



### MAIN STORIES

#### Mozambique, China and FOCAC

#### Mozambique-China trade statistics

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#### Indebtedness to China

#### Mozambique's Debt Payments Pose Rising Risks

## HIGHLIGHTS

- The Mozambique-China relationship under the Forum on China-Africa Cooperation (FOCAC) offers opportunities but may increase indebtedness.
- Mozambique faces growing risks as some big domestic-currency debt repayments near while natural-gas windfalls remain elusive.
- The October 2024 election process started amidst a lack of funding and human rights abuses by the authorities.
- Counter-insurgency operations are ongoing with early claims of success and the weakening of the insurgency.
- Internally displaced people (IDPs) have increased in the areas of the counter-insurgency operations.
- Training of the Mozambican defence force (FADM) by Western countries entered a new phase while China has promised military training to combat terrorism.
- Rand Merchant Bank's 2024 "Where to invest in Africa" report rated Mozambique 23 out of 31 African countries (in the "less satisfactory" category).
- Eni achieved production of five million tons of liquefied natural gas (LNG) from the ultra-deep waters of Area 4 in the Rovuma basin in Mozambique.
- Mozambique ranked 8th in Africa for Highest One-Year External Reserve Growth in 2023, with reserve growth of 32.3%.
- Mozambique collected US\$114 million in revenues from LNG exploitation, allocated to the new Sovereign Wealth Fund (FSM).
- Gross Domestic Product (GDP) grew by 3.2% in the first three months of 2024.

# MOZAMBIQUE



- Excessive bureaucracy and corruption affected business plans of the private sector while holding back investment in Mozambique.
- Average economic growth of 5.1% is expected by 2027 with GDP conditionally reaching US\$31.3 billion in the 2025-2027 period.
- TotalEnergies is concerned about Frelimo presidential candidate Daniel Chapo's relations with Rwanda and its possible impact on the on-land LNG development.
- Gold production, year-on-year, grew 19% in the first half of the year to more than 917 kg.
- Russia signed a medium-term cooperation programme for geological study of subsoil with Mozambique.
- Mozambique adopted "economic diplomacy" to normalise relations with international partners following the "hidden debts" scandal.
- President Filipe Nyusi has courted China, Indonesia and Vietnam during state visits to invest in Mozambique.

