

AFRICAN ENERGY CHAMBER · LNG

# Mozambique LNG Sector Faces Pressure to Deliver Inclusive Local Economic Benefits

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Mozambique stands at a critical juncture in its LNG development trajectory, with a Baker Hughes field specialist and Mozambican national, Xiluva Mondlane, articulating what citizens expect from large-scale LNG projects during what she describes as a decisive decade for the country. Her perspective reflects a growing sentiment among Mozambicans that the country's vast natural gas reserves — among the largest discovered in Africa in recent decades — must translate into tangible benefits for local communities, not merely headline production figures and export revenues.

The African Energy Chamber piece underscores a tension that has become increasingly prominent across Sub-Saharan Africa's energy landscape: international oil and gas companies and their service partners are under mounting pressure to demonstrate that project development generates local employment, skills transfer, supply chain integration, and community investment alongside barrels and LNG cargoes. In Mozambique specifically, this pressure carries added weight given the security instability in Cabo Delgado province, which forced TotalEnergies to declare force majeure on its Area 1 project in 2021 and continues to cloud the investment environment. Any credible restart or expansion scenario will require operators and their contractors to engage meaningfully with local expectations.

Mondlane's position as both an industry insider — employed by a major international oilfield services company — and a Mozambican citizen gives her commentary

particular credibility. She represents a cohort of locally trained professionals who expect the LNG sector to function as a development engine rather than an enclave economy. Her call for inclusive growth touches on local content legislation compliance, workforce development pipelines, and the need for international partners to go beyond minimum regulatory requirements in embedding themselves in the national economy.

For service companies operating or positioning in Mozambique, the message carries operational and reputational implications. Contractors bidding on future Rovuma Basin work — whether for ENI's Coral South floating LNG expansion, a potential TotalEnergies Area 1 restart, or ExxonMobil's Area 4 onshore LNG ambitions — will be evaluated not only on technical capability and cost competitiveness but on their local content commitments, community engagement frameworks, and track records from comparable African projects. Mozambique's local content regulations already mandate certain thresholds for national workforce participation and goods and services procurement, and these are expected to tighten as political pressure from civil society intensifies.

The broader context is that Mozambique remains one of the highest-potential LNG frontiers globally, with estimated recoverable reserves exceeding 100 trillion cubic feet. European energy security concerns post-2022 have renewed interest in accelerating Mozambican LNG exports to diversify away from Russian pipeline gas. That demand pull creates a commercial window — but realising it will require operators and their service partners to navigate a complex social and political landscape with greater sophistication than has been demonstrated to date.

## Why this matters to partners and clients of Saga

Norwegian service companies already active in Mozambique — or monitoring re-entry windows as security conditions evolve — should treat local content and inclusive growth commitments as a core component of bid strategy, not a compliance footnote. Companies like Aker Solutions, TechnipFMC, or Subsea 7 with strong Norwegian labour practices and apprenticeship models are well positioned to present credible workforce development proposals. Monitoring the TotalEnergies Area 1 restart timeline and ENI Coral South Phase 2 decisions remains the key trigger for active pursuit.

### PARTNER ANGLES

- **LNG:** Track ENI Coral South FLNG expansion and TotalEnergies Area 1 restart decisions as primary entry points for LNG infrastructure and topsides contracts.
- **Subsea/FPSO:** Position early on subsea tie-back and FPSO scope for deepwater Rovuma Basin developments by demonstrating robust local content and skills transfer programmes in bid packages.
- **Drilling:** Appraisal and development drilling campaigns across Area 1 and Area 4 will resume ahead of FID; Norwegian drilling contractors should maintain active relationships with TotalEnergies and ExxonMobil Mozambique teams.
- **Service:** Well services and completions companies can differentiate on local workforce training commitments, directly addressing the inclusive growth expectations Mondlane articulates on behalf of Mozambican stakeholders.
- **Pipeline:** Onshore gas gathering and transmission infrastructure linked to ExxonMobil's Area 4 LNG ambitions represents a pipeline segment opportunity contingent on FID progress and security stabilisation in Cabo Delgado.

[Original source: African Energy Chamber →](#)

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### Saga Advisory

General: [info@saga-advisory.com](mailto:info@saga-advisory.com) · [saga-advisory.com](https://saga-advisory.com)

