

MOZAMBIQUE News reports & clippings

583 18 December 2021 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Taking a short break: no newsletters til mid January

Mozambique's resource curse is a success of donor actions to create oligarchs: Joseph Hanlon seminar 12 January 2022, 12.30 GMT, Open University

International Development. Summary: <https://bit.ly/jh-res-synop>

On Teams. Free tickets via Eventbrite on <https://bit.ly/jh-res-tic>

In this issue

Cabo Delgado: Nyusi blames greed of insurgents

Media and civil society squeezed

Foreign investment: \$51 bn?

Covid cases double every 4 days

Nyusi tells AR: Cabo Delgado war is about greed of insurgents - with no mention of greed of Frelimo

"For us there is no rational narrative behind terrorist actions. What we are facing is pure banditry driven by others' greed against a nation that is about to make the qualitative and quantitative leap", President Filipe Nyusi told parliament (AR) 16 December in his State of the Nation address. He rejected out of hand research and reports showing the importance of the grievances linked to growing poverty and inequality.

"The joint operations of the Mozambican, SADC and Rwandan armed forces have registered remarkable progress with immediate impact in neutralising the combative capacity of the terrorists," Nyusi said. He added that the number of insurgent attacks had dropped substantially, 245 insurgents had been captured, and 200 killed - including 10 named leaders, "who besides being military commanders were radical and extremist ideologues." One was "Rajabo Fakir, considered number three in the hierarchy, who was put out of action on 18 November."

He admitted that insurgents had moved into Niassa, but said there should be "no panic" because "the Defence and Security Forces already control the movements of these men." He stressed it is not yet safe for displaced people to return: "we have always said that we are cleaning up and you only go to a house when it is clean". (@Verdade, 16 Dec)

Hard days are ahead for regime critics and investigative journalists predicts *Carta*

"Difficult days are ahead for those who have a critical voice against the government of the day. And also for those who 'leak' information to newspapers and social networks and for journalists who devote themselves to investigation," reports *Carta de Moçambique* (16 Dec).

The military is building "profiles" of figures who disturb the ruling system, including investigative journalists, political opponents, social activists and academics. Recently military cadres have had training on monitoring and the use of a security system, called *celebrity*, which allows them to track and listen to calls, read messages on mobile phones and other electronic devices remotely. This is different from the Pegasus spy system, developed by the Israeli company NSO Group and which was blacklisted by the US Government for suspicions of spying on government officials, and which is apparently being used by Rwanda. This may be linked to a 21 September Council of Ministers announcement of an \$89 mn Credit Agreement with the Exim Bank of Korea for the Public Security Management Information System (SIGESP, Sistema de Informação de Gestão de Segurança Pública) to track criminals and critics. (*Carta de Moçambique*, 16 Dec, in English on <https://bit.ly/Moz-hard-day>)

Mozambican civil society has been downgraded from 'obstructed' to 'repressed' by CIVICUS, a Johannesburg-based global alliance of civil society organisations. This reflects concerns about the deterioration of civic freedoms during COVID-19 pandemic, human rights violations worsened by the insurgency in Cabo Delgado, and press freedom under attack with physical attacks, threats against and arbitrary detentions of journalists, and attacks of media outlets. CIVICUS "is particularly concerned about the deterioration of press freedom in the country, including restrictions in the draft media and broadcasting laws, physical attacks against journalists and attempts to stifle independent voices in Mozambique." It "is also concerned about acts of intimidation, harassment, threats against civil society and journalists." <https://findings2021.monitor.civicus.org/country-ratings/mozambique.html> and <https://monitor.civicus.org/country/mozambique/>

Mozambique was not invited to President Biden's 9-10 December "Summit for Democracy". Also not invited were Zimbabwe, Tanzania and Rwanda. In contrast, Angola, Zambia, Botswana and South Africa were invited. <https://www.state.gov/summit-for-democracy/>

\$51 bn of foreign investment, but how much is real?

Mozambique has told the IMF that it is currently home to \$51 billion of foreign direct investment. But investing countries only report \$15 bn invested in Mozambique. Furthermore, nearly all of the "investment" reported by Mozambique is actually borrowed by the companies, or is assets or money laundered via Mauritius. Only \$5.5 bn is actual foreign investment - one tenth of what the IMF suggests. (IMF Coordinated Direct Investment Survey, 8 Dec 2021, <https://data.imf.org/regular.aspx?key=61227424>)

The table shows Mozambique's reported inward investment. South Africa is the biggest foreign investor, with \$12 bn, of which \$10 bn is borrowed. The local tax haven Mauritius comes next at \$8 bn, of which \$4.3 bn is said to be equity. But an increasing number of Mozambican companies are moving off shore to Mauritius, so this "foreign equity" is largely Mozambican property rebranded in Mauritius. Some will also be money laundering, with a Mauritius company owned by Mozambicans using illegal money to buy property in Mozambique as a way of laundering the money.

IMF: Mozambique reported Inward Direct Investment Positions, end-2020, \$ million			
Investment from:	Inward Direct Investment Positions	of which Equity	of which Debt
World	50,583	9,877	40,706
South Africa	12,004	2,376	9,628
Mauritius	7,830	4,326	3,504
United Arab Emirates	5,561	-1,062	6,623
Portugal	4,943	1,155	3,789
India	4,463	3	4,460
Netherlands	4,091	440	3,652
United Kingdom	3,908	1,085	2,823
Brazil	1,310	0	1,310
Belgium	964	0	964
China - Mainland	923	7	916
Tanzania	816	10	806
France	749	245	503
Germany	440	55	385
Kenya	409	143	266
Ireland	401	391	10
Australia	294	3	291
British Virgin Islands	269	20	250
Spain	259	80	179
Austria	234	234	0
Norway	181	34	147
Marshall Islands	142	0	142
Switzerland	105	72	33
Botswana	91	91	0
Zimbabwe	84	32	52
Nigeria	47	47	0
Bahrain	30	8	23
Isle of Man	21	21	0
Denmark	8	8	0
Kuwait	8	27	-19
Canada	4	4	0
Tunisia	3	3	0
Malawi	3	3	0
Sweden	2	2	0
Angola	2	0	2
Eswatini	2	0	2
Seychelles	1	0	1
United States	1	1	0
Bermuda	1	0	1

<https://data.imf.org/regular.aspx?key=61227424>

IMF Coordinated Direct Investment Survey 8 Dec 2021

United Arab Emirates (UAE) comes next. It is a tax haven so some money will be laundered, but UAE is also investing oil money in Africa. However, on the basis of a claimed total investment of \$5.7 bn, UAE investors have borrowed \$6.6 bn, which sounds dubious.

Mozambique says Portugal and UK each have more than \$1 bn of equity, some of which may date back to the colonial era.

Mozambique says India, Brazil, Belgium, China and Tanzania all have large investments - but entirely with borrowed money.

These numbers are as reported by Mozambique. Investing countries report a much smaller \$15 bn investment in Mozambique. The UK reports only \$113 mn investment in Mozambique, while Mozambique says the UK has invested \$4 bn. Similarly South Africa reports \$3 bn investment in Mozambique while Mozambique claims \$12 bn. India reports only \$33 mn investment in Mozambique while Mozambique claims \$4.5 bn from India.

<https://data.imf.org/regular.aspx?key=60564262>

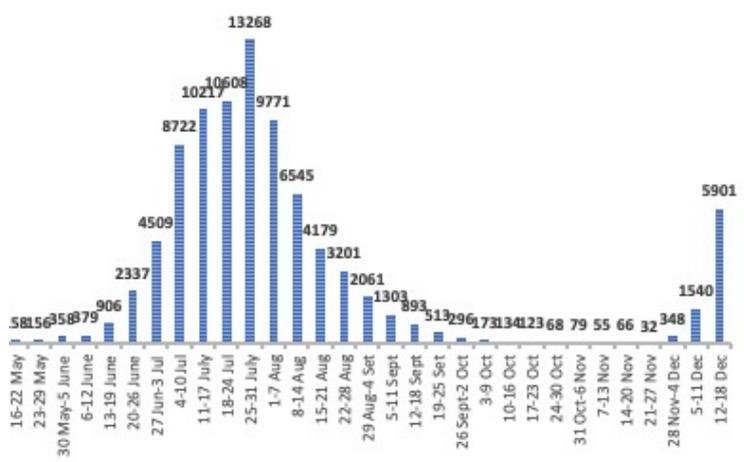
Interestingly, China and Ireland are the only countries to report more investment in Mozambique than Mozambique itself claims. China says it has invested \$1.3 bn while Mozambique claims \$913 mn, and China claims \$600 mn of this is equity investment, which Mozambique does not report. Similarly Ireland reports \$800 mn of equity investment, while Mozambique cites only half that.

The differences are in part because much Irish, British and other investment is routed via tax havens other than Mauritius which do not report to the IMF.

Covid-19 third wave hits as cases double every 4 days

There were 5901 Covid-19 cases in the week to Saturday 18 December, compared to 1540 the week before, 348 a week earlier and 32 the week before that. This is exponential growth and the 3rd wave. The disease remains southern, with about 70% of cases in Maputo city and province, and 20% in Gaza and Inhambane.

The graph below is of weekly new cases in Mozambique and is from Miguel de Brito



People

Sergio Vieira died on 16 December, aged 80. Born in Tete, he became a student militant in Portugal and was a founding member of Frelimo. He was secretary to the President during the liberation war under Eduardo Mondlane 1967-1969 and Samora Machel 1970-75 - and after

independence remained secretary in the presidency under Machel 1975-77. He was governor the Bank of Mozambique (1978-81) and managed the very successful introduction of the new currency, the Metical, which was exchanged for the old colonial escudos in 1980. He was one of many Ministers of Agriculture (1981-1983) and was Minister of Security 1984-1987. With the death of Samora Machel in 1986 he became less influential; although always a Frelimo militant and nationalist on the left, he remained on the edge of the political elite, with various jobs. He was director of Centre for African Studies 1987-92 and Director General of the totally unsuccessful Zambezi Valley Development Office 2001-10. He wrote and published extensively and was an outspoken commentator. I always cite him for his *Domingo* column about the donor consultative group meeting in 2001, in which donors gave Mozambique more money than it asked for, just after Siba-Siba Macuacua and Carlos Cardo were assassinated for trying to tackle corruption. The donor priority in those days was neo-liberalism, and Vieira pointed out that the donors recognized that "the good performance of the government ... overrides the bank scandal and the assassinations of Siba-Siba Macuacua and Carlos Cardoso."

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To cite for academic purposes, treat as a blog or a newspaper. Normal citation format would be:

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

\$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/>

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

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

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

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

Gás_para_desenvolvimento_ou_apenas_dinheiro?_2015 bit.ly/MozGasPt

Background reading

Special reports

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

Special report on four poverty surveys: 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

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)

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

O País: 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).

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