

MOZAMBIQUE News reports & clippings

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Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Media under pressure

Although the rhetoric remains press freedom, the government is putting increasing pressure on Mozambican media and journalists and restricting foreign press. Much tighter media regulations have been tabled in parliament and there are increasing call for patriotism and discipline. And there is now an almost total ban on foreign press and researchers in Cabo Delgado.

The contradiction was highlighted by the installation of new members of the Media Council (CNCS, Conselho Superior de Comunicação Social), a watchdog body established under the constitution to ensure the independence of the press. The chair is appointed by the President, and Filipe Nyusi named prominent journalist Rogério Siteo, who was dismissed as editor of the state-owned daily *Noticias* in 2013 for being too outspoken.

But at the installation of the CNCS on 12 May, President Nyusi called for discipline, saying "to have discipline is to report only the truth, to combat fake news and not to incite violence and hatred." Journalists must "aim to restore social values." On Mozambican Press Freedom Day, 3 May, Nyusi said government defended "responsible access to information" but said the imposition of a "journalist's professional card" was to improve the "quality of press activity". And on Mozambican journalists' day (11 April) Nyusi stressed said journalists must report with "rigour, professionalism and patriotism". He said "the Mozambican journalist should not be a reproducer of wishes contrary to our unity."

But there were strong responses, saying the government wants to control the media and claims the right to define words like "patriotism", "unity", "responsible" and "quality",

Nyusi is speaking "not from the point of view of the need to guarantee truth and pluralism. He is making an assessment of the journalism that has been covering topics which have been damaging his image," responded Ernesto Nhanale of MISA-Mozambique (Mozambican branch of the Media Institute of Southern Africa). The head of state defines good journalism as "reports in favour of the government," Nhanale argues.

Journalist Fernando Lima added: "What is the unity that we should have? With the corrupt, with thieves and the dishonest? Or with the people who want development, who are courageous, who don't run away from the fighting?"

DW: Proposed law curbs press freedom

"Press freedom in Mozambique under pressure" was the headline of a statement from Deutsche Welle (DW), the German government's international broadcaster. This is a strong and very usual statement for a European government. "If Parliament were to adopt the two laws in their current form, Mozambique would become one of the most closed media markets in Africa," warned Johannes Beck, DW Head of Portuguese for Africa. <https://www.dw.com/en/press-freedom-in-mozambique-under-pressure/a-56962703>

The statement was the in response to the March parliamentary hearings on the government's proposed press law .The full text is on <https://bit.ly/MozComSoc>. MISA-Mozambique and EISA (Electoral Institute of South Africa) expressed great concern at the public hearing that the laws would criminalize journalists and restrict freedom of expression and the press.

The draft law gives government total control over the media. Journalists would be required to have a government-issued press card. Journalists, directors, and editors would have a "criminal liability" for what is published.

All media, including that published on the internet, would be licensed by the state. To obtain a licence would be a bureaucratic process involving 17 documents including the source of funds and the editor's name and address, and would require a fee. Publication could only start once a licence is issued, and could be suspended by government. Any publication without licence is defined as "clandestine" and the police could shut them down and confiscate their equipment.

Editors and directors must be Mozambicans living in Mozambique. The state would have the right to acquire shares in any private media.

DW's concern is that the draft law in particular restricts foreign press. Any journalist working for foreign media would need a special registration, and each foreign media would be limited to only two correspondents. Foreign organisations and diplomatic missions would have to declare to the government the import of any publications for free distribution. Publications would normally be in Portuguese or a local language, implicitly restricting the use of English.

Except for sport and culture, radio and TV would be prohibited from transmitting foreign programmes, according to a separate bill on radio and TV.

The first challenge to the media council CNCS and its chair, Rogério Siteo, will be the widely criticised draft media law. CNCS has 11 members chosen by different groups:
+ 3 journalists, Eliseu Bento of *Noticias* and Suzana Espada of the public television station, TVM, backed by the National Journalists' Union (SNJ), and Alexandre Chiure, backed by MISA-Mozambique.

+ 1 person appointed by the Association of Media Companies, Jeremias Langa, a senior figure in the management of the independent company Soico, which owns the television station STV, and the daily paper *O Pais*.

+ 1 judge, appointed by the Higher Council of the Judicial Magistracy, Jose Macaringue, the first deputy chair of the Mozambican Association of Judges (AMJ).

+ 4 members chosen by the parties in parliament, according to seats. The three Frelimo appointees are Jose Guerra (chair of the Miramar media group, owned by the Brazilian Universal Church of the Kingdom of God), Jorge Matine (former editorial director of *Domingo*) and Carmen de Lizi dos Santos, on the previous CSCS and with a background in administrative law. Renamo's appointee is Joao de Brito Munguambe.

+ As well as naming the chair, President Nyusi also appointed Paulina Chiziane, one of the country's foremost novelists.

Mozambique has fallen four places in the 2021 Global Index on Press Freedom compiled by Reporters without Borders (RSF). It is now 108 of 180 countries. RSF highlights difficulties in

accessing information in Cabo Delgado, the influence of Frelimo on the media, and the expulsion of *Zitamar* editor Tom Bowker.

Journalist Ibraimo Mbaruco remains missing, more than a year after he was detained on 7 April 2020 by men in military uniforms. He worked for the Palma community radio and TV.

Sudden changes in exchange rate raise questions

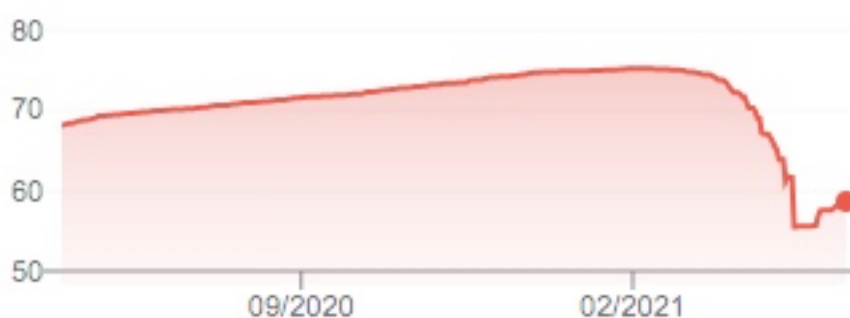
The metical increased in value by 13% in a week, from \$1 = MT 65.5 on 6 April to \$1 = MT 56.8 on 14 April. Then it was kept at precisely that level for two weeks, It has now drifted back to \$1 = MT 58.6. The sharp change in less than a week, followed by two weeks of an absolutely constant \$ exchange rate, means the that Bank of Mozambique, and not the market, is setting the exchange rate. And questions are being asked.

Meticals to US\$ in the past month



The Metical had been slowly devaluing for a year, reaching \$1 = MT 75.3 at the beginning of February. The appreciation since then is 24%. There was a similar appreciation against the Rand, from R 1 = MT 5.2 in February to R 1 = MT 3.9 on 16 April.

Meticals to US\$ in the past year



Economists said there was nothing in the economy that could explain this. Standard Bank said "this rate is unsustainable due to the large and historic current account deficit and the weak outlook for foreign direct investment." Fitch said it expected the metical to return to the January level of \$1 = MT 74 by the end of the year. Fitch believes that the currency is overvalued, and "does not reflect favourable macroeconomic conditions", noting that the twin budgetary and external deficits increased in 2020 as a result of the coronavirus pandemic, and that attacks in Cabo Delgado have harmed the country's attractiveness as an investment destination.

The Bank of Mozambique announced on 30 April that it would take a further \$60 mn from its \$4 bn reserves and inject them into the economy. Bloomberg said that internal market is being flooded with dollars.

The main impact of the appreciation of the Metical is to make imports cheaper and especially to encourage imports of food and other goods from South Africa to Maputo. And consumer prices fell slightly in April. But it squeezes exporters.

It is clear many businesses see the appreciation as temporary. State Electricity Company EDM quotes some salaries in dollars, but continued to pay at the rate of \$1 = MT 75 - until this was published and EDM agreed to only pay the official rate. Some South Africa banks and merchants are using their power to set their own exchange rates on Visa credit cards to keep the effective rate at \$1 = MT 75.

Question: Arbitrage?

Arbitrage is taking advantage of price differences in different markets for the same asset - or of buying knowing that the price will change. Thus anyone who sold their dollars at 65.5 on 6 April and bought the dollars back a week later at 56.8 would have made a large profit. Selling \$100 on 6 April provided enough Meticals to buy \$115 a week later. And anyone with inside knowledge would have made a lot of money.

Similarly, the predictions of a return to \$1 = MT 75 this year means that banks and traders will snap up the extra \$60 mn and hold them until the price goes up, making an arbitrage profit of \$15 mn. Individuals and illegal money traders will do the same thing - hold dollars for the next six months.

Arbitrage and access of dollars fuelled Zimbabwe's hyperinflation because of the gap between official and parallel exchange rates. In Mozambique arbitrage works by guessing - or knowing - how the Bank of Mozambique is going to manipulate the exchange rate.

Who owes? Mozambique has an external public debt of \$15 bn but has foreign currency reserves of \$4 bn, according to the IMF. Much of those reserves will be US dollars held in US banks, and US bonds. By holding this money and not spending it, Mozambique (and other countries) are giving a **loan to** the United States. The US Treasury reports that there are foreign holdings of an incredible \$ 7100 bn - in other words the US owes \$7100 bn to rest of the world.

Over the last 50 years the US has manipulated the international financial system by making the US\$ the global currency and through the IMF to push countries to hold ever larger reserves in the form of loans to the US, in effect propping up the US economy. This started in 1973 when the US ended the fixed price of gold. The 1997 and 2008 global financial crises started in the US, but led countries to keep ever larger reserves to try to provide a cushion against US financial collapses. The US\$ is also the normal currency of illegal trade, notably drugs, and those holdings of dollars are also, in practice, loans by the drug dealers to the United States government.

Follow up

Afungi TechnipFMC withdrawal 'fake news' but Total is blocking equipment removal

The report in *Africa Intelligence* (11 May, reported here 11 May) claiming TechnipFMC had contracted a South African firm, Bridge Maritime, to remove equipment from Palma is not true. Bridge Maritime called it "fake news" and TechnipFMC said the report "is incorrect". (*Energy Voice*, 13 May)

But *Zitamar* (12 May) reports some contractors complain Total is blocking equipment removal from Afungi, effectively holding it hostage there.

TechnipFMC has a more than \$1 bn contract for subsea work on Mozambique LNG, both for Total for links to Afungi, where work has not started, and for Eni's Coral Sul floating LNG platform where work is continuing. TechnipFMC CEO Douglas Pferdehirt said the company had no in-country exposure. It is carrying out manufacturing for Mozambique LNG but it is being carried out "a long way from Mozambique".

We have noted that *Africa Intelligence's* information on Cabo Delgado is often poor and its reports exaggerated. Also the Paris-based newsletter is pushing very hard a line that the gas logistics base in Pemba should be moved to the French island of Mayotte.

Protest works. Parliament on Tuesday (11 May) removed from discussion the final reading of a bill to give parliamentary staff \$1.8 mn per year additional perks. This follows a small demonstration by students and a petition submitted to parliament.

The Maputo middle class bubble had a lot of anti-parliament chatter over the weekend. The attack on Palma means Maputo has finally noticed the war in Cabo Delgado, and finally noted that parliament was increasing its own spending when there was not enough money to care for 700,000 displaced people.

After 8 hours in detention, including a several hour drive around Maputo, student Valdo José Cuambe was released by the police. He was arrested at the 11 May demonstration against the approval of \$1.8 mn in additional perks for parliament staff. Having arrested him, the police did not know what to do with him, and took him to five different courts and prosecutors offices before being told to release him. (CDD 12 May)

Personal note: Hope

This newsletter has been filled with reports of an intensifying war. One group with no hope and no future believed their only choice was to attack the group they saw stealing their future. The other side brought in an army of fighters recruited from other people who had no hope and saw no future. The war escalated and now we are reporting on foreign countries who want to send soldiers to kill peasant fighters with no hope.

I was watching a concert by an amazing Syrian clarinetist Kinan Azmeh <http://bit.ly/Car-Azmeh> writing the most beautiful and hopeful music drawn from his war torn country. It was part of a series by Carnegie Hall in New York called "Voices of Hope", organised in the worst time of Trump and Covid-19. <https://www.carnegiehall.org/Events/Highlights/Voices-of-Hope> available only until 31 May. Ute Lemper on music under the Nazis, black music in the US, other music of hope in terrible times. Wonderful concerts - do listen.

All civil wars go through phases, usually of increasing outside intervention as each side tries to kill more of the other. Eventually the war ends, often after a decade, and a new generation filled with hope tries to rebuild.

Cabo Delgado is moving into the escalating, killing phase. Must this continue for a decade until the war ends and hope returns to rebuild? This has already happened twice in Mozambique, and the hopeful rebuilding is being overtaken by another civil war. Is the momentum too great; is it too late to stop?

Or is there still a tiny amount of time left? Could the people of Cabo Delgado talk to each other about their hopes and dreams. Could the warlords and warmongers allow them to do it?

Another decade of war is on the cards. There are still people with hope - could they stop the war? There are good people at the local level. Can space be created for them to try? *jh*

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Important external links

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 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 <http://bit.ly/CaboLigado>

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

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>

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).
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