



MOZAMBIQUE: CONFLICT AND COMMERCE

INTELLIGENCE REPORT – 16 JUNE 2021

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SPOTLIGHT REPORT

17 June 2021

What is happening in Mozambique?

An Islamist insurgency in the Province of Cabo Delgado Mozambique hit the headlines recently when the town of Palma was attacked and a number of expatriate workers were reportedly killed. The insurgency, which began in 2017, is a conflict being fought between militants attempting to establish an Islamic state in the Cabo Delgado region and Mozambican security forces.

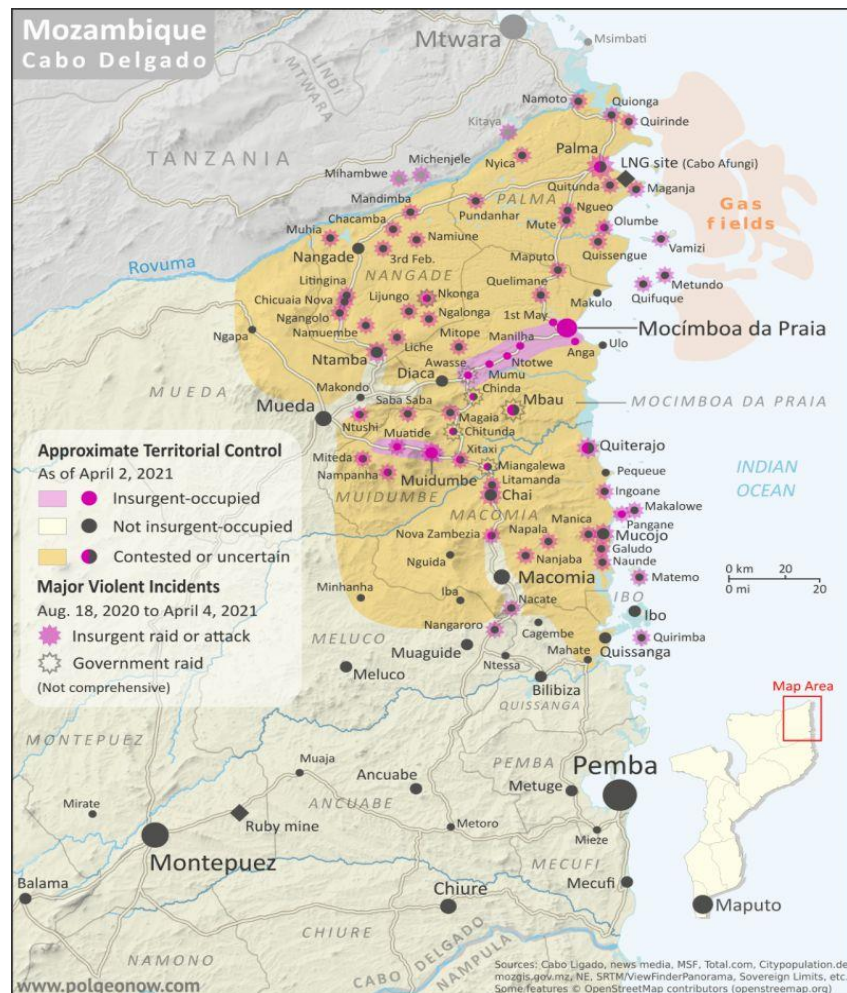
The Jihadists who are linked to ISIS, call themselves the Al Sunnah Wa Jama'ah (ASWJ) and have consolidated their hold in the ethnically Muslim north of the country. Last year ASWJ captured the city of Mocímboa da Praia and have so far, seen off all attempts by the Government Federal Defence and Security Forces (FDS) to suppress them. This is despite the FDS employing private security companies such as the Russian Wagner Group and the South African company Dyck Advisory Group (DAG), to assist them.

Why should the international maritime community be concerned?

There is potential for the waters off Northern Mozambique to become the new maritime security hotspot in the Indian Ocean, the insurgency in Cabo Delgado threatens to destabilise Southern Africa and encourage Islamists Insurgents throughout the region. There are reports that ASWJ are advocating the formation of an Islamic State in the Cabo Delgado, raising concern that the province could become isolated from the rest of the country. The situation has also created a major humanitarian issue with the fighting leaving more than 2,500 people dead and 700,000 displaced. It is conceivable that the conflict could spill over into the Mozambique Channel, a 1000-nm long waterway between Madagascar and East Africa used by commercial shipping to move some 30 percent of global commerce.

The province is also the location of some of the world's largest offshore gas reserves, used to produce Liquefied Natural Gas (LNG).

The waters off Mozambique have the potential to become the new maritime security hotspot in the Indian Ocean.



CABO DELGADO TERRITORIAL CONTROL APRIL 2021

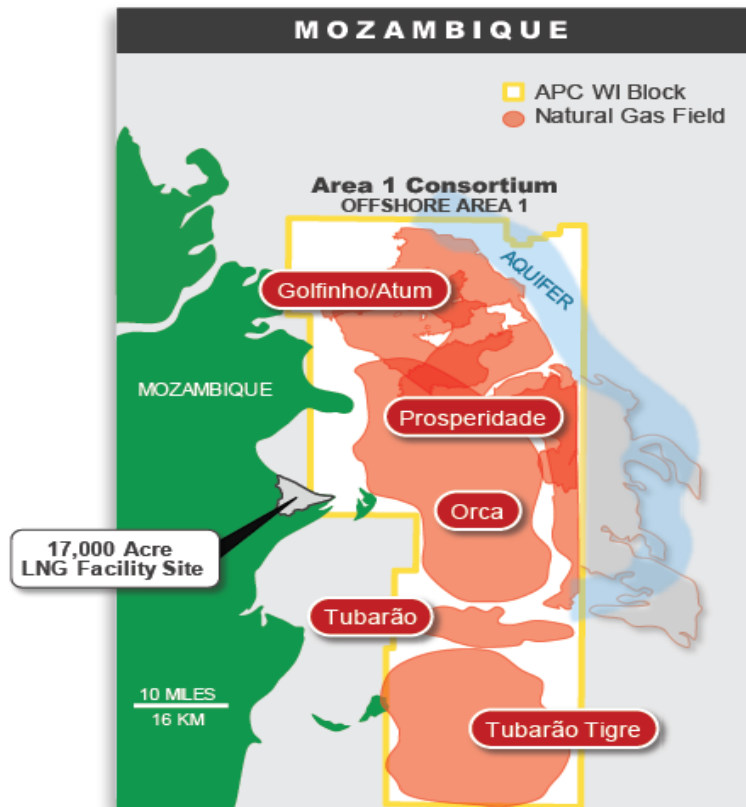
Offshore Gas Reserves

A consortium of oil companies including French energy giant Total has invested millions of dollars in building offshore extraction facilities and an onshore LNG production and storage facility on the Afungi Peninsula in Cabo Delgado. Last month ASWJ targeted the town of Palma close to the Afungi site, cutting lines of communication and overrunning government outposts. It appears that a number of expatriate workers employed in or supporting the LNG industry may have been killed during the attack. Offshore gas field infrastructure, supply ships and LNG tankers could all become potential targets if the insurgents decide to extend their reach further into the maritime domain.

The province has some of the largest offshore gas reserves in the world.

During the recent fighting, ships, including a ferry (see below) usually in operation in Dar Es Salaam but docked in Palma, were used to evacuate Total staff and local people escaping the fighting. It was reported that the insurgents shot at smaller boats that tried to pick people up off the beach. These rescue vessels sailed south to Pemba, disembarking over 1,300 survivors.

ROVUMA BASIN OFFSHORE GAS FIELDS AND LNG SITES



What is the threat to maritime security?

ASWJ has used the maritime environment to broaden its influence and conduct foraging raids throughout the area, robbing people at sea and abducting people from the Quirimbas islands off the coast of Cabo Delgado.

During the assault on Mocimboa da Praia 10 Aug 2020, the militants attacked and sank one of the FDS French made HSI 32 interceptor vessels (see below) using a rocket-propelled grenade (RPG) and are rumoured to have damaged another L&T class patrol boat supplied by India in 2019. There were unconfirmed reports that two speedboats were used to attack the port area from the sea during the assault on the port facility. The ASWJ decision to attack and destroy, rather than attempt to capture the Mozambican navy HS132 vessel may have indicated they lacked the seamanship expertise needed to operate such a vessel at that time, which could have prevented them from conducting more complex forays at sea.



HSI 32 FAST PATROL CRAFT

Concerns have been raised that the insurgents could attack offshore LNG facilities and if successful, may be emboldened to attack ships transiting the Mozambique Channel.

During last month's attack on Palma however, the insurgents are said to have taken control of two vessels and fired upon another, they have attacked other villages in Macomia this week using motorboats, perhaps indicating they may have an enhanced capability to operate marine craft beyond the littoral. This has raised concerns that the insurgents could attack offshore LNG facilities and if successful may be emboldened to attempt to board ships transiting the Mozambique Channel to take hostages for ransom as a revenue stream to fund their activities.

A recent independent report recommended that security patrol vessels manned by the newly created government Joint Task Force (JTF) personnel are required to secure the seaward side on the onshore LNG site. To provide security for the offshore LNG sites situated outside of Mozambique's territorial waters, the report advocated the use of larger security vessels perhaps operated by Private Maritime Security Companies.

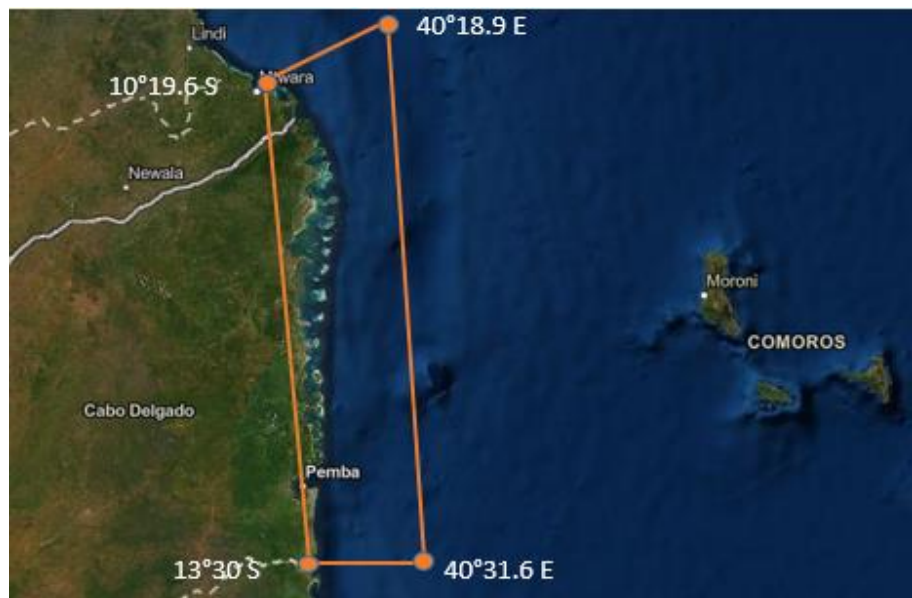
In an apparent response to the latest ASWJ maritime incursion, the Joint War Committee (JWC) representing Lloyd's and other IUA companies issued circular JWLA-26 giving details of changes to the Indian Ocean High Risk Area and the creation of a High Risk Area off Cabo Delgado.

How can the international community help in Mozambique?

In March, Portugal announced it is to send 60 Special Forces trainers to help the Mozambique government in counter insurgency operations and the U.S also said they would be sending American Special Forces advisors to train beleaguered local troops.

South Africa and the Southern African Development Community (SADC) partners have offered naval and intelligence support. The South African Navy has conducted intermittent anti-piracy, drug and weapon smuggling patrols in the Mozambique Channel since 2011 under the title 'Operation Copper' and is now establishing a new forward operating base at Richards Bay in South Africa's north in response to the insurgency.

On 27 April SADC military officials announced a proposal to form a 3000 strong rapid response force to take on the Jihadists. The proposed intervention force of 2,916 soldiers would include three light infantry battalions of 630 troops each, two special forces squadrons of 70 troops each; two attack helicopters; two armed helicopters; two surface patrol ships; one submarine; one maritime surveillance aircraft as well as other logistical support aircraft, equipment and personnel.



JWLA-26: CABO DELGADO HIGH RISK AREA. MOZAMBIQUE

India has also long positioned itself as a net security provider in the south-west Indian Ocean and as a security partner to Mozambique. Since 2020, Indian Navy P8I maritime patrol aircraft, staging through Réunion, have conducted joint patrols with the French Navy in the Mozambique Channel. India is also in the process of constructing an air and naval facility on Mauritius' remote Agalega Island, near the north end of the Channel, improving its ability to cover the region.

What next?

Can the government deliver on its promise to defeat ASWJ and return stability to the region? It is difficult to see how the situation in Cabo Delgado can be resolved in the short term without international intervention on the ground. State media recently announced that the government had ended the DAG helicopter support contract and replaced them with Mozambican military helicopters, which would provide air support to ground troops. The report said the government would provide four Gazelle helicopters flown by Mozambican pilots and a Mi17 and Mi24 flown by Ukrainian crews.

Maritime security is an integral part of the attempts to resolve the Mozambique Islamist insurgency situation, swift action is required to prevent further attacks escalating into an alarming and complex regional maritime problem.

More FDS troops have arrived in the area in recent weeks although the insurgents still control most of the area outside of the major towns. Some experts argue that since the inception of the insurgency in Cabo Delgado, the Mozambique government has not been able to identify the root causes of radicalisation in that part of the country. They say that Mozambican authorities have sought help from others, including private security companies and mercenaries instead of engaging with their own citizens. The situation has worsened in the last three years and indicates that probably the government strategies haven't worked.

Neptune P2P Group comment

The area faces an uncertain future. In April, Total announced it is to suspend work on its LNG site declaring 'force majeure' and the withdrawal of all its project staff. The Joint War Committee's decision to create a High Risk Area off Cabo Delgado has also sent out a significant signal to the commercial shipping industry. As the war threatens to spread further into the maritime domain and in particular the Mozambique Channel, how long will it be until we see shipping companies employing private companies to provide security and reassurance for their ships and crews in an increasingly hostile environment.



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