

# Mozambique News Agency

## AIM Reports

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## SADC: President Guebuza reiterates support for members in crisis

President Armando Guebuza on 15 August reiterated the support of the countries of the Southern African Development Community (SADC) to other member states who find themselves in political crisis. President Guebuza, who is the chairperson of the SADC Organ on Politics, Defence and Security Cooperation, was speaking in Namibia's capital Windhoek during the opening session of the SADC security organ as it prepared its report to be submitted to the SADC Summit.

President Guebuza greeted former Mozambican President Joaquim Chissano, who is the SADC mediator for Madagascar, and South African President Jacob Zuma, who is the SADC facilitator on Zimbabwe. The two leaders, along with Philip Mukuku, who is the leader of the facilitation process in Lesotho, have taken steps to improve internal dialogue, said President Guebuza.

The President said that the three processes, whose lack of resolution have in part delayed regional integration, are complex requiring persistence and the ability to articulate hope even in situations where the common citizen can see no way out.

He said that the facilitators and mediators have brought the parties together in a positive attitude, for in their patriotism the parties have discovered their brotherhood and consolidated their mutual respect.

In another development, the SADC Council of Ministers on Sunday adopted a report on the SADC Free Trade Area, which has been in force since August 2008 to promote the circulation of goods through the removal of trade barriers.

The Executive Secretary of SADC, Tomaz Salomao, said that the report depicts the achievements made since the launching of the Free Trade Area. The report also looks at preparations for the launching of a Customs Union, which should have been in place this year.

Angola, Malawi, the Democratic Republic of Congo and the Seychelles have still not joined the Free Trade Area, and the report details the reasons for this delay.

The SADC Summit on 16 August began to analyse progress over the last two years towards regional integration. The current priority is the creation of the Customs Union. In 2015 SADC plans to have launched a Common Market, followed in 2016 by Monetary Union, and in 2018 the adoption of a Single Currency.

### Canadian minister visits

The Canadian Minister of International Cooperation, Beverley Oda, on 17 August began a working visit to Mozambique. The visit, which aims to deepen cooperation between the two countries, will last until Saturday.

During her trip she will meet with representatives of the Mozambican Government, including the Minister of Health, Ivo Garrido, Deputy Minister of Foreign Affairs, Henrique Banze, and the Governor of the northern province of Nampula, Felismina Tocoli.

The programme also includes meetings with partners in maternal and child health services, a visit to Maputo Central Hospital and health centres in Nampula.

The visit is part of Canada's efforts to implement its contribution to the Muskoka G-8 Initiative to improve the health of mothers and children in developing countries.

In June 2010, Canada hosted the G-8 summit at Muskoka, at which leaders pledged to contribute 5 billion Canadian dollars over five years to reduce child mortality and improve maternal health in developing countries.

## Private companies to run three roads

Three major sections of road that have recently been upgraded will be maintained by private companies, reports the daily paper "Noticias" on 17 August.

The National Road Administration and the Road Fund have launched tenders for the concessions on the sections between Maputo and Maxixe, Beira and Machipanda, and Vanduzi and Changara.

The section between Maputo and Maxixe lies on the north-south highway EN1. The stretch from Vanduzi to Changara runs parallel to the border with Zimbabwe, and the Beira to Machipanda road runs from the coastal city to the Zimbabwe border.

Some of these sections are still undergoing roadworks. The EN1 between Xai-Xai and Chissibuca is due to be completed by early next year.

According to Francisco Pereira, the Chairperson of the Road Fund, the awarding of these concessions should happen later this year and will contribute to the Government's efforts to keep high standards of road maintenance, contributing to road safety.

## Pan-African e-Network launched

The governments of India and Mozambique on 17 August inaugurated in Maputo the Pan-African e-Network Project.

The Project is an Indian initiative aimed at empowering African countries with tele-medicine, tele-education and the use of technology in the field of governance. India has established a partnership with the African Union that allows for the implementation of the Project throughout the African continent.

The Indian High Commissioner to Mozambique, Ashok Amrohi, told the press that the entire project will cost \$165 million. "We hope to cover all 53 members of the African Union, and so far we have signed accords with 33 nations. Eleven have already commenced installing the project and today twelve countries are launching the project simultaneously".

In Mozambique the project is based at Maputo Central Hospital in a unit jointly inaugurated by the Minister of Science and Technology, Venancio Massingue, Deputy Minister of Health, Nazira Abdul, and the Indian High Commissioner.

Speaking to journalists, Venancio Massingue praised the role of this project in the implementation of the National Policy on Information Technology, and its emphasis on the use of science and technology to leverage development. According to the Minister, in the health sector the project will enable the exchange of information between scientists in Mozambique and India through video conferences and training programmes. Similarly, in the education sector there will be an exchange of experiences between Mozambican and Indian scientists, initially between staff of the University of Eduardo Mondlane (UEM) and the Indian Institute of Science.

Nazira Abdul said that the advantage of this project is that it will enable permanent contact between Indian and Mozambican doctors. "Maputo Central Hospital is Mozambique's referral hospital, and we can now consult online with India. We are going to have contact with doctors and teachers with diverse specialities in India," said Abdul.

## National Training Centre for tropical fruit processing

The Mozambican government is building a new National Training Centre for processing tropical fruits in the administrative post of Namialo, in the northern province of Nampula. It will be based in the premises of the Agricultural Research Institute.

The project, funded by the World Bank, is an initiative of the Mozambican government to support competitiveness and development of the private sector in the country. Renovation and equipment will cost about \$2.9 million.

According to Benedict Mualoja, member of the provincial government in Nampula, Mozambique has a vast potential to produce and export tropical fruits. However, the poor quality of tropical fruits processed in Mozambique is one of the major constraints to access exports markets.

## Private sector invests \$9 million in buses

The Mozambican Federation of Road Transporters (FEMATRO) is investing \$9 million to import 100 new buses for public transport in Maputo, Matola, Beira, and Nampula.

In Maputo most passengers use the 2,000 private minibuses, which each have the capacity to carry 15 passengers.

Maputo's publicly owned bus company, TPM, is visibly incapable of dealing with the demand. Its fleet includes 190 buses, each with 56 seats, providing less than 20 per cent of transport needs.

According to the chairperson of FEMATRO, Rogerio Manuel, some of the buses, which are being imported from China, have already arrived in Mozambique and are expected to be fully operational by the end of the year.

According to Rogerio Manuel the new buses - Ashok Leyland with 80 seats each - are adequate for the challenges posed by Mozambican roads. Expressing his trust in the new buses, Manuel said, "we discussed with experts and from what we have heard and seen, these are buses that will succeed in our market".

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

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## **EIB to finance peri-urban electrification**

The Mozambican public electricity company (EDM) and European Investment Bank (EIB) have signed a loan agreement for €44 million for the implementation of projects to supply electricity to peri-urban areas in the main towns and villages across the country.

It is estimated that the initiative will benefit over 93, 000 new customers who will be connected to the national grid.

This will involve upgrading existing electrical substations and transformers in the provinces of Maputo, Manica, Nampula, Tete and Cabo Delgado.

The project is part of a five-year government program for the expansion of the national grid and to connect new customers. It will be also funded by the World Bank, OPEC Fund, Arab Fund and the Mozambican government.

EIB has also announced that it will disburse €700,000 to finance technical and economic feasibility studies on the Mozambican Integrated Transmission Backbone System (also known as CESUL).

The project includes the construction of a 1,400 kilometres long high-voltage transmission line linking Mozambique's central and southern regions.

Feasibility studies for this project are expected to be completed by the end of February 2011.

Estimates put at \$2.4 billion the total cost for the full implementation of the project that is scheduled to be completed by 2016.

## **Germany grants €47 million for education**

The Mozambican and German governments in Maputo on 13 August signed an agreement under which the German Development Bank (KfW) will disburse \$47 million to support the Common Fund that co-finances the implementation of Mozambique's Strategic Plan for the Education Sector 2010-2013.

The strategic plan was designed to improve the quality of education to boost Mozambique's economic and social development by expanding access, particularly for women, and strengthen capacity building in the areas of political education, planning and management.

The agreement was signed by the Governor of the Mozambique's Central Bank, Ernesto Gove and the Director of KfW, Ralf Orlik.

Speaking shortly after the signing ceremony, Gove said this is the fourth funding granted by the German government to support the Common Fund, totalling €112 million since 2001. "This shows the confidence of the donors for programmes being implemented by Mozambique, particularly at a time when several countries are seeking to tackle imbalances originating from the global financial crises," said Gove.

## **Foreign direct investment soars by 400 per cent**

Foreign Direct Investment (FDI) in Mozambique soared by 400 per cent in the first half of 2010 compared to the same period last year, according to the Investment Promotion Centre (CPI).

In the first half of 2010, CPI approved 82 projects and 38 reinvestments, worth a total of \$601.2 million. According to CPI, 53.62 per cent of these investments are in the agribusiness sector, which are expected to generate about 7,000 new jobs.

Portugal tops the list of foreign investors in the first half of 2010. With investments amounting \$58.9 million, Portugal were ahead of Italy, Spain, China and South Africa - the latter being the major foreign investor in the first half of 2009.

Norway was the largest foreign investor in Mozambique in 2009, with two projects approved by CPI worth \$742.3 million.

As for domestic investment, CPI approved projects worth \$20.3 million in 2010, down from \$34 million from the same period last year.

## **Economy grew 7.2 per cent in first half of 2010**

Mozambique's economy grew by 7.2 per cent in the first half of 2010, while the Gross Domestic Product (GDP) grew 9.5 per cent, with inflation reaching 5.7 per cent.

These figures were released in Maputo on 10 August by the government spokesperson Alberto Nkutumula after a meeting of the Council of Ministers.

Nkutumula also said that country's exports reached \$456 million in the first quarter of 2010. As for Mozambique's foreign currency reserves, they stood at \$1.742 billion in June.

Mozambique's economy was seriously hit by rising international oil prices, which had a negative impact on the prices of consumer goods and services.

Mozambique's economy has also suffered from the strengthening of both the US dollar and the South African rand.

The economy was also affected by the delay by the country's main donors in disbursing general budget support for this year. This delay happened in the first quarter of 2010, with the funds only being made available at the end of March.

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## Timetable drawn up for amending electoral laws

The Mozambican parliament, the Assembly of the Republic, hopes to have amended electoral legislation approved by the second half of 2011 – which will be around two years before the next municipal elections and three years before the next presidential and parliamentary elections.

The first deputy chairperson of the Assembly, Lucas Chomera, told reporters on 27 July, after a session of the Assembly's governing board, the Permanent Commission, that a full timetable has now been approved which will lead to approval of the new legislation in September 2011.

By this August, the three political parties represented in the Assembly (the ruling Frelimo Party, Renamo, and the Mozambique Democratic Movement, MDM) must submit their proposals on what should be amended, to the Assembly's Commission on Public Administration, the body in charge of redrafting the legislation.

By September the Commission will hold hearings and consultations with the extra-parliamentary parties, and civil society organisations. It will also consult with the outgoing National Elections Commission (CNE), and its executive body, the Electoral Administration Technical Secretariat (STAE).

After the consultations, the Commission will produce a comparative matrix, showing the areas where there is consensus, and those where there is disagreement.

From October this year until June 2011, the Commission will try to harmonise all the various proposals presented. It will then draft a final version of the amended legislation to be presented to the Assembly plenary in September 2011.

If this timetable holds, both the Electoral bodies and the political parties will know what is in the law years before the elections take place. There will no longer be any excuses for hasty drafting, overlapping deadlines, or ambiguous phrasing that puts far too much discretionary power in the hands of the CNE.

Since the potential candidates will know what is required of them so far in advance, they will also have no excuse for submitting incomplete nomination papers, or for delivering their nominations on the last possible day, which is what happened in 2009.

## Hotline to Attorney General's office launched

Citizens are now able to contact directly the office of Augusto Paulino, the Attorney General. The hotlines, known as the "Linhas Verdes" will be available to on the first day of each month.

People will have the opportunity to talk with the office about issues which contribute to the promotion of integrity, citizenship, the fight against corruption, legal education and the access of citizen's to justice and their rights.

On 4 August a memorandum was signed in Maputo between the Attorney General's office (PGR) and the telecommunication providers TDM, Mcel and Vodacom. These companies will provide hotlines with the numbers 800315315, 823347 and 843347.

According to Augusto Paulino, this is not a populist measure, but a way of addressing specific issues of concern to society.

He assured everyone who calls the line that they will be protected by the authorities, and pointed out that "we want people to have the opportunity to quietly denounce anything illegal that happens".

## New CPI director sworn in

Prime Minister Aires Ali on 28 July stressed the importance of speeding up initiatives under way to attract investment, for the development of a strong, dynamic, competitive and innovative private sector.

He was speaking at the ceremony to swear into office Lourenco Sambo as the new director of the government's Investment Promotion Centre (CPI), replacing Mohamed Rafique. Sambo was previously an advisor to Planning and Development Minister Aiuba Cuereneia.

At the same ceremony, Joao Godinho was sworn in as deputy director of the CPI.

Ali said that government regards it as a priority to implement policies that seek to expand direct investment, national and foreign, to increase the competitiveness of the Mozambican economy, and to ensure continued growth of the country's GDP.

The CPI's key task, he added, was to improve and adjust legal instruments and procedures for the licensing of investments. He wanted to see research into new investment opportunities, and project studies particularly in agriculture, agro-industry and fisheries.

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