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Mozambique Summary 17 November 2026

President Daniel Chapo undertakes a working visit to the United Arab Emirates (UAE) from 13 to 15 November, during which Mozambican officials and the Abu Dhabi Fund for Development (ADFD) sign a significant $500m cooperation agreement, as Mozambique diversifies its bilateral partnerships and economic partners. IMF forecasts that Mozambique's economy will grow by 1% in 2026, an upward revision from 0.5% forecast in April, and 2% in 2027, increasing risks of prolonged economic stagnation. As Mozambique's economy continues to face significant challenges, the government is pushing forward with developing and promoting the gas sector, which is the country's strongest longer-term opportunity to generate substantial export earnings, government revenue and foreign exchange.

Chapo undertakes working visit to UAE

President **Daniel Chapo** (2025-present) undertook a working visit to the **United Arab Emirates (UAE)** from 13 to 15 November, during which **Mozambican** officials and the **Abu Dhabi Fund for Development (ADFD)** signed a significant $500m cooperation agreement, as Mozambique diversifies its bilateral partnerships and economic partners. The $500m cooperation agreement is intended to support Mozambique's development agenda. Representatives also signed agreements covering cooperation in several sectors, most notably energy, tourism and labour relations. Chapo and UAE President Sheikh **Mohamed bin Zayed Al Nahyan** (2022-present) also met to discuss deepening political and economic cooperation.

Chapo noted that this November visit built upon discussions he had during an earlier visit to the UAE in January, including a **Comprehensive Economic Partnership Agreement (CEPA)**, which was concluded during this recent visit. The CEPA will help to reduce trade barriers and increase investment ties and market access between the two countries. UAE's foreign trade minister, Dr **Thani bin Ahmed Al Zeyoudi,** remarked that the CEPA will allow the UAE to expand its trade and investment footprint across **Africa**.

The CEPA and Chapo's visit came as the UAE government released data revealing that non-oil trade between the two countries had reached $2.5 billion in the first nine months of 2026, an increase of 49% compared with the same period last year, and five times greater than it was in 2019. The UAE already has strong investment in Mozambique, through **XRG**'s 10% interest in the Area 4 concession of the **Rovuma Basin** – XRG is a subsidiary of the **Abu Dhabi National Oil Company (ADNOC)** – and UAE-headquartered **DP World**'s investment in the **Port of Maputo**. While the $500m agreement has not necessarily been disbursed, it is a promising development for Mozambique, which is facing economic headwinds (see below).

IMF forecasts economy will grow by just 1% in 2026

International Monetary Fund (IMF) resident representative in Mozambique, **Olamide Harrison**, presented the IMF's latest economic outlook report in **Maputo** on 11 November, forecasting that Mozambique's economy will grow by 1% in 2026, an upward revision from 0.5% forecast in April, and 2% in 2027, increasing risks of prolonged economic stagnation. Prior to Harrison's presentation, Chapo warned at a conference on 4 November that the economy needs to grow at a rate faster than the population, which is growing at approximately 2.5% a year. The IMF forecasts that Mozambique will not meet this growth rate.

The IMF attributed the weak growth to several issues including foreign-exchange constraints, fiscal pressures and constraints on investments. One of the main risks facing Mozambique is rising international fuel prices, which can continue to rise and increasingly place pressure on foreign exchange reserves. Eroding foreign exchange reserves reduces the government's ability to adapt to any other external shocks. Harrison noted that if the government runs out of financing to cover its fuel import bill, this will have to come out of the public budget, importers or public utility companies.

The 2027 budget forecasts growth of 1.6% in 2027, average inflation of 7% and a budget deficit of 4.6% of GDP, indicating that the government is realistic and aware of the headwinds facing the economy. The 2027 budget is based on economic growth of 0.6% this year, with the government noting that floods at the start of 2026 had an impact equivalent to 2% of GDP.

The economy is still reeling from the impact of the post-election civil unrest in 2024, which caused a sharp economic contraction in the fourth quarter (Q4) of 2024 and the first two quarters of 2025. Illustrative of this economic harm, Mozambique's real GDP grew by 5.5% in 2023, but fell to 2.1% in 2024 and -0.5% in 2025.

The conflict in the **Middle East** could also lead to fertiliser shortages, which will have a strong knock-on effect on Mozambique's largest contributor to GDP, agriculture.

Mozambique: Top five contributors to GDP, 2021 – 2025 (%)					
Rank	**2021**	**2022**	**2023**	**2024**	**2025***
1	Agriculture (26.9%)	Agriculture (25.6%)	Agriculture (25.4%)	Agriculture (25.1%)	Agriculture (25.8%)
2	Extractive industries (9.8%)	Extractive industries (11.3%)	Extractive industries (10.8%)	Extractive industries (12.2%)	Extractive industries (12.9%)
3	Trade and repairs (9.2%)	Trade and repairs (8.4%)	Trade and repairs (8.6%)	Public administration (8.1%)	Public administration (8.1%)
4	Manufacturing (8.1%)	Manufacturing (8.1%)	Public administration (7.3%)	Trade and repairs (8%)	Trade and repairs (7.1%)
5	Public administration (6.5%)	Public administration (6.7%)	Manufacturing (7.1%)	Manufacturing (6.6%)	Manufacturing (6.2%)

**2025 figures remain preliminary*

Source: Instituto Nacional de Estatística (INE)

The long-term impact of fertiliser shortages on the agriculture sector could have negative economic consequences over the next two years, at least. While the increased activity in extractive industries does create opportunities for export earnings, it is a sector that is exposed to international commodity prices and operational disruptions, such as fuel shortages or high fuel prices. In fact, four of Mozambique's largest contributors to GDP – agriculture, extractive industries (specifically mining), trade and repairs, and manufacturing – are vulnerable to high fuel prices as they increase operating costs. The declining relative importance of manufacturing raises concerns about the pace of industrial diversification and coincides with the country's weaker economic growth. Overall Mozambique faces heightened risks of prolonged economic stagnation, rising inflation and further deterioration in living standards.

Gas sector's development continues

As Mozambique's economy continues to face significant challenges, the government is pushing forward with developing and promoting the gas sector, which is the country's strongest longer-term opportunity to generate substantial export earnings, government revenue and foreign exchange. Finance minister **Carla Loveira** confirmed at a business forum in October that natural gas exploration

has generated approximately $340m in state revenue since 2022 and $83m this year alone, with $262.58m transferred to the state budget for investment and the remainder to the **Fundo Soberano de Moçambique (FSM)** (sovereign wealth fund). However, Loveira acknowledged that these financial contributions are below the government's desired levels and will need to increase to fund public investment.

There are currently three large-scale LNG projects in development in Mozambique and one awaiting final investment decision (FID), but only one is in production – **Italy**-headquartered **Eni**'s floating liquefied natural gas (FLNG) platform, **Coral Sul**, in the Rovuma Basin. Head of gas at **South Africa**-headquartered **Standard Bank**, **Paul Eardley-Taylor**, highlighted at the **Africa Gas & LNG Summit** in Maputo that Mozambique could reach a production capacity of 80 million tonnes of LNG per year by the mid-2030's if existing projects are developed along with future expansions as well as the country working towards supplying the domestic market and other regional markets.

In a next step to achieving this, the council of ministers on 4 November approved a $7.2 billion financing structure for the construction of the Coral Norte FLNG, also in the Rovuma Basin, to be led by Eni. Notably, the structure does not impose any financial burden for the state through public debt obligations or other fiscal risks, minimising the substantial financial obligations that can be associated with these projects.

The council also approved the incorporation of the new company that will hold the government's stake in the project. Once the Coral Norte project is commissioned, Mozambique will be Africa's third-largest LNG producer, and will produce up to seven million tonnes per year. Eni also confirmed on 15 October that it will start drilling six development wells from November that will feed the Coral Norte FLNG platform, with production still set for 2028. Eni is also considering a third project in the Rovuma Basin, which has some of the world's largest gas reserves.

In addition, state-owned **Empresa Nacional de Hidrocarbonetos (ENH)** has confirmed it is in negotiations with potential investors, including South Africa-headquartered **Sasol**, for a new gas project in **Beira (Sofala Province)** and **Inhassaoro (Inhambane Province)** that will connect to a new 140km pipeline and transport gas from Mozambique to South Africa. ENI expects the infrastructure will be operational by 2030/2031.

While many of these projects are aimed at exporting, new legislation includes an allocation of 25% of oil and LNG for the domestic market. The developments highlight the ongoing potential of the sector in Mozambique, positioning it for export and serving the domestic market, as well as making Mozambique a regional energy hub. However, based on timelines, most of the LNG-led growth and economic expansion will be from 2030 onwards.

Planner

17 Nov 2026 **Maputo (Mozambique)** Opposition leader **Venâncio Mondlane**'s criminal trial begins;

9-10 Dec 2026 **Maputo (Mozambique) Mozambique International Investment Congress (MIIC 2026)**

20-25 Jul 2027 **(Mozambique)** Ruling **Frente de Libertação de Moçambique**'s **(Frelimo)** 13th congress;

Oct 2028 **(Mozambique)** Municipal elections;

Oct 2029 **(Mozambique)** National general election;

Chronology

16 Nov 2026 **Antananarivo (Madagascar)** *Defence web.* The **United States (US)** is seeking to expand security cooperation with **Mozambique** and Madagascar, warning that **Islamic State**-

linked militants in northern Mozambique are developing stronger maritime capabilities that could threaten shipping in the strategically important **Mozambique Channel**;

13 Nov 2025 **Maputo (Mozambique)** *Club of Mozambique*. President **Daniel Chapo** undertakes a working visit to the **United Arab Emirates (UAE)** at the invitation of his counterpart, **Mohammed bin Zayed Al Nahyan**;

12 Nov 2026 **Maputo (Mozambique)** *Channel Africa*. Mozambique officially launches its 2026/2027 agricultural season, with the government committing enhanced funding and resources to transform smallholder farming into a commercially viable sector;

12 Nov 2026 **Maputo (Mozambique)** *Club of Mozambique.* Opposition **Renamo** party president **Ossufo Momade** dismisses the party's secretary general, **Clementina Bomba**, from her position, which she has held since December 2022, without naming a replacement;

11 Nov 2026 **Maputo (Mozambique)** *Club of Mozambique*. **Banco de Moçambique** (central bank) data show that foreign direct investment (FDI) in Mozambique totalled $1.88 billion in the first half of 2026, equivalent to 33% of the amount attracted throughout 2025, mainly in the gas and mining sectors;

8 Nov 2026 **Maputo (Mozambique)** *360Mozambique.* **South Africa**-headquartered **Standard Bank** forecasts that Mozambique's economy will grow by 2.3% in 2027, below the country's population growth;

5 Nov 2026 **Maputo (Mozambique)** *360Mozambique.* Government says it is still committed to recovering approximately $1.9 billion in damages related to the so-called Hidden Debts scandal, a corruption and fraud crisis involving roughly $2 billion in unapproved state-backed loans;

5 Nov 2026 **Maputo (Mozambique)** *Club of Mozambique.* Prime minister **Benvinda Levi** says the government plans to mobilise approximately MZN 27 billion ($422.57m) to implement the government's **El Niño** mitigation plan but does not disclose if this will be from the national budget, sovereign wealth fund or international sources;

2 Nov 2026 **Maputo (Mozambique)** *Club of Mozambique*. **United States**-headquartered **ExxonMobil** increases its stake in Mozambique's planned **Rovuma** liquefied natural gas (LNG) project to 50% from 25%, following an asset swap with **Italy**'s **Eni**;

29 Oct 2026 **Maputo (Mozambique)** *Bloomberg*. **ETG Group**, **Africa**'s largest fertiliser trader, plans to build a $2 billion factory in Mozambique that would rank among the continent's largest as supply disruptions caused by the **Iran** war drive up prices;

29 Oct 2026 **Moscow (Russia)** *360Mozambique.* President **Daniel Chapo** addresses a plenary session during the **Russia-Africa Summit**, calling on Russian companies and investors to explore opportunities in Mozambique, specifically that will help diversify the economy and create sustainable employment;

29 Oct 2026 **Maputo (Mozambique)** *CNBC Africa*. Mozambique says it is seeking to negotiate more debt relief after **China** earlier this week agreed it could reschedule some debt payments;

26 Oct 2026 **Maputo (Mozambique)** *Africa Global Funds.* **United Kingdom (UK)**-headquartered **Helios Investment Partners** acquires up to a 49% stake in **Mauritius**-headquartered **Stratton Africa Holdings Limited**, the parent company of Mozambique's largest flour milling business, **Merec Industries**, from **Abu Dhabi**-headquartered **Invictus Investment**;

26 Oct 2026 **Maputo (Mozambique)** *Club of Mozambique*. The government launches the **National Cooperative Development Programme (PNDC) 2026-2046**, outlining plans to create 500,000 jobs by formalising 10,000 cooperatives and integrating 1.5 million informal economy operators into the formal sector;

20 Oct 2026 **Maputo (Mozambique)** *Club of Mozambique*. Government will no longer pay fuel subsidies to public passenger transport operators serving the **Maputo Metropolitan Region**;

19 Oct 2026 **Maputo (Mozambique)** *CNBC Africa.* State-owned oil and gas company **Empresa Nacional de Hidrocarbonetos (ENH)** CEO **Rudencio Morais** says the company is in talks with potential investors, including **South Africa**'s **Sasol Sand** pipeline company **ROMPCO**, for a new natural gas project;

15 Oct 2026 **Maputo (Mozambique)** *AEC.* **Italy**'s **Eni** confirms it will begin a new drilling campaign at its **Coral North FLNG Project** offshore Mozambique in early November, advancing development of the $7.2 billion project towards first gas in 2028;

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