

MOZAMBIQUE 186

News reports & clippings

5 Oct 2011

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Joseph Hanlon

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Attached file: This newsletter in pdf

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In this issue:

Price controls

New districts

MLT in trouble again

News briefs

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Price controls proposed

The Council of Ministers agreed 27 September to propose to parliament a form of price controls on staple foods. The idea is to establish fixed profit margins for over a dozen staple foods, including fish, frozen chicken, rice, maize meal, wheat flour, cooking oil, sugar, beans, butter, tomatoes, onions, potatoes and eggs. Wholesalers would be allowed to set a profit margin varying between 10% and 12%, while retailers will apply a fixed profit margin of between 20% and 25%. The hope is to improve competition between small and large businesses, contain inflation, and curb what O Pais calls "the growing wave of speculation". (O Pais and Noticias, 28 Sept 2011)

New districts – increase to 150

The Council of Ministers has agreed major territorial changes, which will now be sent to parliament for approval. It creates 13 new districts by dividing old ones in four provinces, and sets out that 9 provincial capitals will also be districts. This takes the total number of districts up to 150. Finally, it renames several districts, changes some district towns, and transfers areas between districts.

The new districts are:

Nampula: Ilha de Moçambique, Larde and Liupo.

Zambézia: Quelimane, Luabo, Mulevala, Mucubela, Derre and Mulumbe.

Tete: Marara and Doa.

Manica: Macate and Vandúzi

Agreed names changes: Pemba-Metuge becomes just Metuge (Cabo Delgado), Nampula-Rapale become just Rapale (Cabo Delgado) and Lichinga district (not city) becomes Chimbonila (Niassa).

And several districts will have new *sedes* (district towns). These are presently villages (variously *localidade*, *povoação* or *posto administrativo*). The *sede* of Muidumbe (Cabo Delgado) will be Namacande, the *sede* of Cahora-Bassa (Tete) will be Chitima, the *sede* of Chifunde (Tete) will be Luia, and the *sede* of Chigubo (Gaza) will be Ndindiza.

Mozambique Leaf Tobacco in trouble again

Mozambique Leaf Tobacco (MLT) which last year admitted to paying \$165,000 in bribes to gain the concessions to become the largest tobacco buyer in Mozambique, is again in trouble as peasants in Niassa and Tete complain the company is failing to keep its promises. (See News Reports & Clippings 168, 8 Sept 2010, Noticias 15 & 22 Sep 2011, and Diario de Moçambique 20 Sept 2011.)

In Tete peasants say that MLT had promised to provide some support for maize production as well as tobacco, but it failing to do so. This is a long running dispute. In 2006, peasants complained directly to President Guebuza about giving the concession to MLT (which we now know was party due to a bribe), because the previous concession company, Dimon, had supported food crops as well as tobacco.

In Niassa, peasants told the governor, David Malizane, that MLT was failing to buy tobacco from its own contract farmers, to whom it had supplied inputs.

The company may not be keeping promises to peasants, but it announced that it has spent \$2.5 on corporate social responsibility projects, including water, mosquito nets, tree planting, and building health posts.

Things that are not strange -- but should be

The daily Noticias is running an irregular series with the ironic title "Things that are not strange", about "things which are abnormal but no longer seem strange". A recent article was about "paying a 'coke' to the police", and they way people now assume it is normal to have to give money to the traffic police at a checkpoint. It notes that traffic police gather at particular points on main roads to stop mini-buses (chapas) during the rush hour, and the drivers all hand over 50 Mt (\$2), and no one thinks it is strange. "A criminal act has become banal." (Noticias 17 Sept 2011, "Coisas que não estranhamos – Pagar 'refresco' a um policia")

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News in brief

A revised highway code has come into force. It bans the use of hand-held mobile telephones while driving. The new speed limit in rural areas is 120 km/hour. A series of articles in Noticias from 19 through 29 September (not every day) gives the changes in the code.

1179 people were killed in road accidents in the past eight months, and 1821 seriously injured. (Noticas 27 Sept 2011)

Delays by donors in releasing funds has caused a delay in Mozambique's road programme, according to Francisco Pereira, Vice Minister of Public Works. (Noticias 29 Sept 2011)

42% of children in Nampula suffer chronic malnutrition, the worst rate in the country, according to Mohamed Riase Mubarak. provincial health director. (Noticias 30 Sep 2011)

The illiteracy rate in Mozambique is 48%, said Education Vice-Minister Augusto Jone, down from 93% at independence. Cabo Delgado has the highest provincial level, at 60%. (Noticias 10 Sep 2011)

Marta André Bocota Guebuza, mother of President Armando Guebuza, celebrated her 100th birthday on 11 September.

Bonifácio Gruveta has died at age 69. He joined Frelimo in 1963 and received military training in Algeria; during the war of destabilisation he was Military Commander for Zambezia province. He was a member of the permanent commission of parliament and active in Zambezia politics.

New style polymer banknotes for 20, 50 and 100 meticaís have gone into circulation; old notes remain valid.

The first parking meters have been installed in Maputo, on avenidas Samora Machel, Zedequias Manganhela, Karl Marx and Vladimir Lénine. The charge is Mt 10 for two hours.

Animal feed will be exempt from Value Added Tax (VAT) code, under a bill submitted to Parliament by the Council of Ministers (Cabinet). The main aim is to reduce the price of Mozambican chickens so that they can compete on the domestic market with chickens imported from Brazil. Mozambique produces 30,000 tonnes of chicken per year but consumes 54,000 tonnes. The bill will also extend VAT exemptions for the sugar, vegetable oil and soap industries (due to expire next year), in order to encourage domestic production, and extend exemptions to the acquisition of goods and services for the mining and hydrocarbon exploration sectors, in order to attract further investment. (Noticias 21 Sep 2011)

Niassa Hunter Safaris, one of eight tourist operators authorised to operate in the Niassa Reserve, is the subject of local complaints. The law says 20% of tourism revenues are supposed to be channelled to the local community, but the people of the Milepa locality say that Niassa Hunter Safaris has not paid anything since 2009, and now owes them \$30,000 They also say the company has abandoned the construction of two classrooms, and has not cooperated in driving large animals (notably elephants) away from peasant fields. (AIM, 20 September 2011 citing Radio Moçambique)

Over 800,000 guns and other items of military equipment have been collected since 1995 under the programme "Transforming Guns into Hoes" (TAE), an initiative of the Christian Council of Mozambique (CCM).

Ethanol will be produced from cassava in violation of the government's biofuel policy which does not allow the use of food crops for biofuel and rejected the use of cassava. A factory producing ethanol from cassava will be opened next year by Clean Star Mozambique Ltd, according to the mayor of Dondo, Manuel Cambezo. (Diario de Mocambique, 13 Sept 2011) Clean Star appears to be a British Registered but Nordic owned biofuels and carbon credits company.

A huge illegal shipment of timber, 561 containers holding more than 7,900 cubic metres of woods of various kinds, including precious hardwoods which cannot legally be exported as unprocessed logs and with a value of nearly \$2 million, was stopped in Nacala port in July. In September the provincial director of customs was sacked. Eight companies (Casa Bonita, Zhen

Long, Mozambique Trading, Yihou, Tong Fa, Chanate, Senyu and Verdura), several of which are owned by Chinese citizens, were involved. (Noticias 9 Sept 2011)

Carlos dos Santos becomes Mozambican High Commissioner (ambassador in a Commonwealth country) in the UK, replacing Antonio Gumende who has moved to the UN in New York. Dos Santos, in turn, is replaced as ambassador to Germany and France by Amadeu Paulo Samuel da Conceição, who was ambassador in Cuba. Meanwhile, two Nordic countries have named as ambassadors people who have worked in Mozambique before, Mogens Pedersen of Denmark and Ulla Andren of Sweden.

New appeals courts (Tribunais Superiores de Recurso) have been established in the three regions. They have a total of 25 judges and should significantly speed up the judicial process. Previously all cases were heard by the supreme court (Tribunal Supremo) which had developed a huge backlog. It handed over 1267 cases to the southern appeals court. (Noticias 8 Sept 2011)

The freeze on land concessions for large projects, in force since the beginning of 2010, will continue, probably until the national land zoning study is completed late next year, confirmed Vice Minister of Agriculture Antonio Limbau in an interview with Noticias (3 Oct 2011).

Mozambique has been losing \$58 mn per year in illicit financial flows, as an average over 2000-2008, according to Global Financial Integrity. This number is relatively very low - near the bottom of the GFI list, below Swaziland, for example. This suggests Mozambique's elites are not stashing large amounts of money in Swiss banks. A recent UNDP study also shows relatively low levels of illicit flows from Mozambique.

http://www.gfip.org/storage/gfip/documents/reports/IFF2010/gfi_iff_update_report-web.pdf and <http://content.undp.org/go/cms-service/download/publication/?version=live&id=3273649>

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Now in paper at a reasonable price

Do bicycles equal development in Mozambique?

by Joseph Hanlon & Teresa Smart

is now available in **paperback**, for £17.99 (+ p&p)

from the publisher <http://www.boydellandbrewer.com/store/viewItem.asp?idProduct=13503>

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Amazon.com for \$27.95

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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 now be **read on the web**

<http://tinyurl.com/justgivemoney>

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Two working papers on the web

Poverty is not being reduced in Mozambique

LSE Crisis States Research Centre Working Paper No. 74 (series 2)

Benedito Cunguara and Joseph Hanlon, June 2010 t

<http://www.crisisstates.com/download/wp/wpSeries2/WP74.2.pdf>

Tambem em Portugues:

<http://www.crisisstates.com/download/wp/wpSeries2/WP74.2portuguese.pdf>

Mozambique's Elite – Finding its Way in a Globalized World and Returning to Old Development Models

Joseph Hanlon and Marcelo Mosse September 2010

WP/105 UNU-WIDER: The Role of Elites in Economic Development project

http://www.wider.unu.edu/publications/working-papers/2010/en_GB/wp2010-105/

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O Pais: www.opais.co.mz

Macauhub English: www.macauhub.com.mo/en/

Savana: www.savana.co.mz

Canal de Moçambique: www.canalmoz.com

AIM Reports: www.poptel.org.uk/mozambique-news

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