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GDP grows despite international crisis

The Mozambican economy has managed to withstand the international financial crisis. According to the Bank of Mozambique, the latest statistics indicate an annual GDP growth rate of 6.5 per cent. The sectors which most contributed to growth between October 2008 and September 2009, were agriculture (with growth of nine per cent), financial services (18 per cent), public administration (13.2 per cent), hotels and restaurants (8.6 per cent), construction (eight per cent) and transport and communications (4.3 per cent). In sharp contrast, manufacturing shrank by 5.2 per cent.

Where the international crisis hit hardest was in the demand for Mozambican exports. Export earnings fell by 37.2 per cent, from \$2.05 billion in the first three quarters of 2008 to \$1.29 billion in the same period in 2009.

The price of Mozambique's main export, the aluminium ingots produced at the MOZAL smelter on the outskirts of Maputo, has recovered somewhat. The aluminium price in October was \$1,876 a tonne, a 22 per cent increase on the price at the start of the year (but this was still a 27.3 per cent decline on the \$2,524 a tonne recorded in September 2008).

Aluminium exports for the first three quarters of the year brought the country \$610 million – a fall of 47 per cent when compared with the \$1.16 billion earned by aluminium exports between January and September 2008.

Several other exports also experienced a sharp decline. Natural gas exports shrank from \$116 to \$57.6 million. Less gas was exported than in 2008, due to plummeting demand by South African industry.

Only \$16 million of Mozambican prawns were exported, compared to \$48 million in the first three quarters of 2008.

Exports of raw cashew nuts fell by almost two thirds, from \$15 million to \$5.4 million, but this was due largely to a poor marketing season. Peasant farmers sold only 63,700 tonnes of nuts in the 2008/09 cashew campaign, compared to 96,500 tonnes the previous year.

Exports of processed cashew kernels showed a significant increase – from \$9.4 million in January -September 2008, to \$10.7 million this year, an indication that the processing industry is recovering.

Cotton exports fell by 48 per cent, from \$36.2 million in the first three quarters of 2008 to \$18.9 million in the same period this year. This fall resulted from the combination of a 21 per cent drop in the international price of cotton, and a more than 20 per cent drop in the amount exported.

The sugar industry exported almost 40 per cent less in the first nine months of this year than in January-September 2008. Although sugar prices held up, earnings from exports fell from \$63.6 to \$43.8 million.

There was a 10.4 per cent rise in earnings from electricity generated at the Cahora Bassa dam on the Zambezi. Electricity exports (to South Africa and Zimbabwe) rose from \$179 to \$197.7 million.

Earnings from exports of Ilmenite from the dredge mine at Moma more than doubled, from \$14.1 to \$31.9 million.

There was a fall of 18.3 per cent in the cost of imports. This was largely because fuel is much cheaper this year than it was in 2008. Total fuel imports fell by almost 54 per cent, from \$461 million in January-September 2008 to \$214.1 million in the first nine months of this year. Fuel had accounted for 17.4 per cent of the total import bill in 2008, and this has now fallen to 9.9 per cent.

Grain imports fell by 2.8 per cent, from \$153 to \$149 million, and the import of vehicles dropped by 11.5 per cent, from \$196 to \$174 million. The import of capital goods rose by four per cent, from \$355 to \$369 million.

Mozambique's net international reserves have steadily increased this year, and stood at \$1.85 billion at the end of September, enough to pay for seven months of imports of goods and services (excluding those for the mega-projects – if the large projects are included, the figure falls to 5.9 months). This is much larger than the government's target, which was for reserves of \$1.49 billion in September.

Inflation has fallen dramatically. In the year ending September 2008, average annual inflation was 10.69 per cent. This fell to 4.61 per cent in September 2009, and 3.41 per cent in November.

Inflation from January to December 2008 was 6.19 per cent. From January to September 2009, price rises were a mere 1.37 per cent, but had risen to 2.55 per cent by the end of November. Part of this success can be attributed to the government's fuel subsidy, which has frozen the prices of diesel, petrol and kerosene since March.

Since the start of the year Mozambican currency, the metical, has depreciated against the US dollar (by nine per cent), the euro (by over 16 per cent), and the South African rand (by 40 per cent).

Constitutional Council rejects Renamo appeal

Mozambique's Constitutional Council, the body that has the final word in electoral disputes, has rejected the appeal against the results of the 28 October general and provincial elections submitted by the country's main opposition party, Renamo.

The rejection was a unanimous decision of the seven judges on the Council – including the two appointed by Renamo (Manuel Franque and Orlando da Graca). Although dated 30 November, the Council ruling only appeared on its website on 7 December.

Renamo had demanded that the elections, won overwhelmingly by the ruling Frelimo Party, be annulled, but the Council pointed out that, according to the law, annulment must be made on a case by case basis, polling station by polling station.

The electoral law states that voting in any polling station "is only considered null and void when irregularities have occurred that can substantially influence the result of the election". If a decision is taken to annul the vote in one or more polling stations, then the election is repeated in those stations on the Sunday following the decision.

Therefore, Renamo needed to bring to the Constitutional Council, not a general condemnation of the elections, but a request to annul the vote at specific polling stations, explaining in each case what irregularities had occurred.

The Renamo appeal was supposedly against the decision of the National Elections Commission (CNE) announcing the results – but in fact much of the documentation submitted by Renamo referred to previous phases in the voting and the count, and the Council pointed out that it is useless to bring such appeals days or weeks after the event has happened.

For complaints of polling station irregularities must be made in the first instance at the polling station itself. According to CNE chairperson Joao Leopoldo da Costa, when he announced the results on 11 November, no such complaints were received.

Renamo states that its polling station monitors did attempt to complain but the polling station staff illegally refused to accept the complaints. Some international observers say that they witnessed such refusals. Renamo had 48 hours to protest this – which it could have done at the district elections commission, or even by phoning the CNE itself. There is no record of any such protest.

In half a dozen cases, however, observers from the European Union saw the polling station staff dutifully writing down the Renamo complaints. However, if Costa is to be believed, the staff just threw the complaints away afterwards, and they never made it to the CNE.

The Renamo complaint ranges far and wide, and some of the accusations it makes are certainly true. Thus, the Chairpersons of a few District Elections Commissions threw out the two commission members appointed by Renamo from the district count. From sources in the CNE, AIM knows that this is true, and in some cases the CNE intervened to restore the Renamo members' rights.

Some of the Renamo allegations are frivolous. Renamo alleges "lack of transparency" in the "requalification" of the votes declared invalid at the polling stations, because this work was done, not by members of the CNE, but by its executive body STAE (Electoral Administration Technical Secretariat).

"Requalification" involves looking at every supposedly invalid vote and deciding whether the voter has indeed shown a preference. This painstaking process, which lasted for four days, led to the rescuing of 12 per cent of these votes.

The requalification was entirely transparent. Any accredited political party monitor, observer or journalist could watch. AIM spent several hours in the requalification rooms – and throughout this period no delegates from Renamo or from any other political parties were present.

There were several hundred thousand invalid votes to be checked – an impossible task for the 13 members of the CNE to do on their own. Therefore, they were assisted by members of STAE and of the Maputo City and Provincial Elections Commissions. The Constitutional Council saw nothing illegal in this.

Renamo also claimed that the fraudulent annulment of votes had cost it eight deputies - two in Nampula and Zambezia provinces, and one each in Cabo Delgado, Tete, Sofala and Manica.

It is certainly true that in an alarmingly large number of polling stations (over six per cent of the total, by AIM's calculations) dishonest staff added ink marks to ballot papers to make it look as if the voters concerned had tried to vote for more than one candidate.

However, it was not just Renamo and its presidential candidate, Afonso Dhlakama, who suffered from this. Votes cast for the Mozambique Democratic Movement (MDM) and its leader, Daviz Simango, were also tampered with. In the requalification room, AIM saw signs that a few votes intended for Frelimo had been invalidated.

The mathematics whereby Renamo calculates that it has lost eight deputies were not explained. The Constitutional Council said that Renamo seemed to assume that all the votes declared invalid were in fact intended for it, when in reality all candidates were affected.

Had Renamo watched the requalification it would have seen that only a minority of the votes declared invalid had been tampered with at the polling stations. Most really were invalid, with voters, in clearly the same hand, putting crosses beside two or more candidates or parties, or placing their cross in between two candidates, or scrawling words of praise or insult across the ballot paper.

The most damning items of evidence submitted by Renamo were nine ballot papers, which one of its polling station monitors in the northern district of Mozambique Island seized from a voter before she was able to stuff them into the ballot boxes. However, Renamo failed to bring this flagrant instance of fraud immediately to the attention of the electoral bodies.

Nevertheless, this does not justify the cynical comment made by the CNE in its response to the Renamo appeal. The CNE told the Constitutional Council "it is not explained how the appellants (Renamo) are including several ballot papers, bearing in mind that these leave STAE in sealed kits which are only opened at the polling station, and are deposited in the ballot boxes after being used by the voters".

The CNE, however, knows perfectly well, from the Mozambican press, that those ballot papers were apprehended by a Renamo monitor in the illicit possession of a voter. The incident shows that the election security procedures are not as tamper-proof as the CNE imagines.

The CNE had an easy way of checking those ballot papers – for each paper has a serial number, and that would have told the CNE exactly which batch of papers they had come from, and where the security breach had occurred.

This is a condensed version of the AIM daily news service – for details contact aim@aim.org.mz

Minister admits poor quality of roads

Public Works Minister Felício Zacarias admitted in Maputo on 7 December that his sector is to blame for the poor quality of roads in the country because of lack of proper maintenance. Addressing the opening session of a meeting on road maintenance organized by the National Road Administration (ANE) under the theme “Appropriate and Innovative Techniques for Good Road Maintenance”, Zacarias said that during the last few years he has found that, besides the problem of shortage of money, road maintenance is not being done properly.

“On countless occasions, we see road works begin and end without anyone from the relevant authorities going there to inspect them. At the end, we complain of the poor quality of the work. How can we have good road maintenance when those who should be in the field inspecting that work are at the beach?” he asked.

Talking to reporters, Zacarias said that one example is the stretch of the main north-south highway, between Inchope and Caia, in the centre of the country, which was completely rebuilt less than six years ago, but is now degraded.

The country’s roads have suffered from the effect of rains, and this situation is worsened by the fact that only 20 per cent of the about 30,000 kilometres of the road network is tarred.

According to Zacarias, this poses an enormous challenge to the road sector, and it must keep seeking the best strategies for road maintenance.

He pointed out that this sector must have the capacity to control its work, since it is no use throwing all the blame on the contractors for the poor quality of the work when the ministry itself has no clear idea of its own role.

Zacarias told the reporters that heavy fines should be levied on people who damage the country’s roads, as an alternative source of funds for the sector.

According to Zacarias, fining those who commit acts that destroy roads is a measure that is already being used in some neighbouring countries and is bearing fruit.

Some of the acts that damage the roads are the circulation of overloaded trucks, the shedding of fuel on roads, and the dragging of ploughs on the road. However, Zacarias explained that applying this measure needs to be coordinated with other sectors, particularly the police.

Other measure includes farming out road maintenance to private companies, and allowing them to establish tollgates. Besides raising money, both for the state and for the private operator, this measure will prevent the circulation of overloaded trucks on those stretches, argued Zacarias.

Zacarias said that the private sector is enthusiastic about this initiative and companies have already presented proposals for toll roads in the south and centre of the country.

According to Francisco Pereira, the Chairperson of the government’s Road Fund, there are \$50 million available to finance road maintenance next year. This money comes from taxes on fuel. Pereira said the money would be used for work on 18,000 of the 30,000 kilometres of roads in the country, with priority to those stretches that are prone to flooding during the rainy season.

For an in depth analysis of events, read **MozambiqueFile**. Subscription rates are individuals \$40 institutions US\$50. Send International Money Order to AIM, CP 896, Maputo, Mozambique.

Study on maternal and neonatal mortality

Maternal and neonatal mortality remain “a serious public health problem” in Mozambique, according to the Ministry of Health in a study unveiled in Maputo on 30 November.

The study, entitled “Needs Assessment for Maternal and Neonatal Health”, was undertaken between November 2006 and October 2007. Over that period, the number of known maternal deaths, in health centres and hospitals, was 1,398.

The National Director of Public Health, Leonardo Chavane, introducing the study, pointed out that the real figure is higher due to unreported deaths. Even in health units the documentation is not complete.

The study’s figures show a maternal mortality rate of 473 deaths per 100,000 registered births. But that is an average. The most alarming figure is that for the western province of Tete, with 984 maternal deaths per 100,000 births.

The Maputo City figure at first sight seems surprisingly high, at 1,019 maternal deaths per 100,000 births. But this is because there is no reference hospital in Maputo province. So all the difficult obstetric cases in Matola and the rural parts of the province come to Maputo City, thus inflating its figures.

A further alarming statistic is that two per cent of maternal deaths are among girls under 15 years of age. However, the largest number of deaths (28.3 per cent) took place among women aged between 20 and 24.

The majority – 62 per cent - of maternal deaths take place in the first 24 hours after the woman has entered the health unit.

The report gives uterine rupture (28.7 per cent), post-partum haemorrhage (12.2 per cent) and ante-partum haemorrhage (7.5 per cent) as some of the main direct causes of these deaths. Indirect causes include HIV/AIDS (involved in 53.7 per cent of cases), malaria (39.6 per cent) and heart conditions (three per cent).

The study also notes that late arrival of the women in the health units, and delays in providing the appropriate medical care are also factors contributing to maternal deaths.

The study says that 2,484 neonatal deaths were registered during the period under analysis, which is a ratio of 7.9 neonatal deaths per every 1,000 institutional births.

Prematurity was the cause of 50 per cent of the neonatal deaths followed by post-natal asphyxia (32 per cent).

The report noted that “a quarter of the hospitals assessed do not offer complete emergency obstetric care”.

The study also found that only 17 per cent of births took place in health units that were able to offer emergency obstetric care.

Speaking after the presentation of the study, Health Minister Ivo Garrido, said the findings were important evidence of the reality in the country, and would help establish priorities for the coming years.

“Situations have been revealed here that are difficult for a decision maker, a manager, to swallow”, said Garrido. “But they are the realities of the country. Some are related to the country’s poverty, but others are directly linked to the Ministry of Health, and can be easily solved”.

Garrido admitted that maternal and neo-natal mortality rates remain high. However, among the countries of the region, only South Africa and Botswana have a better record than Mozambique in this year.

Nobody should regard this as any consolation, he added. “There are countries where the mortality rate is just five per 100,000”, said Garrido. “We are very far from that, and the path we have to travel is long”.

Prisoners escape from top security prisons

Three prisoners, serving terms of between 14 and 21 years at the Maputo top security prison, escaped in the small hours of 7 December. The three are Felix Juliao Parrique (“Santana”), Walter Milagre Kett (“Tchuma”), and Jorge Martins Cuna.

Three police officers, who were on duty that day as prison guards have been arrested in connection with the case.

The three escapees had been serving sentences for armed robbery and illegal possession of firearms.

The initial investigations show that the three escapees clambered over the prison wall between two watchtowers. The guards in the towers saw the prisoners scaling the walls, opened fire, but failed to stop them.

They had somehow got out of their cells and the pavilion containing the cells, and made their way to the wall. There was no sign that the doors had been forced.

On 30 November, five dangerous criminals managed to escape from the top security prison in the central city of Beira. Moises Ambrosio, also known as “Modjas”, Sabado Filipe, Marcos Charles, Jossias Djandje, and Quizito Joao were in the same cell. Quizito was in preventive detention, while the others were serving sentences of between 18 months and 22 years for a variety of crimes including murder, assault and armed robbery.

New medical stores inaugurated

Health Minister Ivo Garrido on 4 December inaugurated a new purpose built warehouse for medicines and medical equipment. These central medical stores, built in the outer Maputo suburb of Zimpeto, cover an area of 4,400 square metres. The premises are equipped with cold storage units to preserve vaccines, reagents and other sensitive medicines, an incinerator, and a computerized stock control system.

The cost of the new warehouse was \$9 million, contributed by the government and its foreign partners.

Garrido told the ceremony that, at the time of Mozambican independence in 1975, the new republic did not inherit any infrastructures from the Portuguese colonial regime built specifically to store medicines. For decades, the storage of medical equipment has been a headache, since products such as vaccines can easily deteriorate and need appropriate management.

“We’ve been dreaming of such premises for the past 20 years”, said Garrido, “and finally the dream has become a reality. This is a qualitatively new stage in health logistics”.

Five years ago, medicines were stored in ten separate warehouses in Maputo, before being distributed to health units across the country. The number was rationalised down to three, but none of these warehouses had been built with the minimum conditions needed to store medicines properly.

“With these new stores, we are recording a radical improvement in the management of medicines”, said Garrido.

Prime Minister praises Millennium Villages

The Millennium Village programme is improving living conditions in the five areas where it has been established, declared Mozambican Prime Minister Luisa Diogo on 4 December.

Addressing the annual meeting of the programme, which is run by the Science and Technology Ministry, Prime Minister Diogo said that the villages present “improved models of sustainable development in local communities, based on the use of scientific, technical and socio-cultural knowledge”.

The Millennium Village is a concept developed by renowned US economist Jeffrey Sachs, head of Colombia University’s Earth Institute. The Millennium Village project, as developed by Sachs, describes its goal as “ending extreme poverty, one village at a time”.

The project document states “the core idea of Millennium Villages is that villages of approximately 5,000 people will escape from extreme poverty, if they are empowered with proven and practical technologies to improve their farm productivity, health, education and access to markets”.

There are five Millennium Villages in Mozambique. Two of them, at Chibuto in Gaza province and Lumbo in Nampula, are relatively well established, while the other three at Lionde (also in Gaza), Malua (Zambezia) and Itoculo (Nampula) were only set up this year.

They have a total population of around 45,000 – which means they are considerably larger than the original model proposed by Sachs. Communities in the five villages have created about 20 associations in such area as agriculture, livestock, handicrafts and fishing.

“These forms of organisation have contributed significantly to improving the income and quality of life of households”, said the Prime Minister. “The programme has contributed to increasingly positive changes in the attitude and behaviour of communities in the approach taken to their own problems and challenges”.

The key to success, she added, was that communities needed to trust themselves. They had to be confident of their own capacities. Then came the work of identifying opportunities, seeing what crops were best to grow in that particular area, and how to market produce inside or outside the community.

Prime Minister Diogo stressed the importance of modern communications, and each of the Millennium Villages has computer facilities, and is training villagers in information and communication technologies.

In implementing the programme, the government enjoys support from the United Nations Development Programme (UNDP) for the Chibuto village, from Portugal for Lumbo,

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