MOZAMBIQUE News reports & clippings

675 – 2 November 2026 Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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2 court battles challenge Frelimo attempts to channel foreign trade through party oligarchs

Two large companies with a long histåory in Mozambique are in court battles with the government, challenging Frelimo attempts to ensure foreign trade goes through party oligarchs and their allies. Both involve apparently illegal actions by government. The latest action in both cases was 10 days ago, on 22 October.

The first case involves Export Trading Group (ETG), which on 16 October 2024 filed a $120mn international arbitration claim (detailed below) against the Mozambique government to recover the value of 40,000 tonnes of pigeon peas, maize and rice seized under a ruling by a Nacala judge later dismissed over corruption. ETG raised the ante in a meeting with President Daniel Chapo on 22 October with a proposal for a $2bn fertiliser factory using Mozambican gas. Chapo must know that the investment will not go ahead until ETG is assured what happened in Nacala cannot happen again.

The second case involves the Instituto de Cereais de Moçambique (ICM), a government agency which has been given control of grain imports, and a major grain importer Companhia Industrial da Matola (CIM) which on 12 October challenged the ICM monopoly in the government administrative court (Tribunal Administrativo, TA). The next day ICM retaliated by banning CIM from importing grain. Then on the same day as Chapo's meeting with ETG, ICM further retaliated by partially blocking ICM bank accounts.

Under the previous President, Filipe Nyusi, many contracts were issued to Frelimo party people without formal tenders or proper control. When Chapo became President in January, he moved to control the more egregious corruption - ensuring Frelimo families won contracts but also did a reasonable job. This year government is establishing a centralised state procurement centre, which will be more transparent but with tighter party control. And on 31 December 2025 the Economy Minister Basílio Muhate gave the ICM control over the imports of rice and wheat. The decree specifies that 'it is the ICM's responsibility to make rice and wheat available on a paid basis to economic agents for sale on the domestic market'.

CIM vs ICM

Earlier this year business people and NGOs had challenged ICM having a state monopoly on grain imports, saying there was no provision for this in law. Then on 12 October CIM submitted an application to the Tribunal Administrativo (TA) specifically accusing Economy Minister Muhate and ICM of acting illegally and without authorization increasing the charges paid by importers from $5 to $16 per tonne.

ICM responded the next day by suspending CIM and two other companies, África Indústria and a Kenyan company Pembe, saying they were doing 'irregular imports' and confiscated 9,000 tonnes of wheat and 25,000 tonnes of rice from the three. CIM filed an emergency petition with the TA to challenge the suspension and asset seizure. The TA issued a summons certificate (certidão de citação) to CIM, which is a provisional measure to suspend the effects of the ICM action while the case is being reviewed. (The TA is the court dealing with government administration, including serving as government auditor.)

Then on 22 October ICM sent a formal letter to commercial banks, copied to the Bank of Mozambique, instructing banks to continue requiring explicit ICM authorization for import transactions involving CIM. And it said CIM's TA certificate should be disregarded – but that ICM should be notified if the certificate was presented. The effect is to freeze many of CIM's bank accounts.

Most lawyers consider that ICM actions to be illegal. On Friday 27 October Kekobad Patel of the main business association CTA called for the immediate suspension of the grain monopoly because the measure lacks a legal base and conflicts with Mozambique's international commitments.

CIM was founded in the colonial era in 1948. After independence, it was abandoned by the Portuguese and 'intervened' in 1980, then privatised in 1995 to NMI (Namibia Mills Investments) and was taken over in 2015 by the South Africa's Premier Group.

Export trading group

Kenyan Mahesh Patel and family members founded ETG in 1981, based in Dar es Salaam. ETG moved south into Mozambique with a stress on supporting peasant farmers to grow food and other crops commercially, with a guaranteed market and other support, such as spraying cashew trees in Mozambique. We cited ETG favourably in several of our books. It has expanded to 45 countries. It is Africa's largest fertilizer and agricultural commodity trader, with an annual turnover greater than $4bn. The Patel family maintains control but Mitsui now owns 32% and the South African state-owned sovereign wealth fund (Public Investment Corporation) owns 14%. ETG is now officially based in the regional tax haven of Mauritius.

The ETG saga began in 2023. The Indian food staple *tur dal* is known in Mozambique as pigeon peas or feijão boer. There is a shortage in India and the country announced unrestricted imports. Pigeon peas are not part of the normal local diet in Mozambique but are drought resistant and relatively easy to grow. ETG and other traders announced their willingness to buy and there was an explosion in production. Suddenly and unexpectedly, in July 2023 ICM imposed tight export quotas. *Zitamar* (13 March 2024, 30 April 25, 12 Sept 2025) reported 'Royal Group and people in the ruling Frelimo party have conspired to operate a cartel to monopolise pigeon pea exports, with help from corrupt police, judges and customs officials.' In December 2023 the Royal Group obtained a court order in Nacala to seize $60mn of ETG's grain. By the time the order was reversed the pigeon peas had already been exported. ETG made complaints to both the Supreme Court and to the Superior Council of the Judiciary (CSMJ) which is the judicial disciplinary body.

But no action was taken until a general clean up was ordered by the new President Chapo. In late April 2025 the Nacala-Porto judge who ordered the December 2023 pea seizure, Noé Zimpinga,

was suddenly discovered to have taken $19,000 in bribes to order the seizure and to delay cancelling the order. He was dismissed by the CSMJ.

By then, ETG had taken other action. Its headquarters is registered in Mauritius and under the Mozambique-Mauritius Bilateral Investment Treaty and Mozambique's domestic 2023 Investment Law, ETG on 16 October 2024 filed a claim for arbitration with the Permanent Court of Arbitration (PCA). https://pca-cpa.org/en/cases/352/ The claim against the government is for $120mn. In 2025 the PCA named a three member arbitration panel and In mid-2025 the Mozambican government formally retained Omnia Strategy, a specialist London-based international arbitration law firm led by Cherie Blair KC to defend the state. She is a prominent barrister and the wife of the former prime minister, Tony Blair. (Arbitration and mediation are different. Under arbitration a panel hears the case and makes a ruling which is binding; mediation is helping the two sides to agree a solution.)

Fertiliser

Mitsui is one of Japan's major global conglomerates, so being one-third owned by Mitsui gives ETG power. Being the biggest fertilizer trader in Africa means ETG is a major buyer of fertilizer. Thus it has the clout to build its proposed $2bn fertiliser factory. But there are two issues. First ETG is saying to Chapo, for this to go ahead you have to accept that we are too big to have Frelimo little boys messing around with us. Second, Frelimo rejected just this proposal a decade ago.

In 2017 the government agreed with the Yara (1/3 owned by the Norwegian government) to build a fertiliser plant using Cabo Delgado gas. Most important, Mozambican small farmers use much less fertiliser than other African farmers, which is one reason for rural poverty. So Yara agree to set up rural fertiliser distribution. Mozambique gets a share of the physical gas, part of which it would sell to Yara at a low price, to subsidise the local fertiliser use. But Frelimo backed out of the deal, apparently because it decided it would get more money selling its gas back to TotalEnergies and ExxonMobil. Cash in hand was more important than rural development.

Precisely because of its work with African small farmers ETG has become the biggest fertiliser distributor in Africa - helping small farmers grow and sell more crops to ETG, so both benefit. Pigeon peas were a much smaller issue than fertiliser, but it did show that for the profit of a few influential people, Frelimo was prepared to stop peasants growing a profitable crop.

ETG is giving Frelimo and President Chapo a real choice – think big with a major new industry that will promote local development (unlike aluminium) but requireßπs keeping the Frelimo cabritos away. Or stop talking about rural growth and industrialisation and let the cabritos eat.

The process: Natural gas is methane (CH_4) from which the hydrogen is removed and mixed with nitrogen from air at high pressure and temperature to make ammonia (NH_3). This is then mixed with carbon dioxide (CO_2) left from the first step. Next some water is removed. This gives urea $CO(NH_2)_2$ which is the main nitrogen fertiliser.

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Elections

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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
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

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. http://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
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

$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
2018 Constitution - http://bit.ly/2KF588T

Twelve books by Joseph Hanlon can be downloaded, free: https://bit.ly/HanlonBooks
"Moçambique recolonizado através da corrupção" (2025) https://bit.ly/MozRecol **(**Portuguese only)
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 Beneficio: 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)

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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