



## **NOTE TO MEMBERS**

Trade Brief 1/2025

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# **IMPACT OF RECENT MOZAMBIQUE INSTABILITY TO BUSINESS**

## **1.0 Introduction**

Mozambique is one of the country's major exports and import routes through the Beira Port and Maputo Port. Zimbabwe uses both the Maputo and Beira ports to transport several products, for example lithium, coal, sugar and granite, to various export destinations, which include China, United Kingdom and the European Union.

Following the disputed Mozambique national election on the 6th of October 2024, violent protests erupted resulting in interruptions in the smooth flow of goods from the country's ports. The disruptions mainly affected the Beira and Maputo trade and transport routes, which happen to be vital arteries for Zimbabwe's exports. In addition to the general uncertainties due to tensions, there were also some instances where trade was affected by border closures and road blockages by the demonstrators.

In November 2024, the Maputo Port Development Company (MPDC) reported that port volumes for 2024 dipped to 30.9 million metric tons, from a record of 31.2 million metric tons over the same period in 2023. This means that Zimbabwe could also have been affected.

This brief assesses the impact of the disturbances in Mozambique on Zimbabwe's trade patterns. It assesses trade patterns (imports and exports) over the period September to December 2024 and compares them to the same period in 2023 to assess the damage due to the disturbances.

## 2.0 The impact on trade patterns

### 2.1 Overall impact

Exports to Mozambique for the period September to December 2023 were US\$135.01 million. For 2024 over the same period, exports declined to US\$97.53 million, representing a decline of about 28%. The share of Mozambique's exports to total exports declined from 4.86% in 2023 to 3.53% in 2024. Total imports from Mozambique over the same period in 2024 were about US\$144.6 million, accounting for about 4.1% of total imports. This was an increase compared to US\$111.8 million and 3.38% of total imports for the same period in 2023. This means that while exports might have been affected, the impact on imports was not as pronounced.

### 2.2 Product specific assessment

While imports from Mozambique increased from US\$111.8 million to US\$144.6 million over the period under review, a product specific analysis shows that there were mixed results. Major imports from Mozambique were mainly fuel, raw materials for industry and electrical energy (Table 1).

**Table 1: Zimbabwe's Major top 10 imports from Mozambique (in US\$ millions)**

Product	Sep-Dec23	Sep24-Dec24	Change
Crude soya bean oil	22.69	39.01	72%
Diesel	19.27	14.99	-22%
Electrical energy	16.72	20.73	24%
Leaded petrol	11.78	1.52	-87%
Other durum wheat	7.49	5.48	-27%
Chlorates (excl. of sodium)	4.45	0	-100%
Uncooked pasta	3.78	0.69	-82%
Cooking oil of palm oil	3.41	0.23	-93%
Fertilizers	2.93	0	-100%

**Source: ZIMSTATS**

While there was an increase in imports for crude oil and electrical energy, the rest of the products registered a decline. Electrical energy imports were largely driven by the power shortages, which were more pronounced in 2024 than 2023. The trade patterns confirm that there were disruptions in supply of fuel, fertilisers and wheat among other products. Delays in receiving fertilisers would impact negatively on the agricultural output, which would also be felt in the agro-processing sectors if alternative sources are not found, and yield is affected.

Mozambique provides fuel to Zimbabwe and therefore trade infrastructure is deeply intertwined through rail and road. Fuel is an essential commodity for industry for the movement of goods and services as well as diesel for generators currently being used for machinery as a backup given the electricity challenges. The disruptions caused delays in the shipment of goods resulting in high transport costs.

The country's major exports through Mozambique are chrome, lithium, coal, sugar and granite. As already described, exports from Mozambique declined from US\$135.01 million for the period under review to US\$97.53 million. Border closures and violence had a negative effect on exports and the exporters were hesitant to export to the country due to high transport costs as delays were experienced. The unrest affected the smooth movement of goods in and out of the country.

**Table 2: Top 10 Exports to Mozambique in US\$ Million**

Product	Sep-Dec23	Sep24-Dec24	Change
Other mineral substances	46.72	4.1	-91%
Chromium ores and concentrates	16.8	21.95	31%
Cigarette tobacco	8.29	6.59	-21%
Cathodes of refined copper	5.06	0	-100%
Semi-manufactured gold	2.67	0.16	-94%
Tobacco refuse	2.454	4.66	90%
Other food preparations, nes	1.341	0.35	-74%
Ferrochromium	1.3	2.02	55%
Fermented black tea	0.95	0.48	-49%

**Source: ZIMSTAT**

The decline in exports mainly affected the agricultural and mining sectors for its products destined for international markets. Only chrome and ferrochrome as well as tobacco refuse exports were spared in this disruption. This means that the businesses could not meet their export orders on time impacting negatively on foreign currency earnings for the country.

### 3.0 Conclusion

The analysis has generally revealed the vulnerability of Zimbabwe to regional tensions, especially those taking place through the major ports such as Mozambique and South Africa. This also emphasises the need for export destination diversification, to ensure that there is limited concentration on specific countries as disturbances in such countries would leave the country vulnerable. However, Mozambique is not the major trading partner for Zimbabwe, as it is only number four after South Africa, United Arab Emirates, and China and second export destination in Africa. Thus, alternative routes were available to cushion this negative impact over the period.