



### MAIN STORIES

#### Gas Exports: Risks and Rewards

#### Special Report on Five Years of Conflict in Northern Mozambique

## HIGHLIGHTS

- Mozambique's gas assets may become stranded before 2030 as the short-term energy crunch eases and Europe drastically reduces demand for fossil fuels.
- The counter-insurgency is floundering due to a lack of backstopping operations with civilians once again the primary victims as insurgents plunder to survive.
- The government on 29 November 2022 approved the draft bill creating the Sovereign Fund.
- The power imbalance between the government and multinationals constitutes a possible source of corruption in the country's oil and gas sectors.
- Sentencing in the "hidden debt" trial had been delivered with Ndambi Guebuza (the former President's son) receiving a 12-year jail term.
- The Centre for Democracy and Development (CDD) on 2 December 2022 accused the Bank of Mozambique of lack of transparency in the management of US\$310 million disbursed by the IMF for the fight against COVID-19.
- The European Council provided €20 million in support of the continued deployment of the Rwandese Defence Force (RDF) in Mozambique.
- The economy grew 3.6% in the third quarter, a slowdown compared to previous quarters.
- Mozambique's debt is sustainable even if oil company TotalEnergies does not resume work to explore natural gas in the country.
- The government borrowed an additional US\$900 million from local banks and bondholders due to falling foreign aid and loans.
- The World Bank suspended support for the National Disaster Risk Management Institute's (INGD) Disaster Management Fund (FGC) due to mismanagement.

# MOZAMBIQUE



- Inflation in Mozambique is expected to fall below 10% in the second quarter of 2023.
- Parliament approved a reduction in the rate of VAT from 17% to 16% on all types of goods.
- The African Development Bank (AfDB) approved a €125 million loan to Hidroeléctrica de Cahora Bassa (HCB) to modernise the electricity production system.
- Two production lines for the heavy sands investment by the Chinese company Ding Sheng Minerals were inaugurated by President Nyusi.
- Mozambique and Zambia signed a cooperation agreement on information sharing and training in defence and security.

