)** *AIM*. The inclusive national dialogue's technical commission begins the second phase of its public consultations;

9 Mar 2026 **Maputo (Mozambique)** *AIM*. The **African Development Bank (AfDB)** approves $27.8m in funding to support reconstruction efforts focused on infrastructure damaged by insurgents in **Cabo Delgado Province**;

9 Mar 2026 **Lisbon (Portugal)** *AIM*. President **Daniel Chapo** attends the inauguration of Portugal's new president, **Antonio Jose Seguro**;

9 Mar 2026 **Maputo (Mozambique)** *AIM*. **Bolsa de Valores de Moçambique (BVM)** (Mozambican stock exchange) board chair, **Pedro Cossa**, reveals that the **Conselho de Ministros** (council of ministers) has elected to sell shares in state-owned companies to the public;

5 Mar 2026 **Maputo (Mozambique)** *Carta Mozambique*. Around 150 former fighters from local Naparama (self-defence) militias and former **Renamo** guerrillas formally surrendered to

officials in **Zambezia Province** under an ongoing programme to disarm and reintegrate former militants into society;

4 Mar 2026 **Maputo (Mozambique)** *AIM*. Officials unveil plans to increase the mandatory retirement age for public sector employees from 60 to 65 years;

4 Mar 2026 **Maputo (Mozambique)** *Club of Mozambique*. President **Daniel Chapo** calls **Emirati** president **Sheikh Mohamed bin Zayed Al Nahyan** to express Mozambique's support amid the ongoing conflict in the **Persian Gulf**;

3 Mar 2026 **Maputo (Mozambique)** *AIM*. The Mozambican and **United States (US)** governments agree to establish a **Bilateral Economic and Trade Working Group** to drive enhanced economic cooperation between the two countries;

3 Mar 2026 **Maputo (Mozambique)** *AIM*. **Japan** commits $6.9m to support the **United Nations (UN) Refugee Agency**'s humanitarian projects in **Cabo Delgado Province**;

2 Mar 2026 **Palma (Mozambique)** *Zitamar*. Authorities resume military escorts along the **Macomia-Awasse** stretch of the N380 roadway after officials barred travel on the roadway for nearly two weeks due to militant activity;

2 Mar 2026 **Maputo (Mozambique)** *AIM*. **Podemos**, the official opposition party in parliament, elects **Caetano Mussacaze** as its new secretary-general;

2 Mar 2026 **Maputo (Mozambique)** *Club of Mozambique*. Defence minister **Cristóvão Artur Chume** signs a memorandum of understanding (MoU) on defence cooperation with his **Ugandan** counterpart **Oleru Huda Abason**;

26 Feb 2026 **Maputo (Mozambique)** *AIM*. President **Daniel Chapo** claims that the number of kidnappings in Mozambique has significantly reduced in recent months;

26 Feb 2026 **Maputo (Mozambique)** *Club of Mozambique*. **Rwanda Defence Force (RDF)** army chief of staff Major General **Vincent Nyakarundi** conducts a visit to **Cabo Delgado Province** to meet with Mozambican officials and inspect RDF forces stationed in the province;

24 Feb 2026 **Maputo (Mozambique)** *AIM*. The **Manhica District Court** orders the release of eight members of the Anamola opposition party after finding that there was no evidence they had committed any crime;

24 Feb 2026 **Maputo (Mozambique)** *AIM*. **Gabinete Central de Combate à Corrupção (GCCC)** (central office for combating corruption) announces that it is investigating cases of corruption and mismanagement at national carrier, **Linhas Aéreas de Moçambique (LAM)**;

24 Feb 2026 **Maputo (Mozambique)** *AIM*. **United States (US)** oil major **ExxonMobil** and **France**'s **TotalEnergies** launch a joint tender for maritime services, including tug boats, at their respective LNG projects;

24 Feb 2026 **New York (United States)** *Club of Mozambique*. **United States**-based **Bloomberg Philanthropies** announces **Beira** municipality **(Sofala Province)** as one of the 24 winners of its annual Mayors Challenge;

22 Feb 2026 **Maputo (Mozambique)** *AIM*. Insurgents kill two people in an attack on a military escort on the EN 380 roadway in the **Macomia** district **(Cabo Delgado Province)**;

20 Feb 2026 **Maputo (Mozambique)** *AIM*. Insurgents kidnap eight people in an attack on villages in **Mocimboa da Praia (Cabo Delgado Province)**;

18 Feb 2026 **Maputo (Mozambique)** *Club of Mozambique*. **France**-headquartered **TotalEnergies** confirms it has begun building worker housing at its LNG project site in **(Cabo Delgado Province)**;

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14 Feb 2026 **Addis Ababa (Ethiopia)** *Club of Mozambique*. President **Daniel Chapo** meets with Ethiopia's prime minister **Abiy Ahmed** on the sidelines of the **African Union (AU) Heads of State and Government Summit**;

13 Feb 2026 **Maputo (Mozambique)** *Club of Mozambique*. Justice ministere **Mateus Saize** signs a mutual legal assistance treaty with **India**'s high commissioner to Mozambique, **Robert Shetkintong**, laying the foundation for increased cooperation in extradition agreements between the two countries.

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