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President Nyusi working to mobilise US\$4.2 billion to strengthen agriculture

President Filipe Nyusi is working with international financial institutions to mobilise US\$4.5 billion to revive agriculture in Mozambique which will be invested over the next five years, mainly in the development corridors. According to President Nyusi, US\$2.9 billion will be invested in the public sector and US\$1.6 billion in the private sector.

President Nyusi made the announcement at a press conference held on 26 January in the Senegalese capital, Dakar, which marked the end of Mozambique's participation in a summit on "Feeding Africa: Food Sovereignty and Resilience".

"Our time horizon is not one, not two years, but five years; we have to make things happen because if we don't do it now it will be too late", he said.

President Nyusi said the US\$2.9 billion of public money will be invested in the construction of infrastructure in the agricultural sector, in the development corridors in the north, centre and south of the country, including irrigation projects.

President Nyusi revealed that during a meeting, the African Development Bank (ADB) announced that in addition to investment in the Pemba-Lichinga Development Corridor, which includes a Special Agro-Industrial Processing Zone, in the north of the country, it will also support the Lower Limpopo Irrigation Scheme, in the southern province of Gaza.

As for the US\$1.6 billion of private funding, the President said that the private sector should "develop agriculture in a structured way."

President Nyusi added "there were ideas in supporting wheat production, rice production, support in youth training in Palma district [in the northern province of Cabo Delgado], in the training of women, and support for innovations. We were also encouraged to embark on the carbon market".

Fight against terrorism top of priorities

The fight against terrorism in all its forms should be at the top of the list of priorities of the newly appointed provincial secretaries of state, declared President Filipe Nyusi in Maputo on 23 January.

The President was speaking at a ceremony where he swore into office as Secretaries of State Jaime Neto (Nampula), Judite Mussacula Faria (Maputo province); Lina Portugal (Niassa); Stefan Dick Kassotche Mphiri (Manica) and Cristina Mafumo (Zambezia).

Islamist terrorists have been active in the northern province of Cabo Delgado since October 2017. These raids have displaced over a million people from their homes, provoking a humanitarian crisis. Terrorism has spilt over the provincial boundaries, with occasional attacks in Niassa and Nampula.

"We urge the secretaries of state to put at the top of their agenda the prevention and fight against terrorism, including humanitarian assistance to our fellow countrymen who have been displaced", said President Nyusi. No province should be regarded as exempt from terrorism, he stressed, and the secretaries of state should take the defence of national sovereignty very seriously. "One of the main responsibilities of the secretaries of state is to defend the sovereignty and the gains made by our people", he added. "Terrorism, whether in the form of attacks, recruitment or financing can occur in any part of our national territory".

"No province should feel completely immune to this scourge, which puts security and peace at risk, attacks human rights, and is a major obstacle to the development of our country", President Nyusi declared.

He also urged the secretaries of state to avoid struggles for power with the provincial governors. Such disputes have been frequent, and President Nyusi regarded them as completely unnecessary since the governors and secretaries of state have different areas of responsibility.

"These are different championships, and so you can't say that so-and-so is number one", he stressed. The secretary of state should be intelligent and should stand out through qualities of leadership and humility. He should be "a point of balance" between the various legitimate powers installed in the province.

President Nyusi added that the secretaries of state should have a deep knowledge of all the legislation on decentralisation, particularly the law on the organisation and operation of the bodies that represent the state in the province. (The Secretary of State himself is supposed to be the topmost representative of the state in the province).

President Nyusi calls for better patient care

President Filipe Nyusi on 23 January called for a restructuring of the health sector to better meet the needs of patients and ensure better management of health staff.

Speaking in Maputo, during a ceremony where he swore into office the new Deputy Minister of Health, Ilesh Jani, President Nyusi said some of the situations he had discovered are intolerable – such as the fact that in the Cabo Delgado and Niassa provincial hospitals patients are obliged to buy hospital gloves for the staff before they are treated.

“I advise you to be always close to the concerns of the staff”, President Nyusi told Jani. “I cannot have doctors who are distant from the concerns of their colleagues, colleagues of all sectors – nurses, ambulance drivers, even those representing us out in the countryside. We must understand their concerns”.

Jani was previously the General Director of the National Health Institute (INS) and, in that capacity, he was well aware of the challenges facing the health sector. As the new deputy minister, said President Nyusi, he must consolidate and expand the gains achieved to date.

The President urged greater efficiency in the procurement of goods and services for the Health Ministry. Procurement “must obey scientific rules, so that we don’t have medicines that are past their expiry date, or which are not allowed in the country, or which are sold at very high prices”.

President Nyusi hoped that the Ministry can attract financial resources, and establish partnerships to ensure the success of the presidential initiative: “One district, one hospital”.

Jani told reporters “the guidelines are clear in that we must promote teamwork which involves all the family of health in solving our problems”.

For a rapid solution to problems, Jani called for boosting the training of staff in the area of health research.

Company selected for insurance against disasters

President Filipe Nyusi on 30 January announced that a company has been selected that will provide insurance against the effects of climate change. President Nyusi said this measure will allow the country to be better prepared to respond to emergencies and to ensure greater financial capacity for a rapid response.

The President was speaking in Maputo on the occasion of receiving the National Prize for the Management of Disaster Risk, the Environment and Climate Change. This is the first edition of the national prize which seeks to reward social actors who are outstanding for positive actions in defence of the environment.

President Nyusi said that insurance against disasters is an innovation that should be taken seriously since it will allow the capacity to rebuild property lost during extreme climate events. “Under the programme to

manage disaster risks”, he added, “the government, in partnership with the World Bank, has hired an insurance company to provide sovereign insurance against natural disasters, cyclones and heavy rains. Naturally, this will require altering the existing legislation on insurance”.

President Nyusi said the government is unable to respond promptly to all the needs, even with the aid of donors – hence the need “for a fund which will increase the capacity of the country to prevent or respond speedily and thus reduce the number of human victims and the loss of property”.

The President gave no details about the company that has been selected. He called on the private sector to support this initiative in order to reduce the impact of disasters. It opened a new niche in the market (for insurance companies) – however, insurers should work with honesty and transparency and serve the general interest, rather than taking the opportunity to profit from what President Nyusi called “moments of misfortune”.

The prize is awarded by the magazine “Banca e Seguros”, with the support of the government, through the Ministry of Economy and Finance and the National Disaster Risk Management Institute (INGD). President Nyusi dedicated the prize to all Mozambicans, because of their resilience to climate disasters, and their determination to rebuild their lives.

Zinhane administrative post electrified

The publicly owned Mozambique electricity company, EDM, on 31 January connected the Zinhane administrative post, in Chigubo district, in the southern province of Gaza, to the national electricity grid.

This is the first administrative post to be electrified this year and brings to 48 the number of administrative posts electrified since 2020 under EDM’s project to electrify the headquarters of every administrative post in the country. Of the 48 administrative posts in Gaza, Zinhane is the 40th to be electrified.

EDM’s target is to ensure the electrification of all 135 administrative posts in the country by 2024.

The expansion of the grid to Zinhane was financed by the Mozambican state budget and cost 65 million meticais (slightly over a million US dollars). The work consisted of building 24 kilometres of medium voltage 33kV transmission line from the Machaila crossroads, in Mapai district, to Zinhane.

Five kilometres of low voltage transmission line was also built and two 100 kVA transformers were installed, as were 60 lampposts for public lighting. In this first phase, 400 new clients in Zinhane are expected to be connected to the EDM grid.

In its release announcing the electrification of Zinhane, EDM said that it will continue to mobilise resources so that a further ten million Mozambicans have access to electricity by 2024.

This is a condensed version of the AIM daily news service - for details contact pfauvet@live.com

New Beira power line budgeted at US\$43 million

The installation of a new medium voltage power line in the central city of Beira is budgeted at US\$43 million and could be ready by next February.

The work is funded by the World Bank as part of the post-cyclone reconstruction after cyclone IDAI, which devastated much of central Mozambique in 2019.

According to Anibal Barca, Director of Customer Service at the Beira branch of the publicly owned Mozambican electricity company, EDM, the work has been underway since last September and is proceeding at a good pace, also covering the district of Buzi.

“With this work, it is expected that the problem of blackouts and restrictions on the supply of power to consumers will be minimised”, Barca said, quoted in the Maputo daily newspaper “Noticias” on 20 January. He added that the new pylons are made of reinforced concrete and are resistant to climate change.

The current initiative, added Barca, covers the areas in Beira heavily affected by the 2019 cyclone. The new pylons will be installed over a 4.5 kilometre stretch of line from Munhava Station to the neighbourhoods of Chipangara, Manga and Inhamizua.

HCB produced 15,700 GWh last year

Hidroelectrica de Cahora Bassa (HCB), the company that operates the Cahora Bassa dam on the Zambezi River, in the western province of Tete, last year achieved overall production of more than 15,700 Gigawatt-hours (GWh), which is five per cent more than production in 2021.

“This is a result that contributes to the consolidation of the company's status as one of the largest independent producers of energy on the African continent”, reads a document issued by HCB on 26 January.

This production, the document added, strengthens the financial and management indicators in view of the need for investment in the revitalisation of the system that produces electricity.

“These investments will improve levels of operational performance, extend the useful life for the generation and conversion assets to more than 25 years, and also increase the power station's productive capacity”, says Boavida Mahambe, Chairperson of the HCB Board of Directors, cited in the document.

HCB has planned for 2023 the production of 14,292 GWh, lower than last year's production, due to interventions needed to maintain equipment.

The reservoir behind the dam is 80 per cent full, said Mahambe, with an elevation of 321.9 metres above sea level, which is easily enough to continue producing electricity while guaranteeing safety.

Mahambe also said that about 2.5 million HCB shares were traded in 2022 for a total value of approximately 4.8 million meticaís (US\$75 million), closing the year with a price of 2.35 meticaís per share, a decline of 21.7 per cent, compared with 2021.

Bar Association warns of violation of rights in implementation of TSU

The chairperson of the Mozambican Bar Association (OAM), Duarte Casemiro, believes that the manner in which the Single Wage Scale (TSU) is being implemented in the state administration violates the fundamental rights of public servants.

According to Casemiro, who was speaking on 1 February in Maputo at the opening of the 2023 Judicial Year 2023, the advances and retreats supposedly made in the TSU need to be reviewed, otherwise the rule of law will be thrown into crisis.

“It is a constitutional provision that every worker has the right to justice and fair remuneration, and so what we have been witnessing with the constant advances and retreats in remuneration caused by the way the TSU has been implemented is unacceptable”, Casemiro said.

According to the OAM chairperson, the State is violating the fundamental rights of workers, which is why there have been protests from various sectors especially the health, education, and justice services.

Casemiro did not give examples of people whose wages have been cut because of the TSU. When the government unveiled the definitive new TSU wages in mid-January, most groups of state workers received very substantial wage rises, in some cases over 100 per cent. The only officials known to have received a pay cut are at the very top of the scale – the TSU cut the salary of President Filipe Nyusi by about 20 per cent.

He also criticised the powers over the judiciary enjoyed by the President of the Republic, who appoints and dismisses several senior figures in the judiciary. Casemiro believed this violated the principle of the separation of powers.

For the OAM chairperson, the lack of a constitutional provision for the rights of gay people and other sexual minorities also remains a problem. The government has not extended official recognition to LAMBDA, the organisation set up to represent the interests of sexual minorities.

For her part, the Attorney General, Beatriz Buchili, told the ceremony that the challenge of the justice sector is to continue strengthening the capacity of the bodies of justice. “We cannot build the Democratic Rule of Law with our backs turned to accountability, effective implementation of laws, oversight of socio-economic activities, among other aspects”, Buchili said.

The country, she added, faces transnational organised crime, notably terrorism and its financing, money laundering, corruption, kidnapping and human trafficking. “With the anti-corruption offices and criminal investigation services, we have strengthened our capacity to act, training more magistrates and agents of the National Criminal Investigation Service (Sernic)”, Buchili said. “We remain committed to ensuring that these offices respond effectively to combat crime, committed by structured groups, some of which are linked to public and private institutions, inside and outside the country”, she stressed.

Mozambique and South Africa working on road security

Foreign Minister Veronica Macamo on 30 January stressed that the government is working with its South African counterpart to investigate the case of vehicles belonging to Mozambican citizens set on fire by mobs of South African rioters.

Six vehicles with Mozambican number plates, including a passenger bus, were attacked and set ablaze on the road from Maputo to the South African port city of Durban on 28 January. In response, Mozambican transport companies temporarily suspended operations on the Maputo-Durban route.

Speaking to reporters after a ceremony in which President Filipe Nyusi received the letters of accreditation from new ambassadors, Macamo said “We are working with South Africa. It is our responsibility to take care of Mozambicans and ensure that they are not assaulted or have their vehicles or property damaged or stolen”.

Macamo stated she had received guarantees that measures are being taken so that there is no repetition of the attacks. The South African authorities were stepping up protection in the places where mob violence was most likely to recur, Macamo said but gave no details.

As for deadlines, Macamo wanted the matter to be investigated rapidly and answers provided so that the people of both countries can once again travel peacefully without fear of what might happen during the journey.

For his part, the National Director of Transport Security in the Ministry of Transport, Fernando Ouana, stressed that both countries must work towards clearing up the lack of security on the roads.

Fear of mob violence goes well beyond transport operators and affects Mozambicans living in South Africa. The chairperson of the Mozambican community in the province of Kwazulu-Natal, Jose Calcandasse, told AIM that “the threats began last year. Here in Durban, the communities are in despair. Faced with this situation if the Mozambican government does not intervene very quickly, that will cause many problems”.

Calcandasse feared that the attacks on the roads could be the prelude to a fresh outbreak of xenophobia against foreigners living in South Africa,

Untrained security agent shoots 14 in Beira

A private security agent in the central city of Beira shot 14 people in the street, some of whom are now hospitalised in Beira Central Hospital. The shooter, according to “Noticias” on 31 January, was immediately arrested by the police.

“Of those shot, three are in bad condition and four will have to undergo surgery” said Ana Tambo, clinical director at the hospital. She added that among those seriously injured, one has internal bleeding and is breathing with great difficulty after being hit in the lungs. Two other patients, she added, were hit in the thorax and abdomen, while four others have bullets

lodged in their bodies. “All the victims were hit by a firearm that was fired accidentally”, she said.

At the time, the shooter confessed that he was never trained to handle a firearm and did not know how to shoot properly. The police, for their part, acknowledge that some security officers, especially in Beira, do not benefit from training in handling firearms.

Cabo Delgado records 568 cases of leprosy

The health authorities in the northern province of Cabo Delgado reported 568 cases of leprosy in 2022, an increase of 73 when compared to the 495 cases registered in 2021. The figure was announced on 30 January in the provincial capital Pemba by the Cabo Delgado provincial governor, Valige Tuabo, on the occasion of World Leprosy Day.

“The prevalence of the disease has risen from 1.5 to 2.1 cases for every 10,000 inhabitants”, the governor said, adding that the cases were reported with a higher incidence in the districts of Montepuez, Chiure, Namuno, Nangade, Meluco, and Mecufi where the disease was considered uncontrolled.

The World Health Organisation (WHO) in 2008 declared Cabo Delgado a leprosy-free zone. However, since 2015, new episodes have been reported, some already causing visible deformities.

The diagnosis of more cases results from the intensification of active searches in the communities, through volunteers of the Leprosy Control Programme, and screening of contacts of patients under treatment in the districts where the disease is endemic.

“The fight against this disease requires selfless work for the early diagnosis and treatment of leprosy to prevent physical deformities”, the governor said, calling on citizens to fight against stigma and discrimination against people suffering from this disease.

Price of cooking gas falls by five per cent

The Mozambican Energy Regulatory Authority (ARENE) on 19 January announced a cut of over five per cent in the price of LPG cooking gas. The price of a kilo of cooking gas falls from 95.04 to 90.01 meticaís (US\$1.5 to US\$1.4). The prices of all other petroleum-based fuels remain unchanged.

An ARENE press release noted that the future prices for crude oil on the international market have fallen since December due to the maximum price applied to Russian oil plus the prospects for a slowdown in the world economy and an increase in the amount of oil held in reserves. Other factors included the slackening of international demand for petroleum, because of the resurgence of the Covid-19 pandemic in China.

ARENE says it will continue to monitor the market, particularly the international prices of crude oil and refined products.

This is the second fall in the price of cooking gas in the past two months. On 15 December, ARENE cut the price of cooking gas by almost seven per cent from 102.02 to 95.04 meticaís a kilo.

Sharp increase in election costs

The projected cost of the municipal elections scheduled for this year has risen to over 14 billion meticaís (US\$219 million) according to the spokesperson for the Electoral Administration Technical Secretariat (STAE), Lucas Manjaze, interviewed by television station STV.

This is a huge increase from the cost of 9.7 billion meticaís estimated last year by the National Elections Commission (CNE). It is not yet clear where the electoral bodies will find the extra money needed.

Manjaze said the increase is partly due to implementing the new Single Wage Table (TSU) for the public administration so that it covers all STAE employees, and partly to the increased prices on the world market for the goods required for the voter registration and the election itself.

On top of this came the increase in the number of municipalities. Against the CNE's advice, the government and the Mozambican parliament, the Assembly of the Republic, pushed ahead with the creation of 12 new municipalities, raising the number of municipal assemblies to be elected from 53 to 65.

Manjaze confirmed that the central province of Manica takes the largest share of the electoral budget. This, he said, is because, of all the provinces, only Manica has electoral bodies that are permanently in operation. In other words, the district election commissions and the district branches of STAE in Manica remain active, inside and outside of election periods, thus drastically increasing their wage bill. There is no explanation for why the Manica election bodies continue to work during periods when no elections are being held, while the same practice does not apply anywhere else in the country.

Manjaze also confirmed that pilot voter registration will begin on 1 February. This will be held in three districts each in Nampula, Manica and Maputo provinces. It will last for 20 days and will test the equipment that will be used in the full voter registration for the municipal elections beginning in April.

Aide Memoire signed with Millennium Challenge Corporation

The Minister of Economy and Finance, Max Tonela, and the Deputy Chief Executive Office of the United States Millennium Challenge Corporation (MCC), Mahmoud Bah, on 30 January signed an Aide Memoire in Maputo.

This document, according to a press release from the US Embassy, details the agreement between the two governments on the scope and objectives of the MCC's forthcoming compact with Mozambique. The priorities to be covered by the compact, said the release, "include connectivity and rural transport, promotion of investment in commercial agriculture, and integrated climate management and coastal development".

The development projects will be implemented in the central province of Zambezia, but "key reforms under the compact will entail nationwide reforms focused on

improving road maintenance and the business environment."

Under the Aide Memoire, the Government has committed to increasing its allocation of funding to the road maintenance system by 50 per cent, which is a further US\$37.5 million.

The Millennium Challenge Corporation is described as "an independent US government agency working to reduce global poverty through economic growth". It provides grants and assistance for a specific period to countries that meet rigorous standards for good governance, fighting corruption, and respecting democratic rights. The Embassy release described the MCC compact as "a critical component of broader US Government assistance in Mozambique".

This will be the second compact between the MCC and Mozambique. The first MCC compact, valued at US\$509 million, ran from 2008 to 2013. It is expected that the second compact will be signed later this year and will cover a five year period. The amount of funding for the second compact is not yet clear, but previous experience suggests it could be between US\$350 and US\$500 million.

Greek Foreign Minister visits Mozambique

The Mozambican and Greek governments on 25 January in Maputo signed a memorandum of understanding on political consultations during a working visit by the Greek Foreign Minister Nikos Dendias.

After a meeting with Prime Minister Adriano Maleiane, Dendias told reporters that the memorandum of understanding is an important step in strengthening the relations between the two states and "institutionalises the relationship at political and diplomatic levels".

"We are pleased to work with Mozambique in various areas of investment, including maritime transport and water management", said Dendias. He took the opportunity to congratulate Mozambique on its election to the United Nations Security Council, as a non-permanent member. Greece had supported Mozambique's successful bid. Greece is now submitting its candidacy for membership of the Security Council, for which it will enjoy Mozambican support.

"What we are trying to do is to facilitate the presence of European and Greek businesspeople in Mozambique, to participate in the creation of cases of success in Mozambique", said Dendias.

The Greek minister also donated €40,000 (US\$43,600) to the Secretary of State for Youth and Employment, Osvaldo Petersburgo, to help create job opportunities for the youth of Cabo Delgado.

Petersburgo pledged that the money will be used to grant scholarships to young people from Cabo Delgado, through the Alberto Cassimo Institute for Professional Training and Labour Studies. Petersburgo added that the fight against terrorism cannot be waged solely on the military front, but must also include a component for empowering and occupying young people.

US ambassador to UN praises Mozambican efforts for stability

The United States ambassador to the United Nations, Linda Thomas-Greenfield, has recognised the efforts made by the Mozambican government to create an environment of stability and prosperity in southern Africa. Speaking in Maputo shortly after an audience granted by Foreign Minister Veronica Macamo, she said that the stable environment helps establish security throughout the region.

Mozambican leadership, she added, extends to multilateral institutions such as the United Nations. Greenfield said the US has great expectations of working closely with Mozambique on the UN Security Council. Last year, Mozambique was elected to a two year term as a non-permanent member of the Security Council for the period 2023-2024. In March, Mozambique will occupy the rotating chairmanship of the Council.

For much of 27 January, Greenfield accompanied a group of Mozambican environmentalists in activities to protect mangrove forests in the Maputo coastal area. "This is a priority for the Mozambican government, but also for the world and the United States", she said. Coastal protection projects in Mozambique are supported by the US embassy. Greenfield added that the US will continue to assist Mozambique in adopting measures to adapt to climate change. She said that since June 2022 the US has invested about US\$20 million in such adaptation programmes.

The protection of the mangroves, she said, "is an ideal example of how we can mitigate the effects of climate change, and so I feel proud that I can make my own small contribution to this effort".

WFP suspends food aid in Mozambique

The United Nations World Food Programme (WFP) announced on 27 January that it is suspending in February its food aid to people displaced by terrorist attacks and their host communities in northern Mozambique. The WFP says it is taking this measure because it has run out of money to provide humanitarian assistance to over a million people affected by terrorism in Cabo Delgado, Niassa, and Nampula provinces. The WFP only had funds to guarantee food aid to these beneficiaries until the end of January.

The WFP representative in Mozambique, Antonella d'Aprile, gave this information on 27 January during a visit to the WFP warehouses in Maputo by the US ambassador to the United Nations, Linda Thomas-Greenfield.

However, the suspension of food aid might only be temporary. D'Aprile told reporters that the WFP's aid could be resumed in March with the support of the United States. For this to happen US\$2.5 million would be necessary – enough to ensure food aid for a further six months. "We have to suspend food aid in February", she said. "But we shall resume operations in March. We are also trying to boost efforts to design programmes

that are more sustainable, and more tied to development". The visit by Thomas-Greenfield, she added, expanded the prospects for raising more funds for the displaced people and the host communities. But the money should not come from just one donor, D'Aprile said. "We have to attract more".

US\$7.7 million needed for Locumue reservoir rehabilitation

The amount needed for the rehabilitation and expansion of the Locumue reservoir in Lichinga, capital of the northern province of Niassa, is estimated at 494 million meticais (US\$7.7 million).

Without the expansion of this reservoir, according to Emerson Chemene, Niassa director of the government's Water Supply Investment and Assets Fund (FIPAG), quoted in "Noticias" on 26 January, Lichinga may soon enter its worst ever shortage of drinking water.

A project for the rehabilitation and expansion of the reservoir, built in the 1960s, had been launched, but due to budgetary difficulties, the work was cancelled.

"Despite heavy rainfall in almost all of Niassa Province, the reservoir's reserve level is the lowest ever", the director said, adding that the capacity of the water supply network in the city, which used to cover almost 70,000 people, has fallen to approximately 23,000 with severe restrictions. In some neighbourhoods, according to Chemene, there are leaks in the pipes "but gradually the leaks are being identified to be repaired."

"Despite the onset of the rains, the level of the reservoir has dropped significantly. The accumulated garbage has increased and the most worrying thing is the level of organic matter that has accentuated", Chemene said.

World Bank disburses US\$5 million for dam construction in Nampula

The World Bank has disbursed US\$5 million for a viability study for the future Meluli dam in the northern province of Nampula.

The funding, according to "Noticias" on 23 January, is part of the Government's programme named "Climate Resilience, Regional Projects", for the definitive solution to the water supply problem in several cities, especially Nampula.

"The construction of the reservoir is seen as the definitive solution to the problem of water supply to Nampula City. If it is built, the infrastructure will be surrounded by two rivers, an unequivocal proof that after its construction there will be no more shortage of drinking water", according to Carlitos Omar, a representative of the Nampula provincial government.

"A World Bank team is due to arrive in Nampula in the next few days to get to know the place where the dam will be built", he said.

Omar added that the Nampula river basins have water at a considerable level as a result of the rain that has been falling in recent days.

Sofala resumes cotton production with US\$2.3 million investment

The central province of Sofala has recently resumed cotton production with the entry of Mandolra Investimentos Limitada, which will invest 150 million meticais (US\$2.3 million) as part of the 2022-2023 agricultural campaign.

Mandolra Investimentos Limitada is a Mozambican operator which is replacing China Africa Cotton, which declared bankruptcy two years ago.

According to the director of the Provincial Economic Activities Services, Angela Dista, cited in "Noticias" on 25 January, the current operator was approved after entering into negotiations with its predecessor for the acquisition of cotton that was still in farmers' hands. This cotton was valued at seven million meticais.

"We encourage farmers to increase production. The government is making efforts so that the production of this crop is not forgotten. We ask for everyone's support so that the results are achieved", said Dista.

For her part, the director of Mandolra Investments Limited, Silvia Mathe, said that her company has technological kits ready for farmers. It will distribute cotton seeds, as well as market the raw cotton.

"The company will immediately invest in the value chain of this crop", Mathe said, adding that her company does not have a processing unit in Sofala, and must resort to the district of Guro, in the neighbouring province of Manica to process the cotton.

The company works with 9,000 farmers in Sofala, and it expects to produce 6,000 tonnes this year, which will be mainly exported to South Africa and China.

Kenmare reports "strong year" in 2022

The Irish company Kenmare Resources, which operates the Moma Titanium Minerals Mine, in the northern province of Nampula, has stated that 2022 was "a strong year" for its products, despite a 16 per cent decrease in shipment volumes compared with 2021. The company says this decrease (from 1,295,300 to 1,075,600 tonnes) was mainly due to a four month period of planned maintenance, which occurs every five years.

According to Managing Director Michael Carvill, cited in a Kenmare press release, "shipments in the fourth quarter were near record levels".

"Despite some macro-economic headwinds, we continue to see a robust market for our products, with strong pricing achieved in the fourth quarter of 2022", said Carvill. "As China further relaxes COVID-19 restrictions, we expect higher domestic demand to support our sales in the region".

"Kenmare has moved to a net cash position of US\$27.5 million at the end of 2022, which represents a US\$110.3 million improvement on the previous year, whilst also having paid record dividends", added Carvill. "We continue to target a total dividend payment of 25 per cent of profit after tax in respect of 2022".

The Kenmare release noted that "record average prices were received for all products. Prices received for

ilmenite, the Company's primary product, increased 29 per cent on a FOB basis compared with 2021 due to tight market conditions, most notably in the first half when pigment producers were constrained due to shortages of titanium feedstocks".

The world demand for pigments "decreased through the year as the global economic outlook weakened and the Chinese zero COVID-19 policy muted industrial activity", it added. "The conflict in Ukraine contributed to energy price inflation, particularly in Europe, pressuring pigment producer margins due to their energy-intensive operations. From a supply perspective, there have been increases in the supply of low-quality ilmenite products entering China, particularly from Mozambique. Despite these factors impacting the market, Kenmare continued to see robust demand for its high-quality ilmenite products, achieving a ninth consecutive ilmenite price increase in the fourth quarter of 2022, as customers continue to value supply security", Kenmare declared.

Central Bank keeps interest rates unchanged

The Monetary Policy Committee of the Bank of Mozambique (CPMO), meeting in Maputo on 25 January, decided to keep its benchmark interest rate, the Monetary Policy Interest Rate (MIMO), unchanged at 17.25 per cent. This is the rate used by the central bank in its interventions on the interbank money market to regulate liquidity. The rate rose from 15.25 to 17.25 per cent last September.

In a press statement, the CPMO said the decision not to alter interest rates was due "to the prevalence of the high risks and uncertainties underlying the forecasts for inflation, notably the impact of the liquidity generated in the economy, resulting from the pressure on public expenditure, and the continued geopolitical tension in Europe". This was despite the expectation that, in the medium term, annual inflation will return to less than ten per cent.

The CPMO also ordered a sharp increase in the compulsory reserves that the commercial banks must deposit with the Bank of Mozambique. For local currency, the reserves rise from 10.5 to 28 per cent, and for foreign currency from 11.5 to 28.5 per cent. The CPMO said the purpose of this rise is to absorb excessive liquidity in the banking system, which is generating inflationary pressures.

There were great uncertainties, the CPMO said, about the impact of excessive liquidity on macroeconomic indicators, and the effects of climate shocks on the supply and sale of produce. Outside of Mozambique, "uncertainties remain about the effects of the extension of the conflict between Russia and Ukraine", and the risks of a global economic recession.

Nonetheless, the CPMO was optimistic that Mozambique's annual inflation will continue to fall. It fell from 10.62 per cent in November to 10.29 per cent in December. The CPMO said this reflected falling food prices, and a cut in the price of cooking gas.

New record for cargo handling at Maputo Port

Maputo Port in 2022 achieved a new record for the amount of cargo handled, which grew by 20 per cent compared with 2021, according to a press release from the Maputo Port Development Company (MPDC), which operates the port. The total amount handled in 2022 was 26.7 million tonnes. In 2021 the figure was 22.2 million tonnes.

The MPDC attributes this growth to the efficient use of the rehabilitated quays 6, 7, 8 and 9, which were inaugurated in May 2022, and to the 24 hour a day operation of the Ressano Garcia border post between Mozambique and South Africa.

The record for the largest loading of a single ship was also broken in 2022, with a volume loaded of 148,206.26 tonnes. The amounts of chrome and ferrochrome moved by rail to the port increased by 73 per cent, from 1.4 million tonnes in 2021 to 2.4 million tonnes in 2022. There was a slight improvement in the ratio between cargo moved by rail and cargo that reached the port by road. In 2021, 21 per cent of the cargo was carried to the port by rail, and this rose to 26 per cent in 2022.

“The rail operators continued to work for a better balance between rail cargo and road cargo”, said Lucas. “The formalisation of single trains between Mozambique and South Africa, without changing locomotives, was a step forward in the continuing search for rail efficiency”.

Lucas was optimistic that the traffic growth will continue in 2023. “We are implementing a new master plan for the port of Maputo”, he said, “and thinking about the challenges the future presents. We are trying to find creative solutions to increase our capacity to meet the growing demand for the port”.

This includes the acquisition of additional equipment such as mobile cranes to improve the port’s productivity.

Maputo Port maintenance dredging underway

The maintenance dredging of the access channel to the Port of Maputo is underway, consisting of the removal of about 550,000 cubic meters of sediment. The dredging is intended to maintain the capacity to receive large ships and increase the levels of cargo handling at the port.

The dredging and maintenance work at the port will be carried out by the dredger Iembe, owned by the Transnet National Port Authority (TNPA) of South Africa.

According to Narciso Chipole, director of Port Engineering at the Maputo Port Development Company (MPDC), cited “Noticias” on 18 January, TNPA was hired after a request for proposals made in June last year, through an international tender.

“The last maintenance dredging was carried out in 2019/2020, followed by an intervention in the first half of 2022, under the project of deepening quays 6, 7, 8 and

9”, said Chipole.

This, he added, is limited to the wharves and intervention in critical sections of the Matola and Polana access channels “and the current scope also involves the maintenance of the Xefina and North Channel to remove 550,000 cubic meters of sediment.”

Parliamentary commission finds no evidence supporting drug claims

The parliamentary commission of inquiry set up to investigate the alleged involvement of an unnamed parliamentary deputy in drug trafficking via the port of Macuse, in the central province of Zambezia, has found no evidence to suggest that Macuse is being transformed into a drugs corridor.

Speaking on 25 January, at a press conference in the Zambezia provincial capital, Quelimane, the chairperson of the Commission, Antonio Niquice, giving the commission’s preliminary conclusions, said it had not identified the supposed deputy/trafficker or obtained any information suggesting that Macuse was now being used to smuggle drugs.

“Although in a separate case, the authorities did abort a drug trafficking network, not only in Macuse but also in Mocuba district, there is still no evidence to indicate that Zambezia has become a drug trafficking corridor”, said Niquice.

The Commission had worked for 15 days, in Namacurra district (where Macuse is located), in Mocuba and Quelimane.

“During this period, we had the opportunity to work in Macuse, and also in Mocuba, where, in accordance with our terms of reference, we took all the measures necessary to clear up this case”, said Niquice.

“Our work will culminate with the presentation of the results”, he added. “Once the work has been completed, it will be up to the Commission to give the treatment it deems appropriate to the conclusions it may draw. But since we have no conclusions, so far we have nothing to share”.

He declined to go into detail about the investigation, but said “as is already public knowledge, a boat was seized in Macuse, which was part of a drug trafficking network, and in Mocuba the police seized significant amounts of methamphetamine and cannabis”.

The Commission will submit its report to the parliament’s governing board, its Standing Commission, which will then make a public statement on the matter.

The Commission was set up because of accusations made, in a plenary session of the country’s parliament on 1 December, by Venancio Mondlane, the rapporteur of the parliamentary group of the main opposition party, Renamo. Mondlane claimed that a deputy is involved in trafficking drugs through the port of Macuse.

The Commission of Inquiry consists of seven deputies – four from the ruling Frelimo Party, two from Renamo and one from the Mozambique Democratic Movement (MDM).

Government creates committee to remove Mozambique from financial “grey list”

The Mozambican Government, in coordination with the European Union and the World Bank, has set up a working committee to remove the country from the “grey list”, announced by the Financial Action Task Force (FATF) for presenting weaknesses in the fight against money laundering and financing of terrorism.

According to the Minister of Economy and Finance, Max Tonela, several actions have been undertaken to remove the country from the list as soon as possible.

“With the formalisation of the Technical Assistance Committee, it is intended to establish a coordination platform with partners to ensure capitalisation of the resources made available”, Tonela said, adding that “the Government approved a Strategy for the Removal of Mozambique from the “grey list” (2022 - 2024) in December last year, accompanied by a plan of activities for the implementation of the measures proposed by FATF.”

For his part, Antonino Maggiore, European Union Ambassador to Mozambique, welcomed the creation of the working group arguing that it will be crucial to pulling the country out of the position it is currently in.

“You will not be alone in this race. The international community is willing and ready to support you. Let me assure you of our commitment to work together with all Mozambican institutions and with your partners”, he said.

According to the National Risk Assessment Report (2020-2021), the risk of money laundering in Mozambique is mainly influenced by informality and payment in cash to purchase vehicles.

US\$850 million guaranteed for EN1

US\$850 million are guaranteed for the rehabilitation of Mozambique’s main north-south highway (EN1), according to the Minister of Public Works, Carlos Mesquita, cited in the newssheet “Mediafax”.

Speaking on 18 January, during a working visit to the southern province of Gaza, Mesquita said that the initial phase of rehabilitation would be aimed at “the most problematic stretches” of EN1.

EN1 runs the entire length of the country, from Maputo to the northern province of Cabo Delgado, a distance of around 2,500 kilometres. The US\$850 million is sufficient to cover 1,053 kilometres, from Pambarra, in Vilankulo district, in the southern province of Inhambane, to Nicoadala in the central province of

Zambezia. The 1,053 kilometres will be rehabilitated in three separate phases. Parts of these stretches of EN1 have become almost impassable during the current rainy season.

Mesquita could not say exactly when the rehabilitation work will begin or how long it will take. He merely said it would start this year. What made it impossible to announce precise dates was the need to respect the rules set by the financing agencies, notably the World Bank. “There is work that has to be done, always bearing the conditions of the financing agency in mind. Each step that we take has to be approved by the World Bank”, said the Minister. “All this is not a matter of one month, two months or three months. We have been saying we believe that this year all these procedural elements on the management of the project can be concluded, and immediately afterwards the work can begin”.

As for the other 1,500 kilometres of EN1, Mesquita said the government is making further efforts to raise the money, including through the repeated visits by President Filipe Nyusi to the United Arab Emirates.

Children in Nampula to be treated against malaria

1.2 million children aged between three and 59 months in the northern province of Nampula will be covered by the seasonal malaria prevention campaign during the current rainy season under an initiative launched by the Minister of Health, Armindo Tiago, in the Administrative Post of Anchilo.

During the campaign, which will take place door-to-door, children will take two drugs orally, namely: sulfadoxine-pyrimethamine and amodiaquine, for three days.

“Even if the children covered have contact with the mosquito that carries malaria, they will not run the risk of contracting the disease”, the minister said, adding that in the first phase of this type of prevention, in 2020, the results achieved were encouraging.

The State Secretary for Nampula Province, Jaime Neto, for his part, said that malaria prevention in his province has covered 47 per cent of the population, one of the highest rates in the country.

In 2022, Nampula Province recorded an increase in malaria cases. About three million cases were diagnosed, compared to 2.6 million in 2021. However, the number of deaths from malaria in the province fell from 67 in 2021 to 58 in 2022.
