

MOZAMBIQUE News reports & clippings

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This is a personal project by Dr Joseph Hanlon, with no outside funding.

J Hanlon's new book "Moçambique recolonizado através da corrupção"

free on <https://bit.ly/MozRecol> (Portuguese only)

IMF confronts Frelimo on economics & corruption - and on insurgency & demonstrations

Harsh IMF criticisms of Frelimo and government and sharp contradictions between them were revealed in two documents published by the IMF on Thursday (17 February), two days after the IMF released its Executive Board statement rejecting a new loan and programme for Mozambique.

First is a 104-page packet on the "2025 Article IV Consultation" with the staff report submitted to the Executive Board at its 13 February meeting, a debt sustainability analysis, and a statement by the Executive Director for Mozambique.

<https://www.imf.org/en/publications/cr/issues/2026/02/19/republic-of-mozambique-2025-article-iv-consultation-press-release-staff-report-and-574050> Second is a staff paper on "selected issues".

<https://www.imf.org/en/publications/cr/issues/2026/02/19/republic-of-mozambique-selected-issues-574055>

Despite its rejection of Mozambique's request, the Executive Board speaks more diplomatically. But the staff documents are more outspoken and strong.

More tomorrow. We have split our report and tomorrow will look at corruption, fake data, and growing poverty.

Post-election unrest and Cabo Delgado war have local roots

President Daniel Chapo has repeatedly said that a "foreign hand" is behind the mass November 2024-March 2025 demonstrations and the war in Cabo Delgado. IMF staff are careful but clearly do not accept this. They talk of the "social unrest following the October 2024 election" and "election-related social tensions".

"A low-income, fragile state, Mozambique faces an ongoing insurrection in the north". The risk is "intensification and spread of conflict in the north" which requires government to "implement socioeconomic policies to improve social cohesion".

There is a risk of "heightening social tensions. High poverty rates can raise the risk of social discontent. Government must "improve participatory decision making processes and transparent use and distribution of resources." (*Staff report* pp 4, 7, 48)

No blame for a foreign hand.

And President Chapo held a bilateral meeting with his Democratic Republic of Congo (DRC) counterpart Felix Tshisekedi and called for dialogue between the parties in the insurgency in the east of the DRC led by the M23 rebel group. The Congolese government says this is a proxy war, with the M23 backed by Rwanda. Speaking at a closing press conference at the AU summit, Chapo insisted that the only way to solve the various armed conflicts raging on the continent is through dialogue. "Our position is always in favour of dialogue", he declared. (*Mozambique Times*, 15 February) Except in Mozambique, where he has been unable to talk to insurgents, even though people tell him the same thing he told Tshisekedi.

IMF staff say support small farmers, but minister says no

"Mozambique's economy has slowed sharply since 2016 with two-thirds of the population below the poverty line. While over half a million young people enter the job market annually, job creation remains weak, as structural transformation has favored extractive industries (in particular, capital-intensive LNG projects) over manufacturing. Agriculture, employing three-quarters of the population, suffers from low productivity and limited access to inputs and finance. Informality dominates, accounting for about 95% of jobs. Human development indicators are among the world's lowest, with fiscal pressures constraining social and development spending. To tackle Mozambique's growth challenges, reforms must promote economic diversification, job-rich growth, agricultural modernization, improved governance, and expanded access to finance," says the IMF staff *Selected Issues* paper (p. 2)

The *Selected Issues* paper (pp. 7, 12) says "Agriculture remains a cornerstone of Mozambique's economy and a critical driver of inclusive growth, yet productivity in the sector has been persistently low. Agriculture accounts for roughly one-quarter of GDP and three quarters of the workforce, making it central for efforts to reduce poverty, improve food insecurity, and strengthen resilience. However, the sector has not reached its potential. ... Farming is dominated by smallholders, who face significant constraints, including limited access to inputs, finance, and irrigation, as well as inadequate preparedness for climate shocks. These structural challenges have kept productivity levels well below those of comparable countries. Unlocking the sector's potential will require targeted interventions to modernize farming practices, expand access to resources, and build resilience against environmental risks." The way forward is "boosting agricultural productivity through better inputs, mechanization, irrigation, finance and infrastructure."

That means state intervention. Eight years ago, the World Bank in a secret study (published 2020) said Mozambique should follow the policy of Thailand which became a major exporter of rice due to support and especially state credit to peasant rice farmers. (*Moçambique recolonizado através da corrupção*, ch 12)

Staff do not say it, but Mozambique's jobless anti-agriculture policies come from the IMF. Agriculture Roberto Albino recently stuck to the IMF line that government does not support small farmers. He recently dismissed 2000 agricultural extension officers and said that it was not for government to give credit for farmers, who should borrow from private agro-dealers. (*Zitamer* 6 February 2026). Yet even the IMF staff say peasant farmers need targeted state intervention.

Three confrontations

The long Article IV package highlights four confrontations, on wage bill, devaluation, foreign exchange, and will it all be OK. IMF staff say "current policies are unsustainable". A joint IMF-World Bank Debt Sustainability Analysis says Mozambique is in "debt distress" and "Mozambique is navigating a fiscal crisis".

The government wage bill jumped from 13% of GDP in 2021 to 16% in 2022. Even though it fell to 14.4% in 2024, it is "among the highest in the region". The IMF says it must be cut to 11%, and the government had agreed to wage and hiring freezes, and to not pay the tradition 13th month at the end of the year. Staff say "However, in January 2026, the government announced paying 40% of the 13th month base salary for public employees and pensions. Although the authorities recognize

the need to undertake fiscal consolidation and bring down public debt, they expressed that staff's proposed reform package is not politically feasible."

The exchange rate has been fixed at \$1 = 63.9 MT for six years, and the IMF says it is 16% to 22% over valued, which would give \$1 = 74 or 78 MT. Government accepts it is overvalued but says only 6.3%, which is not enough to devalue, and it expects foreign exchange conditions to improve. A statement as part of the Article IV package by Adriano Ubisse, IMF Executive Director for Mozambique stresses that the "authorities" say market exchange rates are fluctuating but not by much and thus the rate of the Metical is already market determined.

Business people say there are real difficulties in getting foreign currency and the IMF confirmed this. But the government says it is not happening.

Both Ubisse and the government say everything is under control. Authorities "view the Liquefied natural gas (LNG) megaprojects as potentially transformational." But IMF staff say rising dependence on extractives and the shrinking manufacturing sector is not a way forward, and government must intervene to support job-creating "economic diversification".

(Staff report pp 2, 6, 12, 13, 14, 16, 25, 38, 41: *Debt Sustainability* pp 1,2)

More tomorrow

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"Mozambique News Reports & Clippings, number XXX", DATE, bit.ly/Mozamb, accessed XXX.

Elections

CIP Mozambique Elections Bulletin is published by Centro de Integridade Pública (CIP) <https://www.cipmoz.org>; <https://cipeleicoes.org/eng/cip@cipmoz.org>.

To subscribe or unsubscribe: <https://bit.ly/MozBul-sub> Past election newsletters are on <https://bit.ly/CIP-EI>

Election study collaboration: We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. <http://bit.ly/MozEIData>

Important external links

Books by Joseph Hanlon can be downloaded, free: <https://bit.ly/HanlonBooks>

Flood, cyclone and weather: weather <https://www.inam.gov.mz>

rainfall https://www.inam.gov.mz/images/DAPT_Previsoes/Manha/Previsao_Manha.pdf

Cyclone trackers, <https://bit.ly/Reunion-cyclone>, <https://www.metoc.navy.mil/jtwc/jtwc.html>

(which uses z time which is UCT - Coordinated Universal Time) and <https://www.cyclocane.com/>

Two LSE working papers - World Bank questions its Mozambique 'success' where oligarchs brought high inequality, poverty and corruption - <https://bit.ly/Moz-LSE-208c> and **How the IMF and World Bank caused a resource curse and civil war in Mozambique** - <https://bit.ly/Moz-LSE-209>

Minimum wage & exchange rate charts, tables 1996-2022 <https://bit.ly/MozMinWage2022>

Previous editions of this newsletter: <https://bit.ly/MozNews2023> and <https://bit.ly/MozNews2022>

My Mozambique archive: <http://bit.ly/Mozamb>

Cabo Delgado

Cabo Ligado weekly report on civil war <https://www.caboligado.com/>

Archive with reports, detailed maps, and census data <https://bit.ly/Moz-CDg>

Special reports on the war

Evolution of the war: global vs local. 27 Feb 2020 <http://bit.ly/CDelgadoOrigins>

Religion is shaping Cabo Delgado civil war. 30 April 2020 <https://bit.ly/CDelgadoReligion>

Intensifying argument over roots of war. 28 June 2020 <https://bit.ly/Moz-492>

Are the drums of war silencing any hope of peace? 26 July 2020 <http://bit.ly/Moz-496>

A history of violence presages the insurgency. 13 August 2020 <http://bit.ly/Moz-498>

Military & economic intervention. 3 Sept 2020 <https://bit.ly/CDelgadoIntervene>
Cabo-Delgado-Free-for-all. 20 Apr 2022. <http://bit.ly/Moz-593>

Mozambique heroin transit trade

English - LSE - 2018 - <http://bit.ly/Moz-heroin>

Portuguese - CIP- 2018 - <http://bit.ly/HeroinaPT>

2001 first article- *Metical* - English and Portuguese <https://bit.ly/MozHeroin2001>

Gas for development?

Gas_for_development_or_just_for_money?_2015 bit.ly/MozGasEng

Gás_para_desenvolvimento_ou_apenas_dinheiro?_2015 bit.ly/MozGasPt

Background reading

Special reports

Social protection report - 2017 Mozambique - <http://bit.ly/MozSocPro>

Special report on four poverty surveys: bit.ly/MozPoverty

\$2bn secret debt - in English

Secret debt trial (Aug-Oct 2021) press reports <https://bit.ly/Moz-secret-debt>

Kroll - Full report on \$2bn debt - <http://bit.ly/Kroll-Moz>

Kroll report summary - <http://bit.ly/Kroll-sum>

Key points of Mozambique parliament report - Nov 2016 - <http://bit.ly/MozAR-debt-En>

Following the donor-designed path to Mozambique's \$2.2 bn debt - <http://bit.ly/3WQ-hanlon>

In Portuguese:

Parliamentary Report on the Secret Debt (complete) bit.ly/MozAR-debt

2018 Constitution - <http://bit.ly/2KF588T>

Twelve books by Joseph Hanlon can be downloaded, free: <https://bit.ly/HanlonBooks>

"Moçambique recolonizado através da corrupção" (2025) <https://bit.ly/MozRecol> (Portuguese only)

Zimbabwe takes back its land (2013) <https://bit.ly/Zim-takes-land>

Bangladesh confronts climate change (2016)

Chickens and beer: A recipe for agricultural growth in Mozambique (2014) is on <https://bit.ly/Chickens-Beer>

Há Mais Bicicletas – mas há desenvolvimento? (2008)

Civil War Civil Peace (2006): <https://bit.ly/Civil-War-Civil-Peace>

Moçambique e as grandes cheias de 2000 (2001)

Mozambique and the Great Flood of 2000 (2001)

Paz Sem Benefício: Como o FMI Bloqueia a Reconstrução (1997)

Peace Without Profit: How the IMF Blocks Rebuilding (1996) <https://bit.ly/Peace-wo-Profit>

Mozambique: Who Calls the Shots (1991) <https://bit.ly/Shots-Moz>

Mozambique: The Revolution Under Fire (1984)

These are still available for sale:

Galinhas e cerveja: uma receita para o crescimento (2014) (free in English)

Just Give Money to the Poor: The Development Revolution from the Global South (2010)

Do bicycles equal development in Mozambique? (2008) (free in Portuguese)

Beggar Your Neighbours: Apartheid Power in Southern Africa (1986)

Mozambique media websites, English:

Club of Mozambique (free): <http://clubofmozambique.com/>

Zitamar (paywall): <http://zitamar.com/>

Mozambique media websites, Portuguese (all with partial paywall):

Notícias: www.jornalnoticias.co.mz

O País: www.opais.co.mz

@Verdade: <http://www.verdade.co.mz>

Carta de Moçambique <https://cartamz.com>

Mozambique think tanks and pressure groups, Portuguese:

Centro de Integridade Pública: CIP <https://cipmoz.org/>

Observatório do Meio Rural: OMR <https://omrmz.org/>

Instituto de Estudos Sociais e Económicos: IESE <https://www.iese.ac.mz/>

Centro Para Democracia e Desenvolvimento CDD <https://cddmoz.org/> (some CDD in English)

Also CDD now controls Fórum de Monitoria do Orçamento - FMO (main debt group) <http://www.fmo.org.mz>
and RMDDH - Rede Moçambicana dos Defensores dos Direitos Humanos (a human rights group).

To subscribe to all CDD publications: <http://eepurl.com/qO9l6v> (English or Portuguese).

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