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President Nyusi warns natural gas should not be only for export

President Filipe Nyusi on 9 May warned that the production of natural gas solely for export risks diverting the attention of sub-Saharan African countries away from solving their energy problems, such as a lack of access to electricity and dependence on hydropower.

Speaking in Maputo at an international conference on mining and energy, President Nyusi said that access to electricity in sub-Saharan Africa is still very weak. Half the population have no electric power in their homes and those who do consume very small amounts.

He noted that African countries, including Mozambique, are producing natural gas, but mainly for export. “This vision, only oriented towards the export market, diverts our attention away from two situations facing the energy sector in our continent and in the SADC region”, said President Nyusi. “The first is the fact that almost 45 per cent of the population of sub-Saharan Africa, more or less 950 million people, have no access to electricity in their homes. Per capita consumption, excluding South Africa, is estimated at 185 kilowatt/hours per year, compared with 6,500 kilowatt/hours per year in Europe and 12,000 kilowatt/hours in America”.

The President added that around 80 per cent of the electricity consumed in sub-Saharan Africa comes from hydropower. To reduce dependence on the production of energy through water, a source associated with various climate risks, President Nyusi said that natural gas can play a very important role.

But for gas, the Achilles heel is financing. “In the last ten years (up to 2021), about two-thirds of the new generation of electricity has come from gas-fired power stations, which offered greater flexibility and stability faced with the uncertainties arising from climate change, and is thus beneficial for the African continent”, President Nyusi said. “However, this trend faces the dilemma of financing, not for lack of viability, but because some countries and institutions are not willing to finance projects that use fossil fuels”, he added. This was the case even though natural gas was the least polluting of the fossil fuels, and would be a safeguard, given the intermittent nature of renewable energies.

President Nyusi argued that gas could be “a long-term solution, because of the possibilities of its conversion into hydrogen”. Despite the progress with renewable sources of power, they still had an insignificant weight in the total consumption of electricity in Africa, he added, “and are generally used as a solution for the supply of power outside the national grid”.

As for the liquefied natural gas (LNG) project in the northern province of Cabo Delgado, suspended in 2021 because of terrorist attacks, President Nyusi was optimistic that the consortium, headed by the French company, TotalEnergies, will soon resume work.

President Nyusi also mentioned the start this year of graphite mining in the Cabo Delgado district of Balama but lamented that such minerals are still not being processed inside Mozambique. “This is where there is a problem”, said the President. “I would like this conference to work so that investors start thinking about processing minerals”. Transport costs would be much lower if the graphite were processed in Mozambique, he added, and many more jobs would be created for Mozambican workers.

New gas discovery in Inhambane

Mozambique’s National Petroleum Institute (INP) on 28 April announced the discovery of natural gas in the Bonito-1 research well, drilled by the South African company Sasol, in Area PT5-C, in Inhassoro district, in the southern province of Inhambane.

This is the second well drilled by Sasol in the PT5-C area. The first well drilled in this area, named Dourado-1, gave negative results. The wells were drilled as part of Sasol’s contractual obligations.

The INP statement said that Sasol will continue work to assess the scale of the new discovery, and its commercial viability. The well was drilled between 25 March and 5 April and reached a depth of 1,934 metres.

The concession contract for the research and production of hydrocarbons in onshore Area PT5-C was signed on 17 October 2018. Sasol holds a participating interest of 70 per cent, and Mozambique’s publicly owned National Hydrocarbons Company (ENH) holds the remaining 30 per cent.

Sasol has been operating in Mozambique since 2004 and operates the Pande and Temane onshore gas fields in Inhambane. It runs the gas processing plant at Temane, from which gas is transported by pipeline to South Africa. Some of the gas is taken from the pipeline for industrial use in southern Mozambique, including the production of electricity.

Zimbabwe discovers oil, gas, and helium near border

The Australian oil and gas company Invictus Energy announced on 8 May the discovery of light oil, gas, and helium in northern Zimbabwe, near the border with Mozambique. The discovery comes thirty years after US giant ExxonMobil gave up its quest to secure crude oil in the area.

According to Invictus Energy Managing Director Scott MacMillan, cited by the international media, the result “definitively proves the presence of hydrocarbons in multiple reservoir pay zones at one of the wells”. “Analysis shows the presence of light oil and rich natural gas condensate, with condensate gas ratios estimated at between 30 and 135 barrels per million cubic feet”, he said.

Invictus Energy signed the exploration, development, and production deal with Zimbabwe in 2018 and plans to build a gas-to-power facility to supply the national grid. Currently, Zimbabwe is suffering severe power outages of up to 19 hours a day. The find could lead to Zimbabwe’s first gas production and help improve power supplies in a country plagued by dire electricity shortages. President Emmerson Mnangagwa’s government will take as much as 60 per cent of the project’s output under an agreement with Invictus Energy.

Exploration started in August some 200 kilometres north of Harare in a field that is estimated to hold 20 trillion cubic feet of gas.

Invictus plans to drill a second well, Mukuyu-2, during the third quarter of this year. “Success at Mukuyu-2 and confirmation of a significant discovery will further unlock the value of our material portfolio”, said McMillan.

Coral South platform employs over a hundred Mozambicans

The Coral South floating platform for the production of liquefied natural gas (FLNG), in the Rovuma Basin, employs over a hundred Mozambicans, the project’s managing director, Giorgio Vicini, announced on 8 May.

The project is located about 30 kilometres off the coast of Palma district, in the northern Mozambican province of Cabo Delgado.

Addressing a Forum on Energy Transition and Industrialisation, in Maputo, Vicini said “the presence of Mozambicans is a great sign for the extension of the FLNG project, as well as for the development of the communities”.

On the energy transition, Vicini believes it is of vital importance for the development of the floating project, and plans can be designed with the support of local communities, including Mozambican and Italian companies contributing to the process. “This is the spirit of our Enrico Mattei [an Italian revolutionary fighter] who once upon a time taught us this modality of

operating side by side with the communities”, he stressed.

According to Vicini, through the provision of scholarships, Mozambican specialists have already been trained to operate on the platform and they can transmit their knowledge to other Mozambicans, as well as other Africans with similar projects.

The FLNG’s goal is to directly train about 800 Mozambicans by 2037, following 15 years of operations. The training is based on two pillars, the first being in Oil and Gas, which will be carried out with in-house skills, in collaboration with Mozambican and international universities, to meet the specific needs of the Project. The second pillar focuses on vocational training, to be carried out in cooperation with Mozambican vocational training institutions.

To implement the training plans, the Italian energy company, ENI, which is the operator of the floating platform, has designed three programmes, to train at least 200 Mozambicans in Economics, Health Sciences, Biology, Chemical Engineering, Information and Communication Technology, and Law in subjects related to the mineral resources industry.

The first phase of the programme ran from 2012 to 2018 and trained 149 Mozambicans, and the second phase is ongoing but was interrupted due to the outbreak of the Covid-19 pandemic.

Organised by the Mozambique-Italy Chamber of Commerce, Mozambican and Italian businessmen, mainly from the oil and gas industry, participated in the Maputo Forum.

Main reservoirs have sufficient water

The National Directorate of Water Resource Management (DNGRH) has guaranteed that the main Mozambican reservoirs have enough water to meet the demand until the next rainy season.

The reservoirs are currently, on average, about 70 per cent full. “The Chipembe, Nampula, and Nacala reservoirs, in the north of the country, are 100 per cent full”, said Agostinho Vilanculos, head of Water Resources in the Ministry of Public Works, cited in the Maputo daily “Noticias” on 11 May.

The level of the reservoir behind the Cahora Bassa dam, on the Zambezi River, in Tete province, is now 98 per cent full, while the level of the Chicamba dam, on the Revue River in Manica, is 75 per cent full. In the south of the country, the reservoirs behind the Pequenos Libombos, Corumana, and Massingir dams currently stand at 93, 77 and 76 per cent of capacity respectively.

Vilanculos said the levels of many of the country’s main rivers are oscillating, and tending to fall (as would be expected, since the 2022-2023 rainy season is now over). Among the rivers whose levels are falling are the Zambezi, the Buzi, the Pungoe and the Licungo in the centre of the country, and the Limpopo, the Incomati, the Umbeluzi, the Maputo and the Save in the southern provinces.

US grant to support road repairs in Cabo Delgado

The United States Agency for International Development (USAID) has announced a new grant to support the Mozambican Government in bridge construction and road repairs in the northern province of Cabo Delgado.

According to a press release from the US Embassy in Maputo, the focus of this project is to continue with the improvement of the R698 road, which serves as a travel and transport corridor for communities affected by natural disasters and violence in the northern region of Mozambique.

The construction work will include spot improvements, the construction of drainage structures and the construction of a load control centre.

The release says that this work “is part of the larger US Government commitment to work with Mozambique to achieve peace and stability in the country, region, and world through the US Strategy to Prevent Conflict and Promote Stability”.

The release notes that raids by terrorists associated with the self-styled “Islamic State”, and their occupation of parts of the province “have resulted in significant damage and destruction to infrastructure, including transportation in Cabo Delgado”.

With the new agreement, USAID will extend its support to the National Road Administration (ANE) and the Mozambican Road Fund (FE). “This project”, says the release, “will improve road R698 to provide a safe alternative secondary access road between the southern and northern districts of Cabo Delgado. The implementation of this activity will greatly support access to goods, humanitarian assistance, and post-conflict recovery”.

Cited by the release, USAID Mission Director Helen Pataki said, “building on a historic relationship between the US Government and ANE, these combined grants of US\$4.3 million are a physical demonstration of the commitment of the American people to Mozambique. We are here today, as a sign of our successful bilateral partnership in the roads sector”.

USAID says it is investing two million dollars in this agreement over the next two years. This adds to a previous grant of US\$2.3 million for ANE.

The release says that “support for infrastructure is a critical component of the broader US Government assistance in Mozambique”

Mozambique to reopen border post with Tanzania

Mozambique is to reopen later this year the border post with Tanzania, at Namoto, in the northern province of Cabo Delgado. This border post was destroyed in an attack by the terrorist groups that have been plaguing Cabo Delgado since 2017.

“We are doing everything to very soon reopen the Namoto post”, the Minister of the Interior, Arsenia

Massingue, said on 8 May, cited by the German agency DW-Africa, adding “it will be reopened within this year, without fail”.

According to Massingue, work is underway to provide the border post with the minimum acceptable conditions for the population to make use of that passage between the two countries, where the border is demarcated by the Rovuma River.

Namoto was the destination of hundreds of people fleeing during the March and April 2021 attacks against the town of Palma, about 40 kilometres to the south. The displaced people tried to cross the Rovuma River into Tanzania in search of safety.

The attacks in Cabo Delgado have led to a military response since July 2021 with support from Rwanda and the Southern African Development Community (SADC), liberating districts near natural gas projects. The conflict has left more than a million people displaced, according to the United Nations High Commissioner for Refugees (UNHCR), and about 4,000 dead, according to the ACLED conflict registration project.

Mozambique to join Global Finance Facility

Mozambique will soon join the Global Finance Facility (GFF) and the African Petroleum Producers Organisation (APPO) in order to ensure open, transparent, and responsible management of mineral resources.

According to President Filipe Nyusi, Mozambique's membership of these two organisations will allow the country to develop good practices in the management of mineral resources. “We have joined the extractive industry transparency initiative (EITI), which has allowed us to promote open and responsible management of our resources and the processes relating to the value chain of the extractive industry, from the extraction phase to how revenues are collected by the government and how it benefits the citizens”, President Nyusi said, at the opening of Mozambique's 9th Mining and Energy Conference and Exhibition on 26 April. “So, we feel a little more at ease because we are being universally audited and the results have been encouraging”, he added.

At the government level, and to combat mineral smuggling, certificates of origin for mineral products have been introduced, the result of which is seen in the increase in production and export records for mineral resources, particularly gold and gemstones.

President Nyusi said there is a need for improved supervision and mitigation of environmental risks in artisanal mining and the design of internal markets for buying and selling mining products as a way to combat smuggling and reduce informality that induces losses of tax revenues.

The two-day conference was held in Maputo under the motto: “Using Mozambique's Natural Resources for Transformational and Sustainable Economic Development”.

Government setting up anti-kidnapping unit

Prime Minister Adriano Maleiane on 10 May told the country's parliament, the Assembly of the Republic, that the government is setting up a specialised police unit to deal with kidnappings.

The first phase in setting up the new unit was selecting which officers would be part of it. The second phase was specialist training of the unit's members, with the support of foreign cooperation partners. The third phase, said Maleiane, ran alongside the first two phases and consisted of mobilising technical equipment "to endow the Unit with greater operational capacity".

The Prime Minister added that the police had registered 28 cases of kidnapping from 2021 to the present. Fifteen of these cases have been completely cleared up and investigations of the remaining cases will continue, Maleiane pledged. Contacts have been made with the other countries of the region, particularly South Africa, in the context of the fight against organised crime, notably kidnapping, drug trafficking, and trafficking in human beings.

Maleiane blamed the recent surge in inflation on the conflict in Ukraine. The war "is affecting the prices of commodities, particularly grain, petroleum, and their derivatives. This is negatively influencing the performance of the world economy, with a sharp increase in inflation". Other factors influencing inflation were the terrorist raids in the northern province of Cabo Delgado, and the effects of extreme climatic events.

Annual inflation in Mozambique reached 10.82 per cent in March, which compares with only 6.65 per cent in March 2022.

Summarising the damage done by the 2022/2023 rainy season, including Cyclone Freddy, which hit the country twice in March and April, Maleiane said that 314 people had died, mainly due to flooding, lightning strikes, and the collapse of flimsy houses, killing the people living in them. Humanitarian assistance was provided to 441,000 people affected by natural disasters, of whom 381,000 were living temporarily in accommodation centres set up by the government.

Two drug dealers sentenced to long jail terms

The Nampula Provincial Court, in northern Mozambique, has sentenced two individuals, found guilty of drug trafficking, to 16 and 19 years imprisonment. In addition, the court fined the two men three million meticaís (US\$47,000).

The individuals, according to the Maputo daily "Noticias" on 11 May, were trafficking methamphetamine. They were caught by Mozambique's National Criminal Investigation Service (SERNIC) with methamphetamine hidden in a closet in a house in Muahivire neighbourhood, in Nampula City.

"The prison term counts as of the day they were detained. If they show good behaviour in prison, they may serve only half of the sentence", said the judge in the case, Cristina Salia.

13 million meticaís to be invested in water supply in Vilankulo

The Mozambican government plans to invest about 13 million meticaís (US\$203,000) to build and repair water supplies in Vilankulo district, in the southern province of Inhambane.

According to Carlos Lipingue, Director of Planning and Infrastructures in the Vilankulo District Services, the amount will be disbursed by the government and its partners through a project on Climate Change Adaptation which is underway in 12 districts of Inhambane, Gaza, and Nampula.

"Among the infrastructures envisaged, two are multifunctional and they will operate using solar power and seven manual pumps. We will have two new water establishments and the other five will be rehabilitated", he said, cited the Maputo daily "Noticias" on 9 May. He added that the infrastructure will benefit 7,000 inhabitants of rural zones.

With these water sources, he said, the district will surpass its current 84.26 per cent water supply coverage rate to reach 90 per cent.

The multifunctional systems will be opened in the administrative post of Mapinhane, aiming to reduce the long distances that the population must walk to find safe drinking water. The Vilankulo district has 235 water sources in the rural areas, but Lipingue acknowledged that many households still walk long distances looking for water.

STAE rescinds contract with district director for illegal voter registration

The Electoral Administration Technical Secretariat (STAE) in the northern province of Nampula on 7 May announced the cancellation of the contract with the STAE director in Ribaue district for his involvement in illegal voter registration.

The STAE provincial director, Luis Cavalo, also announced the cancellation of the contracts of the supervisor of a registration brigade and a data entry clerk, who had transported voter registration equipment to a private residence that is not one of the places approved as a registration post.

Cavalo's actions followed the circulation in social media of a video showing the voter registration equipment being operated in a residence in the Iapala administrative post – which is nowhere near the Ribaue municipality.

Speaking to reporters, Cavalo presented a public apology for the behaviour of his subordinates and stressed that "STAE does not tolerate this kind of behaviour or illegalities". He added that the matter has been referred to the Public Prosecutor's Office to initiate criminal proceedings.

Cavalo told the reporters that illicit behaviour "is not part of STAE's activity. We are guided by the principles and values of freedom, transparency and impartiality in elections".

China to reduce tariffs

Some of Mozambique's exports to China will soon see a significant reduction in tariffs under an Agreement on Preferential Treatment for Goods Originating in Mozambique signed between the two countries.

According to Maria Gustava, Mozambique's ambassador to China, cited in the Maputo daily "Noticias" on 8 May, the agreement provides for the national products in question to enter the Chinese market with a 98 per cent reduction in duties. "The final details are missing for its implementation, but the agreement is very important as it guarantees that Mozambican products enter the Chinese market with ease. Right now, we are working on the phytosanitary aspects and the registration of companies that can export to China", she said.

The diplomat explained that Mozambique exports wood, fish products, minerals (titanium), and oilseeds to China. In turn, it imports from China machinery, manufactured products, and construction equipment, among others.

She noted that, due to the Covid-19 pandemic, many Mozambicans who bought products in China to resell in the country had to stop, but with the reopening of the Asian nation hopes were reborn and some have already resumed their trips.

"We want more investment in industry, especially in agro-processing and minerals, because that creates jobs. We also need investment in infrastructure and human resource development. This is the message we have been giving to our Chinese counterparts", Maria Gustava explained.

Judges removed for criminal behaviour

At least 20 judges have been expelled from the Mozambican judiciary over the past ten years for criminal behaviour, mostly for crimes of corruption.

"We have a policy of zero tolerance for cases of corruption", declared Carlos Mondlane, chairperson of the Mozambican Association of Judges (AMJ) on 8 May in statements to reporters during a meeting of judges in Maputo, held to discuss the ethical commitment of judges.

Whenever the regulatory body, the Higher Council of the Judicial Magistracy (CSMJ), "faces situations of this nature involving judges", said Mondlane, "the policy is to apply the penalty of expulsion".

The number of expulsions, 20 in a decade, did not mean that there is a great deal of corruption in the Mozambican judiciary. "We are not getting into the discourse of how there is a lot of corruption in the system", Mondlane said. "Rather we recognise that the small amount of corruption that does exist meets a sharp response from the judicial system".

On 24 April the CSMJ launched the Code of Ethics for Judicial Magistrates, an instrument through which judges make an ethical commitment to remove corruption and all other evils that weaken the administration of justice.

"We are very pleased to see that Mozambican judges do not identify with corruption", said Mondlane. "We want to find mechanisms of prevention to combat corruption more effectively".

The meeting took place to mark the Day of the Mozambican Judge – a date instituted to honour the memory of Judge Dinis Silica, who was assassinated on 8 May 2014, as he was investigating cases of kidnapping.

IMF wants to cut public sector wage bill

A staff team from the International Monetary Fund (IMF) which visited Mozambique from 24 April to 5 May, says it held "constructive and fruitful discussions with the Mozambican authorities", on the Second Review under the Extended Credit Facility (ECF) arrangement but is insisting on cutting public sector wages.

A statement issued by the team leader, Pablo Lopez Murphy, said "Mozambique's economic recovery has gained momentum. Sectors most impacted by COVID-19 (hospitality, transport, and communications) have rebounded, and agriculture has benefited from favourable rainfalls".

He stated that economic growth in 2022 stood at 4.1 per cent and is projected to rise to 5 per cent in 2023. "The pick-up in growth is partly driven by extractive industries, including the first liquefied natural gas (LNG) project (Coral South) which began production in October 2022", he added.

Lopez Murphy described annual inflation as "moderate", at 9.3 per cent in March "reflecting frozen fuel prices and lower-than-expected second-round effects of food and fuel price increases. The exchange rate has been stable since mid-2021, which helps contain inflation".

He said "Fiscal performance in 2022 was weaker than expected, with the primary deficit (after grants) about half a per cent of GDP above the projected target—reflecting a significant overrun (of three per cent of GDP) in the cost of implementing the wage bill reform. Lower spending on other goods and services offset part of the wage bill overshoot, such that total current expenditure exceeded projections by about 1 per cent of GDP".

"Revenue was about one per cent of GDP lower than planned, reflecting lower than expected taxes on goods and services (especially VAT)", he continued. "The government has already undertaken several measures towards correcting the wage bill slippages, including changes to the reference wage and salary supplements, and auditing the process of mapping public employees from their original salary level to their new salary level".

The IMF remains obsessed with cutting public sector wages. Lopez Murphy said the IMF staff "encourage the government to proceed with additional measures to reduce the annual wage bill to its approved budget level". He stated that "ensuring that the public wage bill is brought down is critical for safeguarding fiscal and macro sustainability".

President Nyusi seeks cooperation with G7 against terrorism

President Filipe Nyusi on 4 May asked Japanese Prime Minister Fumio Kishida, in Japan's capacity as a member of the G7 group of most developed countries, to look at the question of the proliferation of terrorism and wars in Africa.

President Nyusi proposed cooperation between the G7 and the African Union in order to staunch this phenomenon. President Nyusi made this request because, as of the end of May this year, Japan will hold the rotating presidency of the G7, and will thus be in a better condition to influence the most developed economies to look with attention at the conflicts in Africa.

The Mozambican leader made his request in Maputo during a meeting with Kishida, who is on a one-day working visit to Mozambique, intended to strengthen bilateral cooperation and increase economic ties between the two countries.

"In the talks I had with Prime Minister Fumio Kishida, I shared with him the political, economic and social situation of the country, and the situation of terrorism in Cabo Delgado province", said President Nyusi. "Since Japan will chair the G7 from the end of May, I asked that this body should look at the proliferation of terrorism and war in Africa".

President Nyusi stressed the instability in the Sahel and parts of central and southern Africa, as well as the conflict in Sudan. This insecurity, he said, demands concerted and coordinated action by the various global blocks to restore peace in the regions affected by the conflicts.

He described his meeting with the Japanese Prime Minister as "fruitful". Friendly relations of economic cooperation had been strengthened, which could result in the expansion of investment by Japanese businesses in agriculture, energy, infrastructures, mining, and other areas.

President Nyusi thanked the Japanese government for its strategic partnership with Mozambique and stressed the importance of Japanese aid in mitigating the effects of the natural disasters that have struck Mozambique.

Kishida said that he had listened to the concerns of Mozambique, and was open to working with Mozambique as a non-permanent member of the UN Security Council and as a country suffering from terrorism. He stressed that his visit to Mozambique, and to Africa in general, is intended to understand the vision of the continent towards security, bearing in mind that Japan is about to take over the presidency of the G7 with a clear agenda of "no to war and the proliferation of nuclear weapons".

He promised to carry to the G7 "messages of unity and against aggression. We are paying attention to the situation of terrorism and the situation in Sudan".

Kishida said 50 Japanese businesspeople are on his delegation. They hope to explore the windows for business opportunities in various sectors of the Mozambican economy.

Mozambique gateway for Japanese businesses

The Japanese Minister of State for Foreign Affairs, Kenji Yamada, on 2 May described Mozambique as an excellent gateway to southern Africa for Japanese investors. He also stressed that Mozambique is a strategic partner of Japan due to the enormous potential of its natural resources, particularly its reserves of natural gas, as well as its geo-strategic location.

Yamada was speaking in Maputo to Mozambican journalists shortly after a visit to the Maputo Thermal Power Station (CTM), an electricity infrastructure that was financed by the Japanese government.

The Japanese government and Japanese companies, he said, "are interested in Mozambique which is a gateway to the region of south-east Africa".

Yamada's visit preceded that of Japanese Prime Minister, Fumio Kishida, who arrived in Maputo on 3 May accompanied by a delegation of 54 people including representatives of Japanese companies in sectors such as the building industry, banking, and trade.

"Through this opportunity, we want to deepen our mutual understanding of business demands and opportunities, and obtain some concrete results", said Yamada. He added that "Public-Private Collaboration" was one of the most important themes broached during the eighth Tokyo-Africa International Development Conference (TICAD-8) held in Tunisia in August 2022. Yamada believed that Kishida's visit to Mozambique will help strengthen the cooperation between Japan and Africa.

The director for business development of Mozambique's publicly owned electricity company, EDM, Pedro Ngueleme, stressed the Japanese investment of US\$180 million for the construction of CTM, which he regarded as one of the most modern power stations in Africa.

CTM generates about 106 megawatts of power which meets the needs of Maputo city. Ngueleme said EDM plans to develop other projects with Japan including a second phase of CTM, which could generate a further 100 megawatts.

Trade between Mozambique and UK may reach US\$505 million

The British High Commissioner to Mozambique, Helen Lewis, announced on 4 May in Maputo that trade between Mozambique and the United Kingdom may reach £400 million (US\$505 million) in the next few years.

In 2022, the volume of trade between the two countries reached £220 million, driven particularly by renewable energy, agriculture and mining. "We expect that these trade exchanges could double in the next three years. British companies are some of the main employers and taxpayers in Mozambique, with around 400,000 Mozambicans in the agro-industrial sector alone", said Helen Lewis, during a Mozambique-UK Business Forum in Maputo.

The High Commissioner recognised the enormous energy potential that Mozambique has, stating that it could transform the country into one of the largest energy producers in the world. She revealed that a project, named Shine led, by the Dutch Development Organization (SNV) is underway throughout the country, which aims to ensure access to energy to 1.8 million citizens.

Budgeted at £24.6 million, the project is funded by UKAID and ASDI, representing the commitment of the UK and Sweden to the Energy Africa Campaign in Mozambique.

For his part, the Minister of Mineral Resources and Energy, Carlos Zacarias, highlighted the importance of the UK, which currently ranks third on the list of Mozambique's largest partners in Europe. "The competitive capacity of the United Kingdom in terms of capital, technology, and experience offers a privileged partnership to Mozambique", he said. "This country is the third largest in Europe in terms of our exports and the cooperation has grown in the last five years with 45 projects valued at US\$323 million".

He mentioned that Mozambique's exports to the UK have grown considerably. "In the last five years, our trade balance with the United Kingdom has been favourable to Mozambique, having registered a remarkable growth in total exports, standing at US\$2,299.6 million against US\$567.4 million in imports. It also presents elasticity and an enormous space for diversification and balanced growth of our investment and trade portfolio", he said.

Zacarias expressed his appreciation for the British entrepreneurs and investors based in Mozambique which have contributed to economic and social development through wealth creation, income generation and employment.

He emphasised that Mozambique's strategic location should be seen as an entry point for investors in the southern region of Africa and the continent.

The Minister took the opportunity to invite British businesspeople to participate in the Maputo International Trade Fair (FACIM), as a unique opportunity to exhibit their products.

Mozambique-France trade may reach €200 million

France intends to increase bilateral trade with Mozambique aiming to reach €200 million (US\$221 million) a year by the end of 2023, a figure that was not possible last year due to global economic constraints.

Mozambique's exports to France amounted to over US\$30 million last year and imports to around US\$73 million.

"Last year was complicated due to the conjuncture, but this year we think that business will reach €200 million", said Pierre Sejourne, representative of French business in Mozambique, in an interview with AIM on the preliminary balance of the France-Mozambique Business and Investment Forum that began on 24 April.

According to Sejourne, trade will grow in the long term, given the opportunities that Mozambique offers and a favourable business environment that makes room for more French investments, as evidenced by the measures implemented by the government to ease and boost the business environment by reducing bureaucracy in granting visas.

"The economic relations with Mozambique will now include Mayotte and Reunion, creating an attractive trade and investment zone for the economies covered, taking into account their proximity with Mozambique, the diplomat said.

France makes a positive balance of the event, taking into account the level of business participation from both countries.

The parties are committed to holding another forum in December to maintain permanent contact between the businessmen that operate in various sectors.

Asked about the possible resumption of the Mozambique LNG project, executed by the French company TotalEnergies, in the Rovuma basin off the coast of the northern province of Cabo Delgado, Sejourne insisted that the decision depends on several factors. Nonetheless, he guaranteed that Total remains committed to an eventual resumption of the project.

Total declared "force majeure" and evacuated its staff, in the wake of a major terrorist attack against the town of Palma in March 2021. Security in the area has now greatly improved thanks to the work of the Mozambican defence and security forces, and their allies from Rwanda and SADC (Southern African Development Community).

Norway invests US\$15 million in education in Manica

The Norwegian Agency for Development Cooperation (Norad), through the international NGO Save the Children, has disbursed US\$15 million in the central province of Manica for a project named "Leaving No Child Behind".

The amount was made available over the last five years to promote education (especially reading, writing and mathematics) in four districts of Manica.

According to the Programme Manager of Save the Children in Manica, Ana Dulce Guizado, the project is in its last year of implementation "and it has contributed to boosting education in elementary schools".

At the moment, says Guizado, it benefits 102,000 children (including 49,000 girls) and 115 elementary schools in the districts of Macossa, Manica, Machaze and Tambara. "In these schools, there are 158 reading camps with about 356 promoters. Among other activities, the project produces didactic material which is used to teach the children in the community", she said, adding that the reading and writing activities happen in informal places.

"Our targets are pupils of the first cycle (grades 1, 2 and 3), where the promoters identify the problems faced by the pupils", Guizado explained.

New cashew law reverses World Bank's destructive policies

The Mozambican parliament, the Assembly of the Republic, on 4 May passed the first reading of a government bill on the cashew industry, reversing policies imposed by the World Bank which, in the late 1990s, came close to destroying the industry.

At that time, the Bank, as one of its conditions for loans, insisted that the government end all forms of protection for the industry, and concentrate instead on exporting raw, unprocessed nuts (mainly to India).

Before the World Bank's interference, Mozambique was processing around 50,000 tonnes of cashew nuts a year. After the Bank's diktat, the figure fell to 8,000 tonnes. All the large processing factories closed, and thousands of cashew workers lost their jobs.

World Bank bureaucrats of the time had no problem lying about the Mozambican cashew industry, claiming that it was unsustainable. They wanted all the nuts to be exported raw, without any taxes on these exports.

Opposing the destruction of the industry were investigative journalists, notably the late Carlos Cardoso, the cashew workers' trade union, and the Association of Cashew Industries (AICAJU). In 1999, a law was passed restoring some protection to the industry, but the damage had already been done.

The new bill replaces the 1999 law. Introducing the bill, Agriculture Minister Celso Correia declared that the World Bank policies had led to cashew sector into "decadence".

The new law increases the surtax on exported raw nuts, from 18 to 22 per cent, in the hope that most of the nuts will be processed inside Mozambique. Furthermore, the ban on the industries themselves exporting raw nuts has been overturned. This was a peculiarly senseless policy, which was supposed to defend the interests of the peasant farmers who grew the cashews. The World Bank claimed that removing protection from the industry would favour the farmers – but not a shred of evidence was ever presented for this claim.

Correia said that, when the industries had fulfilled their own requirements, they should be free to export any surplus unprocessed nuts. This would give the industries another source of revenue, and help capitalise their businesses.

The new bill consolidates a trend for the revival of the cashew industry which has been visible for more than a decade and a half. Cashews now make a substantial contribution to the Mozambican economy. According to Correia, in the 2021/2022 agricultural campaign, cashew growers received a gross income of 5.7 billion meticaís (US\$ 90 million). Revenue from the export of processed cashew kernel plus unprocessed nuts was US\$107 million.

The government bill was passed unanimously. Defending the cashew industry is one of the few areas where the ruling Frelimo Party and the opposition are in agreement.

EDM registers net profits of US\$81.8 million

Mozambique's publicly owned electricity company, EDM, in the 2022 financial year recorded its highest ever net profits, of 5,220 million meticaís (US\$81.6 million). This compares with a profit of 2,099 million meticaís recorded in 2021.

The figure was announced at an EDM Ordinary General Meeting, held in Maputo on 28 April. According to an EDM press release, the meeting also analysed the current stage of implementation of previous decisions and approved the EDM's Report and Accounts for the 2022 financial year.

The amount of energy that EDM provided to the electricity system rose from 7,694 Gigawatt-hours (GWh) in 2021 to 8,146 GWh in 2022, which is a growth of about six per cent. "The volume of energy exported was 1,730 GWh in 2022, compared to 1,642 GWh in 2021, representing a growth of five per cent", said the release. "The volume of energy consumed in the country was 4,621 GWh, in 2022, against 4,274 in 2021, which is a growth of eight per cent". Also last year, EDM's business generated revenue of 46,830 million meticaís against 42,595 million meticaís in 2021, a growth of 10 per cent.

As for new customers connected to the National Electricity Grid (REN), EDM made 356,640 new connections, exceeding by 11.5 per cent the target set in the Company's Business Plan, which was 320,000. In the same period, 11 Administrative Posts were connected to the national grid. The total number of EDM clients rose from 2,588,588 in 2021 to 2,936,751 in 2022, which is a growth of 14 per cent. The Domestic Access Rate of the population to power from the National Grid increased by four percentage points, from 39 per cent in 2021 to 43 per cent in 2022.

EDM says it succeeded in recovering US\$23.5 million of debt owed by the Zambian and Zimbabwean electricity companies. This helped reduce EDM's general stock of debt by 12 per cent between 2021 and 2022.

At the General Meeting, the Chairperson of the EDM Board, Marcelino Alberto, stressed that despite Cyclones Ana and Gome, in the centre and north of the country, and the sabotage of electrical installations and theft of energy, the company ended 2022 in a more resilient state. But he regarded the sabotage of electricity infrastructures as a very serious problem, and called for additional legislation to discourage such vandalism, so that, rather than simply replacing damaged equipment, EDM "can focus on its mission of bringing good quality electricity to all Mozambicans by 2030".

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

Commission advises against holding district elections in 2024

The Commission set up by the Mozambican government to reflect on the pertinence of holding elections for district assemblies has recommended that district elections should not be held in 2024.

When a package of decentralisation amendments was inserted into the Mozambican constitution in 2018, they included a commitment to set up district assemblies and to hold the first elections to these bodies in 2024. At the time, nobody asked whether this was feasible. Could 154 district assemblies really be elected at the same time as presidential, parliamentary and provincial elections?

The Constitution merely said that the district assemblies would be elected. It did not state what powers they would have, how they would be financed, or even how many members would sit in them. This was all left for future legislation.

For the past year, President Filipe Nyusi has been calling for reflection on the viability of holding district elections – much to the fury of the opposition parties who argue that, since the 2024 district elections are written into the Constitution, they must be held.

The Commission, known by the acronym CRED, was set up to advise the government on the district elections. Right from the start, the main opposition parties, Renamo and the Mozambique Democratic Movement (MDM), denounced CRED as illegitimate and refused to have anything to do with it.

CRED was to consist of “cadres with recognised competence and experience in local government and public finance”, but its membership has never been publicly announced. With the opposition boycotting CRED, politically the Commission is dominated by the ruling Frelimo Party.

On 28 April, the coordinator of CRED, Justice Minister Helena Kida, presented the Commission’s report which concludes that Mozambique does not meet the necessary conditions to advance with district elections next year. She said this conclusion was reached after public consultations across the entire country over the previous two weeks.

The Minister said that the model of decentralised provincial governance is not yet duly consolidated “because of the complexity of the process itself and the general context, characterised by the crisis provoked by the Covid-19 pandemic, by extreme climatic events, and by terrorism in Cabo Delgado province”.

Mozambique, she added, “does not have sufficient resources to guarantee the expansion of the decentralisation model to the districts”.

Among CRED’s recommendations is a further amendment to the Constitution. The exact nature of the constitutional amendment is not yet clear, but CRED is recommending that the mention of district elections should remain in the Constitution but without any time frame.

CRED also recommends the deepening of dialogue with the opposition forces in order to seek consensus on the lack of the necessary condition for district elections.

Renamo made it clear that there could be no consensus. Renamo spokesperson Venancio Mondlane told a press conference on 28 April that CRED is “unconstitutional”, and so Renamo does not recognise its results. “District elections are a constitutional imperative”, he declared. As for claims the country does not have the money to embark on district elections, he suggested that foreign donors will pay. “Since 1994, there has been no election in Mozambique, either general or municipal, which the state could finance out of the state budget. All the elections we held in Mozambique were supported by the international community”.

India to support Mozambican south-north railway

The Indian government is willing to support the gradual construction of the railway backbone project, linking southern and northern Mozambique, as a way of increasingly facilitating the transport of people and goods in the Mozambican market.

The willingness was expressed in Maputo by Indian Foreign Minister, Subrahmanyam Jaishankar, during his visit to the country, when he visited Mozambique’s publicly owned Ports and Rail Company (CFM).

According to Jaishankar, cited in the Maputo daily “Noticias” on 28 April, India is open and ready to work and support the development initiatives of the Mozambican Government, especially in the area of railway transport, for which this Asian country has great potential. The minister recalled that in recent times, his country has supported Mozambique in the acquisition of locomotives, carriages and railcars.

For his part, Mozambican Transport Minister Mateus Magala said that the next step is to start negotiations between the two governments, as well as a visit to India to gather experiences on the implementation of railway projects of this size.

Recently, Mozambican Prime Minister Adriano Maleiane challenged CFM to develop actions for the gradual construction of the railway backbone project, connecting the southern and northern regions.

The main railways built under colonial rule all run from ports on the Indian Ocean (Maputo, Beira and Nacala) to neighbouring countries. The Portuguese never built any lines connecting the various regions of Mozambique.

The construction of a railway line connecting the north and south of the country is a long-standing project of the government. In September 2017, the then Minister of Transport and Communications, Carlos Mesquita, said that two companies interested in building the railroad had been identified. Mesquita did not advance the names of the companies but assured that the feasibility study for the line would be presented later that year. But no such feasibility study has yet been presented.

The distance between the northern and southern borders of Mozambique is about 1,800 kilometres as the crow flies.

PGR prosecutes company for damaging EN1

The Attorney-General's Office (PGR) in the northern Mozambican province of Cabo Delgado has announced that it is suing a transport company for causing damage costing at 15 million meticais (US\$ 234,000) to the country's main north-south highway (EN1).

The company, AJR Services, transports raw materials for cement production. According to PGR Cabo Delgado spokesperson, Gilroy Fazenda, the company is responsible for the damage to EN1 done by its trucks in Gingone neighbourhood, in the provincial capital, Pemba. "The trucks are overloaded and they damage the road", he said, adding that "since the company refused to repair the damage as suggested by the National Road Administration, it will be held criminally accountable".

Fazenda, cited in the Maputo daily "Noticias" on 2 May, said the PGR is working to hold the company responsible for its acts. "I guarantee that the State will be compensated", he declared.

The company denies its involvement, arguing that is not the only body that uses the road.

UNICEF lacks funds for life-saving services

The United Nations Children's Fund (UNICEF) has warned that it has only received 29 per cent of the funding needed to sustain its life-saving services for over a million children and families in Mozambique.

In a situation report published on 27 April, UNICEF states that it has used US\$17.5 million carried over from last year along with US\$15.2 million raised from the governments of Canada, Japan, United States, Germany, United Kingdom, Switzerland, and the European Union.

UNICEF warns that there are increasing needs due to cholera, floods, and Cyclone Freddy and estimates that this will require an additional US\$89.1 million in expenditure. However, it laments that by the end of March, it had only received US\$3.4 million to meet these additional needs, leaving a funding gap of over 96 per cent.

The UN body points out that in March Cyclone Freddy hit Mozambique for the second time, passing through Namacurra district in Zambezia province, followed by heavy rains and severe flooding in the provinces of Sofala, Tete and Niassa.

It calculates that over a million people in five provinces were affected by the cyclone and flooding of whom 73.7 per cent were in Zambezia. Over 184,000 people were displaced along with damage to 98 health facilities, six water supply systems, and 250 drinking water sources. In addition, 967 kilometres of roads were damaged and 2,850 classrooms were destroyed. The disconnection of power lines left many districts without electricity for between seven and 30 days which impacted the provision of services. It is estimated that 134,000 hectares of crops were destroyed.

UNICEF concludes that "the increasing needs due to cholera and rainy season floods place even more importance on identifying additional flexible resources".

New parking for heavy vehicles at Maputo Port

A temporary parking zone for trucks entering and leaving Maputo Port began operating on 1 May, according to a release from the Maputo Port Development Company (MPDC).

It took a year of building work to clear 1.25 hectares for the zone, which has space to accommodate 50 trucks. The park has basic services and a lighting system, and the MPDC is now embarking on a second phase, which will set up bathrooms, a control point and an induction room. These facilities should be ready in July. At the same time, the MPDC is working on expanding the access road to the port. There will be three lanes for vehicles leaving the port and four for those entering.

These new facilities include a truck inspection point at the entrance to the port and separate accesses for vehicles with abnormal loads. This project should be concluded by August this year.

The release recalls that this project arose from the signing, in August 2020, of a memorandum of understanding between the MPDC and Maputo Municipal Council. The building work envisaged in that memorandum is intended to rehabilitate, organise, and requalify the belt of land around the port.

The same area was used in the past to park trucks, but the release says it has now become "a zone that will allow a greater and more orderly flow of traffic, as well as improved conditions for all truck drivers".

Police seize leopard trophies in Beira

Mozambique's National Criminal Investigation Service (Sernic) has detained a forty-year-old man in the central city of Beira city, caught red-handed in possession of a leopard head and skin.

The detention happened a week after another 38-year-old man, in the same region, was caught in possession of four teeth and 14 claws of lions.

According to the SERNIC spokesperson in Sofala, Alfeu Siteo, the man was caught when he was trying to escape from the authorities, although he denies any involvement in poaching. "He accuses his friend, who is still on the run. Work is underway to detain other people in connection with this case", said Siteo.

According to Siteo, cited in the Beira daily "Diario de Moçambique" on 27 April, the police are looking for the man who showed an interest in buying the trophies.

"Everything indicates that the leopard was killed in Marromeu district (on the south bank of the Zambezi River), the same place of origin as the detained man", the spokesperson stressed.

Despite the possibility of lengthy prison terms, poaching in central Mozambique has been on the increase lately. In early April, in Zumbo district, in the western province of Tete, two men were detained in the possession of ten elephant tusks that they were trying to sell.

In November, 21 tusks were seized, in the Tete districts of Magoe, Cahora Bassa and Moatize.

Mozambique invests US\$9.4 million in genetic improvement of cattle

The Mozambican government has invested 600 million meticaís (US\$9.4 million) in the acquisition of bulls, aiming to improve the genetics of cattle and create conditions for increased production of quality meat.

According to Agriculture Minister Celso Correia, speaking during the launching ceremony of the Animal Vaccination Campaign and the Second National Livestock Forum on 25 April, in Matutuine district, in Maputo province, “about 2,000 cattle will be distributed to family farmers in the coming days to improve the quality of their livestock, as well as to improve the quantity and quality of meat to be supplied to the population”.

The initiative, he said, is financed by the Programme for the Inclusive Development of the Food Value Chain (PROCAVA), an initiative of the Government and its partners aiming to boost food production.

Correia indicated that the beneficiaries have, on average, 30 to 50 animals, and with the delivery of the

bulls they will increase production levels, with the programme expected to transform production methods and improve the quality of life of the farmers.

“The initiative will be extended to more Mozambicans in the coming years, calling for better organisation and commitment in production”, he said, explaining that regarding the animal vaccination campaign, “everything is being done for the necessary coverage, to guarantee the immunisation of the cattle and, in this way, protect public health”.

The minister also said that the goal is to reach at least 80 per cent coverage of the bovine population. “In previous years, it was difficult to reach this percentage, but in the last three years the country has surpassed the goal”, Correia said, adding that “this progress was possible because more vaccines were produced in the research laboratories, making the country a reference in the livestock sector”.

However, he warned that the challenges are huge and there is a long way to go, especially in the areas of access to resilient technologies, and prevention of animal diseases.
