

MOZAMBIQUE News reports & clippings

365 27 March 2017 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Government daily flood reports: bit.ly/flood-17

Key points from the Parliamentary Report on the Secret Debt <http://bit.ly/MozAR-debt-En>

Following the donor-designed path to the \$2.2 billion secret debt <http://bit.ly/3WQ-hanlon>

Chickens and beer: A recipe for agricultural growth in Mozambique

book by Teresa Smart and Joseph Hanlon <http://bit.ly/chickens-beer>

Gas for development or just for money? <http://bit.ly/MozGasEn>

Kroll given another month

Kroll has been given an extension until 28 April to complete its forensic audit of the \$2 bn secret debts, the Attorney General's Office (Procuradoria-Geral da República) announced Friday. The report had been due 31 March.

The statement suggests there had been problems obtaining information from foreign jurisdictions, but that some progress is being made. "Certain legal procedures, in accordance with the specificities inherent to each of the different jurisdictions involved, resulted in the late availability of relevant additional information, compromising the agreed deadline," the statement said. Kroll has submitted a preliminary report to the Attorney General.

It is also clear that Kroll was initially obstructed by the security services SISE. But the IMF and Swedish ambassador (who is paying for the audit) met with President Nyusi and told him this was unacceptable, which seems to have allowed more information to be released.

The statement (in Portuguese) is on <http://bit.ly/2o1n2ew>

Proindicus failed to pay

Proindicus last week failed to make a payment of \$119.2 mn that was due on the loan it took out, with an illicit government guarantee, from the bank Credit Suisse in 2014. The government did not step in to assist what is effectively a bankrupt company.

In October 2016, at a meeting with creditors in London, the Minister of Economy and Finance, Adriano Maleiane, had warned that the government simply did not have the money to meet its obligations on the loans to Proindicus, and to two other companies, Ematum (Mozambique Tuna Company) and MAM (Mozambique Assets Management), largely owned by the security services SISE, and which are the official borrowers of the \$2 bn secret debt..

ENI-Exxon capital gains tax set at \$350 mn - but questions raised

Mozambique tax authorities (Autoridade Tributária - AT) on 21 March set the capital gains tax to be paid by ENI at \$350 mn. This is in the range that had been predicted. The tax is for selling 35.7% of ENI East Africa for \$2.8 bn to Exxon Mobil. In effect, ENI sold 25% of the Rovuma Area 4 gas field.

In its statement, AT said that under the dual taxation agreement with Italy all of the capital gains tax goes to Mozambique. It continues that under the 2007 law, the capital tax is 32% and it applies to only 50% of the gain after ENI's costs and investments have been deducted. Working backwards, this means the AT has calculated ENI's costs at \$612 mn.

But a report issued this morning by CIP (Centro de Integridade Pública) raises two questions. Author Fatima Mimbire first questions the 50% discount, which she says has never been applied before to capital gains tax. Second, she notes that the AT has given no details about how it has calculated the ENI's costs. The AT says only that this is based "on information available at this time and supplied by ENI," and Mimbire argues that relying only on company data without any outside evaluation is "problematic". She goes on to point out that the national auditor (Tribunal Administrativo - TA) in its audit of the 2015 state budget criticised the way the AT had calculated capital gains tax on an earlier part sale by Anadarko.

The tax authority report is on <http://bit.ly/2nEnloZ> and the CIP report on <http://bit.ly/CIP-ENI-Exxon>. Both are in Portuguese.

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"Mozambique News Reports & Clippings, number XXX", DATE, bit.ly/mozamb, accessed XXX.
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Election study collaboration: We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. <http://bit.ly/MozElecData>

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Books and reports by Joseph Hanlon

Special report on four poverty surveys: bit.ly/MozPoverty

Comment: something will turn up: <http://bit.ly/28SN7QP>

Oxfam blog on Bill Gates & chickens:

<http://oxfamblogs.org/fp2p/will-bill-gates-chickens-end-african-poverty/>

Bangladesh confronts climate change: Keeping our heads above water

by Manoj Roy, Joseph Hanlon and David Hulme Published by Anthem Press

<http://www.anthempress.com/bangladesh-confronts-climate-change-pb>

Chickens and beer: A recipe for agricultural growth in Mozambique by Teresa Smart and Joseph Hanlon

In pdf format, 6 Mb file, free on <http://bit.ly/chickens-beer>

E-book for Kindle and iPad, <http://www.amazon.com/dp/B00NRZXXKE>

Galinhas e cerveja: uma receita para o crescimento

by Teresa Smart & Joseph Hanlon. Copies are in Maputo bookshops or from

KAPICUA, Rua Fernão Veloso 12, Maputo; Tel.: +258 21 413 201 or +258 21 415 451

Telm.: +258 823 219 950 E-mail: kapicuidir@tdm.co.mz / kapicuacom@tdm.co.mz

Outside Mozambique, we have a few copies we can send from London. Please e-mail j.hanlon@open.ac.uk.

Zimbabwe takes back its land

by Joseph Hanlon, Jeanette Manjengwa & Teresa Smart is now available from the publishers

https://www.rienner.com/title/Zimbabwe_Takes_Back_Its_Land also as an e-book and

<http://www.jacana.co.za/book-categories/current-affairs-a-history/zimbabwe-takes-back-it-s-land-detail>

Do bicycles equal development in Mozambique? by Joseph Hanlon & Teresa Smart

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

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** tinyurl.com/justgivemoney

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NOTE OF EXPLANATION:

One 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, Portuguese:

Notícias: www.jornalnoticias.co.mz

O País: www.opais.co.mz

@Verdade: <http://www.verdade.co.mz>

Diario de Moçambique (Beira): <http://www.diariodemocambique.co.mz>

Carlos Serra Diário de um sociologo: <http://oficinadesociologia.blogspot.com>

Mozambique media websites, English:

Club of Mozambique: <http://clubofmozambique.com/>

Rhula weekly newsletter: <http://www.rhula.net/news-announcements.html>

Zitamar: <http://zitamar.com/>

Macauhub English: <http://www.macauhub.com.mo/en/>

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

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