

# MOZAMBIQUE News reports & clippings

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## **Also in this issue:**

**US secret debt indictment points to Guebuza**

**Intense cyclone to hit Thursday**

## **Maputo mayor bans women's day march**

Recently elected Maputo mayor Eneas Comiche banned a march on International Women's Day, 8 March, organised by the respected women's organisation Forum Mulher, on the grounds that it would block roads and cause congestion, as well as being too noisy. (*Carta de Moçambique* 6 Mar)

The ban follows police intervention to stop a children's Mardi Gras procession, and to confiscate t-shirts being handed out by the Public Integrity Centre saying "I will not pay the secret debt". (this newsletter 4 Mar, 5 Feb, 21 Jan)

Meanwhile, two community radio journalists remain in jail in Cabo Delgado, apparently for reporting the war there. Amnesty International issued an appeal over the first of those detained, Amade Abubacar .The public prosecutor in Cabo Delgado responded by taking a group of journalists to the Mieze penitentiary outside Pemba to interview Abubacar, in the presence of the prosecutor and the prison governor. Abubacar reportedly said he was not being mistreated. But he is not allowed any visitors, even family, so there is no independent confirmation. *Zitamar* (7 Mar) notes that the state-owned daily newspaper *Notícias* (7 Mar) said Abubacar is "associated with the armed group that's behind attacks in Cabo Delgado," which is the still unproven charge.

## **Government takes money from towns Renamo won**

Government announced recently that taxes from tourist installations in Angoche and Illa de Moçambique within 100 metres of the sea would now go to national government and not the municipality, sharply cutting local revenues. The ruling was passed three years ago, but not implemented when Frelimo controlled the two municipalities, but has been implemented after they were won by Renamo in elections last October. (*Carta de Moçambique* 12 Mar)

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# **US secret debt indictment points to Guebuza**

The US secret debt indictment was unsealed on 7 March. The previously redacted sections name the two other Mozambicans charged - Teofilo Nhangumele and António do Rosário - and point directly to former President Armando Guebuza. The indictment says Nhangumle was "acting in an official capacity for and on behalf of the Office of the President of Mozambique", then Armando Guebuza.

The three companies which officially took the loans, Mam, Proindicus and Ematum, are owned by the security services SISE and Rosário was the SISE official who headed the three companies. The other indictment revealed was of Najib Allam, Chief Financial Officer of Privinvest. The full indictment is available on [bit.ly/ChangIndict](http://bit.ly/ChangIndict)

## **\$150 mn in bribes to Mozambicans**

The indictment "alleges a brazen international criminal scheme in which corrupt Mozambique government officials, corporate executives, and investment bankers stole approximately \$200 million in loan proceeds that were meant to benefit the people of Mozambique," said Assistant Attorney General Benczkowski on 7 March. Of that, \$150 mn went to Mozambican officials and \$50 mn to the three Credit Suisse staff. US Justice Department statements on the indictment are on <http://bit.ly/2F3cIK0> and <http://bit.ly/2F53c9f>

Although the alleged crimes were committed in Britain, by the Credit Suisse office in London, it was made clear at a meeting of the UK House of Commons Treasury Select Committee on 15 January that the UK is letting the US take the lead on this. Andrew Bailey, chief executive of the Financial Conduct Authority (FCA), told the committee that the FCA is not taking action as it can only deal with money laundering, and not bribery & fraud. The National Crime Agency and Serious Fraud Office are responsible, but do not seem interested and are happy for the US to prosecute. The FCA could take regulatory action against Credit Suisse, but has downgraded its investigation.

## **Fighting extradition to the US**

Mozambique and the US continue to fight over who will get Manuel Chang. He was arrested 29 December in Johannesburg based on a US extradition warrant but on 4 March Mozambique submitted an arrest warrant which it says should take precedence. At the session last Thursday, 7 March, the judge decided that the US request would be heard first, yesterday, 11 March. At yesterday's session, Chang's lawyers argued that under a SADC protocol the case was "political" and the Justice Minister must decide which request is considered first. The Minister must decide by tomorrow, and the next hearing on extradition will be Monday 18 March.

It was widely reported two weeks ago that it had already been decided at political level that Chang would be returned to Mozambique. But the US today raised the ante. US Assistant Secretary of State Tibor Nagy in a phone briefing to journalists said he expected Pretoria to honour the extradition accord and hand over Chang. "We have an extradition treaty with South Africa, we are very much expecting (extradition) will happen."

At the session last week, the Mozambican Budget Monitoring Forum asked the court to be allowed to submit a brief as a "friend of the court", but this was rejected.

The three Credit Suisse bankers charged by the US - Andrew Pearse (who organised the loans and is alleged to have received \$45 mn in bribes), Surjan Singh, and Detelina Subeva - were arrested in London and given bail. At their extradition hearing on 8 March they opposed extradition

on the grounds that the majority of the alleged criminality took place in the UK. The secret loans were organised at the Credit Suisse branch in London. (Financial Times, 8 Mar)

The value of the \$722 mn Ematum bonds has dropped this year, to 85 cents on the dollar from 93 cents at the beginning of 2019. The value had jumped last year after the government offered an unexpectedly good restructuring deal, but the restructuring has stalled. (Bloomberg 6 March)

## Arrests up to 12

A dozen Mozambicans have now been arrested in the secret debt case, of whom only one has been given bail. The first arrested must be charged by 26 March. The most recent arrests were of Angela Leão, wife of former SISE director-general Gregório Leão, and Fabião Salvador Mabunda. Mabunda's construction company M.Moçambique Construções is accused of receiving millions of dollars from Privinvest which was then used to buy property and make other payments for Angela Leão. This includes \$1 mn to buy a flat from another of the accused, Sidónio Sitoé. Mozambican prosecutors suspect that the true owner of M.Moçambique Construções is Angela Leao (*Carta de Moçambique*, AIM En 6 Mar)

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## Intense cyclone to hit Thursday

Cyclone Idai, a category 4 cyclone with winds up to 180 km/h, heavy rain, and high waves, will hit the coast between Beira and Quelimane Thursday 14 March, the National Meteorological Institute (INAM) warned this morning. It will be the strongest cyclone to hit Mozambique in a decade. The cyclone is following an unusual path, crossing inland over Tete then moving east to the Mozambique Channel where it picked up energy from the warm water and is looping back toward the Zambéze valley, where it could return to Tete and could cause damage as far as Malawi. Maps and more details are on:

<https://www.cyclocane.com/idai-storm-tracker/>

<http://www.inam.gov.mz/index.php/pt/novo-sistema>

[https://www.ecmwf.int/en/forecasts/charts/tcyclone/tc\\_plumes?facets=undefined&time=2019031200,2019031200&unique\\_id=11S\\_IDAI\\_2019](https://www.ecmwf.int/en/forecasts/charts/tcyclone/tc_plumes?facets=undefined&time=2019031200,2019031200&unique_id=11S_IDAI_2019)

The heavy rains last Thursday in Tete caused severe flooding, killing 10 people and displacing more than 10,000. The floods cut one of the support columns of the bridge over the Rovubué River, cutting the link between Tete and Moatize and on to Malawi. Government officials estimate it will take \$15 mn to repair the bridge. Flooding has also disrupted coal shipments from the Vale mine in Tete.

## Other news

**400 Renamo soldiers** have been integrated into the Mozambican army, Foreign Minister José Pacheco said Monday. But on Tuesday, Renamo denied the claim. (O País 11 Mar, Zitamar 12 Mar)

**Forex reserve requirements** were increased unexpected last week. Bank of Mozambique said that 36% of foreign currency deposits must be kept in reserve, up from 27%. It is an indication that the economic squeeze continues and that the government is short of dollars.

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## Background reading

### Special reports

#### Mozambique heroin transit trade

English - LSE - <http://bit.ly/Moz-heroin>

Portuguese - Pt - CIP - <http://bit.ly/Moz-heroina>

#### Gas for development?

Gas\_for\_development\_or\_just\_for\_money?\_2015 [bit.ly/MozGasEng](http://bit.ly/MozGasEng)

Gás\_para\_desenvolvimento\_ou\_apenas\_dinheiro?\_2015 [bit.ly/MozGasPt](http://bit.ly/MozGasPt)

Social protection report - 2017 Mozambique - <http://bit.ly/MozSocPro>

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

2018 Constitution - <http://bit.ly/2KF588T>

Minimum wage and exchange rates 1996-2018 -- <http://bit.ly/MinWage18>

#### \$2bn secret debt - in English

Kroll - Full report on \$2bn debt - <http://bit.ly/Kroll-Moz-full>

Kroll report summary - <http://bit.ly/Kroll-sum>

Key points of Mozambique parliament report - Nov 2016 - <http://bit.ly/MozAR-debt-En>

Following the donor-designed path to Mozambique's \$2.2 bn debt - <http://bit.ly/3WQ-hanlon>

#### In Portuguese:

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

**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>  
Election newsletters are on <http://bit.ly/2H066Kg>

### Eight books by Joseph Hanlon can be downloaded, free: <http://bit.ly/Hanlon-books>

Bangladesh confronts climate change (2016)

Chickens and beer: A recipe for agricultural growth in Mozambique (2014)

Há Mais Bicicletas – mas há desenvolvimento? (2008)

Moçambique e as grandes cheias de 2000 (2001)

Paz Sem Benefício: Como o FMI Bloqueia a Reconstrução (1997)

Peace Without Profit: How the IMF Blocks Rebuilding (1996)

Mozambique: Who Calls the Shots (1991)

Mozambique: The Revolution Under Fire (1984)

#### These are still available for sale:

Galinhas e cerveja: uma receita para o crescimento (2014) (free in English)

Zimbabwe takes back its land (2013)

Just Give Money to the Poor: The Development Revolution from the Global South (2010)

Do bicycles equal development in Mozambique? (2008) (free in Portuguese)

Beggar Your Neighbours: Apartheid Power in Southern Africa (1986)

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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>

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

#### Mozambique media websites, English:

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

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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