



IN TRANSFORMATION
INITIATIVE

MONTHLY UPDATE

MOZAMBIQUE



JANUARY • No 01/2023

MAIN STORIES

**Mozambique Business
Conditions Unchanged in
December as Growth
Sequence Ends**

**Poverty & Inequality
Rising to 'Dangerous'
Levels; Cabo Delgado
Poorest Province**

**Government's
Legitimacy Crisis
Reinforces
Authoritarianism**

HIGHLIGHTS

- New business growth slowed down at the end of 2022, ending a sequence of growth that stretched back to February 2022.
- Poverty and inequality are rising with most Mozambicans no better off than they were in 1996, and the bottom 10% much worse off.
- The unpopularity of the Mozambican government has increased due to high cost of living and unemployment, undermining its credibility.
- The National Institute of Statistics (INE) said average inflation in Mozambique in 2022 was 10.2%.
- The World Bank said that Mozambique's Gross Domestic Product (GDP) grew 3.7% in 2022, and would grow 5.0% in 2023, and 8.0% in 2024.
- Delayed voter registration and confusion about candidates' lists are complicating free and fair local elections for October 2023.
- The Mozambique Channel is a thriving cocaine corridor due to a lack capacity to undertake any meaningful maritime monitoring or enforcement actions.
- South Africa's Supreme Court of Appeal rejected Mozambique's appeal to prevent former finance minister Manuel Chang's extradition to the US.
- A Mozambican kingpin in kidnappings was arrested by the South Africa police and may be extradited pending court procedures.
- The intensity of insurgent attacks remains relatively low while the area of responsibility of the Rwandan forces (RDF) has been expanded.
- The Human Rights Watch (HRW) 2023 World Report indicated that the humanitarian situation in Mozambique worsened in 2022.

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- Contracts to build 17 liquefied natural gas (LNG) ships in South Korean shipyards for Mozambique's LNG project are close to signature by TotalEnergies.
- Mozambique is planning to increase energy exports to other Southern African Development Community (SADC) countries in 2023.
- The London Court of Appeal rejected Friends of the Earth's appeal on the British government's US\$1.15 billion funding of LNG projects in Mozambique.
- Mozambique in January 2023 formally took up its two-year non-permanent member's seat at the United Nations Security Council (UNSC), while calling for urgent open negotiations between Russia and Ukraine to end the war.

