

# MOZAMBIQUE News reports & clippings

631 2 October 2023 Editor: Joseph Hanlon ( [j.hanlon@open.ac.uk](mailto:j.hanlon@open.ac.uk) )

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This is a personal project by Dr Joseph Hanlon, with no outside funding.

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**We have suspended normal publication during the election period and are only publishing occasionally for important news.**  
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## Mozambique gains \$500mn+ secret debt cancellation

Mozambique today announced a negotiated deal with the major Swiss Bank UBS. It took over Credit Suisse after CS collapsed under a series of corruption scandals including the Mozambique secret debt. This ends only part of the case about the secret debt in the commercial court in London.

Economy and Finance Minister Max Tonela and Deputy Attorney General Angelo Matusse told a press conference today that the negotiation in London resolves a large part of the Credit Suisse loan. They refused to give details, but we estimate that more than \$500 mn of the secret debt has been cancelled, which is a major victory for Mozambique.

The \$2 bn secret debt was borrowed by three companies owned by the government, including the security services SISE. Initially in 2013 and 2014 \$622 mn was borrowed by Proindicus, \$535 mn by MAM, and \$800 by Ematum. Of the Proindicus loan, \$118 was lent by the Russian bank VTB and the rest by Credit Suisse, which in turn syndicated some of the loans (that is, sold the loans) to investment funds.

In case of dispute, these loans are all adjudicated in the London Commercial Court, and in 2009 legal cases were brought by Mozambique, by Prinvest, and by lenders. Prinvest is the company which received all the money, allegedly for projects in Mozambique, and which is accused of bribery and over-invoicing. What is common in such proceedings in London is that the courts rule on points of law, and then the parties often negotiate a deal in secret.

With accrued interest payments and penalties, the Proindicus loan is now probably around \$900 mn. The trial is due to start today in London, but UBS and Mozambique have removed most of the Proindicus loan from the case and announced a deal this morning. VTB and BCP (Banco Commerical Portuguese) are not part of the deal and are continuing with the court case.

The exact deal remains secret because of the syndicated loans, but all banks and funds except BCP have accepted what is called a "haircut". The Mozambican government has agreed to pay a small part of the syndicated loans and the banks and funds accepted a substantial loss. Thus I estimate that more than \$500 mn in debt has been cancelled. Cancelling more than half the Proindicus debt seems a good deal for Mozambique.

The press conference was told that Mozambique's legal costs so far are \$80 mn and will continue to rise as the trial resumes. In London Prinvest has appealed a ruling which said that as

President, Filipe Nyusi cannot be called as a witness. But it seems likely that as the court case proceeds and the evidence is laid out, other deals will be done.

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## **Elections**

**CIP Mozambique Elections Bulletin** is published by Centro de Integridade Pública (CIP) <https://www.cipmoz.org>; <https://cipeleicoes.org/eng/cip@cipmoz.org>.

To subscribe or unsubscribe: <https://bit.ly/MozBul-sub> Past election newsletters are on <https://bit.ly/CIP-EI>  
**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 data: <http://bit.ly/MozEIData>

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## **Important external links**

**Books by Joseph Hanlon can be downloaded, free:** <https://bit.ly/HanlonBooks>

**Flood, cyclone and weather:** weather <https://www.inam.gov.mz/>

rainfall [https://www.inam.gov.mz/images/DAPT\\_Previsoes/Manha/Previsao\\_Manha.pdf](https://www.inam.gov.mz/images/DAPT_Previsoes/Manha/Previsao_Manha.pdf)

**Daily flood and monthly dry season reports** - <https://bit.ly/Moz-Flood-2023>

**Cyclone trackers**, <https://bit.ly/Reunion-cyclone>, <https://www.metoc.navy.mil/jtwc/jtwc.html>

(which uses z time which is UCT - Coordinated Universal Time) and <https://www.cyclocane.com/>

**Two LSE working papers - World Bank questions its Mozambique 'success'** where oligarchs brought high inequality, poverty and corruption - <https://bit.ly/Moz-LSE-208c> and **How the IMF and World Bank caused a resource curse and civil war in Mozambique** - <https://bit.ly/Moz-LSE-209>

**Minimum wage & exchange rate charts, tables 1996-2022** <https://bit.ly/MozMinWage2022>

Previous editions of this newsletter: <https://bit.ly/MozNews2023> and <https://bit.ly/MozNews2022>

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

TSU\_Tabela-Salarial-Unica - law, decrees, points system (2 Mb) <https://bit.ly/Moz-TSU>

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## **Cabo Delgado**

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

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>

Cabo-Delgado-Free-for-all. 20 Apr 2022. <https://bit.ly/Moz-593>

### **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>

### Eleven books by Joseph Hanlon can be downloaded, free: <https://bit.ly/HanlonBooks>

Zimbabwe takes back its land (2013) <https://bit.ly/Zim-takes-land>  
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)  
Civil War Civil Peace (2006): <https://bit.ly/Civil-War-Civil-Peace>  
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) <https://bit.ly/Peace-wo-Profit>  
Mozambique: Who Calls the Shots (1991) <https://bit.ly/Shots-Moz>  
Mozambique: The Revolution Under Fire (1984)

### These are still available for sale:

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

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