



### MAIN STORIES

A 'Financial Analysis'  
of Mozambique's Gas  
Sector

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## HIGHLIGHTS

- Mozambique's enormous gas reserves are set to fall significantly short of expectations.
- The situation in Cabo Delgado province could worsen without dialogue.
- The September 2021 Basel AML Index on the risk of money laundering and terrorist financing (ML /TF) scored Mozambique 7.71/10, with 10 being the highest risk ranking.
- The ongoing “hidden debt” trial appears to be damaging President Filipe Nyusi’s reputation as claims against him by other prominent political actors start to emerge.
- Continued successes by Joint Security Forces in Cabo Delgado have led to the insurgents moving into other areas and utilising rudimentary Improvised Explosive Devices (IED).
- The distribution of food aid by the World Food Programme (WFP) remains problematic due to budgetary constraints.
- Mozambique scored 6.15 out of 10 (10 being highest) in the 2021 index report of Economic Freedom of the World.
- The International Monetary Fund’s (IMF) excessive optimism around fossil fuel revenue streams and potential growth opportunities pushed Mozambique to greater fossil fuel expansion as a key driver of the economy.
- Mozambique’s Gross Domestic Product (GDP) registered growth of 1.97% in the second quarter of this year compared to the same period in 2020.
- Public debt increased considerably over the past year, rising 26% between December 2019 and December 2020.
- Inflation in the first eight months of the year was 2.48%, and annual inflation (1 September 2020 to 31 August 2021) was 5.61%.
- The overall volume of Mozambique’s foreign trade in goods abroad fell by 16.8% in 2020 compared to the previous year.

# MOZAMBIQUE



- By 27 September 2021, the country had recorded 150 530 positive COVID-19 cases. Of these cases, 146 554 people have recovered while 1 909 people have died. The total number of tests carried out was 900 080. There are currently 20 067 active cases.
- Rogério Zandamela was appointed for a second term as governor of the Bank of Mozambique.
- Millennium Bim bank will resume activities in Palma, Cabo Delgado province, once security conditions have been reinstated.
- Vale Mozambique increased coal production by 92% in the second quarter of 2021 compared to the previous quarter.
- Nuno Lemos Pires, the Portuguese army brigadier-general who is to head the European Union training mission (EUTM) in Mozambique, started his assignment.
- Russia offered to support Mozambique in the fields of aquaculture, sea fishing, marine industry, scientific research, combating illegal, unreported and unregulated fishing, as well as in developing the capacities of both the public and private sectors.
- Mozambique officially launched its bid for the candidacy of non-permanent membership of the United Nations Security Council for the 2023/24 term.

