

MOZAMBIQUE News reports & clippings

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Also in this issue:

Chinese loans funding \$2.7 bn Moatize-Macuse railway

Book details Rhodesia's chemical and biological war against Mozambique

Canadian company grabs 1000 sq km of rubies

A new Canadian mining company, Fura Gems, has taken over the mining licences of two other companies, Mustang and Regius, to become with largest holder of ruby land in Mozambique, with 1,104 sq km. The land adjoins the successful - and controversial - 340 sq km Gemfields mines. The Fura 16 July and 25 January statements have maps of the ruby areas:

<http://www.furagems.com/uploads/Fura-to-merge-ruby-assets-with-Mustang-and-Regius.pdf>

<https://globenewswire.com/news-release/2018/01/25/1305221/0/en/Fura-Provides-Mozambican-Operations-Update.html>

<http://www.furagems.com/pdf/Fura-Gems-Inc-Investor-Presentation-July-2018.pdf>

The ruby areas are in Montepuez and the Fura team had previously been working on the Gemfields project. Gemfields is subject to legal action in London for alleged human rights violations. (Our report on Gemfields was on 2 July, newsletter 417)

Fura says its nine mining concessions are 20%-35% owned by "local partners" but no details are given. Former governor and public works minister Felizio Zacarias is chair and Mozambique representative on the Regius group. Zacarias, foreign minister (and former Cabo Delgado governor) José Pacheco, and Maputo mayor David Simango own a holding company Conjane with interests in a number of mining ventures. All three are linked to former President Armando Guebuza. Another Zacarias company is Montepuez Mineral Resources.

Montepuez Ruby Mining (MRM) is owned 25% by Mwiriti, controlled by Frelimo political commission member Raimundo Pachinuapa, and 75% by a private equity company, Pallinghurst, which took over the previous owner Gemfields last year, but plans to continue using the Gemfields name.

Rubies and other gemstones had been mined by small scale local and migrant miners, who are pushed off their mines when they are discovered by the big companies, which then claim the land. Thus the ruby mines generate significant wealth for a Frelimo elite and obscure foreign companies, and some taxes for Mozambique. But local communities lose out, with fewer jobs and less income because small scale miners are put out of work.

Comment

Local content and jobs

Encouraged by the IMF, World Bank and donors, Mozambique's government has given priority to encouraging foreign investment, particularly in mineral-energy projects, and generating tax

revenue (and profits for the domestic top 0.1%, who are mainly in the Frelimo elite). Little attention has been paid to development and benefitting local people with jobs and markets, and local business through contracts.

Mining and gas companies give lip service to local content and employing local people, but then say there are no local companies which can meet their high standards and regular supply requirements, and that local people do not have qualifications. Creating labour skills and competent small and medium businesses can be done in Mozambique as we showed in our book "Chickens and Beer", but it requires three to five years of intensive support and training.
<http://bit.ly/chickens-beer>

The gas companies have known for five years that they would need tens of thousands of workers, who will need to be fed, and that basic building, driving and machinery skills would be needed. But there have been no apprenticeship programmes and no business development programmes - because there was no pressure from government.

After a year of negotiation, the Mozambican private sector confederation (CTA) is still fighting with government over local content. Florivaldo Mucave, CTA deputy-chair for the mineral and energy resources, told a meeting on 11 July that government only wants the law to require 10% local content, whereas CTA wants 25%. <http://bit.ly/2JLG8eJ>

CTA also called for multinationals to be forced to train and build local capacity, "but we lack the will to do it", Mucave said. He also complained about long work visas for foreign workers. Drillers are coming on 18 month contracts but are given eight year visas, he said. *jh*

Chinese loans funding \$2.7 bn Moatize-Macuse railway

The Moatize-Macuse Logistics Corridor, the largest infrastructure project in Mozambique, has reached its final stage, with the launch scheduled for 2019 and completion in 2022, according to a new newsletter, China-Lusophone Brief (CLBrief) <https://clbrief.com> The 639 km-railway will transport coal from the mines of Moatize and Chitima in Tete to a new floating coal terminal off the coast at Macuse, Zambézia, just north of Quelimane.

Coal prices have doubled since their low two years ago, reaching \$100/tonne for thermal coal and \$175/t for coking coal. Most coal is now exported via Nacala along a railway that is almost twice as long as the proposed Macuse line, and it costs more than \$50/t to ship the coal by railway. The shorter Macuse line would cut that substantially, making thermal coal profitable again.

.The consortium is led by Thai Mozambique Logistica (TML), a subsidiary of the Itai-Thai Development (ITD) of Thailand, which won the project in 2013, and holds 60% of the capital. The TML is to be financed exclusively by Chinese capital through public banks targeting Africa, and China Export & Credit Insurance Corporation (Sinosure) based in Beijing, according to CLBrief. The World Bank, through the Multilateral Investment Guarantee Agency (MIGA) covers the political risk of such an investment. Mota Engil Mozambique and China National Complete Engineering Corporation, a subsidiary of the China Machinery Engineering Corporation, signed the construction contract in June 2017.

Local owners with 20% each are Mozambique railways (Caminhos de Ferro de Moçambique, CFM) and the Corredor de Desenvolvimento Integrado do Zambeze (Codiza). Local owners of Codiza are said to include Graça Machel; Olivia Machel, a daughter of Samora Machel; and Salimo Abdula, who often represented former President Armando Guebuza's business interests.

Panic continues in Cabo Delgado

Small groups of Islamist militants in north-east Cabo Delgado are successfully creating fear and panic, and government has failed to convince local people that everything is under control, reports *Savana* (20 July) In English on: <http://bit.ly/2JMvpB4>

The brutality of the attacks, with local people killed by machetes and hundreds of houses burned and people losing all their belongings, has shocked local people who are fleeing their villages and are afraid to go to their fields to collect food.

The military patrols the paved roads and large towns, but the attacks are on villages of several hundred families deep in dense forests. Most people have fled and villages are abandoned.

Armando Nhandumbo of *Savana* says local people question the utility of the military. "Young soldiers in the area are accused of acting in a disorderly manner, extorting money from communities and consuming excessive alcohol, often resulting in violence against local people." In his *Savana* article (20 July) he spoke to a young man who was shot and wounded and his friend killed by soldiers who attacked the village of Naúnde claiming it was occupied by Islamists.

No attacks have been reported in the past week, but Rhula (6-13 July) reports 12 attacks 3-25 June and a further four incidents 6-10 July. The last incidents included an attack 6 July on a car in Quiterajo, Macomia, transporting six workers to a nearby rice plantation in Messalo. (Ntatenda 7 July) On 7 July an armed group attacked the remote village of Macanga, Pundanhar, Palma, killing four and burning five houses. On 10 July a group of about 20 armed men attacked the remote village of Quisingule, Palma, 12 km from the Tanzania border. Two people were killed, two officials were injured and weapons stolen, and houses were burned. (Lusa 11 July)

Politics

Collapse of MDM: Mozambique's second opposition party, the Mozambique Democratic Movement (MDM), appears on the verge of collapse as key figures move over to Renamo. The desertions are in protest to the autocratic personal control of the party by Beira Mayor and party founder Daviz Simango, and his failure over nine years to build an effective party structure. The mayor of Quelimane and the expected MDM mayoral candidates in Maputo city and Tete will all be Renamo candidates for mayor. Under the changed constitution, there is no longer a direct election of mayor; the head of the party list for municipal assembly that receives the most votes becomes mayor.

No bridge for Guebuza: Former President Armando Guebuza surely dreamed that the huge bridge being built over Maputo Bay would be named after him. But in a mark of just how far his star has fallen, the Maputo municipal assembly on 18 July decided to name it just the Maputo-kaTembe bridge (ponte Maputo - kaTembe), which is what people already call it.

A further indication of worries about Guebuza's legacy is the internal debate and confusion over who should head the Frelimo municipal assembly list in Maputo city. On 14 July Maputo City Frelimo First Secretary Francisco Mabjaia announced that the party would choose between two candidates, Eneas Comiche and Samora Machel Junior ("Samito"). But on 20 July the Frelimo city committee said the choice would be between Eneas Comiche, Razaque Manhique (vice president of the Maputo municipal assembly) and Fernando Sumbana Júnior (ex-minister of Tourism) - and not including Machel. The 79-year old Comiche was Governor of the Bank of Mozambique and then Finance Minister. In 2003 he was elected Mayor of Maputo, where he gained a reputation for honesty and for fighting corruption, which made him popular with the electorate but not inside the city party. Frelimo did not select him as its candidate in the subsequent mayoral election in 2008. But he became a symbol of integrity inside Frelimo and chaired the parliamentary committee

looking at the \$2 bn secret debt and was elected to Frelimo's political commission. To choose him as head of list would show that Frelimo is seriously worried about the aura of corruption hanging around the party after Guebuza and the \$2 bn secret loan. *jh*

Books

Dirty war: Rhodesia and Chemical-Biological Warfare 1975-1980, by Glenn Cross, Helion, Solihull B91 1UE, UK. <http://bit.ly/2JGiwbG> 2017, pp 248, £19.95.

The chemical and biological weapons (CBW) programme may have been small scale and primitive, but US government CBW expert Glenn Cross estimates that in its attempt to defend white rule, Rhodesia killed 1000 to 2500 people with CBWs, including hundreds or more in Mozambique.

The first use of CBW was before Mozambican independence. In 1973 the Rhodesian army began to poison wells in Gaza and Tete with cholera (*vibrio cholerae*), in part to force guerrillas moving over the border to take other routes where they could be more easily shot. The water supply of a Frelimo garrison in Malvern, Gaza, was contaminated by cholera in 1975 and an estimated 200 people died. Water for a village in Tete was contaminated in 1976, perhaps killing hundreds. (pp 110-113, 214, 241)

From 1976 Rhodesia moved on to chemical poisons, used to contaminate clothing, food, beverages and medicines. These were based on chemicals readily available in Rhodesia. Most important was parathion, an organophosphate insecticide applied to cotton, rice and fruit. For humans, it disrupts the nervous system and is absorbed via skin and mucous membranes.

Preparation was rudimentary. Liquid parathion was spread on steel roofing sheets to dry in the sun, to eliminate the smell. The flakes were pounded into powder in a mortar with a pestle. The powder and brushed on underpants and t-shirts, or they were put into a tank to soak in a poison liquid.

The other important poison was thallium, used as rat poison and thus locally available. Thallium was spread on maize meal and injected into cans of meat and beverages. (p 103)

Because the guerrillas were being supplied by local people inside Rhodesia and in Mozambique, the Rhodesian Special Branch tried to poison supplies that were being left for or sent to guerrillas - by finding caches and substituting poisoned goods or by corrupting the contact men doing the supplying. This system leaked, so poisonings were reported at local hospitals, for example of men who had bought poisoned underwear. (p 107, 130)

During raids on guerrilla bases, poisoned food and medicine would be left. Warfarin, another rat poison, was put into food in Zanla camps in Sofala province in 1977 and 1978, with some deaths. (p 110)

From 1975 the CBW team used Selous Scouts bases at Mt Darwin and Bindura. Testing to determine the lethal dose of various poisons was done on captured guerrillas and supporters held at these bases, and bodies were dumped in a nearby mine. The testing, for example, showed that parathion had to be mixed with dimethyl sulfoxide (DMSO) to increase absorption and lethality. (p101, 104)

The CBW programme had links to a similar one in apartheid South Africa at the same time, and Cross reports that South Africa was the conduit for up to \$1 mn per month of money from Saudi Arabia to the Rhodesian CIO. (p100)

Cross estimates that CBWs caused 15% of insurgent deaths, and notes "that rate of loss due to CBW use would be unprecedented in the history of warfare." (p 119) *jh*

Minerva moving to Continental: Minerva, founded in 1908 and the oldest bookshop in Maputo,

plans to move around the corner to the iconic 1942 Café Continental - which will become a joint bookshop and café. The Continental has recently had financial problems and has been closed for several months, but it was a flagship in the late 1980s when it was one of the first prominent state companies to be privatised and began selling excellent pastries.

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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:

"Mozambique News Reports & Clippings, number XXX", DATE, bit.ly/mozamb, accessed XXX.

Previous newsletters and other Mozambique material are posted on 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/MozEIData>

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Other books and reports by Joseph Hanlon

The Uberisation of Mozambique's Heroin Trade <http://bit.ly/Moz-heroin>

and in Portuguese <http://bit.ly/Moz-heroina>

Special report on four poverty surveys: 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 / kapicuacom@tdm.co.mz

Outside Mozambique, we have a few copies we can send from London. Please e-mail 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 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)

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

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

Mozambique media websites, Portuguese:

Notícias: www.jornalnoticias.co.mz
O País: www.opais.co.mz
@Verdade: <http://www.verdade.co.mz>
Diário de Moçambique (Beira): <http://www.diariodemocambique.co.mz>
Carlos Serra Diário de um sociólogo: <http://oficinadesociologia.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

This mailing is the personal responsibility of Joseph Hanlon, and does not necessarily represent the views of the Open University.

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

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>

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