

# MOZAMBIQUE News reports & clippings

301 25 October 2015

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**Election study collaboration:** We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. <http://bit.ly/MozElecData>

**Chickens and beer: A recipe for agricultural growth in Mozambique** by Teresa Smart and Joseph Hanlon is on <http://bit.ly/chickens-beer>

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## **Also in this issue:**

**Questions continue over attacks on Dhlakama**

**Trying to renegotiate Ematum bond**

**Gas investment moving slowly**

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## **Costly Norwegian aid**

### **Banana disease threatens all local bananas; Striker killed by police**

Panama disease, a devastating banana disease first identified two years ago on the Matanuska plantation in Monapo, Nampula, has now been identified in Chiure, Cabo Delgado as well. The Mozambican Ministry of Agriculture and Food Security on 12 October banned all movement of banana saplings and cane from the two companies where Panama disease has been found.

The disease has never been successfully controlled and could wipe out all of Mozambique's commercial banana production in the next decade.

Meanwhile, on Wednesday police shot five strikers at Matanuska, killing one. According to *Noticias* (23 Oct), the 2500 employees had confronted the manager demanding an increase in wages from the legal minimum wage, 3183 meticaís (\$75) per month, to 7000 meticaís (\$165). Police were called and shot at the strikers because they said the strikers were threatening to invade the manager's house. The strikers said the company was growing and could afford to pay more than the minimum wage. But Monapo district agriculture director Adelino Manuel told *Noticias* that the company is going through its worst period ever because Panama disease has significantly reduced production and exports.

Matanuska is partly a Norwegian aid project, with \$27 in loans and equity from Norfund, which is owned on behalf of the Norwegian government by the Ministry of Foreign Affairs, and receives its funding from the Norwegian aid budget. In our book [\*Chickens and beer: A recipe for agricultural growth in Mozambique\*](http://bit.ly/chickens-beer) (<http://bit.ly/chickens-beer>) we reported on Matanuska and noted it was one-third owned by Norfund and two-thirds owned by Rift Valley Holdings, which has historic Norwegian links. Rift Valley is a Zimbabwe-based company owned by family groups, the Austrian von Pezold family (whose interests are managed by Heinrich von Pezold), Hoegh Capital Partners

of the Norwegian shipping family (<http://www.hoegh.co.uk>), and Matanuska Zimbabwe of the Hildebrand family, with Oliver Hildebrand as director (<http://www.globalaginvesting.com/Conferences/Presenters?eventId=10#vonpezold>). In Mozambique Rift Valley owns Matanuska Mozambique, Corridor Agro, timber interests in Niassa, and Grupo Madal which was a Norwegian plantation company established in Mozambique in 1913 and finally abandoned and nationalised in 2001 and re-privatised in 2004.

## Panama disease

Panama disease is caused by the fungus *Fusarium oxysporum* which lives in soil and enters the plant through the root, blocking the flow of water and nutrients. The fungus lasts in soil for decades and cannot be managed with chemical fungicides. It is easily transmitted in dirt on shoes and car tyres, and is probably impossible to control. Thus it is expected to wipe out Mozambican bananas over the next decades - as happened in Latin America in the last century.

Local varieties of banana may be resistant to the disease, but the only commercially grown variety is the Cavendish, which was first introduced in Latin America because it was resistant to Panama disease. But a new strain of the fungus, TR4, attacks the Cavendish.

The two areas affected are both foreign-owned plantations. The disease was first found on the Matanuska plantation in Monopo, and was probably brought in with dirt on the boots or clothes of foreign workers from Asia.

## Who is responsible?

The cost to Mozambique of Panama disease is likely to be far more than the value of Norfund investments in Mozambique, and raises questions about the liability for damaging foreign investments.

Meanwhile, no one takes responsibility for the spread of Panama disease. Despite being the owner of Norfund, The Ministry of Foreign Affairs press office said only that it "is aware of the situation regarding the Matanuska Plantation. Norfund is an independent company under Norwegian law," and told this newsletter to contact Norfund directly.

Elin Ersdal of Norfund denies that Matanuska is responsible for the new outbreak of Panama disease. She writes: "Matanuska and its shareholders have acted responsibly and done as much as possible to contain the disease and inform stakeholders and other banana producers. ... Matanuska is testing resistant bananas and considering and testing other crops, in particular pineapple, that can serve as an alternative crop to bananas."

Ersdal adds: "Matanuska shareholders have also provided finance of a 3-year co-operation program with Stellenbosch University and to studies of susceptibility of local cooking bananas. Even if Panama disease TR4 also can spread to other types of bananas, the development in Asia indicates that it will not reach epidemic levels in other bananas."

Ersdal's e-mail is reproduced in full below.

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### Full text of Elin Ersdal, Norfund, e-mail, re Matanuska Panama disease:

From: Elin Ersdal  
Sent: 19. oktober 2015 09:17  
To: Joseph Hanlon

Subject: RE: REPLY - RE: press enquiry

Dear Joseph Hanlon

Thank you for your interest in Matanuska. It's been a while since we last talked, but I have been reading your newsletter with interest.

Panama Disease TR4 (PD) is truly a serious banana disease and may indeed be a threat to other commercial producers of Cavendish bananas if proper bio security measures are not introduced in time. Unfortunately disease has always been and will always be a problem in agriculture, and commercially grown bananas are particularly vulnerable because they have so little genetic variation and almost exclusively are Cavendish bananas. This is an industry problem for the banana industry that must be solved by the industry by developing resistant or tolerant bananas, like the industry did when it moved away from Gros Michel bananas in the 1950s.

The Matanuska case is the first occurrence of PD TR4 in Africa. The cause of the infection cannot be ascertained, but none of the scientists that advise Matanuska on the PD point to the company for being responsible. It has been spreading rapidly in Asia lately and it was just a question of time before the disease spread from East Asia to Africa. Oman and Jordan already had the disease at the time when it was discovered in Mozambique.

Matanuska has dealt with the disease in a responsible way and taken a costly, proactive and transparent stance to respond to this threat. When the presence of PD TR4 was confirmed in August 2013 a containment program was developed in collaboration with international Panama Disease experts at Bioversity International, Stellenbosch University and the Mozambique Ministry of Agriculture. It was implemented immediately and included precautionary measures like fencing, checkpoints, disinfection points, restriction of movement etc. with the aim to reduce the risk of spreading inside and outside the plantation. Regional and national stakeholders were also engaged in the development of a comprehensive disease management plan already from an early stage.

In mid-2014, concluding that PD TR4 was moving throughout the farm, a new action plan was made with the support from Bioversity's Dr. Augustin Molina and Stellenbosch University's Prof. Altus Viljoen. This action plan was more comprehensive and took initiatives to a new level. While still continuing to work to contain the disease, a PD management plan was implemented to slow down the spread of in the areas already affected. This included, among other, a program for water and soil management on a large scale.

Matanuska shareholders have also provided finance of a 3-year co-operation program with Stellenbosch University and to studies of susceptibility of local cooking bananas. Even if Panama disease TR4 also can spread to other types of bananas, the development in Asia indicates that it will not reach epidemic levels in other bananas.

Matanuska shareholders and management have had regular contact with the national authorities, various stakeholders and international organizations during the whole process. Among various international organizations, FAO is involved in the efforts to contain the disease in Northern Mozambique and has launched a project on panama disease in Mozambique. FAO have praised Matanuska for "being transparent about the occurrence of Foc TR4 and for being receptive of the technical support from the ministry of Agriculture and international institutions to improve diagnosis, monitoring and for making all the possible efforts for implementing on-farm phytosanitary and control measures." Both the Ministry of Agriculture and the Ministry of Land, Environment and Rural Development have issued support letters to Matanuska for the efforts of dealing with the situation.

Matanuska and its shareholders have acted responsibly and done as much as possible to contain the disease and inform stakeholders and other banana producers. The owners and banks are in discussions on how to best take Matanuska forward. Matanuska is testing resistant bananas and considering and testing other crops, in particular pineapple, that can serve as an alternative crop to bananas.

Feel free to contact us if you have further questions.

Best regards

Elin Ersdal  
Head of department  
Norfund

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## Questions continue over attacks on Dhlakama

Following the raid on his house on 9 October, the morning after he arrived in Beira, Renamo head Afonso Dhlakama has again disappeared. But debate continues about who was behind the raid, which disarmed his guards, and the two earlier attacks near Chimoio on Dhlakama's motorcade.

[Savana in an extensive report](#) in its issue Friday (23 Oct; [bit.ly/1jlecfu](http://bit.ly/1jlecfu)) blames "a bellicose wing of Frelimo" intending to block President Filipe Nyusi's "more generous" approach toward Dhlakama. It says that radical wing include police commander Jorge Khalau, former head of General Staff Lagos Lidimo, current Defence Minister Athanasius Mtumuke, and Alberto Mondlane who is governor of Manica where the two attacks took place and was Interior Minister under President Armando Guebuza. *Savana* is cautious about the role of Guebuza but it cites *Africa Confidential* which blames the "Guebuza wing" of Frelimo. Guebuza is currently away in Tanzania, heading the African Union election observer mission.

Dhlakama did unexpectedly well with 37% of the vote in 15 October 2014 presidential elections and has attracted large crowds to rallies in the centre and north of the county. Nyusi has offered renewed talks with Dhlakama and *Savana* reports that Dhlakama told the mediators who came to his house in Beira on 9 October to tell Nyusi that he still wanted such talks. Bishop Dinis Sengulane did brief Nyusi four days later, *Savana* says, while also reporting distrust in Renamo with some of the mediators who they claim are trying to push Renamo to replace Dhlakama.

*Savana* points to three reasons for the attacks on the motorcade and house. First is simply to reduce Dhlakama's freedom of movement and stop him addressing rallies. Second to build on his perhaps justified fears for his safety and push him to retreat again to the bush and return to his virtual invisibility of 2013. But third, and perhaps most important, is to put pressure on Nyusi to stop making concessions.

Putting pressure on the Renamo president will also have the effect of making Dhlakama take a harder line in negotiations, making it more difficult for Nyusi. Dhlakama does not trust Frelimo; he believes he won all five presidential elections and believes that Frelimo wants to kill him, which will only be reinforced by the serious of attacks. *jh*

**+ Malawi is closing** a refugee camp near the border with Zóbuè, Tete, which it opened in July when 775 people fled fighting between the army and Renamo. About 140 Mozambicans are still in the camp and refusing to leave. (AIM Pt 25 Oct)

**+ Police in Tete blocked Renamo** members from marching on 17 October to commemorate

the 36th anniversary of the death of André Matsangaissa, Renamo's first leader. (*O Pais*, 20 Oct)

## Trying to renegotiate Ematum bond

Finance Minister Adriano Maleiane effectively admitted to STV that the \$850 million bond issue agreed in 2013 for the Mozambique Tuna Company (EMATUM) was a bad deal and that attempts are being made by the National Investment Bank (BNI) to renegotiate it to lower the interest rate and extend the repayment period.

The government-guaranteed loan was to be repaid in seven years, with just a two year grace period, and at the high interest rate of LIBOR (London Inter-Bank Offered Rate) plus 6.5%. The official purpose of the Eurobond was to purchase 24 tuna fishing boats and six patrol boats, to be built at a shipyard Cherbourg, France. The French press valued the boats at only \$230 million.

After a huge backlash by the IMF and donors, the debt was split in two: \$350 mn remains the responsibility of EMATUM and \$500 mn will be repaid the government. The second part was partly used to buy military equipment, but the rest has never been explained or justified. "Seven years is a short period to repay \$500 million, even with a two year grace period", Maleiane told parliament in June, "particularly at a high interest rate."

## Gas investment moving slowly

Neither ENI nor Anadarko have made final investment commitments on their respective liquefied natural gas (LNG) projects. Oversupply and falling LNG and oil prices are raising questions about even these projects, notes Rhula, citing Mine Web. However Anadarko told Reuters that it is pushing ahead. (The Maputo-based Rhula Intelligent Solutions publishes a very detailed weekly press summary. [www.rhula.net](http://www.rhula.net))

But nothing is happening with the controversial logistics terminal in Pemba, which is supposed to be built by Orlean Invest (headed by Italian businessman Gabriele Volpi) in conjunction with Sociedade Portos de Cabo Delgado (a joint venture of ENH Logistics and CFM). *Africa Energy Intelligence* reports that Anadarko considers that Orlean's services in Nigeria are highly expensive. The deal was considered questionable and linked to the previous Guebuza administration, and may be being delayed by the new president, Filipe Nyusi.

Total investment in natural gas operations in the Rovuma Basin is now projected to be \$31 billion US dollars, according to Omar Mitha, the new chair of the National Hydrocarbon Company (ENH). Mitha expects Anadarko and its partners to make the final investment decision in the first quarter of 2016. (AIM Eng 22 Oct)

## Other news

**3 further kidnappings** of Asian-origin businessmen or their families were reported in Maputo, two on 13 October and one on 23 September.

**Nearly 500 Mozambican poachers have been shot dead** by rangers in Kruger park, South Africa, over the past five years, including 82 killed in the first half of this year. (*Observer*, London, 18 Oct) The *Financial Times* (2 Oct) cites a lower number, 220 killed in seven years. The risk is high but so is the profit - poachers are offered \$5000 for a rhinoceros horn.

**Labour mediation is working.** Labour Minister Vitória Diogo on 12 October reported that 39,356 labour disputes went to mediation in the past five years, and that agreement between employers and workers was reached in 30,356 cases - 77%.

**President Nyusi went to South Africa** last week to discuss energy and trade. The media noted that South Africa has been short of electricity for several years and that Mozambique has been trying to promote both coal and hydro power projects but the South African power company, Eskom, has repeatedly refused to sign long term contracts to buy the electricity.

**Wage arrears to teachers** must be paid by the end of this year, President Filipe Nyusi has ordered. At a meeting with teachers earlier this month, a major complaint was delays in paying wages, and the failure to pay for overtime.

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## **Chickens and beer:**

### **A recipe for agricultural growth in Mozambique**

by Teresa Smart and Joseph Hanlon

E-book for Kindle and iPad, for \$9.32 from US Amazon -  
<http://www.amazon.com/dp/B00NRZXXKE> - £5.14 from UK Amazon.

In pdf format, 6 Mb file, free on <http://bit.ly/chickens-beer>

## **Galinhas e cerveja: uma receita para o crescimento**

by Teresa Smart & Joseph Hanlon. Copies are in Maputo bookshops or from  
**KAPICUA**, Rua Fernão Veloso 12, Maputo; Tel.: +258 21 413 201 or +258 21 415 451  
Telm.: +258 823 219 950 E-mail: [kapicua@tdm.co.mz](mailto:kapicua@tdm.co.mz) / [kapicuacom@tdm.co.mz](mailto:kapicuacom@tdm.co.mz)

Outside Mozambique, we have a few copies we can send from London.  
Please email [j.hanlon@open.ac.uk](mailto:j.hanlon@open.ac.uk).

## **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](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>

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### **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**  
[tinyurl.com/justgivemoney](http://tinyurl.com/justgivemoney)

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**Also on the web:** Previous newsletters and other Mozambique material are posted on [bit.ly/mozamb](http://bit.ly/mozamb)

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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:**

Noticias: [www.jornalnoticias.co.mz](http://www.jornalnoticias.co.mz)

O Pais: [www.opais.co.mz](http://www.opais.co.mz)

@Verdade: <http://www.verdade.co.mz>

Diario de Moçambique (Beira): <http://www.diariodemocambique.co.mz>

CanalMoz on Facebook: <https://www.facebook.com/CanalMoz>

Macauhub English: [www.macauhub.com.mo/en/](http://www.macauhub.com.mo/en/)

AIM Reports: [www.poptel.org.uk/mozambique-news](http://www.poptel.org.uk/mozambique-news)

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

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