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Mozambique open to French investment

President Armando Guebuza declared in Paris on 27 September that Mozambique is open to new French initiatives in various spheres of cooperation, particularly in economic matters and in security in the Mozambique Channel.

President Guebuza expressed this openness in meetings he held on the first day of a three-day working visit to France, with his host, French President Francois Hollande at the Elysee Palace, and later with representatives of dozens of French companies.

Briefing journalists, Deputy Foreign Minister Henrique Banze said it had been agreed to deepen cooperation between Mozambique and France in various spheres.

“This is a very fruitful and promising visit”, said Banze. “Our President has shown openness and the two sides have agreed that cooperation should be deepened. The assessment is that relations are good, but there is space to expand them”.

As for security in the Mozambique Channel, Banze said this is important both for Mozambique and for France, which has several island possessions in or near the Channel, such as Reunion and Mayotte.

As for the Mozambican order for the construction of 24 fishing boats and six patrol vessels at a shipyard in Cherbourg, Banze said “this shows concern about activities such as fishing - it is known that we are interested in developing fishing as it is vital in the fight against poverty”.

He added the boats were also “an important component in controlling the security of the Mozambique Channel”.

The purchase of the boats was announced in the French press, before any Mozambican source had mentioned it. The order represents two years’ work for the Cherbourg shipyard. The official announcement was made by the French Minister of Industrial Renewal, Arnaud Montebourg.

The French media put the cost of the vessels at €200 million (about \$267 million), although in some of the French sources the figure rises to €300 million.

The money will come from a \$500 million bond issue by a new Mozambican company EMATUM (National Tuna Company). To all intents and purposes, EMATUM is a state company. The major shareholder in EMATUM is the Institute for the Management of State Holdings (IGEPE) with 34 per cent. The other shareholders are the state fishing company Emopesca and GIPS (Management of Investments, Holdings and Services), with 33 per cent each. GIPS was set up in December 2011, and its main shareholder is the social services of the State Intelligence and Security Service (SISE).

Previously, Finance Minister Manuel Chang assured reporters that none of the money would come from the Mozambican state budget. The Mozambican state only entered the deal as a guarantor of the bonds, he said.

During his meeting with the business representatives, President Guebuza praised the work of some of the French companies already operating in Mozambique, said Banze. He also noted that others want to enter the Mozambican market, including Air France.

Banze added that President Guebuza has invited Hollande to visit Mozambique on dates to be agreed through diplomatic channels.

President meets with Thabo Mbeki

President Armando Guebuza on 19 September received in Maputo former South African President Thabo Mbeki, in his capacity as chairperson of the High Level Panel on Illicit Financial Flows from Africa, set up by the UN Economic Commission on Africa (ECA) and the African Union.

Mbeki briefed the President on the work of the panel. Speaking to reporters, He said that illicit financial flows are costing Africa about \$50 billion a year. Huge sums of money that could be used in development and poverty reduction are leaving the continent instead.

“It is important that we fight this evil together so that Africa can use the money to solve its poverty and development problems”, said Mbeki.

He said that President Guebuza had expressed the total willingness of the Mozambican government to provide all possible cooperation so that panel’s mission is successful. He added that the panel also hoped to meet in Maputo with other members of the government, and with representatives of the police, the customs service, the business sector and civil society.

The term “illicit financial flows” refers to money laundering, transfer pricing, undocumented commercial transactions and criminal activities characterized by over pricing, tax evasion and false declarations.

As the panel noted when it was established in February 2012, a key role in sucking money out of African countries is played by international tax havens and secrecy jurisdictions, which make it possible to create and operate shell companies, anonymous trust accounts, and fake charitable foundations.

The Panel has already worked in several other countries, including Nigeria, Algeria and Zambia, and intends to publish a report on illicit financial flows in March 2014.

CNE approves list of candidates

The National Elections Commission (CNE) has approved the vast majority of candidates whose nominations for the 20 November municipal elections were submitted by political parties and by independent citizens' groups.

CNE spokesperson Joao Beirao told AIM that the verification of the paperwork for the thousands of candidates, standing for mayor and for members of the municipal assemblies, was completed on 23 September, and on 24 September the CNE drew up a list of all the valid candidates for the 53 municipalities.

The CNE confirmed that the only parties standing in all 53 municipalities are the ruling Frelimo Party and the opposition Mozambique Democratic Movement (MDM). The largest opposition party, Renamo, is boycotting the elections.

No minor party is standing in more than five municipalities. Those approved by the CNE are as follows:

PARENA (National Reconciliation Party), standing in Maputo, Matola, Beira and Quelimane (municipal assemblies only); MPD (Patriotic Movement for Democracy), in Maputo, Matola, Boane and Namaacha (municipal assemblies only) Ecologist Party - in Matola (for mayor and assembly), and Maputo (for assembly); PVM (Green Party of Mozambique), in Maputo and Matola (Assemblies only); PAHUMO (Humanist Party of Mozambique), in Pemba, Montepuez and Nampula (mayors and assemblies); PDD (Party of Peace Democracy and Development), in Maputo, Matola, Nampula, Milange and Marromeu (assemblies only); PPLM (Progressive Liberal Party), in Maputo, Matola and Boane (assemblies only); PT (Labour Party) in Maputo (Assembly); ALIMO (Independent Alliance of Mozambique), in Maputo (assembly); PIMO (Independent Party of Mozambique), in Gondola (Assembly).

As for citizens groups, those approved are:

Juntos pela Cidade (JPC - Together for the City) in Maputo (Mayor and Assembly); NATURMA (Association of Natives of Manhica), in Manhica (Mayor and Assembly) ASTROGAZA (Association of Gaza Transport Operators), in Macia (Assembly); AACPEC (an artisans' group in Cabo Delgado province), in Chiure (mayor and assembly) CINFORTECNICA (association of young technicians with disabilities), in Maputo (Assembly) ASSEMONA (Association for Moral and Civic Education in the Exploitation of Natural Resources - which is a breakaway from the MDM), in Nampula, Angoche, Ribaue and Monapo (mayor and assemblies), and Nacala (Assembly).

Both Frelimo and the MDM saw some of their municipal assembly candidates rejected, as did five of the minor parties and citizens' groups. The numbers were small - only one Frelimo candidate was rejected, six from the MDM, two from the PDD, four from PARENA, four from PAHUMO, nine from ASSEMONA and one from CINFORTECNICA.

The problems with their nomination papers were that some of the legally required documents were missing, some had presented criminal record certificates which showed they had committed crimes that made them ineligible for office, and some had identity cards that were out of date.

In all cases, the parties and groups concerned had enough supplementary candidates to replace those who were ineligible, and so revised versions of the lists were accepted.

Beira – Zimbabwe road to be rebuilt

The Mozambican government intends to invest \$400 million in the full rehabilitation of the road from the port of Beira to Machipanda, on the border with Zimbabwe.

Minister of Public Works, Cadmiel Muthemba, announced the rehabilitation of the road, which is about 300 kilometres long, will begin in February 2014. The finance is a loan from the Chinese export-import bank (Exim Bank).

Muthemba said that the road will be substantially widened. Along its entire length the road will be at least a four-lane highway, and in places, such as the approaches to Beira, it will have six lanes.

“The road will have roundabouts at particularly busy areas, such as the Inchope crossroads (where the road meets Mozambique’s main north-south highway), Chimoio city, and the towns of Gondola and Manica”, said the Minister.

Along some stretches the road will be elevated, notably along the Pungue flats. This is where the current road runs alongside the Pungue River. When the Pungue bursts its banks, which happens frequently during Mozambican rainy seasons, the road is swamped, and sometimes the flooding is serious enough to interrupt traffic to and from Zimbabwe.

Raising the road above the level of the river will be expensive, but will ensure that traffic flows in all weathers.

The Beira-Zimbabwe road will be farmed out for maintenance to a private company, which will charge motorists through toll gates.

So far, the only major road in the country with toll gates is the Maputo-South Africa motorway, operated by the South African company Trans-Africa Concessions (TRAC).

At the moment, the Beira-Zimbabwe road is in a poor and dangerous condition. In order to avoid gaping potholes, motorists frequently cross into the opposite lane, risking collisions with vehicles going in the other direction. Emergency repairs between Beira and Inchope, which should have been finished in mid-April, are months behind schedule, and the Sofala provincial government is considering cancelling the contracts with the companies concerned.

The road is of key importance to the trade, not only of Zimbabwe, but of other landlocked southern African countries, including Zambia, Malawi and even parts of the Democratic Republic of Congo.

The road that branches off the Beira-Zimbabwe highway at Tica and leads to the district of Buzi, will be tarred, Muthemba announced. This is budgeted at \$150 million, and the money will come from the Indian Eximbank. Work on the Tica-Buzi road will begin this year.

But Muthemba lamented that there was no money available to rehabilitate the road from Inchope to Caia, on the south bank of the Zambezi. This is a key part of the north-south highway, and it needs thorough rehabilitation.

“We aren’t sitting back with arms crossed”, said Muthemba. “With the few financial resources we have, we are working on the most critical sections, until we find the money for a complete rehabilitation”.

However, a complete rehabilitation of this road was carried out less than a decade ago. Indeed, in May 2007, the then Minister of Industry and Trade, Antonio Fernando, boasted in the Mozambican parliament, the Assembly of the Republic, that the Inchope-Caia road, “used to be a nightmare”, but had been rebuilt to such a high standard that it resembled a racing track.

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

Thousands of flood victims await resettlement

Thousands of victims of the 2007 floods in the Zambezi Valley, in central Mozambique, have not yet been resettled, over six years later.

This sombre fact is contained in the report from the National Disasters Management Institute (INGC) to the meeting of the Coordinating Council of the Ministry of State Administration, in Inhassoro in the southern province of Inhambane.

According to the Deputy General Director of the INGC, Casimiro Abreu, the data, as of 5 September this year, show that “of the 285,000 people affected, 163,000 were resettled, equivalent to 25,000 households”.

“Those not yet covered by resettlement – about 122,000 people – have plots of land, and are currently living in tents, or in improvised and precarious houses”, said Abreu.

For definitive resettlement, households are making bricks and participating in building better homes, while the provincial governments provide building materials and pay artisans involved in the work.

Floods in 2007 and 2008 also affected the basins of the Save, Pungue and Buzi rivers. The government set up 105 resettlement neighbourhoods in five provinces (Inhambane in the south, and Manica, Sofala, Tete and Zambezia in central Mozambique).

Abreu said that resettlement happens gradually, and the financial resources have not been sufficient to build houses for all the victims simultaneously.

Resettlement is also under way in the southern province of Gaza, after the devastating floods of January this year, which submerged the entire city of Chokwe.

The main resettlement area here is Chihaquelane, about 30 kilometres from Chokwe. In an initial phase, 95 houses will be built at Chihaquelane, 80 of them with building materials offered by the Brazilian mining company Vale. The other 15 will use material offered by the Ministry of Defence.

Abreu said that 20 of these houses are currently being built. However, there is still a shortage of building materials to complete the job.

In Maputo City, 105 households driven out of their homes by the torrential downpours of January are still living in temporary accommodation centres. The Minister of State Administration, Carmelita Namashulua, insisted that a definitive solution must be found to their plight.

Addressing the Council, she declared “We are committing a great mistake. People should only stay in accommodation centres for 15 days at most”.

According to the INGC data, the floods in Maputo affected 5,000 people in five of the city’s municipal districts. 662 plots of land were allocated to flood stricken households, and kits of family size tents, mattresses and blankets were distributed.

However, even some of those who received cement and zinc sheeting have not yet built new homes because they say they do not yet have enough building material.

Not enough land is available for the flood victims near their old homes, which were destroyed in the January mudslides. The Permanent Secretary of the Maputo City government, Moises Matavel, said “negotiations are under way to acquire land in the municipal district of Katembe (across the bay of Maputo from the central part of the city) or in Marracuene district (north of the capital)”.

But some of the households have no desire to move to Katembe, which can currently only be reached by a ferry. They say that, if they move to Katembe, their cost of living will increase considerably.

First Lady launches global campaign against cervical cancer

Mozambique’s First Lady, Maria da Luz Guebuza, on 25 September in New York launched the “End Cervical Cancer Now” global campaign for universal access to cervical cancer prevention by 2020.

Maria da Luz Guebuza launched the campaign in her capacity as President of the Forum of African First Ladies.

At the launch, she pointed out that in Africa, Asia and the Pacific there are many deaths due to cancer of the cervix, breast and prostate. This makes these illnesses a global public health issue.

The campaign aims to mobilise resources from governments and partners to finance prevention and treatment programmes.

Mozambique’s First Lady pointed out that cancer and its consequences are a tragedy for families and for those chronically ill. The illness is also a heavy burden on health services.

She stressed, “your presence at this event is a demonstration of the commitment of the world’s leaders, scientists, activists, researchers, civil society, individuals and communities to find ways to strengthen the capacity to provide health services in each of our countries”.

She added that over recent years, due to improved socio-economic conditions and technological advances, there have been considerable advances in some health indicators, particularly in developing countries – including in Mozambique.

However, Maria da Luz Guebuza warned that it is necessary to redouble efforts because challenges persist. She pointed out that there has been an increase in transmittable diseases, which many countries do not have the technical, financial or human capacity to respond to appropriately.

On a positive note, the First Lady pointed out that Ghana, Kenya, Madagascar, Malawi, Nigeria, Sierra Leone and Tanzania have been approved as candidates for a pilot project to introduce a vaccine against the human papilloma virus (HPV) that is responsible for the majority of cases of cervical cancer.

The vaccines will mainly be financed by GAVI (the Global Alliance for Vaccines and Immunisation), a public-private international health partnership.

On the margins of the campaign launch, William Steiger of the George W Bush Institute praised the influential role of Maria da Luz Guebuza in encouraging the other First Ladies to mobilise funds.

According to Ambassador Leslie Rowe of the US government’s “Office of Global Health Diplomacy”, research on cervical cancer will soon commence in Mozambique. He pointed out that women infected with the HIV virus are more vulnerable to cervical cancer. This requires a strategy that involves targeting this group by including the offer of HIV tests at the same time as screening for cervical cancer.

Asphalt to be produced in Beira

Minister of Public Works, Cadmiel Muthemba, on 21 September laid the first stone for the construction of a factory that will produce asphalt in the central city of Beira.

The factory will produce 300 tonnes of asphalt a day, 30 per cent of which will be exported. The \$5 million investment is being made by Mozambican investors.

The main consumers of the asphalt will be Mozambican roads, The investors hope to build similar units in the other main ports, Maputo and Nacala.

Replacement of transport minister “normal rotation”

President Armando Guebuza on 17 September described his dismissal of Transport Minister Paulo Zucula, and his replacement by Gabriel Muthisse, who had previously been Deputy Minister of Fisheries, as “a normal rotation of cadres”.

Speaking at the ceremony where Muthisse was sworn into office, President Guebuza said that significant advances had been made when Zucula was at the helm of the Transport Ministry, but these served “to show that we can do much more, by taking more efficient and effective actions in the sector, and banking on economy in management”.

Zucula, he added, “made operational the intermodal transport system in order to ensure that the different transport systems operate in a coordinated and synchronized manner”.

He stressed that, under the new minister, intermodal transport had to be improved and speeded up. The growth of Mozambican cities, and the satellite population settlements surrounding them, made it urgent to find “creative and sustainable intermodal solutions”.

Such solutions, President Guebuza suggested, would derive from “synergies between the public and private sectors, generating more jobs, more revenue and greater productivity”.

He insisted that the potential to link up the rail and port systems with road transport and coastal shipping “can be better exploited to develop our economy and to place goods on the markets at more competitive prices”.

It was also imperative for the Transport Ministry to meet the logistical requirements of coal mining companies, the President added.

Muthisse told reporters that he intended to build on Zucula’s work. He was not bringing “new ideas” to the Transport Ministry but hoped to speed up the programmes that are already under way.

Zucula said he was leaving the Ministry with his head held high. He did not regard the change of minister as anything abnormal. “I have entered and left jobs before”, he said.

Food fortification programme launched

Mozambican food processing companies are to embark on a food fortification programme, seeking to reduce current levels of malnutrition.

The fortification consists of adding small amounts of vitamin A, iron, folic acid, B-complex vitamins and zinc during processing.

On 18 September, the Minister of Industry and Trade, Armando Inroga, delivered the first fortification equipment to the country’s largest food processing companies, the Companhia Industrial de Matola (CIM) and MEREC. Both these companies produce maize and wheat flour, pasta, biscuits and animal feed.

Inroga told reporters “CIM and MEREC will produce foods fortified with micronutrients through the machines that

the Ministry of Industry and Trade is offering. This is to reduce chronic malnutrition, particularly among children”.

The government has set up the National Food Fortification Committee (CONFAM), with to ensure that micronutrients are added to foodstuffs. CONFAM is jointly chaired by Inroga’s Ministry and the Health Ministry.

The project’s implementing agency is Helen Keller International (HKI), working in close collaboration with the UN World Food Programme (WFP), and the NGOs World Vision and Population Services International (PSI).

Inroga said that the first phase of the food fortification programme will last a year. During this time fortification machinery will be installed in all major food processing industries. Inroga put the total cost of the project at \$400,000.

HKI is an international not-for-profit organisation dedicated to fighting blindness and malnutrition throughout the world. It has been active in Mozambique, particularly in Vitamin A supplementation, since 1997. It states that the objective of the Food Fortification Programme is “to increase the supply of high quality, affordable fortified products and increase consumer awareness/demand for these products in order to reduce morbidity and mortality in the population, especially among women of reproductive age and children”.

It adds that improving the consumption of micronutrient-rich foods and the mass fortification of staples such as maize flour “is central to the Mozambican Government’s strategy to reduce chronic malnutrition”.

Plans to resume sugar production at Luabo

The Sena Company intends to resume sugar production at Luabo, in Chinde district, on the north bank of the Zambezi River, as from 2015, with the installation of entirely new state-of-the-art machinery.

Sugar production ceased at Luabo almost 30 years ago, when the apartheid-supported Renamo rebels sabotaged the sugar mill, reducing it to scrap metal.

Luabo was one of two sugar mills and plantations, on opposite banks of the Zambezi, which were once owned by the Sena Sugar Estates and nationalized in 1979. They were privatised at the end of the war, but sugar production only resumed at Marromeu, on the south bank of the river.

According to the general manager of the Sena Company, Alain Escat, the new factory at Luabo will cost about \$300 million. This investment covers the production and milling of sugar cane, the installation of electricity, water supply, irrigation, drainage, and the opening of roads. Initially, between 3,000 and 6,000 jobs will be created.

Currently soil analysis is under way at Luabo, for sugar cane cultivation on an area of about 15,000 hectares.

The preparations for opening the new Luabo mill are occurring at a time when production at Marromeu has been disappointing due to excessively dry conditions in 2012.

The installed capacity at Marromeu is for production of 100,000 tonnes of sugar. However, in 2012 only 75,000 tonnes were produced, and this year the figure is expected to drop to 50,000 tonnes.

The Marromeu unit employs 6,000 workers.

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