

# MOZAMBIQUE News reports & clippings

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## *State companies*

### **End of the post on 31 December**

Mozambique is abolishing postal service and the post office (Correios de Moçambique) at the end of the year. The decision was taken on 25 May because the company lost \$350,000 in 2020. Services now provided by Correios de Moçambique will have to be provided by the private sector. It is part of the final reduction of state enterprises, leaving only a few.

Mozambique joins Ecuador, Liberia and Guatemala which have abolished their postal services although they remain members of the Universal Postal Union; South Sudan never set up a post.

But it is really a massive property grab by the elite. The post office has 170 buildings, ranging from the 120 year old central post office in Maputo to local post offices, warehouses and guest houses. CIP (Public Integrity Centre) issued a warning on 24 October that the properties were massively undervalued, and "it is essential that there is greater transparency in this process, in order to prevent cases of misappropriation and corrupt schemes. ... There is a risk of squandering the approximately 170 properties of the company dissolved by the Government." On the books they are valued at just \$2 mn, vastly below their real value. Furthermore, they are not valued individually; each property big or small is on the books at \$12,500. <https://bit.ly/Moz-CIP-post> (Portuguese only)

And it is already happening. Marcelo Mosse (5 Nov) writes: "The Post Office building in the centre of the city of Beira was sold off, in exchange for another building of very poor quality, of much smaller area and in a location of less commercial value. The transaction was done under the pretext that the building was running structural risks, but the new owner has not carried out any structural intervention and is currently renting out the whole building in small shops, making a lot more money. This is not a transparent business deal and is very damaging to the heritage and public interest. There has never been an investigation into this transaction."

And it is not just the Post office. Mosse adds: "A few days ago a distressing announcement appeared in the press: the sale of Farmac. The first phase involves the sale of flats. ... I heard that Farmac was almost at rock bottom but recently it was restructured and its management showed that it was possible to get results. But no...it is simply going up for sale."

The Post Office has debts of \$5.4 mn, of which \$2.4 mn is to the state for unpaid taxes, VAT, and social security contributions. \$840,000 is owed to workers. \$1.4 mn is owed to suppliers. And \$700,000 is a bank credit from Millenium BIM.

## Wrung dry and thrown away, to hide the fraud

Clearly the management of many state companies is appalling and is seen simply as a sinecure for party cadre. Their only purpose is to provide a few jobs, and to provide for the party and its friends. Now that they have been drained of anything valuable, there is nothing left to do but abolish them and hand the remaining assets to friends. And dissolving the companies means records lost and no one will actually be able to detail the sack.

But not all. The message is mixed; some companies are well run and profitable, and others, like Farmac, have responded to a push to clean up and modernise.

## Or defeatist mindset?

"In Mozambique, the prevailing 'mindset' does not discuss transformation. ... It cultivates defeatist thinking as an excuse for the appropriation of the vast and rich heritage of the Mozambique Post Office. The idea is to kill the company to generate an accumulation of non-productive income to perpetuate the enrichment of an elite with their vulture beaks pecking at the public good. When other Africans - and the world - debate the Post Office as a platform for digital inclusion, Mozambique has already decided to liquidate the company, without any tangible discussion," writes Marcelo Mosse. (*Carta de Moçambique* 19 Aug)

Just when the government decided to abolish the post, with the state holding agency IGEPE (Instituto de Gestão das Participações do Estado) saying "the purpose of the post office and its business model are out-dated," the Universal Postal Union (UPU, of which Mozambique is a member), held a meeting of African countries in Ivory Coast to discuss the post office of the future and how post offices can be part of in digital inclusion, providing modern and innovative postal and financial services. And Mozambique Post Office had made a start, last year launching a \$33 mn project to introduce postal address codes.

## Two controversial liquidations

Two other companies being abolished have created controversy, Domus and Empresa Moçambicana de Exploração Mineira (EMEM, Mozambique Mining Company). A key question is if the state should have a presence in key economic areas. Domos is a property management company which manages two large building in the Maputo baixa, including the emblematic "33 andares", the tallest building in Mozambique, abandoned incomplete at independence and finished under the socialist government of Samora Machel. AIM (15 Sep Pt) notes that later Domos "expanded its areas of activity to include real estate and condominium management, the rental and sale of its own properties and those of third parties, the refurbishment of premises with a view to recapitalising them and refocusing them to meet the real needs of the market." Was a successful Domos abolished just to grab its property?

EMEM was just the opposite. It was created in 2010 to take state holdings in mining, and had participation in 18 mining companies and two gemstone sales companies, including 5% of Vale coal mines. EMEM was supposed to act as a policy instrument in the area of mining exploration in order to allow greater inclusion of local content and the development of initiatives for local processing of minerals, while ensuring that the country's commercial interests in this area were

protected - to be like Empresa Nacional de Hidrocarbonetos (ENH) which takes shares in the gas companies. But they were very different. EMEM has never paid a dividend to the state. Just six senior company officials received 77% of all company income. EMEM is entirely non-transparent and mismanaged. Yet the state needs something like ENH in mining. ("Dissolução da Empresa Moçambicana de Exploração Mineira", CIP, 17 August 2021, Portuguese, <https://bit.ly/Moz-CIP-EMEM>)

**Mozambique Railways (CFM) will pay a \$15.7 dividend to the state** this year. Factors contributing include the resumption by CFM of the management of the Port of Nacala in 2020, after having been concessioned to CDN (Nacala Corridor Company), and the positive performance of the Port of Beira oil terminal, particularly in the handling of fuel in transit to Southern Africa's hinterland countries. CFM is making large-scale investments, including rolling stock (10 locomotives and 390 wagons), port equipment (two tugboats, one boat, two tractors), as well as the maintenance of rail and port infrastructure (dredging the Port of Beira access channel, improving the railway signalling system, rehabilitating bridges and railway stations, among others). (*Notícias*, 9 July) But *Carta de Moçambique* (5 July) notes the high salaries paid to administrators. Total administrative council salaries this year are \$1.8 mn.

**State companies and public institutions owe \$25 mn to EDM** (Electricidade de Moçambique), and the company is trying to collect the money owed. (LUSA, 29 July)

**What IGEPE plans to sell** (state ownership in brackets): Chá Namae (100%), IBC - Indústria de Borracha e Calçado (20%), Madal (5%), Geomoc (20%), Geralco (20%), Graphic (6.8%); Tecnauto (47.5%); Refrigerantes de Gaza – INAR (20%), Hidromoc Beira (20%); Steia (20%); Agro-Alfa Fundação (20%); SOMEK (20%); Marmonte (20%); Diário de Moçambique (20%); CEGRAF (20%); Tecnomecânica (20%); Moçambique Previdente (20%); Medimoc (64.73%); Hotel Cardoso (25.76%); Emopesca (80%); Auto-Gás (22%); Mogás (33.75%); CIM (1.48%), Cimentos de Moçambique (4.81%), Gapi (10.25%), Eméritus Resseguro (20%), Companhia de Sena (4.98%), Carteira Móvel (30%); Ifloma (20%); Mozaico do Indico (49%) and Sociedade Malonda (3%). (AIM 15 Sep)

## Cabo Delgado

### 'Islands of integrity' and 'rejection of corruption' essential to end war, says ISS report

"'Islands of integrity' should be created in counter-terrorism programmes through zero tolerance of nepotism, bribery, trafficking or influence in access to public services. The effective management and distribution of aid to internally displaced people must be guaranteed," writes Borges Nhamirre in a 5 November ISS Policy Brief. "Employment opportunities and rural development policies are needed in the area. The government's ongoing Integrated Northern Development Agency (ADIN) project is a good model but must be managed as an island of integrity."

"Good governance and a rejection of corruption must be promoted in the state apparatus," says Nhamirre. "Mozambique needs help to promote good governance in Cabo Delgado, free from corruption and focused on the needs of the citizen. Mozambique needs support in creating strong institutions with legitimacy that can be trusted by the population."

He also highlights equipment, salaries and training. But intelligence capacity is key. "Both SADC and Rwanda should help Mozambican defence and security forces to build intelligence to distinguish insurgents from civilians in communities where SADC is embedded. ... Training programmes for Mozambican forces should include the training of intelligence officials to deal with terrorism threats in a timely manner. The courses should also cover compliance with the law, respect for human rights, discipline and integrity."

The good recommendations are largely separate from the paper itself, which is an excellent history of foreign intervention in support of government in this war. Rwanda has 2000 troops on the ground, deployed in the gas zone of Palma and Mocimboa da Praia districts. The SADC Military Mission (SAMIM) is in Nangade, Mueda and Macomia districts. SAMIM is made up of Botswana (296 people), Tanzania (277), South Africa (270), Lesotho (70), Angola (20) and Malawi and Zimbabwe (1 each). The EU training mission has 140 people in Mozambique.

"Will foreign intervention end terrorism in Cabo Delgado?" by Borges Nhamirre, Institute for Security Studies (ISS), 5 November. <https://issafrica.org/research/policy-brief/will-foreign-intervention-end-terrorism-in-cabo-delgado>

**Military over-zealousness and misconduct continues** in Cabo Delgado. Returning residents to Muidumbe district accuse local militias, police and soldiers of looting houses in the district capital and Muambula village. People are returning to try to plant before the rains start next month. (MedíaFax 8 Nov) Zitamar (8 Nov) says it "has heard reports that on a number of occasions Rwandan forces have stepped in to stop the Mozambican military from harassing local people".

In Nangade district people complain of mal-treatment, beating, and even claims of torture of people alleged to be cooperating with insurgents, with some fleeing the defence forces and not the insurgents. In Inhassoro, Inhambane, 15 Mozambican fishermen from Cabo Delgado were detained for three days by police as suspected insurgents. It turned out they were lobster fishers working for a Chinese company, which had to stop because of the military ban on fishing along the coast of the war zone, and was moving to Inhambane. (*Carta de Moçambique* 8 Nov, 11 Oct)

## ENI tax evasion to cost at least \$600,000

A tax evasion scheme on the ENI Coral Sul floating LNG platform will cost Mozambique at least \$600,000 in taxes, and ignore local content commitments. The trick is to keep everything either on the platform 40 km off-shore or based in Dubai so that workers never enter Mozambique, according to investigators Inocência Mapiisse of CIP (Public Integrity Centre) and Marcelo Mosse, editor of *Carta de Moçambique*, in their 8 November report. <https://bit.ly/moz-ENI-tax> (in English)

ENI has given an Italian-Dubai company Progeco NeXT a project management contract to hire and manage the engineers drilling and assembling pipelines at the floating platform. Staff work 28 days on the platform and then are sent directly home (all over the world) for a 28-day break. Staff sign initial contracts of just \$1000, for the Mozambique tax authorities. Then they are given Dubai contracts not taxed in Mozambique for \$12,000 to \$15,000 per month.

Another issue is that the open nature of the contract means that costs could be allowed to escalate. Mozambique gets no tax from the gas until costs are paid off. In other sectors, there is an issue of costs rising but with kickback as a proportion of the extra costs. The report notes that Mozambican tax authorities do not audit the myriad subcontractors so would never see this.

**The World Food Programme is providing only half monthly rations**, equivalent to only 39% of daily kcals required, due to lack of funds. The United Nations High Commissioner for Refugees (UNHCR, 20 Oct), explain that "of the \$254m requested, only 55% was received, creating a gap of \$114m." WFP expects to provide 866,000 people in conflict-affected areas with monthly humanitarian food assistance through June 2022.

## Other news - police and military conduct

**A police officer was in a car with 11 illegal Pakistani immigrants** stopped in Moatize, Tete, on 1 November. The immigrants were in transit from Malawi to South Africa, which since the war in Cabo Delgado has become the main people trafficking route. "The police officer is attached to the department of mineral resources and environment. According to the driver, the officer fled"

when he realised that the authorities were carrying out an inspection, Amelia Direito, spokesperson for the National Migration Service (SENAMI) in Tete, told Lusa (3 Nov).

### **Riot police (Rapid Intervention Unit, UIR) shot and killed an artisanal miner**

("garimpeiros") and injured two others in Malema, Pebane district, Zambézia, on 3 November. UIR agents attacked a gemstone mine which they said was illegally on the Chinese Cococo concession. *Carta de Moçambique* (5 Nov) reports that UIR and Malema residents have been tense since the 26 October, when the UIR beat and detained some people accused of illegal mining. Those detained were later released on payment of 50,000 meticaís (\$800) "bail".

**One dead in military-police chase.** In an unexplained high speed chase early Friday (5 Nov) morning along Av Joaquim Chissano (along the drainage canal), a Mahindra vehicle with people in military uniform who were chasing a Mercedes driven by a uniformed police officer cashed into each other, sending both vehicles off the road and killing one person. (TV Miramar 5 Nov) Indian Mahindra cars and pick-up trucks are standard issue for the army and police.

**Corridor of death kills 17 more.** On Saturday 17 people were killed on the N1 in Manhiça district when a car, allegedly driven by a drunken driver, pulled out to pass another vehicle and smashed into an oncoming minibus ("chapa"). (*Ngani* 8 Nov). The General Commander of the Mozambican police force, Bernadino Rafael, said both drivers had been speeding. On 3 July in Maluana, Manhiça, on the N1 a bus owned by Nhancale Transport, travelling from Beira to Maputo, attempted to overtake a truck carrying construction sand, at a point in the road where it is clearly marked that no overtaking is permitted. The bus smashed head on with an articulated lorry travelling in the opposite direction, killing 32 people, in Mozambique's worst ever road crash. Also illegally there was only one driver on the 1,200 km, 16 hour journey.

The N1 is the main north-south road and is very busy and has only one lane in each direction. The 60 km Marracuene-Manhiça sector in Maputo province has many accidents caused by high speed, improper overtaking, and alcohol, and has come to be known as the "corridor of death". *Medíafax* (8 Nov) notes that there are many traffic police checkpoints along this part of the road, but they are only to collect \$1 or \$2 to increase to income of the police. There is no check for buses with only one driver or obviously drunken drivers.

### **Other news**

**More fossil fuel delegates than any single country delegation at COP26** reports the BBC and Global Witness (8 Nov). There are 503 people with links to fossil fuel interests accredited for the climate summit. Fossil fuel lobbyists are members of 27 country delegations, including Canada and Russia.

**World Bank doubles loans.** The World Bank never backed the IMF-led "donor strike" or "sanctions" against Mozambique when the secret debt was revealed in 2015, and its loans and grants doubled in 2021. Totals: 2017 - \$104 mn, 2018 - \$525 mn, 2019 - \$560 mn, 2020 - \$527mn, and 2021 - \$1,100 mn.

### **Constitutional Council (CC) declares obligatory labour mediation unconstitutional.**

Mediation of labour disputes is one of the successful innovations in Mozambican law. The law requires a labour issue to go to mediation first, and only if that fails should it go to court. But the CC in a 13 July ruling only recently noticed by Lusa (5 Nov) ruled that forcing mediation first violated the constitutional right to go to court. The case involved a Coca Cola employee and the company. [Acordao no 06\\_CC\\_2021.pdf](#)

**Mozambican writer Paulina Chiziane has won the 2021 Camões prize**, becoming the first African woman to win the Portuguese language's top literary award. Chiziane was born in Manjacaze, Gaza, in 1955. She studied linguistics in Maputo. She currently lives and works in Zambézia.

**Bumper harvest in Zimbabwe was due to land reform and good rains** writes Zimbabwe land expert Ian Scoones (25 Oct <https://wp.me/p1O6DY-WY>) in his *Zimbabwe* blog. An estimated 2.7 million tonnes of maize were produced in the 2020-21 season, the third highest production ever. This is still rainfed agriculture, and production was triple the previous season, which was very dry.

But most importantly it was hugely above production of the colonial era. It is "the large numbers of land reform farmers, often farming on relatively small areas (around 5 hectares of arable) in the so-called A1 areas, who have made the difference, and are the major contributors to the harvest success. Twenty years on, they have settled into a rhythm of successful, small-scale production, with selective use of inputs but on areas significantly larger than their communal area counterparts, who may have a hectare or less of land to farm," writes Scoones. "Overall production is significant as this is on large areas (a total of around 10 million hectares across A1 and A2 farms nationally)."

"In the past year, government stopped imports of food and has planned significant storage of surplus grains for future years. Perhaps more importantly, it is the local food networks between land reform areas generating surpluses and communal area neighbours and town dwellers that is important.

Scoones points to a "stark contrast to South Africa, where with a loss of jobs, the closing down of the economy due to Covid-19 and multiple restrictions imposed, people suffered extremely with hunger rife. As we have seen, this can lead to desperation and unrest. In our study areas, many Zimbabweans have returned home [from South Africa], as with some land it's easier to survive. ... Land reform not only provides food security, but also social security and political stability."

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

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**\$2bn secret debt trial: Daily press clippings in English (and a few in Portuguese) on** <https://bit.ly/Moz-secret-debt>. The trial is being broadcast live on STV <https://play.stv.co.mz/>

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### **Important external links**

**\$2bn secret debt trial** (Aug-Oct 2021) press reports <https://bit.ly/Moz-secret-debt>

**Exchange rates 2006-21 & minimum wages 1996-2021** <https://bit.ly/Moz-Exch-wage-2021>

**Covid-19** daily updated data <https://www.facebook.com/miguel.de.brito1> and

<https://covid19.ins.gov.mz/documentos-em-pdf/boletins-diarios/>

**Daily flood and monthly dry season reports** - <http://bit.ly/Moz-flood21>

**Cyclone trackers**, <https://www.cyclocane.com/> and <https://www.metoc.navy.mil/jtwc/jtwc.html>

**Cabo Ligado** weekly report on civil war <https://www.caboligado.com/>

Previous editions of this newsletter: <http://bit.ly/MozNews2021> and [bit.ly/MozNews2020](http://bit.ly/MozNews2020)

**Downloadable books**: <http://bit.ly/Hanlon-books> Election data: <http://bit.ly/MozEIData>

My Mozambique archive: <http://bit.ly/Mozamb>

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### **Cabo Delgado**

Archive with reports, detailed maps, and census data <https://bit.ly/Moz-CDg>

#### **Special reports on the war**

Evolution of the war: global vs local. 27 Feb 2020 <http://bit.ly/CDelgadoOrigins>

Religion is shaping Cabo Delgado civil war. 30 April 2020 <https://bit.ly/CDelgadoReligion>

Intensifying argument over roots of war. 28 June 2020 <https://bit.ly/Moz-492>

Are the drums of war silencing any hope of peace? 26 July 2020 <http://bit.ly/Moz-496>

A history of violence presages the insurgency. 13 August 2020 <http://bit.ly/Moz-498>

Military & economic intervention. 3 Sept 2020 <https://bit.ly/CDelgadoIntervene>

#### **Mozambique heroin transit trade**

English - LSE - 2018 - <http://bit.ly/Moz-heroin>  
Portuguese - CIP- 2018 - <http://bit.ly/HeroinaPT>  
2001 first article- *Metical* - English and Portuguese <https://bit.ly/MozHeroin2001>

### 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)

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## Background reading

### Special reports

Social protection report - 2017 Mozambique - <http://bit.ly/MozSocPro>  
Special report on four poverty surveys: [bit.ly/MozPoverty](http://bit.ly/MozPoverty)

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

Secret debt trial (Aug-Oct 2021) press reports <https://bit.ly/Moz-secret-debt>  
Kroll - Full report on \$2bn debt - <http://bit.ly/Kroll-Moz>  
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)  
**2018 Constitution** - <http://bit.ly/2KF588T>

**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>

**Nine 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) is on <https://bit.ly/Chickens-Beer>  
Há Mais Bicicletas – mas há desenvolvimento? (2008)  
Moçambique e as grandes cheias de 2000 (2001)  
Mozambique and the Great Flood of 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)  
Apartheid's 2nd Front (1986) <available shortly>

### 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, English:

Club of Mozambique (free): <http://clubofmozambique.com/>  
Zitamar (paywall): <http://zitamar.com/>

### Mozambique media websites, Portuguese (all with partial paywall):

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>  
Carta de Moçambique <https://cartamz.com>

### Mozambique think tanks and pressure groups, Portuguese:

Centro de Integridade Pública: CIP <https://cipmoz.org/>  
Observatório do Meio Rural: OMR <https://omrmz.org/>  
Instituto de Estudos Sociais e Económicos: IESE <https://www.iese.ac.mz/>  
Centro Para Democracia e Desenvolvimento CDD <https://cddmoz.org/> (some CDD in English)  
Also CDD now controls Fórum de Monitoria do Orçamento - FMO (main debt group) <http://www.fmo.org.mz>  
and RMDDH - Rede Moçambicana dos Defensores dos Direitos Humanos (a human rights group).  
To subscribe to all CDD publications: <http://eepurl.com/gO9l6v> (English or Portuguese).