

# 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)

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## Harsh warnings from Oxford Economics & Standard Bank

Forecasting firm Oxford Economics last week (2 March) raised Mozambique to the highest economic and political risk of the 25 African countries it surveys, with Malawi now second and Zimbabwe third. And Standard Bank this morning (9 March) in its *Africa Flash Note* warned that "the Iran Middle East crisis brings increased risks to Mozambique's fragile Balance Of Payments and fiscal position," due to increases in fuel and other import costs.

But most importantly, Standard Bank warns that "it may take nearly a decade for a material contribution from LNG [Liquified Natural Gas] to government revenue, and multiple decades and reform progress for LNG to start having an impact on poverty alleviation" with "poverty affecting nearly 70% of the population."

Mozambique's National Statistics Institute says GDP fell last year, by 0.5%, with growth in extractive industries but with the rest of the economy contracting by 1.6%. Standard Bank predicts GDP growth of 1.5% this year and Oxford Economics only 0.3%, both much less than previous predictions. Oxford Economics said "Unfortunately, we foresee Mozambique's economy facing another difficult year in 2026."

Oxford Economics says risks have become worse because of slow growth, increasing public debt, IMF-enforced devaluation (Oxford say this year, Standard says next year), and political uncertainty remaining at a high level. Oxford says the tensions that caused demonstrations last year have not reduced, and devaluation will increase prices and the cost of living.

## Debt and foreign exchange crisis

The financial crisis and shortage of foreign exchange is worsening. Commercial banks are restricting foreign credit card and purchase payments. Public debt rose almost 5% in 2025 compared to the previous year, closing at \$18 billion, Lusa reported on Friday (6 March). Mozambique cannot obtain any more foreign loans, and it is surviving on domestic debt, which rose to \$7bn last year; of that \$1.4 bn is provided by the Bank of Mozambique. Last year domestic

interest amounted to \$637mn and interest on external financing also reached \$200mn last year. Increasingly the debt is seen as unsustainable.

Government also has no money for promised projects, including road repairs. And STV reports that the public hospitals cannot obtain drugs because government has failed to pay its debts.

## **Frelimo sees a different picture, but can the Frelimo economy survive?**

All of Frelimo's statements have been optimistic and that they will be saved by the gas, with money coming in to government sooner than Standard Bank predicts. Although external support has decreased, Frelimo appears to feel that it has gotten away with stealing the 2023 and 2024 elections and killing more than 400 young people in the subsequent demonstrations. Therefore it is betting that it can use force to stay in power through the 2028 and 2029 elections and on to the start of the gas money.

Over the past three decades Frelimo has created an oligarch service economy, dependent on state contracts, importing, and taking commissions ("rents") from the extractive sector, and no investment in the productive sector or job creation.

But even for the Frelimo oligarchs there are clouds on the horizon. Economic historian Peter Turchin writes of "elite overproduction" with too many "elite aspirants" competing for a limited number of positions in the upper echelons of politics and business. This is already happening in Mozambique. President Armando Guebuza turned the civil service into a branch of Frelimo. The three presidents - Joaquim Chissano, Armando Guebuza and Filipe Nyusi have ensured that their extended families have businesses, mines, and secure positions. And when they were presidents they brought in ministers and others in key positions who became part the inner circle of "elite aspirants". The political and economic battles between the groups allied to Chissano, Guebuza, and Nyusi have become public, and Chapo is having to fight them to build his own group.

A mix of illegality and contracts going to preferred agents means that huge parts of import-export trade are illegal. Much of the gold and hardwood timber is controlled by the families of presidents and other elites, and exported illegally with no money going to government and with substantial environmental damage. Bribes are organised so that logs and gold leave the country unchecked. Hundreds of individual traders called *mukheristas* bring in large amounts of goods overland from South Africa and by air from Brazil, India and elsewhere and pay only token fees to immigration and customs staff.

The South African supermarket chain Shoprite last week (5 March) said that it was expanding in many countries in Africa but was closing supermarkets in Mozambique. Shoprite pays its import fees and taxes and is now finding that the *mukheristas* are selling goods for lower prices than is possible for Shoprite.

## **Higher import costs**

The Frelimo economy has kept the exchange rate fixed at \$1 = MT64 since 2022. Oxford Economics and many economists say the metical is exchange rate overvalued by 20% to 25%. Imports of rice and other things cost less than production in Mozambique. In the Frelimo economy, elites and oligarchs import many things rather than produce them locally. But IMF is demanding devaluation, which will raise the cost of all imports by 20 to 25%.

The Mediterranean Shipping Company (MSC) has announced a war surcharge on cargo bound for several African countries including Mozambique. There will be an additional charge to containers of \$500 per 20 foot container (TEU). This will add to import costs.

Devaluation and higher import charges will raise the cost of food and consumer goods and could provoke discontent.

## No jobs in Cabo Delgado

With the end of rainy season, the insurgency has resumed in Cabo Delgado. The centre for liquification of natural gas (LNG) on the Afungi peninsula just south of Palma has been turned into a fortress, with no land access, and guarded by Rwandan security forces. Access will only be by sea or air. This means few jobs for local companies and Palma and Mocimboa da Praia will not be bases for contractors, as had been previously planned.

ExxonMobil and Total Energies have made clear that contractors and subcontractors cannot work with "politically exposed persons" (PEPs) and firms, according to *Africa Intelligence* (23 February). PEPs are government officials, senior politicians and their families. This message was conveyed to service companies competing for contracts, and is designed to limit costs and political and corrupt entanglements. This includes members of the Frelimo economic system who had been hoping for to use political contacts to win contracts. This also includes ENH (Empresa Nacional de Hidrocarbonetos) which is a partner in the project. *Africa Intelligence* says that this will exclude Tsebo Facilities Management (TFM), which had expected contracts. One owner of TFM is Pascoal Mahikete Mocumbi, son of former prime minister Pascoal Manuel Mocumbi. Pascoal Mahikete Mocumbi has also been ENH's commercial director since 2020. Another TFM owner is Videre, run by brothers Mamadou Chivambo Mamadhusen and Dingane Abreu Mamadhusen, who are close to Frelimo and sons of former foreign and environment minister Alcinda Abreu. TFM has been supplying meals to the Rwandan and Mozambican Joint Task Force defending the Afungi fortress.

Also in Cabo Delgado, the government has lost opportunities to create jobs linked to graphite mines. For the graphite mine in Balama, Cabo Delgado, the Australian mining company Syrah has signed an agreement with Canadian company NextSource to export the graphite to Abu Dhabi where it will be made into anodes for electric car batteries which will be shipped to Japan. Anodes are not high technology and could be manufactured in Cabo Delgado, but it appears that no oligarchs have any interest in setting up a manufacturing company in Balama.

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## 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>

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## 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](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>

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## Cabo Delgado

**Cabo Ligado** weekly report on civil war <https://www.cabolidado.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](http://bit.ly/MozGasEng)

Gás\_para\_desenvolvimento\_ou\_apenas\_dinheiro?\_2015 [bit.ly/MozGasPt](http://bit.ly/MozGasPt)

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## Background reading

### Special reports

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

Special report on four poverty surveys: [bit.ly/MozPoverty](http://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](http://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)

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### 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](http://www.jornalnoticias.co.mz)

O País: [www.opais.co.mz](http://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/gO9I6v> (English or Portuguese).

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