

MOZAMBIQUE News reports & clippings

268 10 August 2014 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Book launch in Nampula

Galinhas e cerveja: uma receita para o crescimento

by Teresa Smart and Joseph Hanlon
(in Portuguese only)

Thursday 14 August, 15.00, UniLurio, Nampula



Peace accord signing promised

A peace agreement will be signed soon in Maputo by President Armando Guebuza and Renamo head Afonso Dhlakama, Guebuza on 6 August told Mozambican journalists accompanying him in Washington for the US/Africa summit. Guebuza said he had spoken to Dhlakama by telephone on Saturday 2 August.

The final agreement was reached in the 69th round of negotiations in Maputo on Tuesday 5 August, but no details have been published. After that meeting, it was announced that an amnesty law covering all military actions during the past year of violent conflict would be submitted to the current sitting of parliament. It was also confirmed that the role of national and international observers had been spelled out.

There has been an unofficial cease fire since the end of June.

End of Tete coal boom?

Rio Tinto has virtually given away the Benga coal mine in Tete it bought from Riversdale for \$3.8 billion just two years ago. And the Brazilian company Vale has confirmed it wants to sell part of its mine and the railway to Nacala in order to "reduce the risks." Vale owns 80% of the Nacala Logistics Corridor (CLN) which will operate a new mineral port at Nacala-a-Velha and the railway from Moatize to Nacala. CLN is 20% owned by the publicly owned port and rail company, CFM.

Coal prices have plummeted since their peak in 2011. Thermal coal is half what it was then (\$70/t at the port of export compared to \$140/t) and the coking coal price is down to one-third of its 2011 peak (\$350/t down to \$120/t). Reuters columnist Clyde Russell (5 August) predicts thermal coal prices will continue to fall while coking coal has reached a bottom, but it unlikely to rise very much in price. This is bad news for miners in Tete, which is 600-1000 km from the nearest port; Vale estimates it costs \$66/t to ship coal to Beira port by rail, making it unprofitable to export thermal coal. But the profitability of the mines depends on exporting both thermal and coking coal which are mined together.

India and China are the two biggest coal importers, and only India seems interested in Tete coal. The Indian company International Coal Ventures (ICVL) bought the former Riversdale mine for just \$50 million. Tata steel of India already owns 35% the Benga mine. The plan is to triple production to 13 million tonnes per year within three years, of which 60% will be exported to India. AIM (4 Aug) reports that ICVL was set up by the Indian government specifically to acquire coal assets overseas to meet the coal needs of state-owned companies, and thus has guaranteed buyers.

On 7 August, the Sol Mineração signed an exploration contract for coal in Mutarara, Tete. Sol is owned by the Kenyan company Sunflag, which according to O Pais is in turn owned by Indian capital.

Comment: For three decades, the international financial institutions and donors have been lecturing Mozambique about how private companies are always better managed than state companies. Private managers at Rio Tinto threw away an incredible \$3.8 billion. If that had been a state company, there would be a huge scandal with talk about greed, rent seeking, corruption, and the need from private management. At the very least, Rio Tinto should serve as an example that private is not always best. *jh*

Chronic child malnutrition is 43%

43% of Mozambican children are chronically malnourished, according to the Deputy Minister for Women's Affairs and Social Welfare, Virgilio Mateus, who noted this is an improvement on the 48% of all children under five who were suffering from chronic malnutrition in 2013. Child mortality remains high, but is also falling. In 2003, 153 out of every 1,000 children born died before their fifth birthday; by 2011, this mortality rate had fallen to 97 per 1,000 live births.

Mateus was speaking at the launch of the UNICEF report "The situation of children in Mozambique, 2014", which warns of sharp regional disparities. A child living in the northern provinces is twice as likely to suffer from chronic malnutrition as a child living in the south.

The worst province for children, according to UNICEF, is Zambezia, where not only chronic but also acute malnutrition is a serious problem; 9.4% of children in Zambezia are acutely malnourished – the highest rate in the country. Zambezia also has the highest rate of child mortality (142 per 1,000 live births) and only 47% of children in the province under one year of age have received all the basic vaccinations. (AIM 8 Aug)

One more gunned down

Shabir Coelho was gunned down on a Maputo street on 5 August. He imported and sold second hand vehicles and was said to be a close associate of Nini Satar, a notorious loan shark currently in jail for killing investigative journalist Carlos Cardoso in November 2000.

For visitors to Mozambique

There are reports that visa regulation enforcement is being tightened. Mozambican rules says that anyone coming from a country with a Mozambican embassy must get a visa from that embassy. This is mainly aimed at restricting Portuguese coming to Mozambique to look for work, and at the United States which makes it very hard for Mozambicans to obtain visas. To encourage tourism, as in many countries such as Zimbabwe, visas have been available at the border or airport, but this is increasingly and somewhat inconsistently being restricted to visitors from countries without embassies.

At least 12 people have died from rabies transmitted by dogs in Maputo City over the last three months. Thus a rabies vaccination is a wise precaution.

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The next book

Galinhas e cerveja: uma receita para o crescimento

by Teresa Smart & Joseph Hanlon now available in bookshops in Maputo and will be launched 14 August in Nampula.

Zimbabwe takes back its land

by Joseph Hanlon, Jeanette Manjengwa & Teresa Smart is now available from the publishers https://www.rienner.com/title/Zimbabwe_Takes_Back_Its_Land also as an e-book and <http://www.jacana.co.za/book-categories/current-affairs-a-history/zimbabwe-takes-back-its-land-detail>

Now in paper at a reasonable price

Do bicycles equal development in Mozambique?

by Joseph Hanlon & Teresa Smart is now available in **paperback**, for £17.99 (+ p&p) from the publisher <http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503>

Just Give Money to the Poor: The Development Revolution from the Global South

by Joseph Hanlon, Armando Barrientos, and David Hulme

Most of this book can now be **read on the web**

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NOTE OF EXPLANATION:

This mailing list is used to distribute two publications, both edited by Joseph Hanlon. This is my own sporadic "News reports & clippings", which is entirely my own responsibility. This list is also used to distribute the *Mozambique Political Process Bulletin*, published by CIP and AWEPA, but those organisations are not linked to "News reports & clippings"

Joseph Hanlon

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Mozambique media websites:

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O Pais: www.opais.co.mz

On Facebook:

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Macauhub English: www.macauhub.com.mo/en/

AIM Reports: www.poptel.org.uk/mozambique-news

Carlos Serra Diario de um sociologo: <http://oficinadesociologia.blogspot.com>

Good daily newsletters:

English: Mozambique Investor. Send e-mail to theinvestor@clubofmozambique.com

Portuguese: Mozambique Hoje. <http://mail.clubofmozambique.com/mailman/listinfo/mhoje>

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