MOZAMBIQUE News reports & clippings

206 17 October 2012 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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In this issue

Procana promoter with Mugabe links now active with farms and hospitals

New agriculture investments in Mancia in Tete were announced on 3 October by the company behind the failed Procana sugar and ethanol scheme in Gaza province and which bailed out Robert Mugabe in Zimbabwe at a crucial point in 2008.

Zambian born Phil Edmonds is a former England test cricketer (1974-87) who is chair of Agriterra (a former oil exploration company) and was until March chair of African Medical Investments (AMI). Both have major investments in Mozambique, but shares of both companies have fallen to a small fraction of their peak value.

Agriterra is in the news because it announced on 3 October that it is pulling out of oil exploration to concentrate on agriculture - maize and beef in Mozambique and cocoa and palm oil in Sierra Leone - and had sold its oil exploration stake in the South Omo block in Ethiopia to Marathon oil for $50 million. Agriterra Chief Executive Officer Andrew Groves said the money from this sale would be used partly in Mozambique, including "expanding our current beef herd from 4,000 to 10,000 head by 2015, and building a vertically integrated beef operation through the continued development of a feedlot operation, 4,000 head per month capacity abattoir and butcher shops".

Investors were not impressed, and the 3 October announcement caused its share price to drop from 5 p (Briitsh pence per share; 5 p = 8 US cents) to 3.5 p.

Africa Medical Investments opened the AMI Hospital in Maputo in 2010 and has just opened a new clinic in Tete. Partners in the AMI hospital include Sibone Manuel Mocumbi, doctor son of the doctor and former Prime Minister and Health Minister Pascoal Mocumbi, and Sibone's wife Ana Olga Machatine de Almeida Hausse Mocumbi.

Edmonds' companies are largely created for hedge funds and wealthy investors, with Edmonds having a small share. He owns 3.4% of AMI and 1.4% of Agriterra. AMI has been losing money and been in a complex legal battle with one of its founders, Vivek Solanki. AMI is listed (as AMIE) on the AIM London stock exchange for smaller companies, and its shares fell from 25 p in 2010 to 5 p, when Edmonds resigned as chair of AMI on 12 March 2012. The price has dropped to 0.88 p.

One of Edmonds' early companies was Central Africa Mining and Exploration Company (CAMEC). CAMEC, of which he was chair, became controversial. A major shareholder in CAMEC was Billy Rautenbach, who was accused of improperly supplying arms to the Congo in exchange for mineral concessions, during the 1998-2003 Zimbabwe intervention in the Congo. Rautenbach and his close associate John Bredenkamp were both subject to both US and EU sanctions because of their strong support of Robert Mugabe. EU sanctions on the two were lifted in February 2012. Rautenbach also ran a company Wheels of Africa and is reported to have reached an agreement in 2009 with the South African authorities to pay a fine of 40 million Rand over allegations of bribing customs officials and fraudulently reducing the tax liability of Wheels of Africa's subsidiaries.

The *Mail and Guardian* recently (10 Aug 2012) reported that CAMEC, then chaired by Edmonds, made a $100 million loan to the Zimbabwe government in 2008 when hyperinflation was at its peak, the government was bankrupt, and the Movement for Democratic Change had just won the most votes in parliamentary and first-round presidential elections. As part of the deal, Zimbabwe sold a platinum concession to CAMEC. The *Mail and Guardian* report continues: "In the weeks to follow [the loan] and pending the all-important presidential runoff on June 27, Zanu-PF went on the offensive. Amid acute food shortages, it directed government food aid to reward supporters. And despite crippling fuel shortages, it deployed security forces and party thugs across Zimbabwe on a campaign of mass intimidation."

CAMEC was behind Procana, the failed sugar and ethanol project in Gaza which collapsed in 2008 and was always seen as dubious because it claimed it would produce four times as much ethanol as any similar project in Mozambique. And CAMEC was also behind three agriculture companies, Mozbife and Desenvolvimento e Comercialização Agricola (DECA) in Manica and Compagri in Tete.

CAMEC was eventually sold in 2009 to Eurasian Natural Resources Corporation (ENRC), listed on the London and Kazakhstan stock exchanges. CAMEC had a coal concession in Tete, which ENRC continues to list on its website.

Meanwhile, Edmonds also created White Nile for oil exploration and brought it to market in 2005 at the height of the investment boom in small untried oil explorers. The stock soared from 10p at float to 138p in a week. That made paper fortunes for Edmonds and some London hedge funds. But White Nile's main exploration rights were in southern Sudan, which was subject to a long civil war. After the 2005 peace agreement it became clear that South Sudan would become independent (which it did in 2011) and not recognise oil concessions granted by the Sudan government. In 2008, Edmonds gave up, renamed the company Agriterra, and decided to divert the business' $9 million of cash reserves "to acquire or invest in businesses or projects operating in the agricultural and associated civil engineering industries in Africa". White Nile shares fell to 2.5 p.

Agriterra is based in the British tax haven of Guernsey. In 2010 it raised $7 million for its Mozambique operation by selling new shares at 3 p. In 2009 $5 million was raised a 5 p per share.

In 2009 Agriterra bought DECA and Compagri (to buy maize from local farmers in Manica and Tete) and Mozbife, a cattle ranch and stud farm with 11,400 hectares in Mavonde, Dombe and Vanduzi in Manica. DECA says it will buy 30,000 tonnes of maize this year, and has already invested $17 million in silos and mills.

In April 2010 Labour Minister Helena Taipo cancelled the work permits of two Zimbabweans working for Compagri in Tete. They were accused of ill-treating Mozambican workers, of racist attitudes, of sacking staff without just cause, of banning trade unions and of discounting social security contributions from the workers' wages but failing to forward them to the National Social Security Institute.

Edmonds is also chair and 0.81% owner of the AIM-listed Sable Mining Africa, which has coal projects in South Africa and Zimbabwe, and a director and 9.5% owner of AIM-listed African Potash, which has projects in the DRC. These companies have no known interests in Mozambique.

Andrew Groves is Executive Director of Agriterra and a director of Sable Mining Africa and African Potash Limited, and was involved in both CAMEC and Procana. He was born in Zimbabwe.

References:
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http://www.thisismoney.co.uk/money/markets/article-1648663/Edmonds-ends-White-Niles-hunt-for-oil-and-turns-farmer.html
http://www.thezimbabwemail.com/zimbabwe/8355-us-billionaire-new-johnny-come-lately-into-zanu-pf-dark-world.html
Noticias 26 Sept 2012 AIM 3 Oct 2012 Daily Mail (London) 30 March 2009

No agreement yet on Procana successor

South Africa's TSB sugar is putting pressure on the Mozambican government to agree its takeover of the failed Procana sugar and alcohol project in Gaza. In a 9 October 2012 announcement, TSB said it was ready to invest $740 million and would like to start planting next year, and is only waiting for government approval. TSB is the third largest South African sugar company, after Tongaat Hulett and Illovo, and is owned by Remgro, the former Rembrandt and Rothmans cigarette company. It claims the project would create 500 permanent and 7000 seasonal jobs.

The 30,000 ha concession was granted to CAMEC in 2007, abandoned in 2008, and revoked in 2009. But simply granting it to TSB may not be straightforward, as there are land and water conflicts. Local people say they were being pushed off the land, and some of the land had been granted to people being resettled from the Limpopo transfrontier park. And there are conflicting estimates of water available, with some saying there is not enough water both for sugar and for downstream rice.

● Cepagri estimates that the four sugar estates will produce 470,000 tonnes of sugar and 155,000 tonnes of molasses this year. Of the sugar, 250,000 t will be exported, 13,000 t to the USA and the rest to Europe. There are currently 32,000 permanent and seasonal workers. World sugar prices are falling, which will encourage more sugar to be converted to ethanol, and the European Union is providing 5 million Euros to increase alcohol production capacity. (*Noticias* 28 Sept 2012)

Oil from coal planned for Tete

Plans to produce oil products from waste coal equivalent to Mozambique's entire consumption are moving forward. Clean Carbon Industries proposes to use low grade coal from the Ncondezi coal mine which would otherwise be burned on site to produce electricity. The plant would be based in Tete near the mine, and a 520 km pipeline would run along the railway to a new sea terminal north of Beira. The plant would produce petrol, diesel and A1 jet fuel; two-thirds would be exported and one-third sold in Mozambique. Studies are now under way to choose the technology, either the Lurgi process currently used by Sasol in South Africa in the largest coal gasification plant in the world or a newer KBR process. It would cost $60 per barrel to produce oil, about the same as from oil sands in Canada.

An agreement with the Ministry of Energy was signed on 8 February 2012 for the plant and pipeline, and they hope to have a final plan ready by the end of this month. But project promoter Hugh Brown, in a presentation made in August, said the installation would cost more than $8 billion – which is a lot of money to raise. Construction would not start until at least 2016.

Clean Carbon Industries was only set up in May, and is based on Guluwe, a mining company set up in 2011 by José Manuel Caldeira and José Manuel Roque Gonçalves of Sal & Caldeira Advogados, who have started many companies over the past decade. Clean Carbon is now owned by South Africans Hugh Brown and Twin City Development. Twin City has 10,000 ha in Massingir, Gaza, near the trans frontier park and the former Procana sugar project, which it plans to use for ecotourism. Twin City is also planning a shopping centre, Maputo Mall.

In December 2011 Hugh Brown & Associates lost a court case over a nickel mine in Burundi which could only be exploited by novel and ground breaking techniques. The court case was heard in the British Virgin Islands, and Mr Justice Bannister's ruling said some of the documents submitted were forged and at one point accuses Hugh Brown of "a palpably untrue account". The case involved an amazing list of characters: companies from Hong Kong, Gibraltar, Cayman Island, British Virgin Island and South Africa as well as a Serbian, a Croatian who said he was imprisoned by the former Yugoslavian regime, and a Nigerian living in South Africa whose wife was said to be a friend of the President of Burundi. Hugh Brown's case was funded by Harbour Litigation Funding, under a form of agreement where a fund finances a claimant's litigation for a share of the winnings.

https://energypedia.info/images/4/4d/EN-Clean_Carbon_Industries_Lda..._Tete_Mozambique-Hugh_Brown.pdf
http://www.eccourts.org/judgments/decisions/2011/HughBrownandAssociatesPTYLtdvKermasLtd.pdf
http://www.harbourlitigationfunding.com/funding-map/VG

Another Guebuza company

The long paralysed Riopele textile factory in Marracuene, near Maputo, has been sold to a consortium three Portuguese companies (Crispim Abreu, Mundiflos and Mundo Textil) and Intelec Holdings (a Mozambican company part owned by President Armando Guebuza).
http://www.intelecholdings.com/

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Further discussion on:

World Bank says agriculture & rural poverty unchanged from end of war

in Newsletters 203, 205

Is the Bank partly responsible?

Planning Minister blasts Bank

The Mozambique country case study for the World Bank's *2013 World Development Report* painted what it called a "gloomy picture" of agricultural productivity and rural living standards not having improved since the end of the war, two decades ago. Planning and Development Minister Aiuba Cuereneia told the press agency LUSA that he was "astonished that it was the World Bank which said that, when it never invested in agriculture". The Bretton Woods institutions are still "not supporting African countries to improve their agriculture, and the countries are doing their best," he continued. Cuereneia pointed out that the Mozambican government has made this criticism in meetings with the World Bank. In these meetings "our African colleagues, and we Mozambicans, have always raised the question of agriculture in Africa", he continued. "We have stressed the need for international support for African agriculture".

2nd Bank report confirms gloomy picture

The "gloomy picture" is confirmed by the World Bank's own May report *Agribusiness Indicators: Mozambique.* Brief points:

● "Mozambique's efforts to expand agricultural productivity through increased access to and use of inputs have not yielded significant results and have not fostered the emergence of an input supply network led by the private sector. For food crops, the use of improved seed and fertilizer is very limited."

- "Seed supply is constrained by inadequate production of breeder seed and foundation seed."
- "Fertilizer is expensive by the time it is delivered upcountry and reaches rural villages. Knowledgeable observers report that applying fertilizer (urea, NPK) to maize is unprofitable for most smallholders."
- "Access to agricultural finance is difficult … Even with guarantee schemes, financial institutions are reluctant to lend to agriculture and agribusiness. … Many foreign-owned agribusinesses and Mozambican/foreign joint ventures access finance offshore."
- "Mozambique's agribusiness policy environment is considered reasonably conducive to private sector investment, although much investment in commercial agriculture remains foreign (largely because, as discussed, domestic investors suffer from credit constraints and foreign firms can obtain capital more easily)."

http://go.worldbank.org/MB38JKM130

Rural roads

Following my suggestion of a discussion on the Bank and rural development, a note from someone who has worked in the aid sector in Mozambique for a decade and has identified himself to me, but asks not to be named here because of "my desire to remain employed".

There is broad agreement on the need for rural roads to promote markets, but the "rural roads that serve 75% of the population receive less than 5% of the roads and bridges infrastructure budget." All the donors (and the government) pay lip service to rural roads, but put their money into trunk roads and secondary roads built to a high standard for high speeds, up to 100 km/h. "The World Bank has been particularly egregious in this regard. The US MCC programme had a mandate to address rural issues but is spending all of its road component (about $175 mn) on rehabilitation of the N1."

My correspondent argues that rural people want transitable roads near where they live. "They hardly care if the average speed on these roads is only 25 km/h or the ride is bumpy", as long as the road is open. Rural mobility could be significantly increased by looking at so-called "rupture points" on less used roads, and building small bridges, culverts and drifts to provide nearly year-round access, rather than rebuilding the entire road from end to end.

But donors and the World Bank are not interested. "Better to have your name on a big bridge or paved road than on a dusty but still transitable track."

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Land, trees, biofuel

- **Chimoio city council is negotiating with Sun Biofuels** to take 630 ha for urban expansion. This is one-third of the 1,933 ha which Sun had taken over from the tobacco company Dimon. The land was being used for a failed jatropha project. (*Noticias* 10 Oct 2012)

- **The on-going saga of the Global Solidary Forest Fund** (GSFF), and in particular Chikweti Forests of Niassa, continues. The entire management was sacked in 2011, but on its website the new management now denies the criticisms that led to the dismissal of the previous management. GSFF misconduct was reported in internal Mozambique documents and the Anglican Bishop of Niassa, Mark van Koevening, resigned in protest as chair of the four GSFF companies in Mozambique. Reports were published in the Dutch *de Volkskrant* (3 December 2011, see New reports & clippings 190), an Oakland Institute report, and the *Mozambique Political Process Bulletin* (number 48, 22 Feb 2011). GSFF is owned by a Dutch pension fund and Swedish churches. The GSFF defence is on http://gsff.se/en. But the FoodFirst Information and Action

Network (FIAN) on 5 October issued a new report "The human rights impacts of tree plantations in Niassa province, Mozambique", based on research by UNAC (União Nacional de Camponeses) which argues that despite GSFF denials, the problems are real and continuing.
http://www.fian.org/news/press-releases/mozambican-peasants-tour-europe-to-confront-governments-and-investors/pdf

● **Another Swedish church forestry project, Levas Flor,** which operates in Cheringoma and Muanza, Sofala, has 46,000 ha and wants more. This is a joint project between the Vasteras Diocese in Sweden and the Libombos Diocese in Mozambique, and has the support of Anglican Bishop Dinis Sengulane. Levas Flor employs 14 permanent and 60 seasonal workers. (*Diario de Moçambique*, 1 Oct 2012)

● **Mt 27 million ($950,000) was given to 7 communities** in Sofala in 2011 as their 20% share of income from forest projects. But the head of the provincial forest service, Maria Augusta Magaia, said there is a lack of transparency in the use of this money by community leaders, who made decisions without consulting the communities and sometimes bought cars for themselves. (*Noticias*, 15 Sept 2012)

● **A Soros fund is investing $6 mn in CleanStar,** which is to produce ethanol from cassava in Sofala and promote a safe ethanol cooking stove based on a Nordic camping stove. It appears that the government has at least informally dropped its ban on the use of cassava to produce alcohol. Initially the stoves will have to be subsidised, but the hope is that ethanol will prove cheaper as well as environmentally better than charcoal. CleanStar Mozambique is owned by CleanStar Ventures (a US venture capital company), Novozymes (a Danish biotech company), the Soros Economic Development Fund, and the Danish government's Industrialization Fund for Developing Countries (IFU). www.cleanstarmozambique.com (*Noticias*, 24 Sept 2012)

● **A community land titling project** funded by $568,000 from the US Millennium Challenge Account (MCA) has been launched in six districts of Zambézia province, and is being implemented by KPMG. In two districts last year, the MCA project organised titles (DUAT, Direito de Use e Aproveitamento da Terra) for 16 communities covering 28,881 hectares. (*Noticias*, 12 Oct 2012)

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Agriculture

● **The first 19 rural service centres** providing machinery, seed and fertiliser, and technical support will be opened in high potential areas during the coming season, Agriculture Minister Jose Pacheco announced 11 October. This is part of a strategy announced two years ago to concentrate on areas with the highest agricultural potential, rather than spreading resources thinly around the entire country. Similarly, Monapo, Nampula, is one of the few areas in the north that have seen a significant take up of animal traction, and Pacheco announced that 400 more cattle would be provided there for ploughing in the coming season. (*Noticias* 12 Oct 2012)

● **Chicken production has doubled since 2007,** but so far only 50,000 tonnes of the 80,000 tonnes of chicken consumed are actually produced in Mozambique; the remainder is imported, half from Brazil. *O Pais* reports that in Maputo, a local chicken costs 150 meticais ($5.20) compared to 130 Mt for an imported one. Meanwhile the South African Astral Foods announced a new chicken unit in Goba, near the border with Swaziland; Astral notes that since 2000 it has been running a chicken feed company, Meadow Mozambique, which is part owned by the mayor of Namaacha, Jorge Tinga. And the Nampula chicken producer King Frango was fined 66,000 Mt ($2300) for selling chickens not fit for consumption; the company was recently sold to African Century Agriculture, and *Noticias* reports it is having internal problems, including conflicts with its workers. (*O Pais*, 17 Aug 2012; *Noticias*, 25 Sept 2012)

● **A small guaranteed market** programme is being set up with $400,000 Brazilian support. The

Brazilians say experience shows that when there is an assured market, farmers produce more. Peasant farmers will receive support to increase production, with the government agreeing to buy and use the food for prisons, schools and hospitals. The programme also includes training in maintaining machinery. (*Noticas* 14 Aug 2012)

● **Donors are offering more money, but mainly in the south**, which has less agricultural potential. The International Fund for Agricultural Development (IFAD) is funding a $39 mn ProSul value chain development project in 19 districts in Inhambane, Gaza and Maputo provinces. The Japanese-Brazilian ProSavana project is giving $750,000 to GAPI for loans to farmers in the Nacala corridor. The Alliance for the Green Revolution in Africa, set up by the Rockefeller and Gates foundations and chaired by Kofi Annan, is putting $800,000 into seed and fertiliser to promote soya and maize in Manica and Sofala. (*Noticias* 12 Sept, 9 & 10 Oct 2012)

● **Mozambique is now the 5th largest producer of tobacco,** according to Mozambique Leaf Tobacco. In the 2011/12 season, it produced 64,000 tonnes, just below the 76,000 tonnes produced in the United States. There are now 90,000 producers in four provinces, Tete, Zambézia, Niassa and Manica. (*O Pais* 5 Oct 2012)

● **In Nampula, peasants are producing less tobacco and cotton**, and moving to pigeon peas (feijão Boer), soya and other more profitable crops. But those prices are now falling, and in Malema district farmers are holding back soya, sesame and pigeon pea where prices are down 20%. (*Noticas* 26 Sept & 6 Oct 2012)

● **Cotton prices have fallen to one-quarter of their March 2011 peak**, from $2.30 per pound to under $.70 now, raising serious questions about the crop. In Mozambique, the price paid to farmers has dropped from 15 Mt/kg to 10 Mt/kg. Plexus, the British company that took over cotton areas of Cabo Delgado and Nampula abandoned by Lomaco (Lonrho), says it has dropped plans to produce cotton itself, because of the low price, but will continue to buy from its contract farmers. Nevertheless, the Mozambique Cotton Institute (Insituto de Algodão de Moçambique, IAM) hopes that production can be doubled from the current 100,000 tonnes per year to 200,000 t by the end of the decade, mainly by introducing new varieties that would double productivity, from 500 kg/ha to 1 tonne/ha. 300,000 families now cultivate cotton on 160,000 ha. Meanwhile, IAM admits it is having trouble exporting its cotton because it cannot get enough railway wagons to get the cotton to ports. (*Noticias* 15 Sept & 10, 12 Oct 2012)

● **16 million Euros is available from Italy for agro-processing in Manica and Sofala** according to Sergio Muteia, coordinator of the Programa de Apoio ao Desenvolvimento Rural (PADR, Rural Development Support Programme). As well as support for the small scale sectors, proposed projects include factories to process pineapples, tomato, fruit juice, milk, timber, grains and oilseeds. Also planned is a Cepagri service centre. (*Noticias* 3 Oct 2012)

● **Two cereal mills are being built by the government.** Both are being built by the Ministry of Industry and Commerce. One is in Angonia, Tete; it has Chinese equipment to mill maize and rice and staff is being trained. The other, for rice in Namacurra, Zambezia, is delayed and the equipment is still in the port. (*Noticias*, 13 Sept 2012)

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Gas & megaprojects

$50 bn investment needed for gas

Gas reserves off shore of northern Mozambique contain at least 150 trillion cubic feet of gas. Exploration, exploitation and construction of on-shore gas liquefaction plants is estimated to cost at least $50 billion - but the gas is currently worth ten times that amount. (However, gas prices are falling. The current price is $3.50/MBTU and 1,000 cu.ft. of gas is comparable to 1 MBTU. Thus 150 trillion cubic feet are about 150 billion MBTU or more than $500 billion at current prices. However the availability of gas from shale, through "fracking" - hydraulic fracturing - seems likely to push this price down.)

The government's draft gas master plan (plano director) suggests that the earliest LNG production could start is 2018, but that by 2025 government income from gas will exceed $5 billion per year. The master plan also looks at how Mozambique can use the gas locally. The plan could be completed this year.

Government has just received $175 million as a 12.8% capital gains tax on the sale by Cove Energy of its 8.5% share of just one gas block to the Thai company PTT. This is the government's first cash income from gas. Gas production began in the much smaller (3 trillion cubic feet) Pande and Temane fields off Inhambane province in 2004, but Mozambique predicts it will not receive any money until 2018. However it does receive a share of the gas, which is being used for industry in Maputo and Matola, and to produce electricity.

So far, no commercial quantities of oil have been found, but explorations continue. (*Noticias* 7, 10, 14 Sept 2012; *O Pais* 3 Sept 2012)

Calls for transparency and renegotiation

Former Prime Minister Luisa Diogo joined the calls for the megaprojects to be renegotiated. The early projects including Mozal aluminimum and Pande gas gave very generous tax breaks, because the IMF argued at the time that without such breaks no one would invest so soon after the war. Breaks were reduced for Tete coal mines and have been further reduced for new projects. But Diogo and other argue that times have changed, and that the early projects should be renegotiated to pay more taxes now. But the then Prime Minister Aires Ali argued that the most generous fiscal benefits were only for 10 years, and are running out.

Meanwhile auditor PricewaterhouseCoopers (PwC) has called for more transparency in the megaproject contracts. Joao Martins of PwC said "contracts should be published so that people know" exactly what are the benefits, incentives, and taxes.

And Cardinal Dom Alexandre Maria dos Santos, retired archbishop of Maputo, called on Mozambique to "wake up". It is sleeping while people take its wealth in a new form of colonialism. (AIM 8, 27 Aug 2012; *Savana* 24 Aug 2012; *Noticias* 19 Sept 2012; *O Pais* 10 Sept 2012)

Coal exports starting

Coal exports from Tete have started, and are predicted to reach 100 million tonnes per year. In September, Vale send 95 trainloads of coal, each with 40 wagons carrying 63 tonnes, from Tete to Beira port. This is the highest volume so far, but was only 240,000 tonnes, which is equivalent to 3 million tonnes per year, far short of the need. Mozambique railways (CFM) says that by November, when it finishes cleaning up the mess left by the World Bank project, the capacity of the line will be 6.5 mn t/y, and it hopes to raise this to 12 mn t/y by the end of next year. Vale is using a system of shuttle barges, taking coal from the terminal in Beira to be loaded onto larger bulk carriers on the high sea, 42 km from the port. But Vale is building a railway across Malawi, and will eventually use Nacala port which can take the larger bulk carriers.

Meanwhile, Beacon Hill is still sending its coal to Beira by road, and has so far shipped 18,000 tonnes; it is negotiating with CFM for an allocation of rail capacity. And Tata Steel announced its first shipment of coking coal has been sent from the Benga mine (jointly owned with Rio Tinto) to Scunthorpe, England.

Rio Tinto appears to have given up its attempts to send coal down the Zambezi River by barge, and now proposes a new railway line to a new port just north of Quelimane, at Macuze, Namacurra. The port and connecting railway could be built by 2014. (O Pais, 30 Aug & 5 Oct 2012, Macauhub 11 Oct 2012, AIM 5 Oct 2012, Noticias 8 Oct 2012)

Exports: megaprojects and peasants

Aluminium accounted for half of Mozambique's exports in 2011. But peasant crops accounted for 11% of exports. The main exports in 2011 were:
aluminium ($1357 mn, 49%)
electricity ($296 mn, 13%)
tobacco ($180 mn, 8%)
natural gas ($153 mn, 7%)
sugar ($88 mn, 4%)
cashew ($51 mn, 2%)
timber ($42 mn, 2%)
prawns ($39 mn, 2%)
cotton ($37 mn, 2%)

In brief

● **The Ministry of Minerals and Energy is again issuing exploration** and mining licences after a four month pause. Some tenders in Niassa and Tete have been restricted to Mozambican companies.

● **1.5 tonnes of precious stones were seized** from an informal market in Nampula. Rubies, tourmalines, aquamarines, and other stones and $10,000 were seized from foreign traders who had bought them from Mozambican artisanal miners. Under a 2011 law, only Mozambicans are allowed to sell minerals. And a US citizen was arrested at Nampula airport with 7 kg of rubies, worth somewhere between $2 million and $25 million, in her luggage. Since then, a fight has broken out between the customs authorities and the provincial minerals directorate as to who has the right to the stones. The rubies are probably from Montepuez, Cabo Delgado, where the British company Gemfields has won the contract to mine rubies. (*O Pais* 29 Aug & 19 Sept 2012, AIM 30 Aug & 19 Sep 2012, *Noticias* 19 Sept & 11 Oct 2012)

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Also on the web: Previous newsletters and other Mozambique material are posted on tinyurl.com/mozamb

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NOTE OF EXPLANATION:
This mailing list is used to distribute two publications, both edited by Joseph Hanlon. This is my own sporadic "News reports & clippings", which is entirely my own responsibility. This list is also used to distribute the *Mozambique Political Process Bulletin*, published by CIP and AWEPA, but those organisations are not linked to "News reports & clippings"
Joseph Hanlon

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Mozambique media websites:

Noticias: www.jornalnoticias.co.mz
O Pais: www.opais.co.mz
Macauhub English: www.macauhub.com.mo/en/
Savana: www.savana.co.mz
Canal de Moçambique: www.canalmoz.co.mz
AIM Reports: www.poptel.org.uk/mozambique-news
Carlos Serra Diario de um sociologo: http://oficinadesociologia.blogspot.com

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