



Press Release

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Mozambique government seeking to retain contract secrecy

Mozambique, one of the world's poorest countries, stands at the edge of a natural resource boom. Government revenues from coal and natural gas could lift average Mozambicans out of abject poverty. But contract secrecy stands in the way of ensuring that companies pay their fair share of tax.

The Centre for Public Integrity today calls on the government of Mozambique to stop negotiating secret contracts with mining and petroleum companies.

Mozambique is hoping that it can generate significant revenue from its rich store of natural resources – particularly coal and natural gas. But early natural gas and coal projects have yielded virtually no revenue for the government. Understanding why companies are paying no tax is essential to ensuring that future projects benefit Mozambicans. But it is impossible to know why the government has received so little because the contracts that determine how much companies should pay are secret.

Mozambique will be welcomed as a new member of the Extractive Industries Transparency Initiative at their global conference in Sydney, Australia next week. Publishing tax payments made by companies is an important step. More important still is to understand why those company payments are insignificant.

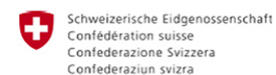
New laws regulating the extraction of petroleum and minerals are currently awaiting approval by Mozambique's Parliament. In their current form, the government will retain the right to hide generous tax concessions for companies in secret documents.

A brief window exists to convince the government of Mozambique that they should stand by their commitment to transparency. There is no need to hide behind secret contracts. The future well-being of average Mozambicans is at stake.

Ficha Técnica

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