

# MOZAMBIQUE News reports & clippings

417 2 July 2018

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## Also in this issue:

**Rubies are the red heart of Cabo Delgado confrontation**

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## Heroin is Mozambique's 2nd biggest export

Mozambique is a significant heroin transit centre and the trade has increased to 40 tonnes or more per year, making it a major export which contributes up to \$100 mn per year to the local economy. For 25 years the trade has been controlled by a few local trading families and tightly regulated by senior officials of Frelimo, the ruling party, and has been largely ignored by the international community which wanted to see Mozambique as a model pupil.

It appears that there is a shift to a second channel, not so tightly controlled by the old trading families and the ruling party. The global move toward the gig economy and the broader corruption of Mozambican police and civil service makes it easier to organise alternative channels, with local people hired by WhatsApp and BlackBerry for specific tasks.

Mozambique is a key link in a complex chain which forms the east African heroin network. Heroin goes from Afghanistan to the Makran coast of Pakistan, and is taken by dhow to northern Mozambique. There, the Mozambican traffickers take it off the dhows and carry it to the coast, and then move it more than 3000 km by road to Johannesburg. From there others ship it to Europe.

The report in English is attached, and available on [bit.ly/Moz-heroin](http://bit.ly/Moz-heroin)

The report in Portuguese is available on [bit.ly/Moz-heroina](http://bit.ly/Moz-heroina)

This Mozambique heroin study was a background paper for "Tackling heroin trafficking on the East African coast" by Simone Haysom, Peter Gastrow and Mark Shaw of the Global Initiative Against Transnational Organized Crime, published today on <https://enactafrica.org/research/policy-briefs/tackling-heroin-trafficking-on-the-east-african-coast>

## Nyusi in Cabo Delgado: Keep waiting and work harder

Gas will create 5000 jobs - but not yet - President Filipe Nyusi said Friday in Palma, Cabo Delgado. He called for patience, and said in the meantime, people must work harder and produce more. (AIM En 1 July; Zitamar 30 June, *Financial Times* 27 June)

In May there was a demonstration of hundreds of young people in Palma demanding jobs, saying when they applied to the gas companies, their applications were just thrown in the rubbish. And the Bishop of Pemba in a pastoral letter confirmed that gas-related jobs were going to outsiders.

The Anadarko led consortium which has Area 1 nearest to the coast has already started relocating residents from the Afungi peninsula near Palma where it will build its gas liquification plant. It has 1000 workers on site preparing the area, and is expected to have 2500 workers by the end of the

year - but it is not known how many will be local.

Nyusi said that the ExxonMobil and ENI will also go ahead with their LNG plant to process gas from area 4 further off shore. Construction of the plants will not start until at least 2020. Eventually these will create 5000 jobs, he said, but many of these will be for outsiders who have been trained. The government is setting up a centre in Palma to train local young people in trades such as carpentry and electricity. In the meantime, loyal youth will have to be patient and work harder.

But patience may be in short supply, and the recent attacks by militant young men are at least partly linked to their frustration at not finding jobs and being forced to become informal street sellers.

## Rubies are the red heart of the Cabo Delgado confrontation

Rubies have become a major export; since 2014 rubies from Montepuez Ruby Mining (MRM) have sold for \$407 mn. A single auction in early June generated \$72 mn. MRM is owned 25% by Mwiriti, controlled by Frelimo leader Raimundo Pachinuapa, and 75% by a private equity company, Pallinghurst, which took over the previous owner Gemfields last year. Other gemstone mining areas have also been concessioned, some to other Frelimo leaders.

But these are huge concessions - MRM has more than 34,000 hectares (340 square kilometres) - and MRM employs 1100 people. But this has totally disrupted local small scale mining, which provided an important income source for young people, explained Zenaida Machado of Human Rights Watch speaking at the Chatham House meeting in London on 20 June.

Northern Mozambique has been a source of a wide variety of gemstones for many years, notably rubies, sapphires, tourmaline, garnets, and spinel. Rubies and sapphires are a very hard form of corundum (aluminium oxide) with chromium giving the ruby its red colour and other trace elements giving sapphires their colours.

Gemstones often occur in gravel beds and layers which are near the surface. The Montepuez gavel beds are 20-120 cm thick, 5 km long, and just 4-7 metres below the surface. This makes them very suitable for small scale mining, which had continued for many years. In 2016 and 2017 visits to Cabo Delgado the Gemological Institute Of America (GIA) found that significant parts to the areas had been - and were still being - mined by small scale miners, who were being forced off by mining companies that had gained licences

<https://www.gia.edu/gems-gemology/winter-2016-update-gemstone-mining-northern-mozambique-item-1>

<https://www.gia.edu/gems-gemology/fall-2017-gemnews-mozambique-ruby-update>

GIA notes that in early 2016 the Mozambican government changed its policy on garimpeiros. "Before 2016 the garimpeiros were, legally speaking, 'informal' small-scale miners. The only legal issue was that they had no license. The police were only allowed to confiscate their mining equipment and question them before releasing them. But in 2016, mining for gemstones or gold without a license became a crime punishable by three years in jail. In February 2017 the government, which was facing major fiscal problems, changed tactics: Instead of taking legal action against garimpeiros, they would target buyers hiding in the towns. Several police operations were launched in Cabo Delgado, and many foreign buyers (mainly Tanzanian, Thai, Sri Lankan, and West African) were arrested, fined, and expelled. Rubies quickly became more scarce in the Thai markets. This probably explains why Gemfields [MRM] had its most successful ruby auction ever in June 2017." Added to this, the *Financial Times* notes that the ruby has become "the hottest stone in fashion", with top jewellery and fashion designers featuring rubies in the past year.

<https://www.ft.com/content/06fd57d8-970f-11e7-8c5c-c8d8fa6961bb>

For decades, children would search for gem stones on the ground in the forests and adventurous

young men would take up small scale mining and trading gem stones, usually selling across the border in Tanzania. This provided additional income to thousands of families which was cut off when miners were driven off official mining concessions and chased by police under tighter laws. Traders and miners found themselves unemployed, and often hanging around towns and trying to earn money as informal traders.

The first Islamist raid was on 5 October 2017 on Mocímboa da Praia.

## **Gemfields (MRM) accused of human rights violations in UK high court**

More than 100 small scale miners and local residents brought a legal action in April in the High Court in London against Gemfields alleging that state and private security forces acting for Gemfields have tortured and killed artisanal miners and burned down houses and forced people to move. The case is being brought by London law firm Leigh Day. Gemfields denies the claims but last month requested a three month delay in the court case to prepare its response.

The abuse was first raised by one of Mozambique's best investigative journalists, Estacio Valoi, who with another excellent investigative journalist Luis Nhachote has just set up a website Centro de Jornalismo Investigativo (Investigative Journalism Centre) <http://cjimoz.org/> Eastacio Valoi's articles are on <http://cjimoz.org/violacao-de-direitos-humanos-em-montepuez/> <https://www.zammagazine.com/perspectives/arena/467-alert-forced-removals-of-villagers-from-mozambican-ruby-fields>

<https://www.leighday.co.uk/News/News-2018/April-2018/Faberge-owners-face-London-High-Court-battle-over>

## **And Gemfields pays too little to government**

In April the Public Integrity Centre (CIP) reported that Gemfields was paying too little to the Mozambique government because it had not converted its mining concession into a formal mining contract. It also noted that the purchase of Gemfields by Pallinghurst led to the withdrawal of the company for the London Stock Exchange, which made it less accountable because Monepuez was mixed with other projects, and because it was no longer subject to British law on bribery and corruption.

Gemfields replied that it has paid \$34 mn in royalties - 10% of sales - and had various social responsibility projects, and is now listed on the Johannesburg Stock Exchange.

Original CIP report:

[https://cipmoz.org/images/Documentos/Industria\\_Extrativa/Montepuez\\_Ruby\\_Mining.pdf](https://cipmoz.org/images/Documentos/Industria_Extrativa/Montepuez_Ruby_Mining.pdf)

Gemfields reply: <http://bit.ly/2KHE7St>

CIP reply to Gemfields reply:

[https://www.cipmoz.org/images/Documentos/Sem\\_categoria/Nota\\_de\\_Imprensa\\_MRM.pdf](https://www.cipmoz.org/images/Documentos/Sem_categoria/Nota_de_Imprensa_MRM.pdf)

## **Revised constitution**

An official version of the revised Mozambican constitution is posted on <http://bit.ly/2KF588T>

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This newsletter can be cited as "Mozambique News Reports & Clippings".

If you need to cite it for academic purposes, treat it as a blog. The normal citation format would be:

## Recent reports

**Special report on social protection** <http://bit.ly/MozSocPro>

**Mozambique corruption articles 2016-7** <http://bit.ly/2upF8XI>

## Secret debt documents and report:

**Kroll full report** (80 Mb!) <http://bit.ly/Kroll-Moz-full>

**Kroll audit Executive Summary** <http://bit.ly/Kroll-sum>

**Parliamentary Report on the Secret Debt** (complete, in Portuguese) [bit.ly/MozAR-debt](http://bit.ly/MozAR-debt)

**Key points from the Parliamentary Report on the Secret Debt** <http://bit.ly/MozAR-debt-En>

**Mozambique should not pay the hidden debt** <http://bit.ly/Moz-do-not-pay>

**Following the donor-designed path to the \$2.2 billion secret debt** <http://bit.ly/3WQ-hanlon>

## Other books and reports:

**Government's detailed flood reports:** <http://bit.ly/flood-17>

**Local media monitoring of Mozambique elections** (background of election newsletters)  
<http://bit.ly/LSE-newsletter>

**Chickens and beer: A recipe for agricultural growth in Mozambique** book by Teresa Smart and Joseph Hanlon, **free** English download <http://bit.ly/chickens-beer>

**Há mais bicicletas - mas há desenvolvimento?** book by Joseph Hanlon and Teresa Smart, **free** Portuguese download <http://bit.ly/Mais-bicicletas>

**Gas for development or just for money?** <http://bit.ly/MozGasEn>

**Minimum wages & exchange rates 1996-2018** <http://bit.ly/MinWage18>

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

"Mozambique News Reports & Clippings, number XXX", DATE, [bit.ly/mozamb](http://bit.ly/mozamb), accessed XXX.

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

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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>

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## Other books and reports by Joseph Hanlon

**Special report on four poverty surveys:** [bit.ly/MozPoverty](http://bit.ly/MozPoverty)

**Comment: something will turn up:** <http://bit.ly/28SN7QP>

**Oxfam blog on Bill Gates & chickens:**

<http://oxfamblogs.org/fp2p/will-bill-gates-chickens-end-african-poverty/>

**Bangladesh confronts climate change: Keeping our heads above water**

by Manoj Roy, Joseph Hanlon and David Hulme Published by Anthem Press

<http://www.anthempress.com/bangladesh-confronts-climate-change-pb>

**Chickens and beer: A recipe for agricultural growth in Mozambique** by Teresa Smart and Joseph Hanlon **In pdf format, 6 Mb file, free** on <http://bit.ly/chickens-beer>

E-book for Kindle and iPad, <http://www.amazon.com/dp/B00NRZXXKE>

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

by Teresa Smart & Joseph Hanlon.

Copies are in Maputo bookshops (Karibu at airport, Livaria UEM, Bazar Pariso, Mivany) or from

**KAPICUA**, which recently moved to Av de Maguiguana (nr Lenine), Maputo; Tel: +258 21 413 201.

Telm.: +258 823 219 950 E-mail: [kapicudir@tdm.co.mz](mailto:kapicudir@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 e-mail [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-it-s-land-detail>

***Do bicycles equal development in Mozambique?*** by Joseph Hanlon & Teresa Smart is available from the publisher <http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503>  
***Há mais bicicletas - mas há desenvolvimento?*** free download of Portuguese edition (5 Mb)

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***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 be **read on the web** [tinyurl.com/justgivemoney](http://tinyurl.com/justgivemoney)

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**NOTE OF EXPLANATION:**

One 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, Portuguese:**

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

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

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

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

Carlos Serra Diário de um sociólogo: <http://oficinasociologia.blogspot.com>

**Mozambique media websites, English:**

Club of Mozambique: <http://clubofmozambique.com/>

Rhula weekly newsletter: <http://www.rhula.net/news-announcements.html>

Zitamar: <http://zitamar.com/>

Macauhub English: <http://www.macauhub.com.mo/en/>

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

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