

# Mozambique News Agency

## AIM Reports

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## Filipe Nyusi sworn in as President of Mozambique

Filipe Nyusi was sworn into office as Head of State in a ceremony in Maputo's Independence Square on 15 January. President Nyusi told the crowd that "my pledge is to serve the Mozambican people as my only and exclusive boss. My pledge is to respect, and ensure that others respect, the constitution and the laws of Mozambique. I am ready. I am confident that together we will build a bright future for our children".

He stressed, "the government I shall set up and lead will be a practical and pragmatic government. It will be a government with the simplest structure possible. It will be functional and focused on solving the concrete problems of citizens' day-to-day lives. It will be a government guided by the objectives of cutting costs and fighting against unnecessary expenditure".

He pledged "respect for plurality and diversity of opinions". Nobody would be left out just because they thought differently. "There are no citizens who are more Mozambican or less Mozambican", he stressed. "The multi-coloured flag which covers all Mozambicans represents this unity in diversity".

All Mozambicans, Nyusi said, should be able to make themselves heard, regardless of whether they belonged to any particular political party.

He promised a crackdown on crime and corruption. "My government must be firm in defence of the public interest, and intolerant towards corruption. My government cannot tolerate any discrimination in state institutions at all levels".

Nyusi wanted to see public institutions, and particularly the institutions of the administration of justice, work on the basis of "merit and professionalism". Public bodies, he added, must demonstrate integrity "to inspire confidence among citizens".

State leaders, Nyusi continued, must be accountable for their actions, and would be held responsible for any acts of corruption, favouritism or nepotism. "We shall not accept violations of the social contract with our people", he said. "Nobody is above the law. All are equal before the law".

His government will wage "an implacable struggle against crime, and particularly organised crime". The institutions of justice and of law and order "must be strengthened so that people do not live cyclically in a climate of fear and insecurity".

Nyusi promised to consolidate the "fundamental gains" of the Mozambican people, namely independence, national unity and peace. "I will do all I can to ensure that brother no longer fights against brother, no matter what the pretext", he added.

As for the economy, Nyusi pledged that his government will be "a strategic partner in the affirmation of a broader and more robust business class".

"I want our State, and Mozambicans in general, to be the true masters of the riches and potential of our country", he

declared. "My government will promote a balanced and sustainable macro-economic environment so as to consolidate trust in secure investment and in fair returns".

His government, Nyusi concluded, "will rest on an ethic that places life and human dignity above profit". It would be "a government that promotes dialogue above domestic disputes for power, A government that prioritises solidarity above unfair competition".

"I am the President of all of you", he declared. "Everything I do shall be for each Mozambican to feel part of national development. Stronger, more united and more determined, we shall build a nation that belongs to all of us".

Among the foreign dignitaries at the investiture were five heads of state – King Letsie III of Lesotho, the outgoing president of Namibia Hifikepunye Pohamba, and the Presidents of South Africa, Jacob Zuma, of Tanzania, Jakaya Kikwete, and of Portugal, Anibal Cavaco Silva.

### Opposition leader rages against appointments

Afonso Dhlakama, the leader of Mozambique's largest opposition party Renamo, has refused to recognise the country's new government and has given the ruling Frelimo Party a week to meet his demands.

Speaking at a rally in the western city of Tete on 17 January, Dhlakama stated that "half a dozen communists of Frelimo are dictating the future of 25 million Mozambicans".

Dhlakama's main demand is for the formation of a "caretaker government" in which both Frelimo and Renamo will appoint ministers. If such a government is not formed, then he has threatened to set up his own government in those central and northern provinces where he won a majority of the vote in the 15 October presidential election.

A large banner displayed at the rally declared "Welcome President of the Centre and North of Mozambique".

Filmed by the independent television station STV, Dhlakama raged against the new government, calling it "just a game", and insisted that Frelimo were "thieves".

"Let the thieves take office down there (i.e. in Maputo), let them form a government there, but they will retreat, they will not govern", he menaced.

As for those who believe that Renamo will back down, Dhlakama shouted "Never! Never! There's no reason to retreat. It's Frelimo that will retreat".

## President Nyusi appoints new government

Two days after his inauguration, President Filipe Nyusi appointed Carlos Agostinho do Rosario as Prime Minister.

Rosario has been Mozambican ambassador to India for many years, and was also accredited to Indonesia, Thailand and several other Asian countries. He was Minister of Agriculture and Fisheries under President Joaquim Chissano in the late 1990s, and has also held the post of governor of the central province of Zambezia.

Consistent with his promise to slim down the government in order to cut costs, Nyusi has merged several ministries, and reduced the number of ministers and deputy ministers. Thus the Ministries of Finance and of Planning and Development are merged into the Ministry of the Economy and Finance, under Adriano Maleiane, a former governor of the Bank of Mozambique as Minister.

His deputy is Amelia Nakhare, who was the Deputy Minister of Planning and Development in the outgoing government.

The Ministries of Mineral Resources and Energy are merged, and the new ministry is headed by the former deputy finance minister, Pedro Couto, a man with a reputation for integrity and independent thinking.

The Ministry of the Public Service is merged with the Ministry of State Administration, and the previous Minister of State Administration, Carmelita Namashalua retains the post. The former Minister for the Public Service, Vitoria Diogo, becomes Minister of Labour, Employment and Social Security.

A further merger is between the Ministries of Culture and Tourism. The new Minister is the painter Silva Dunderu.

Agostinho Mondlane moves from the Defence Ministry to the Fisheries Ministry, which is renamed the Ministry of the Sea, Inland Waters and Fisheries.

The new Minister of Defence is Atanasio Ntumuke, who was a commander in Frelimo's guerrilla army during the war for Mozambican independence. In the 1980s, during the war of destabilisation waged by apartheid South Africa against Mozambique, he was commander of the First Motorized Infantry Brigade, and Military Commander of Maputo Province. Nyusi appointed Patrico Jose, formerly Vice-chancellor of the Higher Institute of International Relations (ISRI) as Deputy Defence Minister.

Oldemiro Baloi remains Foreign Minister, but Nyusi appointed a new deputy foreign minister, Nyeleti Mondlane, the daughter of the founder and first President of Frelimo, Eduardo Mondlane.

Jose Pacheco remains Minister of Agriculture, though the name of the Ministry is expanded to Ministry of Agriculture and Food Security.

The new Minister of Trade and Industry is Ernesto Tonela, who was financial director of Hidroelectrica de Cahora Bassa, the company that operates the Cahora Bassa dam on the Zambezi. His deputy is Omar Mitha, who was chief economist at the country's largest commercial bank, the Millennium-BIM.

The deputy commander of the police force, Jaime Monteiro, is promoted to Minister of the Interior, while the former deputy minister of health, Nazira Abdula, becomes full minister.

Alberto Nkutumula, formerly deputy minister of justice, becomes the Minister of Youth and Sport. His deputy, Ana Flavia de Azinheira, is a former star of the Mozambican women's basketball team.

Carlos Mesquita, formerly head of Cornelder de Mocambique, the company that runs the port of Beira,

becomes Minister of Transport and Communications. Manuela Ribeiro remains Deputy Minister.

Luis Ferrao, formerly the Vice-Chancellor of the publicly-owned Lurio University, is the new Minister of Education and Human Development, with prominent linguist Armindo Ngunga as his deputy.

Higher education is taken out of this portfolio and merged with science and technology to form the Ministry of Science, Technology, Higher, Technical and Professional Education, under Jorge Penicela Nhambiu, an associate professor of engineering and Chairperson of the National Science and Technology Park.

The Ministry for the Coordination of Environmental Affairs disappears, to be replaced by the Ministry of Land, the Environment and Rural Development. Appointed as minister is prominent businessman Celso Correia, founder of the Insitec group.

The Ministry of Women's Affairs and Social Welfare is renamed the Ministry of Gender, Children and Social Welfare. The former governor of Nampula province, Cidalia Chauque, becomes its Minister.

The former deputy minister for the public service, Abdurremane Lino de Almeida, becomes Minister of Justice, and Constitutional and Religious Affairs. His deputy is Joaquim Verissimo, formerly governor of Zambezia province.

Nyusi appointed Carlos Bonete Martinho, an engineer who was in charge of the rehabilitation of the dam providing water to the port city of Nacala, as Minister of Public Works, Housing and Water Resources.

Eusebio Lambo Gumbiwa, a former mayor of Catandica, and later administrator of the district of Vanduzi, becomes Minister of Veterans' Affairs. His deputy, Maria Pelembe, is the general secretary of the Mozambican Women's Organisation (OMM), which is affiliated to Frelimo.

Guebuza had three ministers in the president's office. Nyusi has scrapped two of these posts. He has appointed Adelaide Amurane, who used to be minister in the Presidency for Parliamentary and Municipal Matters, to Chief of Staff of the President's Office (with ministerial rank).

## Renamo boycotts Assembly meeting

The newly elected Mozambican parliament, the Assembly of the Republic, held its inaugural sitting on 12 January. However, Renamo boycotted the event.

Despite the boycott, there was no problem with a quorum. 142 of the 144 deputies of the ruling Frelimo Party elected in the general elections of 15 October were present, as were all 17 deputies of the opposition Mozambique Democratic Movement (MDM).

The Renamo boycott was called by its leader Afonso Dhlakama on the grounds that the elections were fraudulent.

The outgoing head of state, Armando Guebuza, chaired the sitting, and swore into office Frelimo and MDM deputies.

The only other item of business was the election of the chairperson (speaker) of the Assembly. Frelimo proposed a second term for Veronica Macamo, and she was unopposed.

Macamo was then sworn into office by Hermenegildo Gamito, chairperson of the Constitutional Council, the country's highest body in constitutional and electoral law.

The Renamo group now has 30 days to take their seats. Any deputies who fail to take their seats within that deadline will lose them. Until they take the oath of office, the Renamo members will be unable to draw their parliamentary salaries, and will enjoy none of the privileges that go with parliamentary office.

## President Nyusi appoints provincial governors

President Filipe Nyusi on 19 January appointed four ministers and one deputy minister from the previous government as provincial governors.

Thus Helena Taipo, who was Labour Minister for ten years under Nyusi's predecessor, Armando Guebuza, becomes governor of the central province of Sofala. Taipo was one of the most dynamic members of the Guebuza government, defending workers' rights and repeatedly standing up to powerful employers.

Her new job promises to be just as demanding. Sofala is a stronghold of the opposition, and it is where Renamo received its largest share of the vote in the 15 October general elections. The ruling Frelimo Party has always faced an uphill struggle in Sofala, and particularly in the provincial capital, Beira, which is currently run by the second opposition party, the Mozambique Democratic Movement (MDM).

President Nyusi appointed former Fisheries Minister Victor Borges, as governor of the most populous province, Nampula, in the north. Former Interior Minister Alberto Mondlane becomes governor of the central province of Manica, while the former Minister of Women's Affairs and Social Welfare, Iolanda Cintura, is appointed governor of Maputo city.

President Nyusi gave former deputy education minister Arlindo Chilundo the task of governing the northernmost province of Niassa.

Abdul Razak Noormahomed moves from Cabo Delgado to become governor of the central province of Zambezia, while Nyusi shifted Raimundo Diomba from the southern province of Gaza to neighbouring Maputo province.

Two governors remain in their old positions. Nyusi retained Paulo Auade as governor of the central province of Tete and the governor of the southern province of Inhambane, Agostinho Trinta, also keeps his old job.

There are just two newcomers. Celmira Silva, a former official in the Ministry of Youth and Sport, becomes governor of Cabo Delgado. Nyusi appointed Stella da Graca Zeca, a former deputy director of the Quelimane branch of the Pedagogic University, as governor of Gaza.

## SANDF commits helicopters for flood relief

The South African government has committed a third helicopter to assist with the search and rescue mission in the flood affected areas of the central province of Zambezia.

According to South African National Defence Force (SANDF) Joint Operations spokesman, Captain Jaco Theunissen, the decision was taken following a reconnaissance mission over Zambezia on 15 January.

Theunissen said that "an Augusta A109 from 17 Squadron will join the pair of 19 Squadron Oryx medium transport helicopters in the airborne command and control role".

He added, "I can also confirm, following a planning meeting at Joint Operations after the return of the reconnaissance mission that six Navy rescue swimmers will go to Mozambique".

The fourteen day operation will see the SANDF deploy a total of about 170 airmen, divers and medical staff.

Persistent torrential rains have led the Mozambican government to declare a "Red Alert" across the central and northern provinces. In particular, the Licungo River, which flows through the middle of Zambezia, has risen to levels never before seen in the history of independent Mozambique.

At the town of Mocuba, it has destroyed part of a bridge on the main north-south highway (EN1).

The Licungo is now subsiding. Its estimated height at Mocuba on 15 January was 5.6 metres, compared with 12 metres on 11 January.

Much of northern Mozambique remains without electricity, following the destruction by the flood waters on 12 January of ten pylons carrying power from the Cahora Bassa dam on to Nampula, Niassa and Cabo Delgado provinces. Businesses selling perishable foods risk huge losses, unless they have generators to run refrigeration units.

Meanwhile, all the people on board the boat which capsized on 15 January on the Licungo river have been rescued, according to Joao Ribeiro, director of the country's relief agency, the National Disaster Management Institute (INGC).

The boat, owned by the INGC, was ferrying people across the Licungo at the town of Mocuba, following the collapse of the bridge over the river during the worst flooding on the Licungo since 1971. When it capsized it was feared that all 12 people on board had drowned.

## France supports administrative tribunal

The French government on 14 January granted €500,000 (about \$589,000) to Mozambique's Administrative Tribunal, the country's supreme audit body, responsible for checking the legality of state expenditure.

This money will be spent on training tribunal staff in matters of environmental audits and analysis of concession contracts and mega-projects.

The funding convention was signed in Maputo by the chairperson of the Administrative Tribunal, Machatine Munguambe, and by French ambassador Serge Segura.

After the signing ceremony, Segura explained that the funding falls under the new fund of priority solidarity on financial transparency, accountability and development in Mozambique.

The support, he added, shows that the French government recognises the importance of the Tribunal in the consolidation of democracy in Mozambique, though its role in controlling public expenditure, and its concern for the transparent management of extractive rents and of public indebtedness.

"These are necessary conditions for attaining the Mozambican government's objectives in the fight against poverty and for the sustainable development of the country", said the ambassador. "These objectives cannot be reached without the work of the Administrative Tribunal. It should be supported in order to improve good financial governance and strengthen the institutional capacities of the public sector".

For his part, Munguambe said the funding is a step forward in improving the conditions needed for the Tribunal to pursue its mandate, "in order to comply with its mission to guarantee good management and control of public money".

The Administrative Tribunal has been benefitting from financial and technical support from French Cooperation since 2009. This has included scholarships for Tribunal staff at French higher education institutions, study visits, the supply of books and exchanges of experiences.

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*This is a condensed version of the AIM daily news service – for details contact [pfauvet@live.com](mailto:pfauvet@live.com)*

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## Attorney General launches investigation into mass poisoning

Attorney-General Beatriz Buchili has opened an investigation into the mass poisoning over the weekend of 10 – 11 January that led to the deaths of at least 69 people in Chitima, capital of Cahora Bassa district, in the western province of Tete.

As of 12 January, 35 other people were still hospitalised, in the Chitima Health Centre, and in the nearby Songo Rural Hospital. Seven of them were in a serious condition.

The victims had been drinking a traditional alcoholic brew called phombe, made out of sorghum, maize bran and sugar. Claims have been made that something else was added to the drink which caused the poisoning.

Buchili said her office's inquiries are being coordinated with the Criminal Investigation Police (PIC) and with the health authorities, which are in charge of the autopsies. She added that the prosecutors are awaiting the autopsy reports which should ascertain the nature of the substance which caused the poisoning.

The person who brewed the phombe, Olivia Olocane, cannot help with the inquiries, since she was one of the first to die from the poisoning.

Health Minister Alexandre Manguela met families of the victims on 12 January to comfort them and explain the work under way to save the lives of those still in hospital.

## Beacon Hill facing bankruptcy

The London-based mining company Beacon Hill Resources has gone into administration following its failure to raise funding for its Minas de Moatize coking coal project in the western province of Tete. As a result the company has defaulted on interest payments on some of its current loans.

Its wholly owned subsidiary Minas Moatize Limitada has not been placed into administration and Beacon Hill's administrator will now seek a potential buyer.

In a statement released on 12 January, the company regretted that "in light of, inter alia, the company's significant liabilities and prevailing adverse global coal market conditions, the Board does not currently anticipate that the company's shareholders will receive any proceeds in relation to their ordinary shares from the administration process".

The chairman of Beacon Hill, Justin Farr-Jones, commented, "Minas Moatize remains an excellent project with significant milestones achieved since the company assumed management control of the mine in May 2010. We sincerely hope that a suitable acquirer will be found to enable this attractive asset to recommence economic mining operations over the longer term".

The central problem for coal mining companies worldwide is that coking coal has dropped in price to around US\$120 a tonne, which for many does not cover the costs of production and transport.

Beacon Hill is not the only mining company operating in Mozambique to suffer from low coal prices and high transport costs. London based Rio Tinto lost literally billions

of dollars when it sold its coal assets for a mere US\$50 million, whilst the Brazilian mining giant Vale continues to make large losses from its coal operations.

## Inflation less than 2 per cent in 2014

The National Statistics Institute (INE) announced on 8 January that the rate of inflation in 2014 was 1.93 per cent, substantially less than the 3.54 per cent inflation recorded in 2013.

The pattern of inflation during the year was a rise in prices in the first four months, then price falls in the middle of the year, as the harvest came in, and a resumption of price rises in the final months.

## IMF expects strong economic growth

The International Monetary Fund (IMF) expects Mozambique's growth to remain strong and broad based in the medium term, with its macroeconomic performance remaining robust.

This analysis came after the IMF Executive Board completed the third review of Mozambique's economic performance under an agreed programme supported by an IMF Policy Support Instrument (PSI).

A PSI is an agreement between the IMF and low-income countries that are not asking for IMF loans but are seeking endorsement from the IMF for their policies. This endorsement helps obtain loans or grants from other sources.

The review noted that economic growth is forecast at 7.5 percent for 2014 with low inflation.

Despite these positive results, the IMF warned that "performance under the PSI - supported program has been mixed". It stated that "while all but one of the quantitative assessment criteria were met at end June, there were some slippages during the second half of the year and some delays in implementing structural reforms".

The IMF stressed that "completion of the contract negotiations for the production of liquefied natural gas (LNG) is a critical milestone for the launch of this project, one of the largest in sub-Saharan Africa".

This refers to plans by the US company Anadarko and Italy's ENI to develop LNG facilities in northern Mozambique at a cost of tens of billions of US dollars to exploit the huge gas fields found in the Rovuma Basin.

The LNG is not expected to come on stream until 2019 at the earliest, but with the price of crude oil dipping below US\$50 a barrel (with LNG prices also falling sharply) and the supply of LNG due to increase, there has been pressure on the two operators to speed up implementation of the plans.

The IMF also warned that foreign aid is likely to decline over the medium term, resulting in Mozambique needing to borrow to improve physical infrastructure and human capital.

It concluded, "structural reforms focusing on public financial management, monetary policy tools, banking supervision, and business facilitation should be implemented vigorously to sustain growth and render it more inclusive".

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