

# Mozambique drops part of 'tuna bonds' claim against shipbuilder Privinvest

Mozambique has dropped a substantial part of its claim against Emirati-Lebanese shipbuilder Privinvest over the "tuna bonds" scandal, just days after settling its case against Credit Suisse, London's High Court heard on Thursday, 5 October.

By [Sam Tobin](#) and [Kirstin Ridley](#) <sup>5 Oct 2023</sup>



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Mozambique's lawyer Jonathan Adkin said on Thursday that the republic was no longer suing Privinvest and its owner Iskandar Safa for "economic loss", without giving a figure for the claim.

Court filings from last month show the republic was seeking around \$830m for losses suffered between 2016 and 2018, representing a large portion of its lawsuit.

The case centres on deals struck by state-owned Mozambican companies with Privinvest to secure loans and bonds from banks such as Credit Suisse in 2013 and 2014, backed by undisclosed state guarantees, ostensibly for fishing boats and maritime security.

But hundreds of millions of dollars went missing and, when the government debt came to light, donors such as the International Monetary Fund temporarily halted support, triggering a currency collapse, defaults and financial turmoil.

Mozambique's Centre for Public Integrity and the Norwegian Chr. Michelsen Institute have estimated that the affair saddled Mozambique with \$11bn in debt, the equivalent of the nation's entire gross domestic product in 2016.



Mozambique's lawyer Adkin said in a note to the court that the republic was no longer pursuing its macroeconomic case against Prinvest because of concerns about Prinvest's ability to pay if it was found liable.

But Prinvest's lawyer Duncan Matthews told the court that Mozambique had abandoned its claim for economic losses because it was "hopeless" and would have led to "deeply embarrassing" cross-examination of the republic's witnesses.

Thursday's developments come four days after Credit Suisse's new owner UBS resolved its dispute with the southeastern African republic.

However, a trial of Mozambique's remaining claims against Prinvest and Credit Suisse's dispute with the shipbuilder is expected to still go ahead later this month.

Mozambique has alleged it was the victim of a conspiracy and that Prinvest paid bribes to corrupt officials and Credit Suisse bankers, exposing the nation to a potential liability of at least \$2bn.

Safa and Prinvest – which has said it delivered on its contractual obligations and any payments made were investments, consultancy payments, legitimate remuneration or political campaign contributions – have denied any wrongdoing.

## ABOUT THE AUTHOR

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