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President Guebuza states Katembe bridge is fundamental to development

President Armando Guebuza has declared that the planned bridge from central Maputo to the municipal district of Katembe, on the opposite side of Maputo Bay, and the road from Katembe to Ponta do Ouro, on the border with the South African province of Kwazulu-Natal, are fundamental for the development of the far south of the country.

Speaking at a press conference on 15 September, summing up his working visit to Maputo City as part of his “Open and Inclusive Presidency”, President Guebuza said that the bridge and the road will help Ponta do Ouro realise its full tourist potential.

Currently most of the tourists who visit Ponta do Ouro are South Africans who make the short drive across the border from Kwazulu-Natal. “Unfortunately, very few Mozambicans go to Ponta do Ouro”, said President Guebuza, “and the main difficulties concern the road, which is in poor shape. This problem will be solved”.

Between Katembe and Ponta do Ouro, he added, lies the Maputo Special Reserve (once known as the Maputo Elephant Reserve, and famous for its biodiversity). The new road would improve access to this important tourism and scientific research centre.

Also on the road is Bela Vista, where a new cement factory is under construction, which could produce over a million tonnes of cement a year. President Guebuza said this factory would help reduce the price of cement and thus stimulate the building industry.

President Guebuza said he was aware of the doubts of some people who were not clear why the road and the bridge should be built. He stressed that they would create employment opportunities, and make movement within Maputo province much easier.

“Development produces transformations”, he said. “That’s what development is. I don’t know any aspect of development that has not produced transformations”.

These transformations were reflected in people’s lives, and in Mozambique matters were made worse by the speed of change. President Guebuza recognised that this might clash with people’s personal interests.

Asked about erosion in the city, which led to the collapse of several houses in the torrential rains of January, President Guebuza said that work on drainage channels was under way to deal with storm waters and the detritus they carry. Early in his tour of Maputo, the President had criticised the city government for failing to take action on erosion. It was this

failure that had made the January floods much more costly than would otherwise have been the case.

President Guebuza had also been angered that many municipalities stretch out their hands for foreign support, via twinning agreements, rather than seeking resources locally to deal with problems.

“I have often been revolted, and unfortunately I am still revolted, when mayors, on taking office, only think about signing twinning arrangements, so that they can receive ambulances from foreigners”, he said. “But this implies visits to those countries, which cost more than the ambulance itself. We have resources to finance our activities on our own and not to continue living as beggars”.

Pafuri border post reopens

The border post between Mozambique and South Africa at Pafuri, in Gaza province, has reopened to the public following the conclusion of rehabilitation work on the South African side.

The Pafuri post had been closed due to damage caused by major flooding in the Limpopo Valley in January.

The border post is located in the Greater Limpopo Transfrontier Park. It is mainly for tourists visiting the two components of the park: the Kruger National Park in South Africa and the Limpopo National Park in Mozambique.

During its closure people were obliged to use the border crossing at Giriyondo, which is over two hundred kilometres away from Pafuri.

In late August, Ludovina Manuel, the Gaza provincial delegate of the Mozambican Tax Authority (AT), told AIM that the Mozambican authorities had repaired the post’s offices and brought in new equipment.

At peak times, such as the Easter holidays, 150 travellers a day use the post. However, at off-peak times the number can drop to as low as 20 a day.

Among the problems the border post faces are a lack of water, which is supplied from South Africa, and a lack of electricity.

Distrust surfaces at public meeting on LNG plant

Public consultation over major economic projects can be a stormy affair, with unpleasant surprises, as government officials in the northern province of Cabo Delgado found on 13 September when a consultation meeting degenerated into a shouting match.

A government delegation, led by the Cabo Delgado permanent secretary, Lina Portugal, went to the village of Quitupo, in Palma district, to discuss the project of the American company Anadarko to set up a natural gas liquefaction plant.

Quitupo is in the area (covering 7,500 hectares) allocated by the government for the liquefaction plant. If the project goes ahead, the village will cease to exist.

“It’s in the government’s interest to inform the people about everything that’s going to happen”, declared Lina Portugal at the start of the meeting.

In the first place, that meant explaining the land ownership issue, undertaking a census of the entire area, and choosing community representatives for the Technical Commission.

So far, nobody at Quitupo has been resettled – that will be impossible until the Technical Commission is up and running and the census has been carried out.

Anadarko’s preliminary estimate is that 1,500 households will have to be moved from Quitupo and other communities.

Within a few minutes of the start of the meeting, it became clear that there was deep distrust among the Quitupo community. One man claimed that a land title (DUAT) to the Quitupo area had been given to Anadarko, without any prior consultation with the community.

The provincial director of agriculture, Mariano Jone, explained that, in reality, the DUAT has been issued in the name, not of a private American company, but of the publicly-owned Mozambican Hydrocarbon Company, ENH, which has a stake in all oil and gas exploration activities.

Furthermore, it was untrue that there had been no consultation. In August 2012 a consultation on precisely this issue had been held at Quitupo. “Some of those present here today signed the minutes of that meeting”, said Jone.

Noisy dissent among the audience grew louder. The villagers seemed to be denying either that there had ever been such a meeting or that they had been present. Their minds were not changed when they were shown photographs of the August 2012 meeting.

Jone showed the meeting the August 2012 minutes. The law requires a minimum of five signatures, and there were eleven signatures on these minutes.

As he read the names out, the meeting became ever more rowdy. People were on their feet shouting and gesticulating – quite unlike the calm, orderly atmosphere of most official meetings in Mozambique. Some of those who signed in August 2012 were not present. Others denied they had signed. Three men claimed that, since they are illiterate, they couldn’t have signed. Even the community leader, Luis Abdala, whose name topped the list of signatures, denied he had been present.

Government and ENH officials who had been at the 2012 meeting were astonished. They remembered that Abdala had been there and had signed.

Regardless of who signed the 2012 minutes, the meeting showed considerable distrust among the community – perhaps best expressed by one man who claimed that those who signed minutes were “selling the land”.

The government delegation knew that similar accusations had been made against Abdala. “We shouldn’t argue that

when the community leader goes to Pemba (the provincial capital), he’s selling Quitupo”, urged the Palma district administrator, Pedro Jemusse. “There’s a problem of trust that we have to cultivate among ourselves”.

He told the villagers, who mostly make their living from small scale fishing, that “resettlement is not going to happen today or tomorrow. It is in the future. Nobody’s going to stop fishing because of this”.

Lina Portugal denied rumours that the government is to move the entire village to Pundanhar, 50 kilometres inland. Fishermen would continue to live near the coast, she said.

One simplistic theory is that the Quitupo villagers are being manipulated by the environmental organisation Centro Terra Verde (CTV – Green Earth Centre). The villagers clearly have friendly relations with CTV, and indeed the first speaker at the meeting protested at the detention last month of CTV activist Alda Salomao.

Portugal said that Salomao had not been detained, but merely called in for questioning (although anyone hauled into a police station at 6 am may be forgiven for believing they are under detention).

Salomao “wasn’t arrested” insisted Portugal. “That’s why she’s here with us today. If she wants to collaborate with you and with us, we’re open to her doing so”.

The idea that a couple of CTV activists can manipulate an entire village is far-fetched. Much more likely is a severe deficit in information and communication, creating an atmosphere in which rumours are easily spread and believed.

A further problem was the community representation on the Technical Commission. There are ten representatives – but they were all handpicked by Luis Abdala, rather than being elected. They are all men, and mostly elderly.

This was unacceptable to the government. Lina Portugal insisted that the community representatives must include women and young people. “We have agreed that this group is not yet complete”, she said. “We have to complete it so that we can continue to work with it”.

Later, Portugal told AIM she feared that the Quitupo villagers had been influenced by the bungled resettlement at Cateme, in the western province of Tete.

People resettled from the area of the open cast coal mine in Moatize operated by the Brazilian company Vale were rehoused in Cateme. However, the houses were shoddily built, without proper foundations, and the villagers complained they had no access to good agricultural land and of the long distance they had to travel to reach Moatize. The result was a series of protests.

Lina Portugal insisted that nothing of the sort would happen in Cabo Delgado. The provincial government was committed to implementing the resettlement directives published in August 2012 (i.e. several months after the Cateme fiasco).

These directives state that in resettlement “all those affected have the right to conditions that are equal to or better than their previous standard of living”. Those resettled should also enjoy the possibility “of benefitting directly from the undertaking (in this case the gas liquefaction plant) and its socio-economic impacts”.

Resettling people in new areas must also “take into account access to means of subsistence, social services and available resources”. The income of resettled households must be at least as large as it was prior to resettlement.

Jemusse recognised that “we have to hold a lot of meetings”, and a government delegation was due to return to Quitupo on Monday, and try to persuade the villagers that nobody will lose out because of the construction of the liquefaction plant.

Economy grows 6.5 per cent

The Mozambican economy grew by 6.5 per cent in the first half of this year, compared with the same period in 2012, according to the balance sheet on the government's 2013 Economic and Social Plan.

The document was presented on 16 September at a session of the Development Observatory, which brings together representatives of the government, civil society and the international community.

It shows that the strongest areas of growth were financial services (23.3 per cent), mining (22 per cent) and government services (16.2 per cent), all well in excess of their annual targets of 17.7, 18.6 and 4.1 per cent respectively.

The agriculture and livestock sector grew at 5.3 per cent (compared with an annual target of 4.6 per cent).

Other sectors were disappointing. Electricity production fell by 22 per cent, instead of growing by 5.7 per cent. Manufacturing grew by 4.8 per cent, against a target of 5.8 per cent, while construction grew by 1.9 per cent rather than the desired 5.6 per cent.

The document notes that the floods of January and February were a constraint on economic growth, and forced the government to revise its forecast for the GDP growth rate down from 8.4 to seven per cent.

Introducing the document, the Minister of Planning and Development, Aiuba Cuereneia, said that the floods had posed a serious challenge in rebuilding damaged infrastructure. Nonetheless, immediate work on flood damaged roads allowed traffic to return to normal within three months.

Cuereneia was convinced that the revised growth target of seven per cent would be met. In other areas, the government also seems certain to meet its target – thus, in the first six months of the year, the average 12 monthly inflation rate was three per cent. The government should thus have little difficulty in reaching the annual target of an inflation rate of no more than 7.5 per cent, particularly since in July and August, months not covered by the report, prices continued to fall.

In the first quarter of the year, exports reached \$995.9 million – just over 25 per cent of the annual target of \$3.95 billion.

State revenue from January to June was 55.48 billion meticais (about \$1.86 billion), 48.7 per cent of the annual target. Since more taxes are usually collected in the second half of the year than in the first half, it seems certain that the revenue target will also be met.

Cuereneia said that, in the first half of the year, 106,854 new jobs were created, and 263 investment projects approved. The total investment envisaged in these projects is \$2.56 billion, and if they come to fruition, they could create 16,830 jobs.

As for the social areas, Cuereneia said there are now over 4.65 million pupils in primary education, and almost 80 per cent of six year old children are enrolled in first grade. 6,228 new teachers were recruited this year, which reduced the pupil/teacher ratio to 63 pupils per teacher. However, the target for this year is a ratio of 61 to one.

In health, 52 per cent of all children under 12 months of age received complete vaccinations. To reach the target, this must be raised to 78 per cent by the end of the year. Anti-retroviral treatment, which prolongs the lives of HIV-positive people has now reached 359,129 adults and 32,853 children.

As for the coming year, Cuereneia said the government's main macro-economic targets were a GDP growth rate of eight per cent, and an inflation rate no higher than 5.6 per

cent, while the value of the country's exports should reach \$4.774 billion.

Speaking on behalf of Mozambique's cooperation partners, the United Nations interim resident representative, Koenraad Vanormelingen, congratulated the government for its success in reducing child mortality. It has already reached the Millennium Development Goal of reducing the under-five mortality rate by two thirds between 1990 and 2015.

However, chronic malnutrition, he said, "remains an enormous challenge". Very large numbers of Mozambican children show low height for their age – which is the classic symptom of chronic malnutrition. The figures for 2011 indicated that around 43 per cent of children were suffering from "moderate chronic malnutrition, which could have an impact on their psychological and physical development throughout their lives".

Vanormelingen also called for major job creation efforts. Although 106,000 new jobs had been created in the first six months of the year, this came nowhere near absorbing the 300,000 or so young people who enter the labour market every year.

The interventions from civil society representatives concentrated on education, and the need to improve its quality. "There are increasing questions about the quality of education", said Humberto Zaqueu. "There are complaints from employers about the skills of Mozambican labour, so that they prefer to hire foreign workers".

He said that a survey of 44 districts showed that there are no longer any "minimum requirements" from pupils in the schools, and too many subjects were taught in the early grades.

His solution was the retrograde one of returning to an exam-based system. He claimed that the current system whereby exams are only held at the end of each educational cycle "provokes laziness" among the pupils.

He also wanted to restrict the use of mother tongues in education. Bilingual teaching, he said, "can be used in some parts of the country where it is very important, but in most cases it creates factors of laziness and holds up quality".

Shoprite fined for selling expired goods

The Mozambican government's National Inspectorate of Economic Activities (INAE) has fined supermarkets belonging to the South African Shoprite group for selling expired goods.

The shops are located in Maputo, the neighbouring city of Matola, the central city of Chimoio and the southern town of Boane.

The Shoprites in Maputo city and province have been fined 1.041.325 meticais (\$35,000), whilst the Shoprite in Chimoio has been fined 1,153,542 meticais.

INAE General Inspector Jose Rudolfo told a press conference that on 9 and 10 September the shops were closed so that inspectors could carry out thorough checks. As a result, fines have been imposed and tighter controls put in place.

Rudolfo pointed out that for the next ninety days INAE officials will be in place in the store's warehouses to check goods entering the shops.

Some of the food found to be past its sell by date has been donated to zoos and other animal institutions, with the rest being sent for incineration.

Rudolfo stated that some Shoprite managers have been fined.

Shoprite stores in other provinces (Gaza, Sofala and Nampula) were not caught selling expired goods.

Prices fall in August

Prices continued to fall in Mozambique in August, according to the consumer price indices for the three main cities (Maputo, Beira and Nampula), the National Statistics Institute (INE).

The inflation rate for August was minus 0.25 per cent. This was the fourth month in a row of falling prices, and it brings the accumulated inflation for the first eight months of 2013 to 1.76 per cent. This is easily within the government's target for an annual inflation rate of no more than seven per cent this year.

The August price fall is accounted for by a few important foodstuffs. The price of tomatoes fell 8.7 per cent, onions 4.9 per cent, cabbage 7.8 per cent, potatoes 2.4 per cent, live chickens 1.8 per cent and maize flour 0.6 per cent.

There were slight increases in the prices of maize and dry fish. Taken together the category of foodstuffs and non-alcoholic drinks saw an overall price decline of 0.24 per cent. There were very slight drops in health and transport costs, and an equally slight rise in the clothing and footwear category.

The largest decline was in Maputo, where prices fell by 0.5 per cent. In Beira, the fall was 0.15 per cent, but in Nampula prices rose by 0.06 per cent.

The inflation rate over the past year is 4.34 per cent, and the average 12 monthly inflation rate between September 2012 and August 2013 was 3.53 per cent.

Mineral production up 34 per cent

The overall production of mineral resources in Mozambique in the first half of this year rose by 34 per cent, when compared with the January-June 2012 period, according to the Minister of Mineral Resources, Esperanca Bias.

Speaking on 6 September at the closing session of a meeting of her ministry's Coordinating Council, held in the town of Manhica, Bias said this increase had been achieved despite the unfavourable circumstances caused by flooding in the first two months of the year.

She expected that the mineral resource sector would contribute 2.9 per cent to the country's gross domestic product this year.

Bias also announced that her Ministry would continue to draw up an inventory of mineral reserves throughout the country. This will be one of the tasks of the recently created Mining and Geology Institute. The Institute was set up to strengthen the capacity to analyse, process and interpret geological and mining data and to certify mineral products.

Bias also pledged support for small scale mining. "To empower our communities, to create foci of rural development and to strengthen the local economy, we should continue to improve and modernize all the instruments that small scale and artisanal mining", she said. Particularly important were the training of artisanal miners in good mining practices and encouraging them to form associations.

Mozambique and Britain discuss partnership

The Mozambican and British governments are formulating a "high level partnership" in areas such as oil and natural gas, agriculture and the financial sector, Deputy Foreign Minister Henrique Banze told reporters on 11 September.

He was speaking at a joint press conference with the British Under-Secretary of State for Africa, Mark Simmonds, who is on his third visit to Mozambique in the space of a year.

Banze said the two countries enjoy "very good relations at bilateral and multilateral levels and within the Commonwealth". The proposed "high level partnership" is intended to take the relationship a stage higher.

Simmonds said the idea of a high level partnership was first discussed during the visit by Mozambican President Armando Guebuza to the Scottish city of Aberdeen in July, where he attended an international conference on infrastructures for the oil and gas industry in Mozambique.

"My visit is a follow-up", he said, "and we have been discussing how we might deliver the benefits of a high level partnership in terms of job creation and economic development in Mozambique".

Such a partnership was intended to deepen the relations between the two countries "in key economic sectors that are priorities for the Mozambican government".

The partnership "will deliver benefits to the Mozambican economy and people and help in our own UK economic recovery", Simmonds added.

He said that, arising from the July conference, "there are on-going discussions about the role that Aberdeen universities could play" in the Mozambican hydrocarbon sector (through the training of Mozambican technical staff, for example).

Simmonds also met with Agriculture Minister Jose Pacheco. "We discussed the details for the focus of our activities", he said. "I invited the Minister to visit the UK, where he can acquaint himself with the expertise of British companies which may be interested in investing in Mozambique".

President Guebuza dismisses Paulo Zucula

President Armando Guebuza on 14 September dismissed Paulo Zucula from the post of Minister of Transport and Communication.

Zucula has been replaced by Gabriel Muthisse, who was previously the Deputy Minister of Fisheries.

Zucula had been the Minister of Transport since March 2008.

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

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