

# Crime profits as Mozambique recovers

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By LESLIE CRAWFORD

Company of Mozambique (CFM) business it can barely afford to lose.

Transvaal coal mines, which recently secured huge contracts to supply Turkey, will not use Maputo — their closest harbour — until security is improved.

Mr Sunde says: "If South Africa doesn't use Maputo port, the World Bank will not fund an \$11-million project to upgrade the railway line."

Having spent hundreds of millions of dollars to rebuild Mozambique's war-damaged transport network, foreign donors have decided that the only way to stop the rot at CFM is by privatising its management. In the diplomatic language of the World Bank, the

administration of CFM is in need of reform.

The Caisse Francaise de Development, the French government's development agency, has threatened to halt rehabilitation of the Nacala railway, northernmost of the three lines which traverse Mozambique, unless CFM privatises Nacala's deep-water port and railway services. The privatisation proposal provokes a vitriolic reaction from Transport Minister Armando Guebuza.

He says: "CFM is Mozambique's biggest company and foreign-exchanger earner. Why should I hand over the country's wealth to foreigners without a full analysis of the options? There may be management problems, but we are not obliged to accept every solution donors impose on us."

The arguments are often clouded by emotion because Mozambicans fear they are losing their sovereignty to the dictates of foreign donors. In a country where aid receipts equal gross domestic product (a meagre \$1-billion), there is an undercurrent of resentment to the lecturing that comes with international assistance.

Charges of weak management wound Mr Guebuza's nationalist pride. To surrender the railways to foreigners would bring back the days of Portuguese rule when blacks were restricted to menial jobs.

Seventeen years of civil war destroyed the few resources the Portuguese left. Rehabilitation began in earnest only after signing of a peace accord in October 1992 and it has been financed entirely by external aid.

The port and railway terminal of Beira, which handles Zimbabwe's foreign trade, has new facilities and a deeper port thanks to \$435-million of European Union and Nordic assistance.

Freight traffic along the Beira Corridor has doubled since 1991 to 950 000 tons. Tonnage handled at the port has risen by 60%.

Fernando Ferreira Mendes, a former CFM employee who is now a consultant with the World Bank, agrees that weak management is a problem, but mainly because all decisions are made in Maputo.

"Everything has to be referred to CFM headquarters — from the purchase of spares to the tariffs we charge. We don't need to improve management, just decentralise it." — Financial Times.

PEACE has restored prosperity to Mozambique's ports and railways — and brought corruption, drug trafficking and a thriving trade in looted merchandise.

Western embassies in Maputo are alarmed at the flow of illicit drugs through the ports. John Sunde, the South African Ambassador, says that up to a ton of Mandrax has been seized in a week at Maputo harbour. The drug, made in India, is widely used in SA's townships.

Diplomats estimate that a fifth of the cargo handled in Maputo is stolen. Storage areas are not locked and guards look the other way when women make off with bags of maize and sugar.

Lax security and poor management are costing the state-owned Ports and Railways