



### MAIN STORIES

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Climate and  
Development Report](#)

[Local Forces: The  
Communal Militias of  
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## HIGHLIGHTS

- Government capacity to address Mozambique's development challenges is highly constrained, compounded by fragility, conflict, and violence.
- Local Forces is an asset in view of the poorly performing Defence and Security Forces (FDS) but needs proper control to prevent future problems.
- Local government elections were devoid of transparency, creating concerns for free and fair presidential and national elections in 2024.
- The 2023 ENACT Organised Crime Index for Africa shows that Mozambique is still beset by high levels of crime, with a low state capacity to reverse the trend.
- The police had arrested 31 suspected members of kidnap gangs in 2023 but the trend continues, especially in Maputo.
- Mozambique's additional security costs and lost revenues from liquefied natural gas (LNG) projects totalled US\$7.75 billion because of the insurgency.
- The Islamic Council of Mozambique (CISLAMO) is working towards establishing an international commission to pursue dialogue with the insurgents.
- Gross Domestic Product (GDP) grew 5.92% in the third quarter, making growth of 4.9% since the beginning of the year.
- An agreement was concluded with Belgium to swap sovereign debt for climate change financing while a similar arrangement might follow with Portugal.
- The International Monetary Fund (IMF) is to provide a further US\$60 million in support of the Mozambican State Budget under the Extended Credit Facility.
- LNG production in Mozambique will only increase by 1% in 2024, a significant slowdown compared to the 47% growth expected for 2023.
- The State Budget projected economic growth of 5.5% in 2024, based on expected income from the extractive industry, agriculture and transport.

# MOZAMBIQUE



- Consumer price inflation in Mozambique accelerated again in November, for the second month in a row, rising to 5.36%.
- The Sovereign Wealth Fund, introduced in parliament, projects revenue of US\$6 billion a year by the 2040s.
- The African Development Bank (AfDB) is to provide a US\$162 million soft loan to the publicly-owned electricity company, EDM.
- Environmental lobby groups requested international banks and other financiers to withdraw support for the LNG project in Mozambique.
- Mozambique's debt-to-GDP ratio worsened in the first half of the year, moving from the previous level of "high risk" to "severe risk" in June.
- The process of controlling the quantities, prices and specifications of minerals extracted and exported from Mozambique will start in January 2024.
- The European Union (EU) is to assist Mozambique to become a hub for the energy sector in southern Africa.
- The United States finalised a new agreement with Mozambique to expand the US Open Skies partners' network.

